

NEW ISSUE - FULL BOOK-ENTRY

INSURED RATING: S&P: "AA"
UNDERLYING RATING: S&P: "A+"
See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds maturing on and after August 1, 2024 is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. Bond Counsel observes that interest on the Bonds maturing on January 1, 2024 (the "Federally Taxable Bonds") is not intended to be excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$20,425,000
SANGER UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
2020 Election, Series B

Dated: Date of Delivery

Due: As shown on inside front cover.

Authority and Purpose. The Sanger Unified School District (Fresno County, California) General Obligation Bonds, 2020 Election, Series B (the "Bonds") are being issued by the Sanger Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on September 12, 2023 (the "Bond Resolution"). The Bonds were authorized at an election of the registered voters of the District held on November 3, 2020, which authorized the issuance of \$150,000,000 principal amount of general obligation bonds for school facility improvements. The Bonds are the second series of bonds to be issued under this authorization, the proceeds of which will be applied to the prepayment of an interim financing for voter-approved capital projects, and related issuance costs. See "THE FINANCING PLAN" and "THE BONDS – Authority for Issuance."

Security. The Bonds are general obligations of the District payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Fresno County (the "County"). The County Board of Supervisors is empowered and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

Payments. The Bonds are dated the date of delivery and accrue interest at the rates set forth on the inside cover page hereof payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing on February 1, 2024; except, however, principal of and interest on the Federally Taxable Bonds are payable on January 1, 2024. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Los Angeles, California, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "-Mandatory Sinking Fund Redemption."

Book-Entry Only. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Bond Insurance. Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") will issue a Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on and after August 1, 2034 (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due, as set forth in the form of the Policy included as Appendix H to this Official Statement. See "BOND INSURANCE" and "APPENDIX H."



MATURITY SCHEDULE
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado is serving as Underwriter's Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about November 14, 2023.

STIFEL

MATURITY SCHEDULE
SANGER UNIFIED SCHOOL DISTRICT
(Fresno County, California)

Base CUSIP†: 800851

\$20,425,000 Principal Amount

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP†
Federally Taxable January 1, 2024	\$10,000	5.750%	5.750%	UP0
Tax-Exempt (August 1)				
2024	1,020,000	5.000	3.640	UQ8
2025	1,065,000	5.000	3.630	UR6
2026	1,275,000	5.000	3.570	US4
2034*	50,000	5.000	3.720	C UT2
2035*	90,000	5.000	3.810	C UU9
2036*	135,000	5.000	3.940	C UV7
2037*	180,000	5.000	4.060	C UW5
2038*	225,000	5.000	4.160	C UX3
2039*	150,000	5.000	4.250	C VB0

\$470,000 – 4.250% Term Bonds due August 1, 2040*; Yield: 4.530%; CUSIP†: VC8

\$1,385,000 – 4.375% Term Bonds due August 1, 2043*; Yield: 4.680%; CUSIP†: UY1

\$3,920,000 – 4.625% Term Bonds due August 1, 2048*; Yield: 4.840%; CUSIP†: UZ8

\$10,450,000 – 5.250% Term Bonds due August 1, 2055*; Yield: 4.820%^C; CUSIP†: VA2

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services (“CGS”), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. © 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience only. Neither of the District nor the Underwriter takes any responsibility for the accuracy of such numbers.

*Insured Bonds. See “BOND INSURANCE” herein.

C: Yield to first par call on August 1, 2033.

SANGER UNIFIED SCHOOL DISTRICT
(Fresno County, California)

BOARD OF TRUSTEES

Ismael (Mike) Hernandez (Area 5), *President*
Peter R. Filippi (Area 2), *Vice President*
Jesse Solorio (Area 6), *Clerk*
Va Her (Area 4), *Trustee*
G. Brandon Vang (Area 3), *Trustee*
Jesse Vasquez (Area 7), *Trustee*
Tammy Wolfe (Area 1), *Trustee*

DISTRICT ADMINISTRATION

Dennis Wiechmann, Ed.D., *Superintendent*
Eduardo Martinez, *Deputy Superintendent*
Ryan Kilby, *Chief Financial Officer*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Keygent LLC
El Segundo, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Bond Insurance. Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading "BOND INSURANCE" and in APPENDIX H.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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\$20,425,000
SANGER UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
2020 Election, Series B

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the General Obligation Bonds 2020 Election, Series B (the “**Bonds**”) by the Sanger Unified School District (the “**District**”) of Fresno County (the “**County**”), State of California (the “**State**”).

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District was unified in 1965 from the combination of separate school districts located within the current boundaries of the District. The District consists of an area of approximately 180 square miles and a population of approximately 58,700 residents and encompasses nearly all of the City of Sanger (the “**City**”), portions of the cities of Fresno and Clovis, and adjacent unincorporated portions of the County. The District operates twelve elementary schools, one middle school, two high schools, two dependent charter schools, three alternative schools and an adult school. Nine pre-school centers are operated by the District. Enrollment in fiscal year 2023-24 is budgeted for 13,388 students including charter schools. The District’s fiscal year 2023-24 total assessed value is \$5,837,083,633. For more information regarding the District and its finances, see Appendix A and Appendix B hereto. See also Appendix C for demographic and other statistical information regarding the City and the County.

Purposes. The net proceeds of the Bonds will be used to prepay an interim financing which was applied to construct and improve school facilities as approved by District voters at an election held in the District on November 3, 2020, and to pay related costs of issuance. See “THE FINANCING PLAN” herein.

Authority for Issuance of the Bonds. The Bonds are being issued pursuant to applicable provisions of the Government Code of the State, commencing with Section 53506 thereof, and pursuant to a resolution adopted by the Board of Trustees of the District on September 12, 2023 (the “**Bond Resolution**”). See “THE BONDS - Authority for Issuance” herein.

Payment and Registration of the Bonds. The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “THE BONDS” and “APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “THE BONDS – Optional Redemption” and “– Mandatory Sinking Fund Redemption.”

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of principal of, and interest on, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

The District has other series of general obligation bonds outstanding that are payable from *ad valorem* property taxes levied on taxable property in the District. See “DEBT SERVICE SCHEDULES” and Appendix A under the heading “DISTRICT FINANCIAL INFORMATION – Existing Debt Obligations- General Obligation Bonds”.

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (“**Bond Counsel**”), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the District (“**Disclosure Counsel**”). Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

Tax Matters. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, subject to certain qualifications described herein, under existing law, the interest on the Bonds maturing on and after August 1, 2024 (the “**Tax-Exempt Bonds**”) is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Tax-Exempt Bonds may be subject to the corporate alternative minimum tax. Bond Counsel observes that interest on the Bonds maturing on January 1, 2024 (the “**Federally Taxable Bonds**”) is not intended to be excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.

Bond Insurance. Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Bonds maturing on and after August 1, 2034 (the “**Insured Bonds**”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due, as set forth in the form of the Policy included as Appendix H to this Official Statement. See “BOND INSURANCE” and APPENDIX H attached hereto.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed in connection with the Bonds. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See “CONTINUING DISCLOSURE” herein.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the Superintendent’s

Office at 1905 Seventh Street, Sanger, California 93657, Telephone: (559) 524-6521. The District may impose a charge for copying, mailing and handling. The District also maintains a website. The information contained in such website is not incorporated herein by reference.

END OF INTRODUCTION

Remainder of page intentionally left blank.

THE FINANCING PLAN

The 2020 Bond Authorization

The net proceeds of the Bonds will be used to prepay an interim financing obtained in 2022 and described more particularly below, the proceeds of which were used to finance projects approved by District voters pursuant to an election held in the District on November 3, 2020, at which the voters authorized a total of \$150 million principal amount of general obligation bonds (the “**2020 Bond Authorization**”). The abbreviated form of the 2020 Bond Authorization (limited to 75 words or less) presented to District voters is as follows:

“To improve college/career preparation, reduce overcrowding by completing the Sanger Unified School District Educational Complex/ upgrade all schools including vocational/career/classrooms/labs, online learning technology, emergency communication systems, security door locks, preparation for public health emergencies, shall Sanger Unified School District’s measure be adopted authorizing \$150,000,000 in bonds at legal interest rates, levying 6 cents per \$100 of assessed valuation, raising \$7,600,000 annually to repay issued bonds through maturity, requiring audits, oversight, all money used locally?”

On June 8, 2021, the District issued an initial series of bonds pursuant to the 2020 Bond Authorization in the principal amount of \$50,000,000, leaving \$100,000,000 of authorized but unissued bonds as of this date. The Bonds will be the second series of bonds issuance pursuant to the 2020 Bond Authorization.

In addition to bonds issued pursuant to the 2020 Bond Authorization, the District has other general obligation bonds which are similarly secured by *ad valorem* taxes levied and collected in the District. See “DEBT SERVICE SCHEDULES” and “APPENDIX A - GENERAL AND FINANCIAL INFORMATION FOR THE SANGER UNIFIED SCHOOL DISTRICT- DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations.”

Refunding Purposes; Partial Prepayment of 2022 Certificates

The Refunded 2022 Certificates. On March 10, 2022, the District caused the execution and delivery of 2022 Certificates of Participation (Capital Projects) (Refinancing of 2014 Lease Agreement) in the aggregate principal amount of \$102,525,000 (the “**2022 Certificates**”). The proceeds of the 2022 Certificates were applied to finance capital facilities improvements as authorized projects in the 2020 Bond Authorization on an interim basis, and to refinance a 2014 Lease Agreement. The net proceeds of the Bonds will be applied to prepay a portion of the 2022 Certificates (the “**Refunded Certificates**”), which are described more particularly as follows:

SANGER UNIFIED SCHOOL DISTRICT Identification of 2022 Certificates to be Prepaid

Maturity Payable from Escrow	CUSIP†	Interest Rate	Principal Amount	Prepayment Date	Prepayment Price
06/01/2052 T	800860 EM6	5.000%	\$20,000,000	02/12/2024	100.0%

T: Term Certificate.

† CUSIP Copyright American Bankers Association. CUSIP data herein is provided by FactSet Research Systems Inc. Neither the District nor the Underwriter is responsible for the accuracy of such data.

Deposit to Escrow Fund. The District will deliver the net proceeds of the Bonds to U.S. Bank Trust Company, National Association, which serves as the trustee for the 2022 Certificates, as escrow agent (the “**Escrow Agent**”), for deposit in an escrow fund (the “**Escrow Fund**”) established under an Escrow Agreement (the “**Escrow Agreement**”), between the District and the Escrow Agent. The Escrow Agent will hold such funds in cash and/or invest such funds in certain United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States (“**Escrow Fund Securities**”) and will apply such funds, together with interest earnings on the investment of such funds in Escrow Fund Securities, to pay the principal of and interest on the Refunded Certificates, including the prepayment price of the Refunded Certificates, as set forth above, together with accrued interest to the prepayment date identified above.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”). See “VERIFICATION OF MATHEMATICAL ACCURACY” herein. As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Bonds, the Refunded Certificates will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Certificates, and will not be available for the payment of debt service with respect to the Bonds described herein.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of Bonds	\$20,425,000.00
Plus Net Original Issue Premium	<u>296,807.25</u>
Total Sources	\$20,721,807.25

Uses of Funds

Deposit to Escrow Fund ⁽¹⁾	\$20,423,841.00
Deposit to Debt Service Fund ⁽²⁾	10,075.07
Costs of Issuance ⁽³⁾	<u>287,891.18</u>
Total Uses	\$20,721,807.25

(1) See “THE FINANCING PLAN” herein.

(2) Represents proceeds of the Taxable Bonds to be applied to capitalized interest on the Bonds.

(3) All estimated costs of issuing the Bonds including, but not limited to, the Underwriter’s discount, fees of Bond Counsel and Disclosure Counsel, the Municipal Advisor, the Paying Agent, the Escrow Agent, the Bond Insurer, and the rating agency.

THE BONDS

Authority for Issuance

The Bonds will be issued pursuant to Sections 53506 *et seq.* of the California Government Code, the Bond Resolution, and the 2020 Bond Authorization.

Description of the Bonds

The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company (“**DTC**”). See “-Book-Entry Only System” below and “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

The Bonds accrue interest at the interest rates set forth on the inside cover hereof computed on the basis of a 360-day year consisting of twelve 30-day months, which is payable on a current basis. The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2024 (each, an “**Interest Payment Date**”); except, however, principal of and interest on the Federally Taxable Bonds is due on January 1, 2024. Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2024, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Los Angeles, California (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”). Purchasers of the Bonds (the “**Beneficial Owners**”) will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice. See “APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Optional Redemption

The Bonds maturing on or before August 1, 2026 are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 2034 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2033, or on any date thereafter, at a price equal to 100% of the principal amount together with accrued interest to the redemption date, without premium.

For the purpose of selection for optional redemption, Bonds will be deemed to consist of \$5,000 portions principal amount, and any such portion may be separately redeemed. Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of \$5,000 principal amount, which may be separately redeemed.

Mandatory Sinking Fund Redemption

The Bonds maturing on August 1, 2040, August 1, 2043, August 1, 2048 and August 1, 2055 (collectively, the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

\$470,000 Principal Amount Term Bonds Maturing August 1, 2040

Redemption Date (August 1)	Sinking Fund Redemption Amount
2039	\$135,000
2040 (Maturity)	335,000

\$1,385,000 Principal Amount Term Bonds Maturing August 1, 2043

Redemption Date (August 1)	Sinking Fund Redemption Amount
2041	\$395,000
2042	460,000
2043 (Maturity)	530,000

\$3,920,000 Principal Amount Term Bonds Maturing August 1, 2048

Redemption Date (August 1)	Sinking Fund Redemption Amount
2044	\$610,000
2045	690,000
2046	775,000
2047	870,000
2048 (Maturity)	975,000

\$10,450,000 Principal Amount Term Bonds Maturing August 1, 2055

Redemption Date (August 1)	Sinking Fund Redemption Amount
2049	\$1,080,000
2050	1,200,000
2051	1,330,000
2052	1,475,000
2053	1,625,000
2054	1,785,000
2055 (Maturity)	1,955,000

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds will be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent is required to give notice of the redemption of the Bonds, at the expense of the District, at least 20 days but not more than 60 days prior to the date fixed for redemption. Such notice may be a conditional notice of redemption and subject to rescission as described below. Notice of any redemption of Bonds shall identify the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be

paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was given under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the registration books of the Paying Agent shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Los Angeles, California for a like aggregate principal amount of authorized denominations and of the same Bond maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As defined in the Bond Resolution, the term “**Federal Securities**” means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; and (d) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General

Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

APPLICATION OF BOND PROCEEDS

Escrow Fund

Pursuant to the Bond Resolution, the net proceeds from the sale of the Bonds will be transferred to the Escrow Agent to be held, invested and applied to refund and prepay the Refunded Certificates in accordance with the Escrow Agreement. See "THE FINANCING PLAN - Refunding Purposes; Partial Prepayment of 2022 Certificates."

Debt Service Fund

Pursuant to the Bond Resolution, the amount of premium, if any, received by the County on behalf of the District from the sale of the Bonds will be deposited and kept separate and apart in a fund established and held by the County Treasurer and designated as the "Sanger Unified School District 2020 Election, Series B General Obligation Bonds Debt Service Fund" (the "**Debt Service Fund**"), which is pledged for the payment of the principal of and interest on the Bonds when and as the same become due. All taxes levied by the County for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy.

Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, shall be transferred to any other interest and sinking fund or account for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, shall be transferred to the District's general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

Investment of Proceeds of Bonds

All moneys held in any of the funds or accounts established with the County under the Bond Resolution will be invested in Authorized Investments (as defined in the Bond Resolution) in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established under the Bond Resolution will be deposited in the fund or account from which such investment was made and will be expended for the purposes thereof.

In accordance with Government Code Section 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with State Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See "APPENDIX G - FRESNO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT."

DEBT SERVICE SCHEDULES

Debt Service on the Bonds. The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

SANGER UNIFIED SCHOOL DISTRICT Bond Annual Debt Service Schedule

Date (August 1)	Principal	Interest	Total
2024*	\$1,030,000.00	\$728,237.28	\$1,758,237.28
2025	1,065,000.00	968,993.76	2,033,993.76
2026	1,275,000.00	915,743.76	2,190,743.76
2027	--	851,993.76	851,993.76
2028	--	851,993.76	851,993.76
2029	--	851,993.76	851,993.76
2030	--	851,993.76	851,993.76
2031	--	851,993.76	851,993.76
2032	--	851,993.76	851,993.76
2033	--	851,993.76	851,993.76
2034	50,000.00	851,993.76	901,993.76
2035	90,000.00	849,493.76	939,493.76
2036	135,000.00	844,993.76	979,993.76
2037	180,000.00	838,243.76	1,018,243.76
2038	225,000.00	829,243.76	1,054,243.76
2039	285,000.00	817,993.76	1,102,993.76
2040	335,000.00	804,756.26	1,139,756.26
2041	395,000.00	790,518.76	1,185,518.76
2042	460,000.00	773,237.50	1,233,237.50
2043	530,000.00	753,112.50	1,283,112.50
2044	610,000.00	729,925.00	1,339,925.00
2045	690,000.00	701,712.50	1,391,712.50
2046	775,000.00	669,800.00	1,444,800.00
2047	870,000.00	633,956.26	1,503,956.26
2048	975,000.00	593,718.76	1,568,718.76
2049	1,080,000.00	548,625.00	1,628,625.00
2050	1,200,000.00	491,925.00	1,691,925.00
2051	1,330,000.00	428,925.00	1,758,925.00
2052	1,475,000.00	359,100.00	1,834,100.00
2053	1,625,000.00	281,662.50	1,906,662.50
2054	1,785,000.00	196,350.00	1,981,350.00
2055	1,955,000.00	102,637.50	2,057,637.50
Total	\$20,425,000.00	\$22,468,856.22	\$42,893,856.22

*Includes principal and interest due on the Taxable Bonds on January 1, 2024.

Combined Debt Service. The following table shows the debt service schedule with respect to the Bonds on a combined basis with debt service on all other outstanding bonded indebtedness of the District, assuming no optional redemptions.

**SANGER UNIFIED SCHOOL DISTRICT
Combined General Obligation Bonds Debt Service Schedule**

Bond Year Ending August 1	Outstanding Refunding Bonds ⁽¹⁾	Election of 2006 Bonds	Election of 2012 Bonds	Election of 2016 Bonds	Election of 2018 Bonds	Election of 2020 Bonds	The Bonds	Total Debt Service
2024	\$4,821,426.90	-	\$845,000.00	\$2,108,212.52	\$2,873,568.76	\$2,660,850.00	\$1,758,237.28	\$15,067,295.46
2025	5,159,937.00	-	733,000.00	2,212,712.52	2,446,968.76	1,459,650.00	2,033,993.76	14,046,262.04
2026	5,903,818.40	-	766,400.00	1,761,212.52	2,546,168.76	1,459,650.00	2,190,743.76	14,627,993.44
2027	6,231,192.20	-	803,200.00	1,761,212.52	2,645,768.76	1,459,650.00	851,993.76	13,753,017.24
2028	2,668,096.96	\$3,575,000.00	838,200.00	2,416,212.52	2,750,568.76	1,459,650.00	851,993.76	14,559,722.00
2029	2,773,370.96	3,750,000.00	881,400.00	2,503,462.52	2,863,468.76	1,459,650.00	851,993.76	15,083,346.00
2030	2,893,384.16	3,940,000.00	917,400.00	2,599,712.52	2,975,218.76	1,459,650.00	851,993.76	15,637,359.20
2031	2,563,031.90	4,135,000.00	966,400.00	3,149,212.52	3,098,018.76	1,459,650.00	851,993.76	16,223,306.94
2032	3,142,381.30	-	1,007,800.00	2,783,062.52	3,219,218.76	1,744,650.00	851,993.76	12,749,106.34
2033	3,266,480.16	-	1,051,800.00	2,886,912.52	3,348,618.76	1,818,250.00	851,993.76	13,224,055.20
2034	3,394,583.00	-	1,103,200.00	2,999,662.52	3,480,618.76	1,888,450.00	901,993.76	13,768,508.04
2035	3,526,313.20	-	1,156,600.00	3,113,412.52	3,619,818.76	1,965,250.00	939,493.76	14,320,888.24
2036	3,676,112.76	-	1,201,800.00	3,232,675.02	3,767,418.76	2,043,250.00	979,993.76	14,901,250.30
2037	2,883,053.00	-	1,264,000.00	4,313,175.02	3,916,918.76	2,122,250.00	1,018,243.76	15,517,640.54
2038	2,974,355.30	-	1,322,400.00	4,504,731.26	4,072,918.76	2,212,050.00	1,054,243.76	16,140,699.08
2039	3,066,529.30	-	1,387,000.00	4,701,925.00	4,236,168.76	2,297,050.00	1,102,993.76	16,791,666.82
2040	3,174,438.30	-	1,447,400.00	4,905,300.00	4,406,218.76	2,392,250.00	1,139,756.26	17,465,363.32
2041	4,617,508.20	-	1,513,600.00	3,745,400.00	4,581,368.76	2,487,050.00	1,185,518.76	18,130,445.72
2042	4,791,814.30	-	1,585,200.00	3,894,400.00	4,768,100.00	2,586,250.00	1,233,237.50	18,859,001.80
2043	4,367,399.90	-	1,736,800.00	4,052,600.00	4,956,500.00	2,689,300.00	1,283,112.50	19,085,712.40
2044	4,528,028.30	-	-	4,214,200.00	5,155,900.00	2,794,312.50	1,339,925.00	18,032,365.80
2045	-	-	-	4,383,600.00	5,360,700.00	2,906,175.00	1,391,712.50	14,042,187.50
2046	-	-	-	-	5,578,150.00	3,024,662.50	1,444,800.00	10,047,612.50
2047	-	-	-	-	5,798,400.00	3,144,550.00	1,503,956.26	10,446,906.26
2048	-	-	-	-	6,030,950.00	3,269,450.00	1,568,718.76	10,869,118.76
2049	-	-	-	-	-	3,398,650.00	1,628,625.00	5,027,275.00
2050	-	-	-	-	-	3,536,850.00	1,691,925.00	5,228,775.00
2051	-	-	-	-	-	3,678,600.00	1,758,925.00	5,437,525.00
2052	-	-	-	-	-	3,823,600.00	1,834,100.00	5,657,700.00
2053	-	-	-	-	-	3,979,200.00	1,906,662.50	5,885,862.50
2054	-	-	-	-	-	4,138,400.00	1,981,350.00	6,119,750.00
2055	-	-	-	-	-	4,305,600.00	2,057,637.50	6,363,237.50
Total	\$80,423,255.50	\$15,400,000.00	\$22,528,600.00	\$72,243,006.54	\$98,497,737.68	\$81,124,500.00	\$42,893,856.22	\$413,110,955.94

(1) Refunded bonds from Elections of 2006 and 2012.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See “DEBT SERVICE SCHEDULES” above and in Appendix A under the heading “GENERAL AND FINANCIAL INFORMATION FOR THE SANGER UNIFIED SCHOOL DISTRICT- DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations.”

In no event is the District obligated to pay principal of and interest on the Bonds out of any funds or properties of the District other than from *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing in the Bond Resolution prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds and the District’s other outstanding general obligation bonds, there is other debt issued by entities within the jurisdiction of the District, which is payable from *ad valorem* taxes levied on parcels in the District. See “PROPERTY TAXATION – Tax Rates” and “- Direct and Overlapping Debt Obligations” below.

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as are necessary to ensure the timely payment of debt service on the Bonds. Such taxes, when collected, will be deposited into the Debt Service Fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Pursuant to Senate Bill 222 effective January 1, 2016, voter-approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of property values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value." See also below under the heading "-- Disclosure Relating to COVID-19 Pandemic."

Debt Service Fund

As described herein under the heading "APPLICATION OF BOND PROCEEDS - Debt Service Fund," the County Treasurer will establish a Debt Service Fund for the Bonds. All taxes levied by the County for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by the County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal and interest on the Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment of principal of and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds and deliver to the Paying Agent the debt service due on the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

Disclosure Relating to COVID-19 Pandemic

Background. Coronavirus disease ("COVID-19") is an infectious disease caused by a virus generally causing respiratory illness and other symptoms which can range from mild to fatal. The United States Secretary of Health and Human Services declared a public health emergency on January 31, 2020 and thereafter several health emergency declarations were made. As of this date, several vaccines and vaccine boosters have been provided approval by federal health authorities for use in the United States, as well as by authorities in other nations, and are generally widely available. Most if not all restrictions on activities in the United States have been lifted, both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency. World and national economies were disrupted and public agencies were impacted. In the United States there were federal relief packages, and some were also adopted at the State level, each implemented in an effort to minimize disruptions to operations and address long-term impacts, with more detail provided below.

Federal Responses to COVID-19 Pandemic. To address the challenges that arose due to the COVID-19 pandemic, the federal government adopted several aid packages including:

Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6, 2020): A \$8.3 billion emergency supplemental appropriations package to enhance the national response to COVID-19, including public health funds for preparedness and response and for research.

Families First Coronavirus Response Act (March 18, 2020): A federal relief package (\$100 billion) responding to the COVID-19 outbreak by providing paid sick leave, tax credits, and free COVID-19 testing, expanding food assistance and unemployment benefits, and increasing Medicaid funding.

CARES Act (March 27, 2020): The Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”) provided \$2 trillion in federal spending and loans toward coronavirus relief efforts, representing the largest rescue package in U.S. history. Along with funding a wide range of emergency appropriations, the legislation also allocated hundreds of billions in loans and grants to major industries and small businesses, direct cash payments to taxpayers and significantly expanded unemployment benefits. This funding allocation included approximately \$13.5 billion in formula funding to make grants available to each state’s educational agency in order to facilitate K-12 schools’ responses to the COVID-19 pandemic.

Federal Reserve Programs Implemented (April 9, 2020): The Federal Reserve took actions aimed at providing up to \$2.3 trillion in loans to support the national economy, including supplying liquidity to participating financial institutions in the Small Business Administration’s (“**SBA**”) Paycheck Protection Program (“**PPP**”), purchasing up to \$600 billion in loans through the Main Street Lending Program and offering up to \$500 billion in lending to states and municipalities.

Paycheck Protection Program (April 24, 2020): \$484 billion federal aid package which primarily renewed funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants and funding for a COVID-19 testing program.

Consolidated Appropriations Act (December 27, 2020): The Coronavirus Response and Consolidated Appropriations Act continued many of the programs implemented with the CARES Act as part of a \$900 billion federal relief package. It provided additional direct stimulus payments to individuals and families, extended unemployment benefits, expanded the PPP, and provided approximately \$82 billion in supplemental aid to support the educational needs of states, school districts, and institutions of higher education, among other stimulus measures.

American Rescue Plan (March 11, 2021): The American Rescue Plan Act of 2021 (the “**ARP Act**”), a \$1.9 trillion economic stimulus plan providing additional stimulus checks to individuals and families, extending federal supplemental unemployment benefits, providing more funding for state and local governments, expanding subsidies for healthcare insurance, and provide additional funding for COVID-19 testing, vaccination, and treatment, among several other provisions. With respect to relief for educational agencies, it included grants of \$125.8 billion for states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. It provides that states that receive the grants cannot reduce their spending levels on education as a proportion of their budgets during fiscal years 2022 or 2023, compared with the average level from fiscal years 2017 through 2019.

State Responses to COVID-19 Pandemic. At the State level, to address some of the challenges that arose due to the COVID-19 pandemic, legislative actions include:

\$1.1 Billion in Emergency Coronavirus funding (March 16, 2020): The State legislature passed \$1.1 billion in general purpose spending authority providing emergency funds to respond to the pandemic, which was signed by the Governor on March 17, 2020.

\$7.6 Billion Coronavirus Relief Package (February 73, 2021): The Governor signed legislation providing \$7.6 billion in State funding aimed at helping individuals and businesses that were not included in federal aid packages, which included sending rebates to low-income, disabled and undocumented persons when 2020 taxes were filed, \$2 billion in grants for small business, \$35 million for food and diaper banks and \$400 million in subsidies for childcare providers.

Educational Agencies and the COVID-19 Pandemic. Impacts on school districts from the COVID-19 pandemic include:

Remote Learning; Attendance and Enrollment. In-person classroom instruction throughout State schools was generally suspended from March 2020 through the end of the 2019-20 academic year. The 2020-21 academic year included significant amounts of distance learning as opposed to in-person instruction due to State and local restrictions and recommendations. The 2021-22 academic year generally commenced with in-person learning with an independent study option. Impacts of remote learning include difficulty in tracking and maintaining average daily attendance figures. Several school districts also experienced unplanned declines in enrollment, due to home schooling and families moving out of the State, among other reasons.

Senate Bill 117 (March 17, 2020): Legislation which effectively held school districts harmless from funding losses that could result from attendance issues under the State's education funding formula. See Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Education Funding Generally."

Safe Schools for All Plan (December 30, 2020): The Governor announced a plan aimed at incentivizing schools to offer in-person learning, also implemented with Senate and Assembly Bill 86. The plan provided schools with financial incentives totaling \$2 billion to offer in-person instruction beginning April 1, 2021, and after May 15, eligibility ceased. Funds obtained were primarily to be spent on purposes consistent with providing in-person instruction, including COVID-19 testing, cleaning, personal protective equipment, facility needs, staffing costs, and social and mental health supports provided in conjunction with in-person instruction. Districts were required to continue to offer distance learning options.

State's Fiscal Years 2021-22 and 2022-23 Budgets and Related Legislation: The two most recent State budgets have provided historic levels of funding for educational purposes. Funding is aimed at the expansion of transitional kindergarten, funding of community wellness and student health hubs on campuses, expanded learning programs and increased special education funding, and minimizing the impacts that reductions in average daily attendance resulting from the COVID-19 pandemic might have on a school district's funding entitlement.

For more information on the District's response to the COVID-19 pandemic, see Appendix A under the heading "GENERAL DISTRICT INFORMATION - District's Response to COVID-19 Pandemic."

Disclaimer Regarding COVID-19 Pandemic. Investors continue to be cautioned that the District cannot predict the full impacts that the COVID-19 pandemic may have had or will continue to have, either directly or indirectly, on its operations, including its enrollment, finances, property values and other matters.

General Obligation Bonds Secured by Ad Valorem Property Tax Revenues. Notwithstanding the foregoing information regarding the COVID-19 pandemic, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, levied in the District. The Bonds are not payable from the general fund of the District. See “SECURITY FOR THE BONDS – *Ad Valorem* Taxes” and “PROPERTY TAXATION – Tax Levies and Delinquencies” and “--Property Tax Collection Procedures” herein.

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PROPERTY TAXATION

Property Tax Collection Procedures

Generally. In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing (1) state assessed public utilities’ property and (2) property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county in which the property is located.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, Senate Bill 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, Senate Bill 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the local superior court clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict whether future amendments or orders will occur and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property,” a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Historic Assessed Valuations

General. The assessed valuation of property in the District is established by the Assessor of the County, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see Appendix A under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.” Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. The following table sets forth historical assessed value in the District.

SANGER UNIFIED SCHOOL DISTRICT Assessed Valuations of All Taxable Property Fiscal Years 2007-08 to 2023-24

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$3,096,591,106	\$963,681	\$68,313,507	\$3,165,868,294	--%
2008-09	3,158,655,179	963,681	101,531,813	3,261,150,673	3.0
2009-10	2,900,824,712	903,281	94,694,438	2,996,422,431	-8.1
2010-11	2,908,967,895	903,281	101,951,945	3,011,823,121	0.5
2011-12	2,889,000,813	446,247	102,094,768	2,991,541,828	-0.7
2012-13	2,935,402,381	446,247	106,977,107	3,042,825,735	1.7
2013-14	3,061,947,696	446,247	110,497,470	3,172,891,413	4.3
2014-15	3,230,396,305	446,247	97,556,456	3,328,399,008	4.9
2015-16	3,405,010,047	402,402	87,368,926	3,492,781,375	4.9
2016-17	3,674,098,162	402,402	130,094,093	3,804,594,657	8.9
2017-18	3,864,009,597	402,402	128,841,177	3,993,253,176	5.0
2018-19	4,094,122,145	402,402	135,955,009	4,230,479,556	5.9
2019-20	4,362,734,936	648,959	144,545,626	4,507,929,521	6.6
2020-21	4,566,301,680	641,909	137,565,018	4,704,508,607	4.4
2021-22	4,905,375,014	641,909	131,240,025	5,037,256,948	7.1
2022-23	5,342,027,331	641,909	154,312,552	5,496,981,792	9.1
2023-24	5,671,994,273	704,813	164,384,547	5,837,083,633	6.1

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area,

government regulations such as zoning, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves and excessive heat, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, mudslides and floods. Public health disasters such as the COVID-19 pandemic could also have direct and indirect impacts on economic conditions and property values.

Future Conditions and Disasters Cannot be Predicted. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters, including health disasters such as the COVID-19 pandemic, and the effects of climate change, and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Assessed Value by Jurisdiction

The following table shows recent assessed value by jurisdiction in the District.

**SANGER UNIFIED SCHOOL DISTRICT
Assessed Value by Jurisdiction
Fiscal Year 2023-24**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Clovis	\$ 75,186,617	1.29%	\$15,525,773,258	0.48%
City of Fresno	1,394,248,517	23.89	49,289,992,279	2.83%
City of Sanger	1,661,913,240	28.47	1,662,019,951	99.99%
Unincorporated Fresno County	<u>2,705,735,259</u>	<u>46.35</u>	29,839,319,649	9.07%
Total District	\$5,837,083,633	100.00%		
Fresno County	\$5,837,083,633	100.00%	\$105,622,441,987	5.53%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Parcels by Land Use

The following table shows a recent breakdown of local secured property assessed value and parcels within the District by land use.

SANGER UNIFIED SCHOOL DISTRICT Local Secured Property Assessed Valuation and Parcels by Land Use Fiscal Year 2023-24

	2023-24	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural	\$ 900,032,579	15.87%	2,369	12.62%
Commercial	189,242,159	3.34	383	2.04
Vacant Commercial	18,002,991	0.32	67	0.36
Industrial	453,577,257	8.00	164	0.87
Vacant Industrial	10,453,575	0.18	60	0.32
Government/Social/Institutional	829,363	0.01	25	0.13
Miscellaneous	<u>2,954,676</u>	<u>0.05</u>	<u>57</u>	<u>0.30</u>
Subtotal Non-Residential	\$1,575,092,600	27.77%	3,125	16.64%
<u>Residential:</u>				
Single Family Residence	\$3,785,402,025	66.74%	13,343	71.06%
Condominium/Townhouse	2,762,017	0.05	71	0.38
Mobile Home	14,429,165	0.25	239	1.27
Mobile Home Park	5,299,887	0.09	6	0.03
2-4 Residential Units	30,711,550	0.54	175	0.93
5+ Residential Units/Apartments	42,755,027	0.75	33	0.18
Vacant Residential	<u>215,542,002</u>	<u>3.80</u>	<u>1,784</u>	<u>9.50</u>
Subtotal Residential	\$4,096,901,673	72.23%	15,651	83.36%
Total	\$5,671,994,273	100.00%	18,776	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Per Parcel Assessed Valuation of Single-Family Homes

The following table sets forth the recent per-parcel assessed valuation of single-family homes in the District, including the median and mean assessed valuation per parcel.

SANGER UNIFIED SCHOOL DISTRICT Per Parcel Assessed Valuation of Single-Family Homes Fiscal Year 2023-24

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	13,343	\$3,785,402,025	\$283,699	\$270,904

2023-24 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	34	0.255%	0.255%	\$ 565,944	0.015%	0.015%
\$25,000 - \$49,999	226	1.694	1.949	9,097,903	0.240	0.255
\$50,000 - \$74,999	376	2.818	4.767	23,645,417	0.625	0.880
\$75,000 - \$99,999	424	3.178	7.944	37,612,077	0.994	1.874
\$100,000 - \$124,999	639	4.789	12.733	72,179,713	1.907	3.780
\$125,000 - \$149,999	806	6.041	18.774	111,344,249	2.941	6.722
\$150,000 - \$174,999	745	5.583	24.357	121,229,752	3.203	9.924
\$175,000 - \$199,999	838	6.280	30.638	157,038,579	4.149	14.073
\$200,000 - \$224,999	831	6.228	36.866	176,375,993	4.659	18.732
\$225,000 - \$249,999	982	7.360	44.225	233,663,251	6.173	24.905
\$250,000 - \$274,999	941	7.052	51.278	247,267,510	6.532	31.437
\$275,000 - \$299,999	1,028	7.704	58.982	295,542,139	7.807	39.245
\$300,000 - \$324,999	1,088	8.154	67.136	339,962,175	8.981	48.225
\$325,000 - \$349,999	917	6.873	74.009	309,089,225	8.165	56.391
\$350,000 - \$374,999	680	5.096	79.105	246,152,827	6.503	62.893
\$375,000 - \$399,999	551	4.130	83.235	213,179,153	5.632	68.525
\$400,000 - \$424,999	469	3.515	86.750	193,149,414	5.102	73.627
\$425,000 - \$449,999	363	2.721	89.470	158,440,183	4.186	77.813
\$450,000 - \$474,999	255	1.911	91.381	117,628,126	3.107	80.920
\$475,000 - \$499,999	209	1.566	92.948	101,786,557	2.689	83.609
\$500,000 and greater	941	7.052	100.000	620,451,838	16.391	100.000
	13,343	100.000%		\$3,785,402,025	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" in Appendix A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases,

the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Teeter Plan; Property Tax Collections

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

So long as the Teeter Plan remains in effect, the District’s receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to the entire County and, in addition, the Board of Supervisors can terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The current practice of the County under the Teeter Plan is to pay the District 100% of the *ad valorem* taxes payable annually to the District in connection with general obligation bond indebtedness and to retain any penalties or delinquencies collected to offset such gross payment. However, the District cannot predict the impact, if any, that changes or modifications to property tax collection procedures might have on the County’s Teeter Plan.

Finally, the ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "SECURITY FOR THE BONDS – Disclosure Relating to the COVID-19 Pandemic."

The following table shows secured tax charges and delinquencies for secured property in the District for property within the District for fiscal years 2012-13 through 2021-22 without regard to the Teeter Plan.

**SANGER UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2012-13 through 2021-22**

<u>Fiscal Year</u>	<u>Secured Tax Charge ⁽¹⁾</u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2012-13	\$32,876,985	\$706,037	2.15%
2013-14	38,765,176	758,916	1.96
2014-15	41,344,097	661,161	1.60
2015-16	43,997,185	651,789	1.48
2016-17	46,333,770	638,494	1.38
2017-18	50,662,580	624,824	1.23
2018-19	54,162,870	763,334	1.41
2019-20	59,121,499	939,924	1.59
2020-21	62,323,443	908,403	1.46
2021-22	67,542,959	948,290	1.40

⁽¹⁾ All taxes collected by the County on property in the District.
Source: California Municipal Statistics, Inc.

There can be no assurances that the County will continue the Teeter Plan in the future, or that the County will not discontinue the Teeter Plan or remove the District from the Teeter Plan in the future.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities for property in the District which lies in Tax Rate Area 9-000 (which is located entirely in the City of Sanger) during fiscal years 2019-20 through 2023-24.

SANGER UNIFIED SCHOOL DISTRICT
Typical Tax Rates
(TRA 9-000) ⁽¹⁾
Dollars per \$100 of Assessed Valuation
Fiscal Years 2019-20 through 2023-24

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
General Tax Rate	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Sanger Unified School District	0.193610	0.194702	.226592	.201754	.203878
State Center Community College District	0.025786	0.025672	.018088	.028470	.020920
Total Tax Rate	\$1.219396	\$1.220374	\$1.244680	\$1.230224	\$1.224798

⁽¹⁾ 2023-24 assessed valuation of TRA 9-000 is \$658,282,143 which is 11.28% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

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Top 20 Property Owners

The 20 taxpayers in the District with the greatest combined assessed valuation of taxable property on the most recent tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

SANGER UNIFIED SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2023-24

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2023-24 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1. Sanger Poultry LLC	Food Processing	\$ 92,645,815	1.63%
2. Del Ray Juice Company LLC	Food Processing	83,852,473	1.48
3. POM Wonderful LLC	Food Processing	34,666,082	0.61
4. David Hussain Trust	Apartments	26,488,050	0.47
5. Harris Farms Inc.	Agricultural	25,179,496	0.44
6. International Paper Company	Industrial	24,051,864	0.42
7. G4 Properties Ltd.	Agricultural	22,215,210	0.39
8. Britz Inc.	Agricultural	16,148,100	0.28
9. DLM Partners	Agricultural	14,614,170	0.26
10. Hazelton Farms Inc.	Agricultural	14,148,433	0.25
11. Parga Partners LP	Agricultural	14,059,225	0.25
12. Lennar Homes of California Inc.	Residential Development	13,363,093	0.24
13. Wal-Mart Real Estate Business Trust	Commercial	13,349,720	0.24
14. D&D Land Co LLC	Agricultural	11,014,635	0.19
15. Vulcan Lands Inc.	Agricultural	9,922,622	0.17
16. Island Cattle Company LLC	Commercial	9,578,914	0.17
17. Berberian Ranches Inc.	Agricultural	9,175,897	0.16
18. Wesclo LP	Public Storage	8,577,383	0.15
19. Majestic Development	Agricultural	8,171,187	0.14
20. J&L Gardner Orchards LLC	Agricultural	8,000,193	0.14
		<u>\$459,222,562</u>	<u>8.10%</u>

(1) 2023-24 local secured assessed valuation: \$5,671,994,273.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. and dated as of October 1, 2023. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

SANGER UNIFIED SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt Dated as of October 1, 2023

2023-24 Assessed Valuation: \$5,837,083,633

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 10/1/23</u>
State Center Community College District	5.032%	\$ 18,639,786
Sanger Unified School District	100.000	231,174,482⁽¹⁾
Fresno County Assessment District No. 282	100.000	1,435,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$251,249,268
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund Obligations	5.526%	\$ 1,181,183
Fresno County Pension Obligation Bonds	5.526	9,905,591
Sanger Unified School District General Fund Obligations	100.000	136,770,000
City of Clovis General Fund Obligations	0.484	82,921
City of Fresno General Fund	2.829	3,626,688
City of Fresno Pension Obligation Bonds	2.829	2,213,834
City of Sanger General Fund Obligations	99.994	8,538,488
Clovis Veterans Memorial District General Fund Obligations	0.016	555
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$162,319,260
COMBINED TOTAL DEBT		\$413,568,528⁽²⁾

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$231,174,482)	3.96%
Total Direct and Overlapping Tax and Assessment Debt	4.30%
Combined Direct Debt (\$367,289,481)	6.30%
Combined Total Debt	7.09%

(1) Excludes the Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. No representation is made as to the accuracy or completeness of this information, or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to APPENDIX H for a specimen of the Policy.

Municipal Bond Insurance Policy

Concurrently with the issuance of the Bonds maturing on or after August 1, 2034 (the “**Insured Bonds**”), Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy for the Insured Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an Appendix H to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$486.0 million, \$204.5 million and \$281.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

TAX MATTERS

Tax Exemption

Federal Tax Status - Tax-Exempt Bonds. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Tax-Exempt Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Tax-Exempt Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Tax-Exempt Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State personal income taxes. If the initial offering price to the public at which a Tax-Exempt Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Tax-Exempt Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Tax-Exempt Bonds who purchase the Tax-Exempt Bonds after the initial offering of a substantial amount of such maturity. Owners of such Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Tax-Exempt Bond (said term being the shorter of the Tax-Exempt Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis

of the owner of the Tax-Exempt Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Tax-Exempt Bond is amortized each year over the term to maturity of the Tax-Exempt Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Tax-Exempt Bond premium is not deductible for federal income tax purposes. Owners of premium Tax-Exempt Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State personal income tax and federal income tax consequences of owning such Tax-Exempt Bonds.

Bond Counsel observes that interest on the Federally Taxable Bonds is not intended to be excluded from gross income for federal income tax purposes.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds (as applicable) to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes within the District or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. There currently are no claims or actions pending which could have a material adverse effect on the financial position or operations of the District. The District cannot predict what types of claims may arise in the future.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, Keygent LLC, as municipal advisor to the District, and Kutak Rock LLP, Denver, Colorado, as Underwriter's Counsel, is contingent upon issuance of the Bonds.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information.

The District has never had a major cyber breach that resulted in a financial loss. In order to minimize cyber risks, the District has undertaken the following steps: annual employee training on cyber security awareness, system inventories with follow up with needed patches or updates, anti-virus software running on all systems, and off-site back-ups which are tested for restoration. In addition, the District is in the process of developing a documented business continuity plan. Further, the District is a member of the Alliant Property Insurance Program and its coverage includes core coverage for cyber incidents. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact

the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently is June 30), commencing March 31, 2024 with the report for the 2022-23 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of its outstanding debt. A review has been made of the District’s undertakings and filings made in the previous five years. No instances of material non-compliance have been identified.

The District currently contracts with Keygent LLC, to serve as dissemination agent with respect to its undertakings, including the undertaking with respect to the Bonds.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District’s duties regarding continuing disclosure.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”), is expected to assign its rating of “AA” to the Insured Bonds, based on the understanding that the Bond Insurer will deliver its Policy with respect to the Insured Bonds upon delivery. See “BOND INSURANCE.”

In addition, S&P has assigned an underlying rating of “A+” to the Bonds.

The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). Such ratings reflect only the view of S&P and an explanation of the significance of such ratings and outlook may be obtained only from S&P. There is no assurance that any credit ratings given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”). The Underwriter has agreed to purchase the Bonds at the price of \$20,433,916.07 (representing the principal amount of the Bonds of \$20,425,000.00, plus net original issue premium of \$296,807.25, less Underwriter’s discount of \$86,806.25, less \$157,939.52 to be applied to pay costs of issuance and less \$43,145.41 to be applied to pay the premium for the Bond Insurance Policy).

The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell Bonds to certain securities dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Municipal Advisor and following delivery of the Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

SANGER UNIFIED SCHOOL DISTRICT

By: _____ */s/ Eduardo Martinez* _____
Deputy Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION FOR THE SANGER UNIFIED SCHOOL DISTRICT

The information in this and other sections concerning the Sanger Unified School District's (the "District") operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund of the District. The Bonds are payable solely from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the front half of the Official Statement.

GENERAL DISTRICT INFORMATION

General Information

The District was unified in 1965 from the combination of separate school districts located within the current boundaries of the District. The District consists of an area of approximately 180 square miles and a population of approximately 58,700 residents, and encompasses nearly all of the City of Sanger, small portions of the cities of Fresno and Clovis, and adjacent unincorporated portions of the County. The District operates twelve elementary schools, one middle school, two high schools, two dependent charter schools, three alternative schools and an adult school. Nine preschool centers are operated by the District. Enrollment in fiscal year 2023-24 is budgeted for approximately 13,388 students which includes enrollment at dependent charter schools.

The District has granted and approved two charter schools pursuant to Education Code Section 47605 which continue to operate, being the Quail Lake Environmental Charter School, and the Sanger Academy Charter School, with enrollment of approximately 1,255 in fiscal year 2023-24. The charter schools are dependent charters and are operated by the District, and their financial activities are presented in the District's audited financial statements in the Charter School Special Revenue Fund. There are no applications for additional charter schools currently pending or being considered by the District Board.

Administration

Board of Trustees. The District is governed by a seven-member Board of Trustees that governs all activities related to public K-12 education. The District is divided into trustee areas, and each trustee area elects its respective Board member for a four-year term of office. Each year, the Board elects its President, Vice President and Clerk from among its own members.

Current members of the Board of Trustees, together with their office and the date their term expires, are listed below.

BOARD OF TRUSTEES
Sanger Unified School District

Name	Position	Term Expires
Ismael (Mike) Hernandez	President	November 2024
Peter R. Filippi	Vice President	November 2026
Jesse Solorio	Clerk	November 2026
Va Her	Trustee	November 2024
G. Brandon Vang	Trustee	November 2024
Jesse Vasquez	Trustee	November 2026
Tammy Wolfe	Trustee	November 2024

Superintendent and Administrative Personnel. The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. The following are brief biographies for key personnel.

Dennis Wiechmann, Ed.D., Superintendent: Dr. Wiechmann was appointed as the District Superintendent by the District Board in April 2023 to commence the position in June 2023. Dr. Weichmann has served the District for twenty-four years, most recently serving as the District’s Assistant Superintendent of Human Resources.

Eduardo Martinez, Deputy Superintendent, Administrative Services: Mr. Martinez joined the District in 2003 as an elementary school principal and has served in his current position since 2008. Prior to joining the District, he was employed by Clovis Unified School District and Parlier Unified School District and served in several positions including elementary and middle school teacher, guidance instructional specialist, and Learning Director. He received his Masters degree from California State University, Fresno, in Educational Administration and Supervision and has 28 years of experience in the field of education.

Ryan Kilby, Chief Financial Officer: Mr. Kilby joined the District in 2017 as Director of Support Services and was named Chief Operations Officer in 2018 and Chief Financial Officer in 2023. His previous experience includes over twenty years in operations. He received his Associate of Science degree in Business Administration from Reedley College and obtained his Bachelor’s degree at Southern New Hampshire University, and has obtained a Chief Business Official Certification.

Recent Enrollment Trends

The following table shows recent enrollment history for the District, including charter schools. The District currently anticipates continued enrollment growth in the coming years.

ANNUAL ENROLLMENT Fiscal Years 2006-07 through 2023-24 (Projected) Sanger Unified School District

School Year	Enrollment [†]	% Change
2006-07	9,688	--
2007-08	10,129	4.6%
2008-09	10,368	2.4
2009-10	10,501	1.3
2010-11	10,752	2.4
2011-12	10,872	1.1
2012-13	10,916	0.4
2013-14	11,140	2.1
2014-15	11,204	0.6
2015-16	11,438	2.1
2016-17	11,722	2.5
2017-18	12,102	3.2
2018-19	12,305	1.7
2019-20	12,641	2.7
2020-21	12,625	(0.1)
2021-22	13,087	3.7
2022-23	13,188	0.8
2023-24*	13,388	1.5

[†] Includes enrollment at the District's two dependent charter schools.

*Projected.

Source: Sanger Unified School District.

Enrollment at the District has been steadily increasing and the District continues to plan for these increases.

Employee Relations

In fiscal year 2023-24 the District is budgeted for 750.0 full time equivalent (“FTE”) certificated employees, 535.0 FTE classified employees and 120.8 management/Supervisor/Confidential FTE employees. District certificated and classified employees are represented by employee bargaining units as follows:

BARGAINING UNIT CONTRACTS Sanger Unified School District

<u>Name of Bargaining Unit</u>	<u>Current Contract Expiration Date</u>
Sanger Unified Teachers Association (Certificated)	June 30, 2023*
California School Employees Association (Classified)	June 30, 2023*

**Parties perform pursuant to expired terms pending settlement. Regarding compensation terms, for purposes of budgeting and projecting, the District assumes at least step and column increases annually.*

Source: Sanger Unified School District.

Risk Management

The District is a member of the California Risk Management Authority (“**CRMA I and CRMA II**”) and the Self-Insured Schools of California, public entity risk pools (“**SISC III**”). The District pays an annual premium to each entity for its health, workers’ compensation and property liability coverage. The District includes standard coverage for cyber risks as part of its coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes. The District has appointed one member to each of these authority and pool governing boards.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in the District’s audited financial statements; however, fund transactions between the entities and the District are included in the District’s audited financial statements. Audited financial statements for these entities are available from the respective entities.

During the fiscal year ended June 30, 2022, the District made payment of \$1,134,925 to CRMA I for general liability and auto insurance. During the fiscal year ended June 30, 2022, the District made payment of \$1,204,430 to CRMA II for workers’ compensation. During the year ended June 30, 2022, the District made payment of \$18,3528,641 to SISC III for health benefits.

District’s Response to COVID-19 Pandemic

The COVID-19 Pandemic commenced in approximately March 2020 and caused a health emergency which resulted in shelter in place orders and remote learning, among other consequences, throughout the State. The District took all required actions based on state-wide and local orders, as well as pursuant to recommendations of the County Office of Education. The District has resumed all in-person learning with independent study options.

The District has received and/or been allocated a total combined amount of approximately \$89 million from federal and State sources to address pandemic related relief. These funds will be spent in accordance with applicable guidelines, generally by no later than September 30, 2024.

DISTRICT FINANCIAL INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and accreted value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof.

Education Funding Generally

School districts in California (the “**State**”) receive operating income primarily from two sources: the State funded portion which is derived from the State’s general fund, and a locally funded portion, being the district’s share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district’s revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the Average Daily Attendance (“**ADA**”) for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of a district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District’s revenue limit and its local property tax revenues. Districts which had local property tax revenues that exceeded their revenue limit entitlements were deemed a “Basic Aid District” and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded their revenue limit funding entitlement. A district which was not a Basic Aid District was known as a “Revenue Limit District.”

The fiscal year 2013-14 State budget replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the “**LCFF**”). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is \$2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap. The legislation implementing LCFF also included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

Funding levels used in the LCFF entitlement calculations for fiscal year 2023-24 are set forth in the following table.

**Fiscal Year 2023-24 Base Grant Funding* Under LCFF
by Grade Span**

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2022-23 Base Grant per ADA	\$9,166	\$9,304	\$9,580	\$11,102
B. 2023-24 COLA for LCFF (A x 8.22%)	\$753	\$765	\$787	\$913
C. 2023-24 Base Grant per ADA before Grade Span Adjustments (A+B)	\$9,919	\$10,069	\$10,367	\$12,015
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	\$1,032	n/a	n/a	\$312
E. 2023-24 Base Grant/Adjusted Base Grant per ADA (C + D)	\$10,951	\$10,069	\$10,367	\$12,327

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of \$3,044 times the school district's current year TK ADA.

Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Basic Aid or Community Supported districts are school districts which have local property tax revenues which exceed such district's funding entitlement under LCFF. As such, in lieu of State funding under LCFF, Basic Aid districts are entitled to keep the full share of local property tax revenues, even the amount which exceeds its funding entitlement under LCFF. The District's funding formula is currently determined pursuant to LCFF, and not as a Basic Aid district.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

District accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United

States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2022 Audited Financial Statements were prepared by Eide Bailly LLP, Fresno, California and are attached hereto as Appendix B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at Sanger Unified School District, 1905 7th Street, Sanger, California 93657, telephone (559) 524-6521. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

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General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2017-18 through 2021-22.

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2017-18 through 2021-22 (Audited)
Sanger Unified School District

	Audited 2017-18	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22
SOURCES					
LCFF Sources	\$100,907,390	\$110,021,562	\$114,807,659	\$113,841,330	\$128,102,627
Federal revenues	7,365,166	7,944,915	7,564,787	23,831,723	18,673,175
Other state revenues	10,754,714	16,282,741	12,808,488	20,083,805	20,304,513
Other local revenues	9,878,062	8,247,319	11,529,831	8,185,010	7,627,760
Total Sources	128,905,332	142,496,537	146,710,765	165,941,868	174,708,075
EXPENDITURES					
Instruction	72,458,116	77,347,798	76,937,486	82,356,798	97,261,865
Supervision of instruction	3,826,809	3,719,281	3,910,208	3,945,017	5,012,735
Instructional library, media, tech	1,635,649	2,037,292	1,730,780	6,406,003	4,812,887
School site administration	7,842,282	8,725,422	8,814,785	9,777,916	10,399,533
Pupil services: Home-to-school transport.	5,186,017	6,321,485	6,898,028	3,664,292	4,639,498
Food services	--	--	--	1,200,000	-
All other pupil services	8,272,793	9,464,158	10,449,621	11,527,988	13,277,635
General administration: Data Processing.	544,516	642,698	1,191,032	1,012,337	766,020
All other general administration	3,927,310	5,609,310	6,020,789	6,858,999	7,273,185
Plant services	12,563,244	13,735,767	12,920,090	15,922,082	16,808,837
Facility acquisition and construction	13,800,152	1,645,719	6,668,791	1,247,934	4,719,348
Ancillary services	960,292	17,308	1,525,090	10,648	1,659,014
Community services	24,463	1,485,085	15,507	1,423,189	16,429
Other outgo	1,472,953	13,885,679	1,462,138	8,763,346	1,524,244
Debt service					
Principal	2,692,035	3,068,708	3,195,249	3,245,936	2,799,780
Interest	1,796,730	1,422,945	1,382,523	1,221,506	1,547,478
Total Expenditures	137,003,361	149,128,655	143,122,117	158,583,991	172,518,488
Excess of (Deficiency) Revenues Over (Under) Expenditures	(8,098,029)	(6,632,118)	3,588,648	7,357,877	2,189,587
OTHER FINANCING SOURCES					
Operating transfers in (1)(2)	681,603	811,564	4,400,000	1,061,626	--
Sources from COP sales, par	--	--	--	--	2,525,000
Sources from COP sales, premiums	--	--	--	--	331,047
Sources from capital leases(4)	--	--	--	4,518,634	273,151
Debt proceeds contributing to refunding escrow	--	--	--	--	(2,791,685)
Operating transfers out (2)(3)	(234,023)	(413,448)	(4,397,842)	(442,334)	(4,770,932)
Other Sources (Uses) (4)	14,032,030	1,525,000	348,228	--	--
Total Other Financing Sources (Uses)	14,479,610	1,923,116	350,3869	5,137,926	(4,433,419)
NET change in fund balance	6,381,581	(4,709,002)	3,939,034	12,495,803	(2,243,832)
Fund Balance, July 1	22,680,568	29,062,149	24,353,147	28,292,181	40,787,984
Fund Balance, June 30	\$29,062,149	\$24,353,147	\$28,292,181	\$40,787,984	\$38,544,152

(1) Operating transfers in are for charter fund allocations to general fund to accommodate centralized expenditures. See also footnote 2 for more detail regarding transfers during fiscal year 2019-20.

(2) With respect to fiscal year 2019-20, the District transferred out from the General Fund funds for construction project reserves into a new fund designated Special Reserve Fund for Capital Outlay Projects (Fund 4000). During the same fiscal year, funds were transferred back in from Fund 4000 to improve cash position due to State funding deferrals occurring between February and June of 2021.

(3) Operating transfers out are for deferred maintenance, adult education, child development fund, cafeteria fund and charter school operations maintained in separate fund. See also footnote 2 regarding fiscal year 2019-20. Transfer out for fiscal year 2021-22 generally attributed to a transfer of accumulated funds for capital facility needs.

(4) Other sources derived from capital leases and other financing sources payable from the general fund of the District. Fiscal year 2017-18 sources include \$12.3 million derived from 2017 Certificates of Participation. Capital lease sources in 2020-21 relate to leases for network improvements, staff technology refresh, and vehicle purchases. All these sources have been and will be applied by the District for capital outlay purposes. See "Existing Debt Obligations" herein for more information.

Source: Sanger Unified School District - Audited Financial Statements.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Fresno County Superintendent of Schools (the "**County Superintendent**"). The County Superintendent is separate from the County, and is not an official of the County.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Trustees and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 ("**A.B. 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is

deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget Approval/Disapproval and Certification History. Each of the District's interim reports in the previous five fiscal years have been certified as positive. Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at 1905 Seventh Street, Sanger, California 93657, Phone: (559) 524-6521.

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General Fund for Fiscal Year 2022-23 (Unaudited Actuals) and Fiscal Year 2023-24 (Adopted Budget). The following table shows a summary of the general fund for fiscal year 2022-23 (Unaudited Actuals) and 2023-24 (Budgeted).

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE⁽¹⁾
Fiscal Year 2022-23 (Unaudited Actuals)
Fiscal Year 2023-24 (Adopted Budget)
Sanger Unified School District

<u>Revenues</u>	Unaudited Actuals 2022-23	Adopted Budget 2023-24
LCFF Revenues	\$146,741,347	\$160,201,255
Federal Revenues	22,112,435	25,378,303
Other State Revenues	51,072,487	28,142,040
Other Local Revenues	10,320,832	10,266,143
Total Revenues	<u>230,247,102</u>	<u>223,987,741</u>
<u>Expenditures</u>		
Certificated Salaries	75,657,959	79,232,704
Classified Salaries	28,073,365	28,043,468
Employee Benefits	46,835,644	50,174,427
Books and Supplies	13,035,581	13,651,594
Contract Services & Operating Exp.	22,431,396	23,378,939
Capital Outlay	8,888,242	18,461,966
Other Outgo (excluding indirect costs)	7,365,934	5,478,337
Other Outgo – Transfers of Indirect Costs	(431,302)	(323,718)
Total Expenditures	<u>201,856,818</u>	<u>218,097,715</u>
Excess of Revenues Over/(Under) Expenditures	28,390,284	5,890,026
<u>Other Financing Sources (Uses)</u>		
Operating transfers in	482,321	--
Operating transfers out ⁽²⁾	(11,836,588)	(6,699,402)
Other sources/uses	1,527,796	
Total Other Financing Sources (Uses)	<u>(9,826,471)</u>	<u>(6,699,402)</u>
Net change in fund balance	18,563,812	(809,376)
Fund Balance, July 1	<u>38,538,443</u>	<u>47,174,545</u>
Fund Balance, June 30 ⁽³⁾	\$57,102,255	\$46,365,169

(1) Columns may not sum to totals due to rounding.

(2) The operating transfers out in fiscal year 2022-23 are primarily attributed to accumulated funds being transferred from the general fund to a dedicated construction fund for facilities construction projects. Budgeted transfers out in fiscal year 2023-24 are primarily attributed to approximately \$5.8 million to the dedicated construction fund and the remainder largely for operational expenditures related to special education services at charter schools.

(3) The audited financial statements presented in the previous table account for certain funds such as reserves within the general fund, while budgeting and interim reporting documents presented in this table account for said funds separately, making the ending balances not directly comparable.

Source: Sanger Unified School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District maintains an unrestricted reserve which meets the State's minimum requirements.

Under State law (Education Code Section 42127.01), there are certain restrictions on the amount of reserves that can be maintained by school districts under certain circumstances.

This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget shall not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in a fiscal year when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap was triggered in fiscal year 2022-23 and continues to be in effect for fiscal year 2023-24 and as such, for school districts to which it applies, the cap must be taken into account in its budgeting documents or an exemption must be sought. The District has taken the reserve cap into account as part of its budgeting process.

Attendance - Revenue Limit and LCFF Funding

Funding Trends per ADA. As previously described, prior to fiscal year 2013-14, school districts in the State derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth total LCFF funding and ADA for the District in recent years.

AVERAGE DAILY ATTENDANCE AND FUNDING TRENDS Sanger Unified School District Fiscal Years 2013-14 through 2023-24 (Budgeted)

<u>Fiscal Year</u>	<u>ADA</u>	<u>Total LCFF Funding</u>
2013-14	9,198	\$64,810,693
2014-15	9,240	74,024,906
2015-16	9,534	87,169,302
2016-17	9,751	95,363,339
2017-18	10,133	100,907,391
2018-19	10,418	110,021,561
2019-20	10,667	114,807,658
2020-21	10,667	113,841,330
2021-22	10,744	128,102,627
2022-23 ⁽¹⁾	11,208	146,741,347
2023-24 ⁽¹⁾	11,246	160,201,255

⁽¹⁾ Unaudited Actual/Budgeted.
Source: California Department of Education; Sanger Unified School District.

Unduplicated Pupil Count. The District has a Target Student unduplicated count of approximately 71.21% (including dependent charter school students). Because this percentage is over 55%, the District qualifies for both supplemental funding and concentration funding under LCFF.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

For additional discussion of State aid to school districts, see "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Other Local Revenues. In addition to local property taxes, the District receives additional local revenues from items such as interest earnings and other local sources such as developer fees.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget ("**AB 1469**"), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014 (the "**2014 Liability**"), within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were steadily increased over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized pursuant to the following schedule:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2014 through July 1, 2023

Effective Date	Employer Contribution Rate
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	17.10*
July 1, 2020	16.15*
July 1, 2021	16.92*
July 1, 2022	19.10
July 1, 2023	19.10

*The contribution rates identified in AB 1469 were subsequently reduced by the State legislature in certain years. Noted rates represent the reduced contribution rate.
Source: AB 1469; STRS.

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2022-23 was 8.328% and will be 8.328% in fiscal year 2023-24.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS Contributions
Sanger Unified School District

Fiscal Year	Amount*
2017-18	\$8,218,327
2018-19	9,707,944
2019-20	10,305,874
2020-21	10,326,359
2021-22	12,097,409
2022-23**	20,226,905
2023-24**	21,270,654

*Increases attributed to increase in contribution rates and modified accounting reporting requirements, which include reporting the District's proportionate share of the plan's net pension liability and recognizing on-behalf STRS contributions in governmental funds.

** Estimated Actual; Budgeted.

Source: Sanger Unified School District.

The STRS defined benefit program continues to have unfunded actuarial liabilities estimated at approximately \$85.8 (on a market value of assets basis) and \$88.6 billion (on an actuarial value of assets basis) as of June 30, 2022, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit

provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (“**AB 84**”) of June 2020, directed contributions of \$430 million and \$330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2023-24⁽¹⁾**

Fiscal Year	Employer Contribution Rate ⁽¹⁾
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370
2023-24	26.680

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District’s employer contributions to PERS for recent fiscal years are set forth in the following table.

**PERS Contributions
Sanger Unified School District**

Fiscal Year	Amount
2017-18	\$2,962,961
2018-19	3,745,775
2019-20	4,171,854
2020-21	4,397,790
2021-22	5,662,186
2022-23 ⁽¹⁾	5,943,271
2023-24 ⁽¹⁾	6,617,918

(1) Unaudited Actual; Budgeted.
Source: Sanger Unified School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately \$37.6 billion (on a market value of assets basis) as of June 30, 2022, which is the date of the last actuarial valuation.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information. Additional information regarding the District's retirement programs is available in Note 12 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information*

contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.

Other Post-Employment Retirement Benefits

The Plan Generally. The District's Post-Employment Benefits Plan (the "**Plan**") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides post-employment healthcare benefits other than pensions ("**OPEB**") to eligible retirees and their spouses. Membership in the plan as of June 30, 2022 was 46 retirees and beneficiaries receiving benefit payments under the Plan, and approximately 1,031 active employees. The District has not accumulated assets in an irrevocable trust with respect to its OPEB liability.

Benefits Provided. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contribution Information. The contribution requirements of plan members and the District are established and may be amended by the District and the teachers association, the local California Service Employees Association ("**CSEA**"), and unrepresented groups. The benefit payment is based on pay-as-you-go financing requirements as determined annually through the agreements between the District, teachers union, CSEA and the unrepresented groups. For the measurement period of June 30, 2021, the District paid \$987,045 in benefits. For the fiscal year ending June 30, 2022, the District reflected contributions subsequent to the measurement date of \$1,217,679 which consisted of pay as you go amounts totaling \$722,296 plus an implicit rate subsidy totaling \$445,383.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability of \$18,157,090 has a measurement date of June 30, 2022, noted in the District's audited financial statement by applying certain roll-forward procedures to the actuarial valuation completed as of July 1, 2021. Certain assumptions among others were: inflation 3.00%, salary increases 3.00%, average, including inflation, discount rate 1.92%, including inflation, and healthcare cost trend rates of 6.00% for 2021; 5.75% for 2022, 5.5% for 2023, and decreasing to 5.20% in 2024 and later.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District for the year ending June 30, 2022, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
Sanger Unified School District
For Year Ending June 30, 2022**

	Total OPEB Liability
Balance at June 30, 2021	\$14,418,968
Service Cost	1,206,150
Interest	370,797
Difference between expected and actual experience	2,801,779
Changes of assumptions or other inputs	346,441
Benefit payments*	<u>(987,045)</u>
Net changes	<u>3,78,122</u>
Balance at June 30, 2022	\$18,157,090
 Measurement Date:	 June 30, 2020

* Includes \$382,423 in an implicit subsidy amount.

Source: Sanger Unified School District Audit Report for Year Ending June 30, 2022.

Changes of Assumptions. The plan rate of investment return assumption was changed from 2.45% to 1.92% since the previous valuation. In addition, the health care cost trend rates were changed from 5.90% to 6.0% since the previous valuation.

OPEB Expense. For the year ended June 30, 2022, the District recognized an OPEB expense of \$2,140,323.

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Existing Debt Obligations

In addition to the District's ongoing obligations with respect to retirement plans and OPEB described above, the District has outstanding general obligation bond indebtedness, as well as certificates of participation payable from the general fund, as summarized below.

General Obligation Bonds. The District has outstanding general obligation bonds or refunding bonds, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District, as summarized in the following table and as more particularly described below.

Summary of Outstanding General Obligation Bond Debt Sanger Unified School District

GO Bond Issue	Date Issued	Final Maturity	Original Issue Amount	Amount Outstanding (Oct. 1, 2023)
<u>2006 Election Bonds</u>				
Series A	8/3/06	8/1/31	\$30,799,481.65	\$4,639,481.65
<u>2012 Election Bonds</u>				
Series B	10/8/14	8/1/44	20,000,000.00	140,000.00
Series C	6/22/16	8/1/43	15,000,000.00	14,325,000.00
<u>2016 Election Bonds</u>				
Series A	5/31/17	8/1/45	40,000,000.00	38,790,000.00
Series B	8/23/18	8/1/45	20,000,000.00	5,625,000.00
<u>2018 Election Bonds</u>				
Series A	6/6/19	8/1/48	20,000,000.00	15,640,000.00
Series B	3/18/20	8/1/48	25,000,000.00	24,140,000.00
Series C	6/8/21	8/1/48	25,000,000.00	23,100,000.00
<u>2020 Election Bonds</u>				
Series A	6/8/21	8/1/55	50,000,000.00	44,590,000.00
<u>Refunding Bonds</u>				
2014 Refunding Bonds	10/8/14	8/1/27	20,310,000.00	10,645,000.00
2021 Refunding Bonds	3/4/21	8/1/44	35,670,000.00	34,505,000.00
2022 Refunding Bonds*	6/23/22	8/1/44	15,315,000.00	15,035,000.00
--	--	--	TOTAL OUTSTANDING:	\$231,174,481.65

*Cinderella Private Placement financing.
Source: Underwriter.

2010 Certificates of Participation (Qualified School Construction Bonds). On July 21, 2010, the Sanger Unified School District Financing Corporation caused the delivery of certificates of participation that were designated as Qualified School Construction Bonds in the amount of \$23,195,000 (the “**QSCB Certificates**”), which yield 7.4% interest. As the QSCB Certificates are issued under the Qualified School Construction Bond program, the District receives federal subsidies that should amount to the annual required interest payments on the QSCB Certificates, less any portion of the federal subsidy that has been or may be subject to federal sequestration. Due to federal sequestration, the subsidy amount has been reduced by the federal government in certain years.

Debt service requirements for the QSCB Certificates is as follows:

**SANGER UNIFIED SCHOOL DISTRICT
QSCB Certificates
Debt Service**

Lease Payment Date	Principal ⁽¹⁾	Interest	Total ⁽²⁾
12/15/23	\$608,868.75	\$768,469.86	\$1,377,338.61
6/15/24	608,868.75	774,425.50	1,383,294.25
12/15/24	608,868.75	779,536.71	1,388,405.46
6/15/25	608,868.75	783,707.23	1,392,575.98
12/15/25	608,868.75	786,920.43	1,395,789.18
6/15/26	608,868.75	789,163.15	1,398,031.90
12/15/26	608,868.75	790,544.19	1,399,412.94
6/15/27	608,868.75	791,443.27	1,400,312.02
TOTAL:	\$4,870,950.00	\$6,264,210.34	\$11,135,160.34

(1) Mandatory sinking fund deposit. Final maturity of \$23,195,000 (original principal amount) is on June 15, 2027.

(2) Total debt service payment does not reflect a credit for the federal subsidy payments.

Source: Sanger Unified School District.

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2017 Certificates of Participation. On August 29, 2017, the District caused the delivery of 2017 Certificates of Participation (the “**2017 Certificates**”) in the principal amount of \$12,585,000 for the purpose of financing real property improvements to educational facilities. The 2017 Certificates bear interest at rates between 2.00% - 3.63% with principal maturities on June 1, 2018 through June 1, 2047. The 2017 Certificates are payable from lease payments payable from the District’s general fund. The following table summarizes the repayment obligation relating to the 2017 Certificates.

**SANGER UNIFIED SCHOOL DISTRICT
2017 Certificates of Participation Debt Service**

Year Ending <u>June 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$315,000.00	\$337,262.50	\$652,262.50
2025	325,000.00	330,962.50	655,962.50
2026	330,000.00	324,462.50	654,462.50
2027	340,000.00	317,037.50	657,037.50
2028	345,000.00	309,387.50	654,387.50
2029	355,000.00	300,762.50	655,762.50
2030	365,000.00	290,112.50	655,112.50
2031	375,000.00	279,162.50	654,162.50
2032	385,000.00	267,912.50	652,912.50
2033	400,000.00	256,362.50	656,362.50
2034	410,000.00	243,862.50	653,862.50
2035	425,000.00	230,537.50	655,537.50
2036	440,000.00	216,725.00	656,725.00
2037	450,000.00	202,425.00	652,425.00
2038	465,000.00	187,800.00	652,800.00
2039	485,000.00	172,106.26	657,106.26
2040	500,000.00	155,737.50	655,737.50
2041	515,000.00	138,862.50	653,862.50
2042	535,000.00	121,481.26	656,481.26
2043	550,000.00	103,425.00	653,425.00
2044	570,000.00	84,175.00	654,175.00
2045	590,000.00	64,225.00	654,225.00
2046	610,000.00	43,575.00	653,575.00
2047	635,000.00	22,225.00	657,225.00
Total	\$10,715,000.00	\$5,000,587.52	\$15,715,587.52

Source: Underwriter.

2022 Certificates of Participation. On March 10, 2022, the District participated in the execution and delivery of 2022 Certificates of Participation (the “**2022 Certificates**”) in order to provide interim financing for capital projects authorized pursuant to the 2020 Bond Authorization, and to provide for the prepayment of a 2014 capital lease. The lease payments providing for the payment of the 2022 Certificates are payable from the general fund and have a final maturity date of June 1, 2052. However, the Bonds described herein are expected to prepay all or a portion of the June 1, 2052 maturity (including all or a portion of such term maturity’s sinking fund prepayments). See “THE FINANCING PLAN” herein. The following table summarizes the repayment obligation relating to the 2022 Certificates.

**SANGER UNIFIED SCHOOL DISTRICT
2022 Certificates of Participation Debt Service**

Year Ending <u>June 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$160,000.00	\$5,092,350.00	\$5,252,350.00
2025	165,000.00	5,085,950.00	5,250,950.00
2026	175,000.00	5,079,350.00	5,254,350.00
2027	180,000.00	5,072,350.00	5,252,350.00
2028	190,000.00	5,065,150.00	5,255,150.00
2029	200,000.00	5,057,550.00	5,257,550.00
2030	205,000.00	5,049,550.00	5,254,550.00
2031	215,000.00	5,041,350.00	5,256,350.00
2032	225,000.00	5,032,750.00	5,257,750.00
2033	3,260,000.00	5,023,750.00	8,283,750.00
2034	3,415,000.00	4,860,750.00	8,275,750.00
2035	3,335,000.00	4,690,000.00	8,025,000.00
2036	3,500,000.00	4,523,250.00	8,023,250.00
2037	3,675,000.00	4,348,250.00	8,023,250.00
2038	3,860,000.00	4,164,500.00	8,024,500.00
2039	4,055,000.00	3,971,500.00	8,026,500.00
2040	4,255,000.00	3,768,750.00	8,023,750.00
2041	4,470,000.00	3,556,000.00	8,026,000.00
2042	4,690,000.00	3,332,500.00	8,022,500.00
2043	4,925,000.00	3,098,000.00	8,023,000.00
2044	5,175,000.00	2,851,750.00	8,026,750.00
2045	5,430,000.00	2,593,000.00	8,023,000.00
2046	5,705,000.00	2,321,500.00	8,026,500.00
2047	5,990,000.00	2,036,250.00	8,026,250.00
2048	6,285,000.00	1,736,750.00	8,021,750.00
2049	6,600,000.00	1,422,500.00	8,022,500.00
2050	6,930,000.00	1,092,500.00	8,022,500.00
2051	7,280,000.00	746,000.00	8,026,000.00
2052	7,640,000.00	382,000.00	8,022,000.00
Total	<u>\$102,190,000.00</u>	<u>\$106,095,850.00</u>	<u>\$208,285,850.00</u>

Source: Underwriter.

2013 Refunding Lease. On February 28, 2013, the District delivered a private placement lease in the original principal amount of \$3,495,000 (the “**2013 Private Placement Lease**”) for the purpose of refinancing outstanding 2005 Certificates of Participation. Debt service on the 2013 Private Placement Lease is due semi-annually through March 1, 2025 payable from the District’s general fund. Remaining debt service is set forth on the following table.

**SANGER UNIFIED SCHOOL DISTRICT
2013 Private Placement Lease Debt Service**

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
09/01/2023	-	\$10,050.00	\$10,050.00
03/01/2024	\$330,000.00	10,050.00	340,050.00
09/01/2024	-	5,100.00	5,100.00
03/01/2025	340,000.00	5,100.00	345,100.00
TOTAL	\$670,000.00	\$30,300.00	\$700,300.00

Source: Sanger Unified School District.

Capital Leases. During fiscal year 2020-21, the District entered into financing agreements to lease various facilities and equipment relating to network improvements (approximately \$3.3 million), a staff technology refresh (approximately \$965,000) and vehicle purchases (approximately \$257,000). Future payments due under said arrangements are set forth in Note 8 “Long-Term Liabilities Other Than OPEB Pensions - Financed Purchases” in the District’s audit for fiscal year ending June 30, 2022, attached hereto as Appendix B, although such items are presented on a combined basis with the 2013 Refunding Lease and the 2014 Private Placement Lease. The District also has undertaken a copier equipment lease which had a lease liability of \$260,903 as of June 30, 2022.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the Fresno County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See “APPENDIX G - FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT.”

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see “—Education Funding Generally” above). State funds typically make up the majority of a district’s LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS” below.

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STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the "LAO"). Neither the District, the Underwriter nor the County is responsible for the information provided in this section.

State Budgeting for Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive most of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The Budget Process

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Available Public Resources

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to “Bond Finance” and sub-heading “-Public Finance Division”, includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.
- www.dof.ca.gov: The California Department of Finance’s (the “**DOF**”) internet home page, under the link to “California Budget”, includes the text of proposed and adopted State Budgets.
- www.lao.ca.gov: The LAO’s internet home page includes a link to “-The Budget” which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is not incorporated herein by reference.

The 2023-24 State Budget

Governor Gavin Newsom (the “**Governor**”) signed the State budget bill for fiscal year 2023-24 on June 27, 2023 (the “**2023-24 State Budget**”), prior to the July 1, 2023 deadline. Although a summary of the enacted budget is not available as of this date from the State Department of Finance, the overall State spending plan totals \$310 billion (\$226 billion General Fund/\$84 billion Special Fund) and solves a \$31.5 billion deficit problem. The deficit is largely the result of falling State revenues in recent months due to a downturn in the stock market and resulting decreased capital gains, which is a volatile yet significant source of the State’s revenues. The 2023-24 State Budget maintains the largest-ever reserves aimed at weathering projected deficits in the out-years as well as a potential economic recession in the coming year or two.

The 2023-24 State Budget marked a turnabout from several previous years of record surpluses, big ongoing program commitments, and major one-time augmentations for projects. Adding to uncertainties in budgeting was the delayed income tax return filing date due to the federal and State winter storm disaster declarations. As a result, actual revenues in the new budget can be only an educated guess until October 15, 2023 and further adjustments may be necessary early next year if revenues continue to underperform projections.

The deficit gap was addressed with a combination of spending reductions totaling \$8 billion, including a planned \$750 million payment to the federal government to reduce the State’s \$20 billion unemployment insurance debt and about \$4 billion in funding previously earmarked for climate change and zero-emission programs, delayed spending of nearly \$8 billion previously approved for coming years, including funding for building facilities for

transitional and full-day kindergarten, postponement in spending \$500 million in broadband expansion funding, and more than \$15 billion in revised revenue estimates, internal fund shifts and internal borrowing.

Highlights of the 2023-24 State Budget include:

Public Education: Continuing full funding for public K–14 education, which will see an 8.4% increase in state funding, and keep commitments to previously authorized spending increases for the University of California and California State University.

Health Care: Provides continued funding for other previous multiyear health care commitments, including (a) increases to fund California’s universal access to affordable health care, such as the state’s Medi-Cal eligibility expansion for undocumented adults and significant reforms under the Governor’s California Advancing and Innovating Medi-Cal, and (b) agreement to place a bond measure on the March ballot asking voters to increase bond funding for more behavioral health beds and transitional housing aimed at reducing the incidence of homelessness.

Managed Care Organization Tax: Implements allocations of available funds from the renewal of the Managed Care Organization (“**MCO**”) tax to provide \$2.7 billion in State funds (and billions of matching federal dollars) for reimbursement rate increases and other investments annually, beginning in 2025 and going through 2029.

Climate Change: 2022-23 fiscal year’s multiyear commitment of more than \$6 billion toward battling climate change was reduced by \$2.9 billion. The Governor indicated that he is seeking federal funding from the Inflation Reduction Act and the Infrastructure and Investment and Jobs Act to make up for the cuts, and asked the Legislature to seek voters’ approval of a climate bond ranging from \$6 billion to \$16 billion.

Housing and Homelessness: \$1 billion for local homeless programs, and directs \$100 million to the Housing and Community Development Department’s flagship Multi-Family Housing Program for developing additional affordable housing and leveraging additional public and private investment dollars. Invests \$50 million in the Fresno Public Infrastructure Plan designed to revitalize downtown Fresno and lay the groundwork for infill housing development through transportation, water and green space public works projects.

Public Transit: \$5.1 billion for transit across four years, with 100% flexibility for capital and operations expenses and accountability provisions.

With respect more particularly to education funding, the 2023-24 State Budget will provide slightly less funding for schools and community colleges than in the 2022-23 fiscal year, yet assures school districts will have a sizable increase in general operational funding. The 2023-24 State Budget marks a retrenchment from three years of record education funding supplemented by tens of billions in one-time federal and state Covid relief, which together set in motion ambitious new programs. These include \$4.4 billion for community schools and \$4 billion for after-school and summer programs for low-income children through the Expanded Learning Opportunities Program. Funding for all of those priorities remains intact in the 2023-24 State Budget, as does an 8.2% cost of living increase for the LCFF, special education and other ongoing programs.

Funding for Proposition 98, the formula that sets the portion of the state general fund going to TK-12, community schools and some child care funding, will be \$108.3 billion. That is \$2.1 billion less than the Legislature adopted a year ago for the current year.

The 8.2% cost-of-living adjustment will raise the funding formula, which is the primary funding source for general expenses and additional money for high-needs students, by 4.5% to \$79 billion. The additional funding takes into account a projected 3.16% decline statewide in ADA, including fewer students than projected enrolling in traditional kindergarten.

Other additional spending in the education portion of the 2023-24 State Budget includes:

- \$300 million to the funding formula to create what the Governor is calling the “equity multiplier” program. It will enable at least several hundred high-needs schools to close opportunity and achievement gaps by addressing learning needs for the lowest-performing racial and ethnic student groups, students with disabilities and English learners in those schools. The criteria to qualify for the funding includes schools with 90% or more students qualifying for free school meals, and factors in school instability, reflecting high rates of expelled and truant students, dropouts, homeless and foster-care students plus a minimum of 70% low-income students.
- \$250 million in one-time funding to double grants over five years to high-poverty schools to train and hire literacy coaches for one-on-one and small-group interventions for struggling readers.
- \$80 million in ongoing funding for juvenile court and alternative schools operated by county offices of education.
- \$20 million in professional development grants for bilingual teachers.
- \$6 million more to the Golden State Teacher Grant program, which offers up to \$20,000 to a teacher candidate who commits to working in a priority school for four years, for teacher candidates preparing to become special education teachers.
- \$3.5 million ongoing to county offices of education to stock opioid overdose reversal medication, with at least two units at all middle and high schools within each county office’s jurisdiction.
- \$1 million to develop a state “literacy roadmap” to provide guidance on teaching, training and using evidence-based practices on effective reading instruction.
- \$1 million for a panel to identify a choice of screening instruments from which all schools must choose, starting in 2025-26, to identify students at risk for dyslexia and other reading difficulties.
- \$1 million for professional development and leadership training through the Museum of Tolerance.

Trailer bills implementing the provisions of the 2023-24 State Budget were considered and voted upon in the weeks following the final budget agreement.

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2023-24 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the Owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions summarized herein relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978, (b) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (c) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the District, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula

among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004, a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B ("**Article XIII B**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the District may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“**unitary property**”). Under the State Constitution, such property is assessed by the State Board of Equalization (“**SBE**”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIII C and XIII D of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, “**Article XIII C**” and “**Article XIII D**”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or

granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K 14 school districts for subsequent years, creating further pressure on

other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K 14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund

revenues. Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of State general fund revenues (the “**first test**”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the “**second test**”). Under Proposition 111, schools will receive the greater of (a) the first test, (b) the second test, or (c) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (a) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (b) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (a) any local government debts approved by the voters prior to July 1, 1978 or (b) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (a) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (b) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (c) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (a) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (b) shift property taxes

from local governments to schools or community colleges, (c) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (d) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also known as “**Proposition 30**”, temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases for such period the marginal personal income tax rate by: (a) 1% for taxable income over \$250,000 but less than \$300,000 for single

filers (over \$340,000 but less than \$408,000 for head of household filers and over \$500,000 but less than \$600,000 for joint filers), (b) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$408,000 but less than \$680,000 for head of household filers and over \$600,000 but less than \$1,000,000 for joint filers), and (c) 3% for taxable income over \$500,000 for single filers (over \$680,000 for head of household filers and over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the end of 2030, instead of the scheduled expiration date of December 31, 2018. The extensions did not apply to the sales tax and excise taxes imposed by Proposition 30. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

California Senate Bill 222

Senate Bill 222 (“**SB 222**”) was signed by the California Governor on July 13, 2015, and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* property tax collections are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds, such as the Bonds, as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“**Proposition 19**”), which amends Article XIII A to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property’s tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrows as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocates most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District’s assessed values.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

**SANGER UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2021-22**

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Financial Statements
June 30, 2022

Sanger Unified School District

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Independent Auditor's Report

To the Governing Board
Sanger Unified School District
Sanger, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sanger Unified School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sanger Unified School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sanger Unified School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the Sanger Unified School District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sanger Unified School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sanger Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sanger Unified School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP Program, schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sanger Unified School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023 on our consideration of Sanger Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sanger Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

with *Government Auditing Standards* in considering Sanger Unified School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California
February 16, 2023



SANGER UNIFIED SCHOOL DISTRICT

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(559) 524-6521

FAX (559) 875-0311

ADELA MADRIGAL JONES

SUPERINTENDENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Sanger Unified School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022, with comparative information for the fiscal year ending June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities separately. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities), and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of funds which are governmental and fiduciary.

The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Sanger Unified School District.

~~~~~ *Every Child, Every Day, Whatever it Takes!* ~~~~~

Trustees: Peter R. Filippi Va Her Ismael (Mike) Hernandez  
Jesse Solorio G. Brandon Vang Jesse Vasquez Tammy Wolfe

## REPORTING THE DISTRICT AS A WHOLE

### The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflow of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District's activities as follows:

**Governmental Activities** - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

**Governmental Funds** - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

## THE DISTRICT AS A TRUSTEE

### Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for funds held on behalf of others, like our funds for scholarships. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## FINANCIAL HIGHLIGHTS OF THE PAST YEAR

- Under the Local Control Funding Formula Model, the District's non-charter unduplicated pupil percentage was 71.21% for the 2021-2022 year. The LCFF entitlement recorded in the General Fund for 2021-2022 was \$128,101,623.
- Student enrollment (including dependent charters) as documented on the 2021-2022 fall census day was 13,087, an increase of 462 students compared to 2020-2021 enrollment levels. Preliminary fall census data for the 2022-2023 school year shows growth of 100 students (0.76% increase) compared to 2021-2022.

## THE DISTRICT AS A WHOLE

### Net Position

The District's net position was \$72.9 million for the fiscal year ended June 30, 2022. Of this amount, \$83.7 million was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

|                                  | Governmental<br>Activities |                      |
|----------------------------------|----------------------------|----------------------|
|                                  | 2022                       | 2021                 |
| <b>Assets</b>                    |                            |                      |
| Current and other assets         | \$ 297,957,628             | \$ 201,514,717       |
| Capital assets                   | <u>336,191,069</u>         | <u>297,800,492</u>   |
| Total assets                     | <u>634,148,697</u>         | <u>499,315,209</u>   |
| Deferred outflows of resources   | <u>41,921,752</u>          | <u>45,420,814</u>    |
| <b>Liabilities</b>               |                            |                      |
| Current liabilities              | 33,877,296                 | 32,281,603           |
| Long-term liabilities            | <u>509,231,536</u>         | <u>469,893,395</u>   |
| Total liabilities                | <u>543,108,832</u>         | <u>502,174,998</u>   |
| Deferred inflows of resources    | <u>60,023,145</u>          | <u>5,185,221</u>     |
| <b>Net Position</b>              |                            |                      |
| Net investment in capital assets | 83,013,273                 | 95,364,801           |
| Restricted                       | 83,693,998                 | 43,495,769           |
| Unrestricted deficit             | <u>(93,768,799)</u>        | <u>(101,484,766)</u> |
| Total net position               | <u>\$ 72,938,472</u>       | <u>\$ 37,375,804</u> |

The \$72.9 million in net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted deficit net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by 7.6% (\$93.8) million compared to \$(101.5) million).

### Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

|                                      | Governmental<br>Activities |               |
|--------------------------------------|----------------------------|---------------|
|                                      | 2022                       | 2021          |
| <b>Revenues</b>                      |                            |               |
| Program revenues                     |                            |               |
| Charges for services                 | \$ 1,102,094               | \$ 2,489,901  |
| Operating grants and contributions   | 47,065,516                 | 57,329,516    |
| Capital grants and contributions     | 24,943,685                 | 7,564,742     |
| General revenues                     |                            |               |
| Federal and State aid not restricted | 128,158,514                | 115,131,997   |
| Property taxes                       | 30,316,693                 | 26,418,280    |
| Other general revenues               | 7,345,900                  | 12,931,597    |
| Total revenues                       | 238,932,402                | 221,866,033   |
| <b>Expenses</b>                      |                            |               |
| Instruction-related                  | 128,879,732                | 131,991,080   |
| Pupil services                       | 27,478,818                 | 29,417,798    |
| Administration                       | 9,382,525                  | 9,698,342     |
| Plant services                       | 18,852,299                 | 19,625,529    |
| All other services                   | 18,776,360                 | 17,169,110    |
| Total expenses                       | 203,369,734                | 207,901,859   |
| Change in net position               | \$ 35,562,668              | \$ 13,964,174 |

**Governmental Activities**

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was \$203.4 million as compared to \$207.9 million in the prior year. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$30.3 million because the cost was paid by those who benefited from the programs, \$1.1 million, or by other governments and organizations who subsidized certain programs with grants and contributions of \$72 million. We paid for the remaining “public benefit” portion of our governmental activities with \$128.2 million in Federal and State unrestricted funds, and \$7.3 million with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District’s largest functions: instruction, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.



Table 3

|                     | Total Cost of Services |                       | Net Cost of Services    |                         |
|---------------------|------------------------|-----------------------|-------------------------|-------------------------|
|                     | 2022                   | 2021                  | 2022                    | 2021                    |
| Instruction-related | \$ 128,879,732         | \$ 131,991,080        | \$ (74,421,777)         | \$ (86,327,074)         |
| Pupil services      | 27,478,818             | 29,417,798            | (15,033,270)            | (17,600,856)            |
| Administration      | 9,382,525              | 9,698,342             | (7,537,530)             | (7,891,290)             |
| Plant services      | 18,852,299             | 19,625,529            | (18,049,386)            | (17,195,116)            |
| All other services  | 18,776,360             | 17,169,110            | (15,216,476)            | (11,503,364)            |
| <b>Total</b>        | <b>\$ 203,369,734</b>  | <b>\$ 207,901,859</b> | <b>\$ (130,258,439)</b> | <b>\$ (140,517,700)</b> |

**THE DISTRICT'S FUNDS**

As the District completed this year, our governmental funds reported a combined fund balance of \$264.1 million, which is an increase of \$94.8 million from last year (Table 4).

Table 4

| Governmental Fund                                   | Balances and Activity |                                            |                                             |                       |
|-----------------------------------------------------|-----------------------|--------------------------------------------|---------------------------------------------|-----------------------|
|                                                     | July 1, 2021          | Revenues and<br>Other Financing<br>Sources | Expenditures<br>and Other<br>Financing Uses | June 30, 2022         |
| General                                             | \$ 40,787,984         | \$ 177,837,273                             | \$ 180,081,105                              | \$ 38,544,152         |
| Student Activities                                  | 777,453               | 2,062,156                                  | 1,768,963                                   | 1,070,646             |
| Charter Schools                                     | 3,546,583             | 16,458,115                                 | 15,561,413                                  | 4,443,285             |
| Adult Education                                     | 223,389               | 1,252,144                                  | 1,136,525                                   | 339,008               |
| Child Development                                   | 319,290               | 1,617,433                                  | 1,556,298                                   | 380,425               |
| Cafeteria                                           | 795,596               | 11,475,807                                 | 8,614,304                                   | 3,657,099             |
| Deferred Maintenance                                | 1,083,439             | (43,098)                                   | -                                           | 1,040,341             |
| Building                                            | 89,825,974            | (1,759,525)                                | 42,679,019                                  | 45,387,430            |
| Capital Facilities                                  | 5,728,211             | 1,696,806                                  | 4,101,982                                   | 3,323,035             |
| County School Facilities                            | 9,157,508             | 25,156,879                                 | 146,394                                     | 34,167,993            |
| Special Reserve Fund for Capital<br>Outlay Projects | 142,225               | 118,365,965                                | 3,397,381                                   | 115,110,809           |
| Bond Interest and Redemption                        | 16,845,462            | 27,140,799                                 | 27,370,152                                  | 16,616,109            |
| <b>Total</b>                                        | <b>\$ 169,233,114</b> | <b>\$ 381,260,754</b>                      | <b>\$ 286,413,536</b>                       | <b>\$ 264,080,332</b> |

The fund balance in the General Fund decreased by \$2.2 million from \$40.8 million to \$38.5 million due to increases in expenditures and transfers out. The Building Fund showed a decrease of \$44.4 million due to \$37.1 million more in capital outlay expenditures in the current year. The Special Reserve Fund for Capital Outlay Projects showed an increase of \$115 million due to the District issuing 2022 Certificates of Participation. The Bond Interest and Redemption Fund showed a decrease of \$0.2 million. The remaining funds increased by \$26.8 million from the prior year.

**General Fund Budgetary Highlights**

The District originally projected an increase in the General Fund balance of approximately \$4.4 million. During the year, the District received sources from capital leases, received several new local grant awards and increased state categorical allocations, and adjusted CalSTRS on behalf contribution amounts from estimated to actual at year end. These changes resulted in revenues, transfers in, and other sources totaling \$17.9 million more than originally projected. Related expenditures and transfers out were \$24.5 million more than originally projected, resulting in a decrease in the fund balance of \$2.2 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2022, the District had \$336.2 million in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$38.4 million, or 12.9% from last year (Table 5).

Table 5

|                                   | Governmental<br>Activities |                |
|-----------------------------------|----------------------------|----------------|
|                                   | 2022                       | 2021           |
| Land and construction in progress | \$ 87,142,406              | \$ 39,138,478  |
| Buildings and improvements        | 240,620,817                | 249,740,200    |
| Equipment                         | 8,168,353                  | 8,921,814      |
| Leased assets                     | 259,493                    | -              |
| Total                             | \$ 336,191,069             | \$ 297,800,492 |

This year’s asset additions included Phase 2 of the Sanger Educational Complex, an athletic facility project, a technology e-rate project, and various relocatable classroom projects at multiple sites. Additional capital projects are planned for the 2022-2023 fiscal year utilizing the proceeds from general obligation bonds issued by the District, as well as one-time State funding and Mitigation Fees. We present more detailed information about our capital assets in the Notes to Financial Statements.

**Long-Term Liabilities**

At the end of this year, the District had \$509.2 million in long-term liabilities outstanding versus \$469.9 million last year, an increase of 8.4%. The increase was primarily due to the issuance of Certificates of Participation. These liabilities consisted of:

Table 6

|                                                                       | Governmental<br>Activities |                |
|-----------------------------------------------------------------------|----------------------------|----------------|
|                                                                       | 2022                       | 2021           |
| Long-Term Liabilities                                                 |                            |                |
| General obligation bonds                                              | \$ 251,303,760             | \$ 253,921,729 |
| Qualified school construction<br>bonds, Certificates of participation | 7,780,051                  | 9,266,024      |
| Certificates of participation                                         | 113,370,000                | 11,330,000     |
| Unamortized premiums/(discounts)                                      | 30,208,898                 | 17,254,234     |
| Financed purchases                                                    | 4,503,023                  | 8,918,515      |
| Leases                                                                | 260,903                    | -              |
| Compensated absences, net                                             | 645,241                    | 653,376        |
| Net pension liability                                                 | 82,313,651                 | 153,305,813    |
| Other postemployment benefits                                         | 18,846,009                 | 15,243,704     |
|                                                                       | \$ 509,231,536             | \$ 469,893,395 |
| Total                                                                 |                            |                |

The District's S&P rating at the time of the last rating was "AA/A+."

At year-end, the District has a net pension liability of \$82.3 million versus \$153.3 million last year, a decrease of \$71 million, or 46.3%. The District also reported deferred outflows of resources from pension activities of \$32.7 million, and deferred inflows of resources from pension activities of \$59.8 million.

We present more detailed information regarding our long-term liabilities in the Notes to Financial Statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

At the time of preparation of the District's 2022-2023 budget, the State budget proposal included a COLA of 6.56%. The final enacted State budget maintained this COLA and also added a 6.70% increase to the Local Control Funding Formula, resulting in an estimated \$11 million dollars in additional ongoing revenue for the District. In addition, the 2021-2022 average daily attendance (ADA) calculation was adjusted using the attendance yield from the 2019-2020 school year per budget provisions made for COVID-19 related attendance loss relief. This adjustment added approximately \$5 million in one-time revenue to the District's LCFF revenue for 2021-2022 and the calculation becomes the new floor for 2022-2023 ADA calculations. The Unduplicated Pupil Count percentage for supplemental and concentration grants was 71.21% in 2021-2022 and is projected to remain at similar levels for 2022-2023. The District's 2022-2023 fall census shows enrollment growth of 100 students compared with 2021-2022's census. The FCMAT LCFF calculator was used for revenue projections and Minimum Proportionality Percentage (MPP) estimates.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Services Office, at Sanger Unified School District, 1905 Seventh Street, Sanger, California, 93657, or e-mail at [marsha\\_alfving@sangerusd.net](mailto:marsha_alfving@sangerusd.net)

Sanger Unified School District  
Statement of Net Position  
June 30, 2022

|                                                                                 | Governmental<br>Activities |
|---------------------------------------------------------------------------------|----------------------------|
| <b>Assets</b>                                                                   |                            |
| Deposits and investments                                                        | \$ 281,478,333             |
| Receivables                                                                     | 16,332,201                 |
| Stores inventories                                                              | 147,094                    |
| Capital assets not depreciated                                                  | 87,142,406                 |
| Capital assets, net of accumulated depreciation                                 | 248,789,170                |
| Right-to-use leased assets, net of<br>accumulated amortization                  | 259,493                    |
| Total assets                                                                    | 634,148,697                |
| <b>Deferred Outflows of Resources</b>                                           |                            |
| Deferred charge on refunding                                                    | 3,196,851                  |
| Deferred outflows of resources related to OPEB                                  | 6,009,527                  |
| Deferred outflows of resources related to pensions                              | 32,715,374                 |
| Total deferred outflows of resources                                            | 41,921,752                 |
| <b>Liabilities</b>                                                              |                            |
| Accounts payable                                                                | 31,412,852                 |
| Unearned revenue                                                                | 2,464,444                  |
| Long-term liabilities                                                           |                            |
| Long-term liabilities other than OPEB and<br>pensions due within one year       | 6,710,084                  |
| Long-term liabilities other than OPEB and<br>pensions due in more than one year | 401,361,792                |
| Net other postemployment benefits liability (OPEB)                              | 18,846,009                 |
| Aggregate net pension liabilities                                               | 82,313,651                 |
| Total liabilities                                                               | 543,108,832                |
| <b>Deferred Inflows of Resources</b>                                            |                            |
| Deferred inflows of resources related to OPEB                                   | 175,100                    |
| Deferred inflows of resources related to pensions                               | 59,848,045                 |
| Total deferred inflows of resources                                             | 60,023,145                 |
| <b>Net Position</b>                                                             |                            |
| Net investment in capital assets                                                | 83,013,273                 |
| Restricted for                                                                  |                            |
| Debt service                                                                    | 28,912,470                 |
| Capital projects                                                                | 37,670,302                 |
| Educational programs                                                            | 12,413,676                 |
| Child nutrition                                                                 | 3,626,904                  |
| Student activities                                                              | 1,070,646                  |
| Unrestricted                                                                    | (93,768,799)               |
| Total net position                                                              | \$ 72,938,472              |

Sanger Unified School District  
Statement of Activities  
Year Ended June 30, 2022

| Functions/Programs                           | Expenses              | Program Revenues                     |                                          |                                        | Net (Expenses)<br>Revenues and<br>Changes in<br>Net Position<br>Governmental<br>Activities |
|----------------------------------------------|-----------------------|--------------------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------|
|                                              |                       | Charges for<br>Services and<br>Sales | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                                                                                            |
| Governmental Activities                      |                       |                                      |                                          |                                        |                                                                                            |
| Instruction                                  | \$ 106,386,595        | \$ 483,226                           | \$ 24,880,367                            | \$ 24,943,685                          | \$ (56,079,317)                                                                            |
| Instruction-related activities               |                       |                                      |                                          |                                        |                                                                                            |
| Supervision of instruction                   | 5,288,831             | 2,751                                | 2,237,347                                | -                                      | (3,048,733)                                                                                |
| Instructional library, media, and technology | 5,288,883             | -                                    | 308,619                                  | -                                      | (4,980,264)                                                                                |
| School site administration                   | 11,915,423            | 9                                    | 1,601,951                                | -                                      | (10,313,463)                                                                               |
| Pupil services                               |                       |                                      |                                          |                                        |                                                                                            |
| Home-to-school transportation                | 5,034,796             | -                                    | 417,785                                  | -                                      | (4,617,011)                                                                                |
| Food services                                | 8,484,723             | 112,653                              | 9,141,101                                | -                                      | 769,031                                                                                    |
| All other pupil services                     | 13,959,299            | 2,548                                | 2,771,461                                | -                                      | (11,185,290)                                                                               |
| Administration                               |                       |                                      |                                          |                                        |                                                                                            |
| Data processing                              | 861,235               | -                                    | (79,093)                                 | -                                      | (940,328)                                                                                  |
| All other administration                     | 8,521,290             | 7,402                                | 1,916,686                                | -                                      | (6,597,202)                                                                                |
| Plant services                               | 18,852,299            | 4,725                                | 798,188                                  | -                                      | (18,049,386)                                                                               |
| Ancillary services                           | 3,614,795             | 217                                  | 2,167,817                                | -                                      | (1,446,761)                                                                                |
| Community services                           | 17,615                | -                                    | -                                        | -                                      | (17,615)                                                                                   |
| Interest on long-term liabilities            | 13,344,615            | -                                    | -                                        | -                                      | (13,344,615)                                                                               |
| Other outgo                                  | 1,799,335             | 488,563                              | 903,287                                  | -                                      | (407,485)                                                                                  |
|                                              | <u>\$ 203,369,734</u> | <u>\$ 1,102,094</u>                  | <u>\$ 47,065,516</u>                     | <u>\$ 24,943,685</u>                   | <u>(130,258,439)</u>                                                                       |

Sanger Unified School District  
Statement of Activities  
Year Ended June 30, 2022

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|                                                           | <u>Net (Expenses)<br/>Revenues and<br/>Changes in<br/>Net Position</u><br><u>Governmental<br/>Activities</u> |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| General Revenues and Subventions                          |                                                                                                              |
| Property taxes, levied for general purposes               | 17,684,449                                                                                                   |
| Property taxes, levied for debt service                   | 12,543,045                                                                                                   |
| Taxes levied for other specific purposes                  | 89,199                                                                                                       |
| Federal and State aid not restricted to specific purposes | 128,158,514                                                                                                  |
| Interest, investment earnings and fair value adjustments  | (1,886,565)                                                                                                  |
| Miscellaneous and unspent State entitlement revenues      | <u>9,232,465</u>                                                                                             |
| Subtotal, general revenues and subventions                | <u>165,821,107</u>                                                                                           |
| Change in Net Position                                    | 35,562,668                                                                                                   |
| Net Position - Beginning                                  | <u>37,375,804</u>                                                                                            |
| Net Position - Ending                                     | <u><u>\$ 72,938,472</u></u>                                                                                  |

Sanger Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2022

|                                            | General<br>Fund      | Building<br>Fund     | County School<br>Facilities<br>Fund | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------|----------------------|----------------------|-------------------------------------|--------------------------------------------------------|------------------------------------|--------------------------------|
| <b>Assets</b>                              |                      |                      |                                     |                                                        |                                    |                                |
| Deposits and investments                   | \$ 45,429,041        | \$ 53,026,803        | \$ 34,048,082                       | \$ 116,005,364                                         | \$ 32,969,043                      | \$ 281,478,333                 |
| Receivables                                | 13,552,629           | 310,284              | 119,911                             | 1,639                                                  | 2,347,738                          | 16,332,201                     |
| Due from other funds                       | 907,791              | -                    | -                                   | -                                                      | -                                  | 907,791                        |
| Stores inventories                         | 116,899              | -                    | -                                   | -                                                      | 30,195                             | 147,094                        |
| <b>Total assets</b>                        | <b>\$ 60,006,360</b> | <b>\$ 53,337,087</b> | <b>\$ 34,167,993</b>                | <b>\$ 116,007,003</b>                                  | <b>\$ 35,346,976</b>               | <b>\$ 298,865,419</b>          |
| <b>Liabilities and Fund Balances</b>       |                      |                      |                                     |                                                        |                                    |                                |
| <b>Liabilities</b>                         |                      |                      |                                     |                                                        |                                    |                                |
| Accounts payable                           | \$ 19,577,350        | \$ 7,949,657         | \$ -                                | \$ 896,194                                             | \$ 2,989,651                       | \$ 31,412,852                  |
| Due to other funds                         | -                    | -                    | -                                   | -                                                      | 907,791                            | 907,791                        |
| Unearned revenue                           | 1,884,858            | -                    | -                                   | -                                                      | 579,586                            | 2,464,444                      |
| <b>Total liabilities</b>                   | <b>21,462,208</b>    | <b>7,949,657</b>     | <b>-</b>                            | <b>896,194</b>                                         | <b>4,477,028</b>                   | <b>34,785,087</b>              |
| <b>Fund Balances</b>                       |                      |                      |                                     |                                                        |                                    |                                |
| Nonspendable                               | 126,899              | -                    | -                                   | -                                                      | 30,195                             | 157,094                        |
| Restricted                                 | 11,192,455           | 45,387,430           | 34,167,993                          | 112,111,640                                            | 26,037,189                         | 228,896,707                    |
| Committed                                  | -                    | -                    | -                                   | -                                                      | 1,379,349                          | 1,379,349                      |
| Assigned                                   | 21,350,895           | -                    | -                                   | 2,999,169                                              | 3,423,215                          | 27,773,279                     |
| Unassigned                                 | 5,873,903            | -                    | -                                   | -                                                      | -                                  | 5,873,903                      |
| <b>Total fund balances</b>                 | <b>38,544,152</b>    | <b>45,387,430</b>    | <b>34,167,993</b>                   | <b>115,110,809</b>                                     | <b>30,869,948</b>                  | <b>264,080,332</b>             |
| <b>Total liabilities and fund balances</b> | <b>\$ 60,006,360</b> | <b>\$ 53,337,087</b> | <b>\$ 34,167,993</b>                | <b>\$ 116,007,003</b>                                  | <b>\$ 35,346,976</b>               | <b>\$ 298,865,419</b>          |



Sanger Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2022

---

Total Fund Balance - Governmental Funds \$ 264,080,332

Amounts Reported for Governmental Activities in the  
 Statement of Net Position are Different Because

Capital assets used in governmental activities are not financial  
 resources and, therefore, are not reported as assets in  
 governmental funds.

|                               |                      |
|-------------------------------|----------------------|
| The cost of capital assets is | \$ 493,381,719       |
| Accumulated depreciation is   | <u>(157,450,143)</u> |

|                    |             |
|--------------------|-------------|
| Net capital assets | 335,931,576 |
|--------------------|-------------|

Right-to-use leased assets used in governmental activities are  
 not financial resources and, therefore, are not reported as assets in  
 governmental funds.

|                                           |                 |
|-------------------------------------------|-----------------|
| The cost of right-to-use leased assets is | 273,151         |
| Accumulated amortization is               | <u>(13,658)</u> |

|                                |         |
|--------------------------------|---------|
| Net right-to-use leased assets | 259,493 |
|--------------------------------|---------|

Deferred outflows of resources represent a consumption of net  
 position in a future period and is not reported in the governmental  
 funds. Deferred outflows of resources amounted to and related to

|                                                |                   |
|------------------------------------------------|-------------------|
| Debt refundings (deferred charge on refunding) | 3,196,851         |
| Other postemployment benefits (OPEB)           | 6,009,527         |
| Net pension liability                          | <u>32,715,374</u> |

|                                      |            |
|--------------------------------------|------------|
| Total deferred outflows of resources | 41,921,752 |
|--------------------------------------|------------|

Deferred inflows of resources represent an acquisition of net position  
 that applies to a future period and is not reported in the governmental  
 funds. Deferred inflows of resources amount to and related to

|                                      |                     |
|--------------------------------------|---------------------|
| Other postemployment benefits (OPEB) | (175,100)           |
| Net pension liability                | <u>(59,848,045)</u> |

|                                     |              |
|-------------------------------------|--------------|
| Total deferred inflows of resources | (60,023,145) |
|-------------------------------------|--------------|

|                                                                                                                         |              |
|-------------------------------------------------------------------------------------------------------------------------|--------------|
| Net pension liability is not due and payable in the current period,<br>and is not reported as a liability in the funds. | (82,313,651) |
|-------------------------------------------------------------------------------------------------------------------------|--------------|

|                                                                                                                                 |              |
|---------------------------------------------------------------------------------------------------------------------------------|--------------|
| The District's OPEB liability is not due and payable in the current period,<br>and is not reported as a liability in the funds. | (18,846,009) |
|---------------------------------------------------------------------------------------------------------------------------------|--------------|

Sanger Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2022

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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of

|                                                         |               |
|---------------------------------------------------------|---------------|
| General obligation bonds including unamortized premiums | (260,901,779) |
|---------------------------------------------------------|---------------|

|                                                                            |               |
|----------------------------------------------------------------------------|---------------|
| Certificates of participation including unamortized premiums and discounts | (135,911,651) |
|----------------------------------------------------------------------------|---------------|

|                    |             |
|--------------------|-------------|
| Financed purchases | (4,503,023) |
|--------------------|-------------|

|        |           |
|--------|-----------|
| Leases | (260,903) |
|--------|-----------|

|                                  |           |
|----------------------------------|-----------|
| Compensated absences (vacations) | (645,241) |
|----------------------------------|-----------|

|                                                                                                                                              |             |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is | (5,849,279) |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                             |               |
|-----------------------------|---------------|
| Total long-term liabilities | (408,071,876) |
|-----------------------------|---------------|

|                                              |               |
|----------------------------------------------|---------------|
| Total net position - governmental activities | \$ 72,938,472 |
|----------------------------------------------|---------------|

Sanger Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2022

|                                                   | General<br>Fund      | Building<br>Fund     | County School<br>Facilities<br>Fund |
|---------------------------------------------------|----------------------|----------------------|-------------------------------------|
| <b>Revenues</b>                                   |                      |                      |                                     |
| Local Control Funding Formula                     | \$ 128,102,627       | \$ -                 | \$ -                                |
| Federal sources                                   | 18,673,175           | -                    | -                                   |
| Other State sources                               | 20,304,513           | -                    | 26,466,373                          |
| Other local sources                               | 7,627,760            | (1,759,525)          | (1,309,494)                         |
| Total revenues                                    | <u>174,708,075</u>   | <u>(1,759,525)</u>   | <u>25,156,879</u>                   |
| <b>Expenditures</b>                               |                      |                      |                                     |
| Current                                           |                      |                      |                                     |
| Instruction                                       | 97,261,865           | -                    | -                                   |
| Instruction-related activities                    |                      |                      |                                     |
| Supervision of instruction                        | 5,012,735            | -                    | -                                   |
| Instructional library, media,<br>and technology   | 4,812,887            | -                    | -                                   |
| School site administration                        | 10,399,533           | -                    | -                                   |
| Pupil services                                    |                      |                      |                                     |
| Home-to-school transportation                     | 4,639,498            | -                    | -                                   |
| Food services                                     | -                    | -                    | -                                   |
| All other pupil services                          | 13,277,635           | -                    | -                                   |
| Administration                                    |                      |                      |                                     |
| Data processing                                   | 766,020              | -                    | -                                   |
| All other administration                          | 7,273,185            | -                    | -                                   |
| Plant services                                    | 16,808,837           | -                    | -                                   |
| Ancillary services                                | 1,659,014            | -                    | -                                   |
| Community services                                | 16,429               | -                    | -                                   |
| Other outgo                                       | 1,524,244            | -                    | -                                   |
| Facility acquisition and construction             | 4,719,348            | 42,679,019           | 146,394                             |
| Debt service                                      |                      |                      |                                     |
| Principal                                         | 2,799,780            | -                    | -                                   |
| Interest and other                                | 1,547,478            | -                    | -                                   |
| Total expenditures                                | <u>172,518,488</u>   | <u>42,679,019</u>    | <u>146,394</u>                      |
| Excess (Deficiency) of Revenues Over Expenditures | <u>2,189,587</u>     | <u>(44,438,544)</u>  | <u>25,010,485</u>                   |
| <b>Other Financing Sources (Uses)</b>             |                      |                      |                                     |
| Transfers in                                      | -                    | -                    | -                                   |
| Sources from bond sales, par                      | -                    | -                    | -                                   |
| Sources from COP sales, par                       | 2,525,000            | -                    | -                                   |
| Sources from COP sales, premiums                  | 331,047              | -                    | -                                   |
| Sources from leases                               | 273,151              | -                    | -                                   |
| Debt proceeds contributed to refunding escrow     | (2,791,685)          | -                    | -                                   |
| Transfers out                                     | (4,770,932)          | -                    | -                                   |
| Net Financing Sources (Uses)                      | <u>(4,433,419)</u>   | <u>-</u>             | <u>-</u>                            |
| Net Change in Fund Balances                       | (2,243,832)          | (44,438,544)         | 25,010,485                          |
| Fund Balance - Beginning                          | 40,787,984           | 89,825,974           | 9,157,508                           |
| Fund Balance - Ending                             | <u>\$ 38,544,152</u> | <u>\$ 45,387,430</u> | <u>\$ 34,167,993</u>                |

Sanger Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2022

|                                                   | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------------|--------------------------------------------------------|------------------------------------|--------------------------------|
| <b>Revenues</b>                                   |                                                        |                                    |                                |
| Local Control Funding Formula                     | \$ -                                                   | \$ 13,895,316                      | \$ 141,997,943                 |
| Federal sources                                   | -                                                      | 10,709,440                         | 29,382,615                     |
| Other State sources                               | -                                                      | 5,320,438                          | 52,091,324                     |
| Other local sources                               | (156,433)                                              | 15,549,036                         | 19,951,344                     |
| Total revenues                                    | <u>(156,433)</u>                                       | <u>45,474,230</u>                  | <u>243,423,226</u>             |
| <b>Expenditures</b>                               |                                                        |                                    |                                |
| <b>Current</b>                                    |                                                        |                                    |                                |
| Instruction                                       | -                                                      | 12,052,810                         | 109,314,675                    |
| Instruction-related activities                    |                                                        |                                    |                                |
| Supervision of instruction                        | -                                                      | 295,302                            | 5,308,037                      |
| Instructional library, media,<br>and technology   | -                                                      | 222,979                            | 5,035,866                      |
| School site administration                        | -                                                      | 1,770,166                          | 12,169,699                     |
| Pupil services                                    |                                                        |                                    |                                |
| Home-to-school transportation                     | -                                                      | 216,032                            | 4,855,530                      |
| Food services                                     | -                                                      | 8,149,502                          | 8,149,502                      |
| All other pupil services                          | -                                                      | 1,053,912                          | 14,331,547                     |
| Administration                                    |                                                        |                                    |                                |
| Data processing                                   | -                                                      | 45,239                             | 811,259                        |
| All other administration                          | -                                                      | 1,217,030                          | 8,490,215                      |
| Plant services                                    | -                                                      | 1,729,919                          | 18,538,756                     |
| Ancillary services                                | -                                                      | 1,825,256                          | 3,484,270                      |
| Community services                                | -                                                      | -                                  | 16,429                         |
| Other outgo                                       | 275,091                                                | -                                  | 1,799,335                      |
| Facility acquisition and construction             | 890,412                                                | 3,143,000                          | 51,578,173                     |
| Debt service                                      |                                                        |                                    |                                |
| Principal                                         | 180,000                                                | 3,755,000                          | 6,734,780                      |
| Interest and other                                | 2,051,878                                              | 9,318,490                          | 12,917,846                     |
| Total expenditures                                | <u>3,397,381</u>                                       | <u>44,794,637</u>                  | <u>263,535,919</u>             |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(3,553,814)</u>                                     | <u>679,593</u>                     | <u>(20,112,693)</u>            |
| <b>Other Financing Sources (Uses)</b>             |                                                        |                                    |                                |
| Transfers in                                      | 3,900,000                                              | 870,932                            | 4,770,932                      |
| Sources from bond sales, par                      | -                                                      | 15,315,000                         | 15,315,000                     |
| Sources from COP sales, par                       | 100,000,000                                            | -                                  | 102,525,000                    |
| Sources from COP sales, premiums                  | 14,622,398                                             | -                                  | 14,953,445                     |
| Sources from leases                               | -                                                      | -                                  | 273,151                        |
| Debt proceeds contributed to refunding escrow     | -                                                      | (15,315,000)                       | (18,106,685)                   |
| Transfers out                                     | -                                                      | -                                  | (4,770,932)                    |
| Net Financing Sources (Uses)                      | <u>118,522,398</u>                                     | <u>870,932</u>                     | <u>114,959,911</u>             |
| Net Change in Fund Balances                       | 114,968,584                                            | 1,550,525                          | 94,847,218                     |
| Fund Balance - Beginning                          | <u>142,225</u>                                         | <u>29,319,423</u>                  | <u>169,233,114</u>             |
| Fund Balance - Ending                             | <u>\$ 115,110,809</u>                                  | <u>\$ 30,869,948</u>               | <u>\$ 264,080,332</u>          |

Sanger Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022

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Total Net Change in Fund Balances - Governmental Funds \$ 94,847,218

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the Statement of Activities.

This is the amount by which capital outlays exceed depreciation and amortization expenses in the period.

|                                        |                   |
|----------------------------------------|-------------------|
| Depreciation and amortization expenses | \$ (13,992,246)   |
| Capital outlays                        | <u>52,386,908</u> |

|                        |            |
|------------------------|------------|
| Net expense adjustment | 38,394,662 |
|------------------------|------------|

The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was (522,031)

Lease agreements were entered into for right-to-use assets. The present value of these leases is reported in the governmental funds as a source. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position. (273,151)

Gain(Loss) on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (4,085)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. 8,135

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. 9,975,071

Sanger Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022

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|                                                                                                                                                                                                                                                                                          |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. | (1,017,462)          |
| Proceeds received from general obligation bonds or certificates of participation are a revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.                                             | (117,840,000)        |
| Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.                                                                          |                      |
| Premium on issuance recognized                                                                                                                                                                                                                                                           | (14,953,445)         |
| Deferred charge on refunding recognized                                                                                                                                                                                                                                                  | 226,315              |
| Premium amortization                                                                                                                                                                                                                                                                     | 2,006,455            |
| Discount amortization                                                                                                                                                                                                                                                                    | (7,674)              |
| Deferred charge on refunding amortized                                                                                                                                                                                                                                                   | (131,053)            |
| Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.                                                                        |                      |
| General obligation bonds, including refundings                                                                                                                                                                                                                                           | 18,455,000           |
| Qualified school construction bonds                                                                                                                                                                                                                                                      | 1,485,973            |
| Certificates of participation                                                                                                                                                                                                                                                            | 485,000              |
| Financed purchases                                                                                                                                                                                                                                                                       | 4,415,492            |
| Leases                                                                                                                                                                                                                                                                                   | 12,248               |
|                                                                                                                                                                                                                                                                                          | <hr/>                |
| Change in net position of governmental activities                                                                                                                                                                                                                                        | <u>\$ 35,562,668</u> |

Sanger Unified School District  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2022

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|                                   | <u>Custodial<br/>Fund</u> |
|-----------------------------------|---------------------------|
| Assets                            |                           |
| Deposits and investments          | \$ 485,070                |
| Receivables                       | <u>5,310</u>              |
| Total assets                      | <u>490,380</u>            |
| Liabilities                       |                           |
| Accounts payable                  | <u>2,644</u>              |
| Net Position                      |                           |
| Held by District for scholarships | <u>\$ 487,736</u>         |

Sanger Unified School District  
Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
Year Ended June 30, 2022

---

|                                        | Custodial<br>Fund |
|----------------------------------------|-------------------|
| Additions                              |                   |
| Contributions                          |                   |
| Private donations                      | \$ 55,117         |
| Interest                               | 6,529             |
|                                        | 61,646            |
| Total contributions                    | 61,646            |
| Deductions                             |                   |
| Other expenditures                     | 63,677            |
|                                        | 63,677            |
| Net Decrease in Fiduciary Net Position | (2,031)           |
| Net Position - Beginning               | 489,767           |
| Net Position - Ending                  | \$ 487,736        |



## **Note 1 - Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

The Sanger Unified School District (the District) was unified in 1965, under the laws of the State of California. The District operates under a locally-elected seven member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates twelve elementary schools, one middle school, one high school, one continuation high school, three charter schools, one community day school, one alternative education school, and one adult school.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Sanger Unified School District, this includes general operations, food service, and student related activities of the District.

### **Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units may be other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 80, Blending Requirements For Certain Component Units and thus is included in the financial statements of the District. The component unit, although legally a separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District.

### **Sanger Unified School District Financing Corporation**

The Sanger Unified School District Financing Corporation's (the Corporation) financial activity is presented in the financial statements of the District under the blended presentation method. Debt issued by the Corporation is included as long-term liabilities in the government-wide financial statements.

### **Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

### Major Governmental Funds

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Non-Capital Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been consolidated with the General Fund for presentation in these audited financial statements. As a result, the General Fund reflects an increase in fund balance of \$5,947.

**Building Fund** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

**County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

**Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

### Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activities Fund** The Student Activities Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Charter Schools Fund** The Charter Schools Fund may be used by authorizing districts to account separately for the activities of district-operated charter schools that would otherwise be reported in the authorizing district's General Fund
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

**Capital Project Funds** The Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

**Debt Service Funds** The Debt Service funds are used to account for the accumulation of resources for and the payment of principal and interest on general long-term liabilities.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

**Custodial Funds** Custodial funds are used to account for resources, not held in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds are the Livingston, Morrow, Lehman, Foundation, Nurses, Engineering Pathway and Vazanian Family scholarships.

### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which differs from the manner in which governmental fund financial statements are prepared.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation and amortization of leased assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue** Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

### **Investments**

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county pools are determined by the program sponsor.

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds.

### **Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2022.

### **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position, as well as the Custodial Fund column of the Fiduciary Funds Statement of Net Position.

### **Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

**Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, purchase agreements, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

**Premiums and Discounts**

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, statement of net position. Debt premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

### **Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

### **Leases**

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

### **Fund Balances - Governmental Funds**

As of June 30, 2022, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.



**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, the governing board or Chief Business Officer may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$83,693,998 of restricted net position.

### **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental column of the Statement of Activities.

## Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

## Change in Accounting Principles

### Implementation of GASB Statement No. 87

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also changed to previous term of “capital leases” to “financed purchases”.

### Implementation of GASB Statement No. 92

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The provisions of this Statement have been implemented as of June 30, 2022.

### **Implementation of GASB Statement No. 93**

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The provisions of this Statement have been implemented as of June 30, 2022.

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

|                                |                              |
|--------------------------------|------------------------------|
| Governmental funds             | \$ 281,478,333               |
| Fiduciary funds                | <u>485,070</u>               |
| Total deposits and investments | <u><u>\$ 281,963,403</u></u> |

Deposits and investments as of June 30, 2022, consist of the following:

|                                |                              |
|--------------------------------|------------------------------|
| Cash on hand and in banks      | \$ 1,170,232                 |
| Cash with fiscal agent         | 112,122,500                  |
| Cash in revolving              | 10,000                       |
| Investments                    | <u>168,660,671</u>           |
| Total deposits and investments | <u><u>\$ 281,963,403</u></u> |

**Policies and Practices**

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**Investment in County Treasury** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District’s investment in the pool is reported in the accounting financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The County pool is not rated.

### General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

| Authorized<br>Investment Type           | Maximum<br>Remaining<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>in One Issuer |
|-----------------------------------------|----------------------------------|---------------------------------------|----------------------------------------|
| Local Agency Bonds, Notes, Warrants     | 5 years                          | None                                  | None                                   |
| Registered State Bonds, Notes, Warrants | 5 years                          | None                                  | None                                   |
| U.S. Treasury Obligations               | 5 years                          | None                                  | None                                   |
| U.S. Agency Securities                  | 5 years                          | None                                  | None                                   |
| Banker's Acceptance                     | 180 days                         | 40%                                   | 30%                                    |
| Commercial Paper                        | 270 days                         | 25%                                   | 10%                                    |
| Negotiable Certificates of Deposit      | 5 years                          | 30%                                   | None                                   |
| Repurchase Agreements                   | 1 year                           | None                                  | None                                   |
| Reverse Repurchase Agreements           | 92 days                          | 20% of base                           | None                                   |
| Medium-Term Corporate Notes             | 5 years                          | 30%                                   | None                                   |
| Mutual Funds                            | N/A                              | 20%                                   | 10%                                    |
| Money Market Mutual Funds               | N/A                              | 20%                                   | 10%                                    |
| Mortgage Pass-Through Securities        | 5 years                          | 20%                                   | None                                   |
| County Pooled Investment Funds          | N/A                              | None                                  | None                                   |
| Local Agency Investment Fund (LAIF)     | N/A                              | None                                  | None                                   |
| Joint Powers Authority Pools            | N/A                              | None                                  | None                                   |

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$168,660,671 in the Fresno County Treasury Investment Pool that has an average maturity of 846 days to maturity.

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County Pool are not required to be rated, nor has it been rated as of June 30, 2022.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2022, \$112,764,517 of the District's bank balance, including money market accounts, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the District.

**Note 3 - Receivables**

Receivables at June 30, 2022, consist of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

|                     | General<br>Fund      | Building<br>Fund  | County School<br>Facilities<br>Fund | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total                | Custodial<br>Funds |
|---------------------|----------------------|-------------------|-------------------------------------|--------------------------------------------------------|------------------------------------|----------------------|--------------------|
| Federal Government  |                      |                   |                                     |                                                        |                                    |                      |                    |
| Categorical aid     | \$ 7,399,249         | \$ -              | \$ -                                | \$ -                                                   | \$ 1,715,482                       | \$ 9,114,731         | \$ -               |
| State Government    |                      |                   |                                     |                                                        |                                    |                      |                    |
| LCFF apportionment  | 3,031,328            | -                 | -                                   | -                                                      | 212,533                            | 3,243,861            | -                  |
| Other State sources | 2,893,995            | -                 | -                                   | -                                                      | 314,269                            | 3,208,264            | -                  |
| Local Sources       | 228,057              | 310,284           | 119,911                             | 1,639                                                  | 105,454                            | 765,345              | 5,310              |
| <b>Total</b>        | <b>\$ 13,552,629</b> | <b>\$ 310,284</b> | <b>\$ 119,911</b>                   | <b>\$ 1,639</b>                                        | <b>\$ 2,347,738</b>                | <b>\$ 16,332,201</b> | <b>\$ 5,310</b>    |

**Note 4 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

|                                                 | Balance<br>July 1, 2021 | Additions            | Deductions            | Balance<br>June 30, 2022 |
|-------------------------------------------------|-------------------------|----------------------|-----------------------|--------------------------|
| <b>Governmental Activities</b>                  |                         |                      |                       |                          |
| Capital assets not being depreciated            |                         |                      |                       |                          |
| Land                                            | \$ 31,446,317           | \$ -                 | \$ -                  | \$ 31,446,317            |
| Construction in progress                        | 7,692,161               | 49,036,288           | (1,032,360)           | 55,696,089               |
| Total capital assets<br>not being depreciated   | <u>39,138,478</u>       | <u>49,036,288</u>    | <u>(1,032,360)</u>    | <u>87,142,406</u>        |
| Capital assets being depreciated                |                         |                      |                       |                          |
| Land improvements                               | 44,134,879              | 1,125,889            | (24,512)              | 45,236,256               |
| Buildings and improvements                      | 334,401,640             | 2,202,020            | -                     | 336,603,660              |
| Furniture and equipment                         | 23,617,477              | 781,920              | -                     | 24,399,397               |
| Total capital assets being<br>depreciated       | <u>402,153,996</u>      | <u>4,109,829</u>     | <u>(24,512)</u>       | <u>406,239,313</u>       |
| Total capital assets                            | <u>441,292,474</u>      | <u>53,146,117</u>    | <u>(1,056,872)</u>    | <u>493,381,719</u>       |
| Accumulated depreciation                        |                         |                      |                       |                          |
| Land improvements                               | (21,856,299)            | (1,681,867)          | -                     | (23,538,166)             |
| Buildings and improvements                      | (106,940,020)           | (10,761,340)         | 20,427                | (117,680,933)            |
| Furniture and equipment                         | (14,695,663)            | (1,535,381)          | -                     | (16,231,044)             |
| Total accumulated<br>depreciation               | <u>(143,491,982)</u>    | <u>(13,978,588)</u>  | <u>20,427</u>         | <u>(157,450,143)</u>     |
| Net depreciable capital assets                  | <u>258,662,014</u>      | <u>(9,868,759)</u>   | <u>(4,085)</u>        | <u>248,789,170</u>       |
| Right-to-use leased assets being amortized      |                         |                      |                       |                          |
| Furniture and equipment                         | -                       | 273,151              | -                     | 273,151                  |
| Accumulated amortization                        |                         |                      |                       |                          |
| Furniture and equipment                         | -                       | (13,658)             | -                     | (13,658)                 |
| Net right-to-use leased assets                  | <u>-</u>                | <u>259,493</u>       | <u>-</u>              | <u>259,493</u>           |
| Governmental activities,<br>capital assets, net | <u>\$ 297,800,492</u>   | <u>\$ 39,700,173</u> | <u>\$ (1,036,445)</u> | <u>\$ 336,191,069</u>    |

Depreciation and amortization was charged to functional expenses as follows:

|                                                                        |                             |
|------------------------------------------------------------------------|-----------------------------|
| Governmental Activities                                                |                             |
| Instruction                                                            | \$ 8,061,043                |
| Supervision of instruction                                             | 391,423                     |
| Instructional library, media, and technology                           | 371,353                     |
| School site administration                                             | 897,414                     |
| Home-to-school transportation                                          | 358,055                     |
| Food services                                                          | 531,337                     |
| All other pupil services                                               | 1,056,832                   |
| Ancillary Services                                                     | 256,936                     |
| Community Services                                                     | 1,212                       |
| Data processing                                                        | 59,824                      |
| All other administration                                               | 639,740                     |
| Plant services                                                         | <u>1,367,077</u>            |
| Total depreciation and amortization expenses - governmental activities | <u><u>\$ 13,992,246</u></u> |

**Note 5 - Interfund Transactions**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2022, are as follows:

| Funds                        | Due from<br>Other Funds  | Due to<br>Other Funds    |
|------------------------------|--------------------------|--------------------------|
| Major Governmental Fund      |                          |                          |
| General                      | \$ 907,791               | \$ -                     |
| Non-Major Governmental Funds |                          |                          |
| Charter Schools              | -                        | 418,447                  |
| Adult Education              | -                        | 62,765                   |
| Child Development            | -                        | 113,615                  |
| Cafeteria                    | -                        | 312,797                  |
| Capital Facilities           | -                        | <u>167</u>               |
| Total                        | <u><u>\$ 907,791</u></u> | <u><u>\$ 907,791</u></u> |



|                                                                                                                                           |                          |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| The Charter Schools Non-Major Governmental Fund owes the General Fund for direct cost transfers and payroll expenses.                     | \$ 418,447               |
| The Adult Education Non-Major Governmental Fund owes the General Fund for operating and employee benefit expenses.                        | 62,765                   |
| The Child Development Non-Major Governmental Fund owes the General Fund for operating and employee benefit expenses and indirect charges. | 113,615                  |
| The Cafeteria Non-Major Governmental Fund owes the General Fund for operating and employee benefit expenses and indirect charges.         | 312,797                  |
| The Capital Facilities Non-Major Governmental Fund owes the General Fund for expenses paid on its behalf.                                 | <u>167</u>               |
| Total                                                                                                                                     | <u><u>\$ 907,791</u></u> |

### Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2022, consist of the following:

|                                                                                                                                                              |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects to set aside reserves for capital outlay projects.                      | \$ 3,900,000               |
| The General Fund transferred to the Charter Schools Non-Major Governmental Fund for Title I and Special Education revenues allocated to the charter schools. | 846,127                    |
| The General Fund transferred to the Child Development Non-Major Governmental Fund to cover related expenses paid for the District.                           | 14,805                     |
| The General Fund transferred to the Cafeteria Non-Major Governmental Fund to cover unpaid student lunch account balances.                                    | <u>10,000</u>              |
| Total                                                                                                                                                        | <u><u>\$ 4,770,932</u></u> |

### Note 6 - Accounts Payable

Accounts payable at June 30, 2022, consists of the following:

|                       | General<br>Fund             | Building<br>Fund           | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total                       | Custodial<br>Funds     |
|-----------------------|-----------------------------|----------------------------|--------------------------------------------------------|------------------------------------|-----------------------------|------------------------|
| Vendor payables       | \$ 4,789,807                | \$ 7,949,657               | \$ 896,194                                             | \$ 1,020,664                       | \$ 14,656,322               | \$ 2,644               |
| LCFF apportionment    | -                           | -                          | -                                                      | 1,876,094                          | 1,876,094                   | -                      |
| Salaries and benefits | 6,599,314                   | -                          | -                                                      | 92,893                             | 6,692,207                   | -                      |
| Deferred payroll      | <u>8,188,229</u>            | -                          | -                                                      | -                                  | <u>8,188,229</u>            | -                      |
| Total                 | <u><u>\$ 19,577,350</u></u> | <u><u>\$ 7,949,657</u></u> | <u><u>\$ 896,194</u></u>                               | <u><u>\$ 2,989,651</u></u>         | <u><u>\$ 31,412,852</u></u> | <u><u>\$ 2,644</u></u> |

**Note 7 - Unearned Revenue**

Unearned revenue at June 30, 2022, consisted of the following:

|                              | General<br>Fund     | Non-Major<br>Governmental<br>Funds | Total               |
|------------------------------|---------------------|------------------------------------|---------------------|
| Federal financial assistance | \$ 792,606          | \$ 90,000                          | \$ 882,606          |
| State categorical aid        | 1,092,252           | 489,586                            | 1,581,838           |
| <b>Total</b>                 | <b>\$ 1,884,858</b> | <b>\$ 579,586</b>                  | <b>\$ 2,464,444</b> |

**Note 8 - Long-Term Liabilities Other than OPEB and Pensions**

**Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

|                                                                           | Balance<br>July 1, 2021 | Additions             | Deductions            | Balance<br>June 30, 2022 | Due in<br>One Year  |
|---------------------------------------------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|---------------------|
| Long-Term Liabilities                                                     |                         |                       |                       |                          |                     |
| General obligation bonds                                                  | \$ 253,921,729          | \$ 15,837,031         | \$(18,455,000)        | \$ 251,303,760           | \$ 2,945,000        |
| Qualified school construction<br>bonds - Certificates of<br>participation | 9,266,024               | -                     | (1,485,973)           | 7,780,051                | 1,515,840           |
| Certificates of participation                                             | 11,330,000              | 102,525,000           | (485,000)             | 113,370,000              | 465,000             |
| Unamortized premiums                                                      | 17,453,753              | 14,953,445            | (2,006,455)           | 30,400,743               | -                   |
| Unamortized discounts                                                     | (199,519)               | -                     | 7,674                 | (191,845)                | -                   |
| Financed purchases                                                        | 8,918,515               | -                     | (4,415,492)           | 4,503,023                | 1,733,851           |
| Leases                                                                    | -                       | 273,151               | (12,248)              | 260,903                  | 50,393              |
| Compensated absences, net                                                 | 653,376                 | -                     | (8,135)               | 645,241                  | -                   |
| <b>Total</b>                                                              | <b>\$ 301,343,878</b>   | <b>\$ 133,588,627</b> | <b>\$(26,860,629)</b> | <b>\$ 408,071,876</b>    | <b>\$ 6,710,084</b> |

Payments on the general obligation bonds were made by the Bond Interest and Redemption Fund with local tax revenues and the payment made to refund bonds was made by the Bond Interest and Redemption Fund. Payments on the qualified school construction bonds were made by the General Fund. Payments on the certificates of participation were made by the Capital Facilities Fund. The premiums and discounts are being amortized over the life of the related debt. The financed purchases payments were paid by the General Fund and the Capital Facilities Fund. The leases are paid by the fund using the right-to-use leased asset. The compensated absences will be paid by the fund for which the employee worked.

### General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

| Issuance Date                | Final Maturity Date | Interest Rate | Original Issue | Bonds Outstanding July 1, 2021 | Issued               | Interest Accreted | Redeemed               | Bonds Outstanding June 30, 2022 | Due in One Year     |
|------------------------------|---------------------|---------------|----------------|--------------------------------|----------------------|-------------------|------------------------|---------------------------------|---------------------|
| 6/1/1999                     | 7/1/2024            | 5.10-5.25%    | \$ 24,815,000  | \$ 640,000                     | \$ -                 | \$ -              | \$ (380,000)           | \$ 260,000                      | \$ 235,000          |
| 7/20/2006                    | 8/1/2031            | 3.625-5.00%   | 4,639,481      | 4,639,481                      | -                    | -                 | -                      | 4,639,481                       | -                   |
| Cumulative accreted interest |                     |               | -              | 5,327,248                      | -                    | 522,031           | -                      | 5,849,279                       | -                   |
| 3/12/2013                    | 8/1/2042            | 2.00-4.12%    | 15,000,000     | 410,000                        | -                    | -                 | (110,000)              | 300,000                         | 135,000             |
| 9/17/2014                    | 8/1/2044            | 2.00-5.00%    | 20,000,000     | 240,000                        | -                    | -                 | -                      | 240,000                         | -                   |
| 9/17/2014                    | 8/1/2027            | 2.00-5.00%    | 20,310,000     | 16,115,000                     | -                    | -                 | (1,620,000)            | 14,495,000                      | 1,815,000           |
| 6/7/2016                     | 8/1/2043            | 2.00-4.00%    | 15,000,000     | 14,545,000                     | -                    | -                 | -                      | 14,545,000                      | -                   |
| 5/17/2017                    | 8/1/2045            | 2.00-5.00%    | 40,000,000     | 38,790,000                     | -                    | -                 | -                      | 38,790,000                      | -                   |
| 8/8/2018                     | 8/1/2045            | 3.00-5.00%    | 20,000,000     | 19,900,000                     | -                    | -                 | (14,010,000)           | 5,890,000                       | 70,000              |
| 6/6/2019                     | 8/1/2048            | 3.00-5.00%    | 20,000,000     | 17,645,000                     | -                    | -                 | (2,005,000)            | 15,640,000                      | -                   |
| 2/25/2020                    | 8/1/2048            | 3.00-4.00%    | 25,000,000     | 25,000,000                     | -                    | -                 | -                      | 25,000,000                      | -                   |
| 3/4/2021                     | 8/1/2044            | 0.171-2.834%  | 35,670,000     | 35,670,000                     | -                    | -                 | (330,000)              | 35,340,000                      | 415,000             |
| 6/8/2021                     | 8/1/2055            | 2.00-4.00%    | 25,000,000     | 25,000,000                     | -                    | -                 | -                      | 25,000,000                      | -                   |
| 6/8/2021                     | 8/1/2055            | 2.25-4.00%    | 50,000,000     | 50,000,000                     | -                    | -                 | -                      | 50,000,000                      | -                   |
| Private Placement Debt       |                     |               |                |                                |                      |                   |                        |                                 |                     |
| 5/31/2022                    | 8/1/2044            | 3.28-4.50%    | 15,315,000     | -                              | 15,315,000           | -                 | -                      | 15,315,000                      | 275,000             |
| Total                        |                     |               |                | <u>\$ 253,921,729</u>          | <u>\$ 15,315,000</u> | <u>\$ 522,031</u> | <u>\$ (18,455,000)</u> | <u>\$ 251,303,760</u>           | <u>\$ 2,945,000</u> |

The private placement bonds sold on May 31, 2022, we used to partially refund the outstanding balance of bonds sold on August 8, 2018, and generated a present value savings at a rate of 3.6011291% of \$1,330,278.

### Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

| Bonds Maturing Fiscal Year | Initial Bond Value  | Accreted Interest   | Accreted Obligation  | Unaccreted Interest | Maturity Value       |
|----------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| 2028-2032                  | <u>\$ 4,639,481</u> | <u>\$ 5,849,279</u> | <u>\$ 10,488,760</u> | <u>\$ 4,911,240</u> | <u>\$ 15,400,000</u> |

The current interest bonds mature as follows:

| <u>Fiscal Year</u> | <u>Principal</u>      | <u>Interest to<br/>Maturity</u> | <u>Total</u>          |
|--------------------|-----------------------|---------------------------------|-----------------------|
| 2023               | \$ 7,280,000          | \$ 8,000,681                    | \$ 15,280,681         |
| 2024               | 7,000,000             | 8,109,816                       | 15,109,816            |
| 2025               | 5,380,000             | 7,885,038                       | 13,265,038            |
| 2026               | 4,305,000             | 7,604,308                       | 11,909,308            |
| 2027               | 5,090,000             | 7,320,360                       | 12,410,360            |
| 2028-2032          | 21,255,000            | 34,180,223                      | 55,435,223            |
| 2033-2037          | 34,390,000            | 29,744,323                      | 64,134,323            |
| 2038-2042          | 55,920,000            | 22,204,204                      | 78,124,204            |
| 2043-2047          | 61,345,000            | 11,533,859                      | 72,878,859            |
| 2048-2052          | 24,135,000            | 4,413,975                       | 28,548,975            |
| 2053-2056          | 14,715,000            | 1,237,500                       | 15,952,500            |
| Total              | <u>\$ 240,815,000</u> | <u>\$ 142,234,287</u>           | <u>\$ 383,049,287</u> |

### Certificates of Participation

#### 2010 Obligation - Qualified School Construction Bond

On July 7, 2010, the District issued Qualified School Construction Bond - Certificates of Participation in the amount of \$23,195,000 which yield 7.4% interest. As the certificates are issued under the Qualified School Construction Bond program, the District receives Federal subsidies which should amount to the annual required interest payments on the certificates.

Summary debt service requirements to maturity are:

| <u>Year Ending<br/>June 30,</u> | <u>Principal*</u>   | <u>Interest</u>     | <u>Total</u>         |
|---------------------------------|---------------------|---------------------|----------------------|
| 2023                            | \$ 1,515,840        | \$ 1,217,738        | \$ 2,733,578         |
| 2024                            | 1,542,896           | 1,217,738           | 2,760,634            |
| 2025                            | 1,563,244           | 1,217,738           | 2,780,982            |
| 2026                            | 1,576,084           | 1,217,738           | 2,793,822            |
| 2027                            | 1,581,987           | 1,217,738           | 2,799,725            |
| Total                           | <u>\$ 7,780,051</u> | <u>\$ 6,088,690</u> | <u>\$ 13,868,741</u> |

\* Mandatory sinking fund deposit. Final maturity of \$23,195,000 is on June 15, 2027.

2017 and 2022 Certificates of Participation

On August 8, 2017, the District issued Certificates of Participation to fund additions to educational facilities in the amount of \$12,585,000, the Certificates mature from June 1, 2018, through June 1, 2047, with interest rates ranging from 2% to 3.63%.

On February 16, 2022, the District issued Certificates of Participation to fund capital facilities improvements in the amount of \$102,525,000, the Certificates mature from June 1, 2022, through June 1, 2052, with interest rates ranging from 4% to 5%. A portion of the Certificates, \$2,525,000, was used to refund an existing financed purchase agreement from 2014 and generated a present value savings of \$146,091 at a rate of 2.446946%.

The certificates mature through 2052 as follows:

| <u>Year Ending<br/>June 30,</u> | <u>Principal</u>      | <u>Interest</u>       | <u>Total</u>          |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| 2023                            | \$ 465,000            | \$ 5,442,012          | \$ 5,907,012          |
| 2024                            | 475,000               | 5,429,612             | 5,904,612             |
| 2025                            | 490,000               | 5,416,912             | 5,906,912             |
| 2026                            | 505,000               | 5,403,812             | 5,908,812             |
| 2027                            | 520,000               | 5,389,388             | 5,909,388             |
| 2028-2032                       | 2,860,000             | 26,693,686            | 29,553,686            |
| 2033-2037                       | 19,310,000            | 24,595,914            | 43,905,914            |
| 2038-2042                       | 23,830,000            | 19,569,236            | 43,399,236            |
| 2043-2047                       | 30,180,000            | 13,218,130            | 43,398,130            |
| 2048-2052                       | 34,735,000            | 5,379,750             | 40,114,750            |
| Total                           | <u>\$ 113,370,000</u> | <u>\$ 116,538,452</u> | <u>\$ 229,908,452</u> |

**Financed Purchases**

The District has entered into agreements to lease various facilities and equipment including maintenance equipment, a bus, copiers and an energy retrofit loan. Such agreements are, in substance, purchases (capital leases) and are reported as financed purchases. The District’s liability on lease agreements with options to purchase is summarized below:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2023                    | \$ 1,733,851        | \$ 98,576         | \$ 1,832,427        |
| 2024                    | 1,376,749           | 59,012            | 1,435,761           |
| 2025                    | 1,138,903           | 28,694            | 1,167,597           |
| 2026                    | 101,408             | -                 | 101,408             |
| 2027                    | 101,408             | -                 | 101,408             |
| 2028                    | 50,704              | -                 | 50,704              |
| Total payments          | <u>\$ 4,503,023</u> | <u>\$ 186,282</u> | <u>\$ 4,689,305</u> |

**Leases**

The District has entered into agreements to lease equipment. The District’s liability on lease agreements is summarized below:

| Lease              | Leases<br>Outstanding<br>July 1, 2021 | Addition          | Payments           | Leases<br>Outstanding<br>June 30, 2022 |
|--------------------|---------------------------------------|-------------------|--------------------|----------------------------------------|
| Ray Morgan Company | <u>\$ -</u>                           | <u>\$ 273,151</u> | <u>\$ (12,248)</u> | <u>\$ 260,903</u>                      |

**Ray Morgan Company**

The District entered an agreement to lease copiers for five years, beginning April 1, 2022. Under the terms of the lease, the District paid the monthly payments of \$5,093.11, which amounted to total principal and interest costs of \$15,279 for the year. The annual interest rate charged on the lease is 4.51%. At June 30, 2022, the District has recognized a right-to-use asset of \$273,151 and a lease liability of \$260,903 related to this agreement. During the fiscal year, the District recorded \$13,658 in amortization expense and \$3,031 in interest expense for the right-to-use of the copiers.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2022 are as follows:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2023                    | \$ 50,393         | \$ 10,724        | \$ 61,117         |
| 2024                    | 52,711            | 8,406            | 61,117            |
| 2025                    | 55,136            | 5,981            | 61,117            |
| 2026                    | 57,672            | 3,445            | 61,117            |
| 2027                    | 44,991            | 849              | 45,840            |
| <b>Total</b>            | <b>\$ 260,903</b> | <b>\$ 29,405</b> | <b>\$ 290,308</b> |

### Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2022, amounted to \$645,241.

### Note 9 - Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2022, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

| OPEB Plan                                 | Net OPEB<br>Liability | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | OPEB<br>Expense     |
|-------------------------------------------|-----------------------|-----------------------------------|----------------------------------|---------------------|
| Retiree Health Plan                       | \$ 18,157,090         | \$ 6,009,527                      | \$ 175,100                       | \$ 2,140,323        |
| Medicare Premium Payment<br>(MPP) Program | 688,919               | -                                 | -                                | (135,817)           |
| <b>Total</b>                              | <b>\$ 18,846,009</b>  | <b>\$ 6,009,527</b>               | <b>\$ 175,100</b>                | <b>\$ 2,004,506</b> |

The details of each plan are as follows:

#### District Plan

##### Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Management of the Plan is vested in the District management.

**Plan Membership**

At July 1, 2021, the valuation date, the Plan membership consisted of the following:

|                                                                           |       |
|---------------------------------------------------------------------------|-------|
| Inactive employees or beneficiaries currently receiving benefits payments | 46    |
| Active employees                                                          | 1,031 |
| Total                                                                     | 1,077 |

**Benefits Provided**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District’s governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the teachers association, the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, teachers union, CSEA, and the unrepresented groups. There are no required payments over and above the pay as you go amounts. For the measurement period of June 30, 2021, the District paid \$987,045 in benefits. For the fiscal year ending June 30, 2022, the District reflected contributions subsequent to the measurement date of \$1,217,679 which consisted of pay as you go amounts totaling \$722,296 plus an implicit rate subsidy totaling \$445,383.

**Total OPEB Liability of the District**

The District’s total OPEB liability of \$18,157,090 was measured at June 30, 2022, by applying certain roll-forward procedures to the actuarial valuation completed as of July 1, 2021.

**Actuarial Assumptions**

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                                            |
|-----------------------------|--------------------------------------------------------------------------------------------|
| Inflation                   | 3.00%, typically same as salary rate                                                       |
| Salary increases            | 3.00%, average, including inflation                                                        |
| Discount rate               | 1.92%, discount rate, including inflation                                                  |
| Healthcare cost trend rates | 6.00% for 2021; 5.75% for 2022; 5.5% for 2023; decreasing to 5.20% in 2024 and later years |

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.



Pre-retirement as well as post-retirement mortality rates for certificated employees were based on the CalSTRS Experience Analysis (2015-2018) and for classified employees were based on the CalPERS Experience Study (1997-2015).

The actuarial assumptions used in the July 1, 2021, valuation were based on a review of plan experience during the period of July 1, 2019 to June 30, 2021.

**Changes in the Total OPEB Liability**

|                                                    | Total OPEB<br>Liability |
|----------------------------------------------------|-------------------------|
| Balance, June 30, 2020                             | \$ 14,418,968           |
| Service cost                                       | 1,206,150               |
| Interest                                           | 370,797                 |
| Differences between expected and actual experience | 2,801,779               |
| Changes of assumptions or other inputs             | 346,441                 |
| Benefit payments *                                 | (987,045)               |
| Net change in total OPEB liability                 | 3,738,122               |
| Balance, June 30, 2021                             | \$ 18,157,090           |

\* Includes \$382,423 in an implicit subsidy amount.

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate assumption was changed from 2.45% to 1.92% since the previous valuation. In addition, the health care cost trend rates were changed from 5.9% to 6.0% since the previous valuation.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate                 | Total OPEB<br>Liability |
|-------------------------------|-------------------------|
| 1% decrease (0.92%)           | \$ 19,493,175           |
| Current discount rate (1.92%) | 18,157,090              |
| 1% increase (2.92%)           | 16,891,910              |

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rate:

| Healthcare Cost Trend Rate                             | Total OPEB Liability |
|--------------------------------------------------------|----------------------|
| 1% decrease (starting at 5.00%)                        | \$ 17,356,047        |
| Current healthcare cost trend rate (starting at 6.00%) | 18,157,090           |
| 1% increase (starting at 7.00%)                        | 19,102,346           |

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,140,323. At June 30, 2022, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

|                                                    | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------|-------------------------------|
| OPEB contributions subsequent to measurement date  | \$ 1,217,679                   | \$ -                          |
| Differences between expected and actual experience | 3,401,736                      | -                             |
| Changes of assumptions                             | 1,390,112                      | 175,100                       |
| Total                                              | \$ 6,009,527                   | \$ 175,100                    |

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the subsequent fiscal year.

The deferred outflows of resources and deferred inflows of resources related to differences between the expected and actual experience and changes of assumptions and other inputs will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized as OPEB expense as follows:

| Year Ended<br>June 30, | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------|--------------------------------|-------------------------------|
| 2023                   | \$ 844,182                     | \$ (50,171)                   |
| 2024                   | 844,182                        | (50,171)                      |
| 2025                   | 844,182                        | (50,171)                      |
| 2026                   | 844,185                        | (24,587)                      |
| 2027                   | 746,267                        | -                             |
| Thereafter             | 668,850                        | -                             |
| Total                  | \$ 4,791,848                   | \$ (175,100)                  |

## **Medicare Premium Payment (MPP) Program**

### **Plan Description**

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

### **Benefits Provided**

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

### **Net OPEB Liability and OPEB Expense**

At June 30, 2022, the District reported a liability of \$688,919 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2021 and June 30, 2020, respectively, was 0.1727% and 0.1693%, resulting in a net increase in the proportionate share of 0.0034%.

For the year ended June 30, 2022, the District recognized OPEB expense of (\$135,817).

**Actuarial Methods and Assumptions**

The June 30, 2021 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total OPEB liability to June 30, 2021, using the assumptions listed in the following table:

|                                         |                                       |                                      |
|-----------------------------------------|---------------------------------------|--------------------------------------|
| Measurement Date                        | June 30, 2021                         | June 30, 2020                        |
| Valuation Date                          | June 30, 2020                         | June 30, 2019                        |
| Experience Study                        | July 1, 2015 through<br>June 30, 2018 | Jun30, 2014 through<br>June 30, 2018 |
| Actuarial Cost Method                   | Entry age normal                      | Entry age normal                     |
| Investment Rate of Return               | 2.16%                                 | 2.21%                                |
| Medicare Part A Premium Cost Trend Rate | 4.50%                                 | 4.50%                                |
| Medicare Part B Premium Cost Trend Rate | 5.40%                                 | 5.40%                                |

For the valuation as of June 30, 2020, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 245 or an average of 0.16% of the potentially eligible population (152,062).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2021, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of June 30, 2021, is 2.16%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 2.16%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2021, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.05% from 2.21% as of June 30, 2020.

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate                 | Net OPEB<br>Liability |
|-------------------------------|-----------------------|
| 1% decrease (1.16%)           | \$ 759,377            |
| Current discount rate (2.16%) | 688,919               |
| 1% increase (3.16%)           | 628,719               |

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates**

The following presents the District’s proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

| Medicare Costs Trend Rates                                         | Net OPEB<br>Liability |
|--------------------------------------------------------------------|-----------------------|
| 1% decrease (3.50% Part A and 4.40% Part B)                        | \$ 626,491            |
| Current Medicare costs trend rates (4.50% Part A and 5.40% Part B) | 688,919               |
| 1% increase (5.50% Part A and 6.40% Part B)                        | 760,490               |

**Note 10 - Fund Balances**

Fund balances are composed of the following elements:

|                                              | General<br>Fund      | Building<br>Fund     | County School<br>Facilities<br>Fund | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total                 |
|----------------------------------------------|----------------------|----------------------|-------------------------------------|--------------------------------------------------------|------------------------------------|-----------------------|
| <b>Nonspendable</b>                          |                      |                      |                                     |                                                        |                                    |                       |
| Revolving cash                               | \$ 10,000            | \$ -                 | \$ -                                | \$ -                                                   | \$ -                               | \$ 10,000             |
| Stores inventories                           | 116,899              | -                    | -                                   | -                                                      | 30,195                             | 147,094               |
| Total nonspendable                           | <u>126,899</u>       | <u>-</u>             | <u>-</u>                            | <u>-</u>                                               | <u>30,195</u>                      | <u>157,094</u>        |
| <b>Restricted</b>                            |                      |                      |                                     |                                                        |                                    |                       |
| Legally restricted programs                  | 11,013,181           | -                    | -                                   | -                                                      | 1,400,495                          | 12,413,676            |
| Student activities                           | -                    | -                    | -                                   | -                                                      | 1,070,646                          | 1,070,646             |
| Food service                                 | -                    | -                    | -                                   | -                                                      | 3,626,904                          | 3,626,904             |
| Capital projects                             | 179,274              | 45,387,430           | 34,167,993                          | 99,815,279                                             | 3,323,035                          | 182,873,011           |
| Debt services, Certificates of participation | -                    | -                    | -                                   | 12,296,361                                             | -                                  | 12,296,361            |
| Debt services, bonded debt                   | -                    | -                    | -                                   | -                                                      | 16,616,109                         | 16,616,109            |
| Total restricted                             | <u>11,192,455</u>    | <u>45,387,430</u>    | <u>34,167,993</u>                   | <u>112,111,640</u>                                     | <u>26,037,189</u>                  | <u>228,896,707</u>    |
| <b>Committed</b>                             |                      |                      |                                     |                                                        |                                    |                       |
| Adult education program                      | -                    | -                    | -                                   | -                                                      | 339,008                            | 339,008               |
| Deferred maintenance program                 | -                    | -                    | -                                   | -                                                      | 1,040,341                          | 1,040,341             |
| Total committed                              | <u>-</u>             | <u>-</u>             | <u>-</u>                            | <u>-</u>                                               | <u>1,379,349</u>                   | <u>1,379,349</u>      |
| <b>Assigned</b>                              |                      |                      |                                     |                                                        |                                    |                       |
| Certificated furlough reserve                | 350,000              | -                    | -                                   | -                                                      | -                                  | 350,000               |
| Dual enrollment reserve                      | 535,726              | -                    | -                                   | -                                                      | -                                  | 535,726               |
| Special education reserve                    | 250,411              | -                    | -                                   | -                                                      | -                                  | 250,411               |
| Department and program carryovers            | 346,396              | -                    | -                                   | -                                                      | 80,345                             | 426,741               |
| MAA funding                                  | 174,158              | -                    | -                                   | -                                                      | -                                  | 174,158               |
| Prior year LCAP reserve                      | 5,009,169            | -                    | -                                   | -                                                      | 1,666,162                          | 6,675,331             |
| Current year LCAP reserve                    | 446,705              | -                    | -                                   | -                                                      | -                                  | 446,705               |
| Capital projects reserve                     | 10,468,623           | -                    | -                                   | -                                                      | -                                  | 10,468,623            |
| One-time funds carryovers                    | 559,239              | -                    | -                                   | -                                                      | -                                  | 559,239               |
| Facilities use reserve                       | 918,098              | -                    | -                                   | -                                                      | -                                  | 918,098               |
| Funding for 2022-2023 health insurance cap   | 1,000,000            | -                    | -                                   | -                                                      | -                                  | 1,000,000             |
| Instructional materials                      | 904,822              | -                    | -                                   | -                                                      | 885,667                            | 1,790,489             |
| Site budget carryovers                       | 381,839              | -                    | -                                   | -                                                      | 199,617                            | 581,456               |
| Non-classroom based reserve                  | -                    | -                    | -                                   | -                                                      | 447,883                            | 447,883               |
| Operating reserve                            | -                    | -                    | -                                   | -                                                      | 136,906                            | 136,906               |
| Preschool reserves                           | -                    | -                    | -                                   | -                                                      | 6,635                              | 6,635                 |
| Capital projects                             | -                    | -                    | -                                   | 2,999,169                                              | -                                  | 2,999,169             |
| Other assigned                               | 5,709                | -                    | -                                   | -                                                      | -                                  | 5,709                 |
| Total assigned                               | <u>21,350,895</u>    | <u>-</u>             | <u>-</u>                            | <u>2,999,169</u>                                       | <u>3,423,215</u>                   | <u>27,773,279</u>     |
| <b>Unassigned</b>                            |                      |                      |                                     |                                                        |                                    |                       |
| Reserve for economic uncertainties           | 5,432,433            | -                    | -                                   | -                                                      | -                                  | 5,432,433             |
| Remaining unassigned                         | 441,470              | -                    | -                                   | -                                                      | -                                  | 441,470               |
| Total unassigned                             | <u>5,873,903</u>     | <u>-</u>             | <u>-</u>                            | <u>-</u>                                               | <u>-</u>                           | <u>5,873,903</u>      |
| Total                                        | <u>\$ 38,544,152</u> | <u>\$ 45,387,430</u> | <u>\$ 34,167,993</u>                | <u>\$ 115,110,809</u>                                  | <u>\$ 30,869,948</u>               | <u>\$ 264,080,332</u> |

## **Note 11 - Risk Management**

### **Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District participated in the California Risk Management Authority (CRMA I) for property and liability insurance coverage. The program contributions are solely based on the groups composite rates for funding, insurance and administration costs. This “equity pooling” arrangement insures that each participant shares equally in the overall performance of CRMA I. Participation in CRMA I is limited to districts that can meet CRMA I selection criteria.

### **Workers’ Compensation**

For fiscal year 2022, the District participated in the California Risk Management Authority (CRMA II), an insurance purchasing pool. The intent of CRMA II is to achieve the benefit of a reduced contribution for the District by its grouping and representation with other members in CRMA II. The workers’ compensation loss experience of the participating district is calculated as one experience and a common premium rate is applied to all districts in CRMA II. Each participant pays its workers’ compensation premium based on the composite rate and their individual loss experience. Aon Risk Solutions in Irvine provides the actuarial services for CRMA II.

### **Employee Medical Benefits**

The District has contracted with the Self-Insured Schools of California (SISC III) to provide employee health benefits. SISC III is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

## **Note 12 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS).

For the fiscal year ended June 30, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

| Pension Plan | Net<br>Pension Liability | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Pension Expense     |
|--------------|--------------------------|-----------------------------------|----------------------------------|---------------------|
| CalSTRS      | \$ 52,290,793            | \$ 25,533,238                     | \$ 47,208,354                    | \$ 4,560,328        |
| CalPERS      | 30,022,858               | 7,182,136                         | 12,639,691                       | 3,224,196           |
| Total        | <u>\$ 82,313,651</u>     | <u>\$ 32,715,374</u>              | <u>\$ 59,848,045</u>             | <u>\$ 7,784,524</u> |

The details of each plan are as follows:

### California State Teachers' Retirement System (CalSTRS)

#### Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.



The STRP provisions and benefits in effect at June 30, 2022, are summarized as follows:

|                                                           | STRP Defined Benefit Program      |                                |
|-----------------------------------------------------------|-----------------------------------|--------------------------------|
|                                                           | On or before<br>December 31, 2012 | On or after<br>January 1, 2013 |
| Hire date                                                 | 2% at 60                          | 2% at 62                       |
| Benefit formula                                           | 5 years of service                | 5 years of service             |
| Benefit vesting schedule                                  | Monthly for life                  | Monthly for life               |
| Benefit payments                                          | 60                                | 62                             |
| Retirement age                                            | 2.0% - 2.4%                       | 2.0% - 2.4%                    |
| Monthly benefits as a percentage of eligible compensation | 10.25%                            | 10.205%                        |
| Required employee contribution rate                       | 16.92%                            | 16.92%                         |
| Required employer contribution rate                       | 10.828%                           | 10.828%                        |
| Required state contribution rate                          |                                   |                                |

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above and the District's total contributions were \$12,097,409.

### Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

|                                                          |               |
|----------------------------------------------------------|---------------|
| Total net pension liability, including State share       |               |
| Proportionate share of net pension liability             | \$ 52,290,793 |
| State's proportionate share of the net pension liability | 26,310,699    |
| Total                                                    | \$ 78,601,492 |

The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2021 and June 30, 2020, respectively, was 0.1149% and 0.1117%, resulting in a net increase in the proportionate share of 0.0032%.

For the year ended June 30, 2022, the District recognized pension expense of \$4,560,328. In addition, the District recognized pension expense and revenue of \$900,188 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                        | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                                                                   | \$ 12,097,409                     | \$ -                             |
| Change in proportion and differences between contributions<br>made and District's proportionate share of contributions | 5,895,788                         | 280,159                          |
| Differences between projected and actual earnings<br>on pension plan investments                                       | -                                 | 41,363,364                       |
| Differences between expected and actual experience<br>in the measurement of the total pension liability                | 130,991                           | 5,564,831                        |
| Changes of assumptions                                                                                                 | 7,409,050                         | -                                |
| Total                                                                                                                  | \$ 25,533,238                     | \$ 47,208,354                    |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows of resources and deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|------------------------------------------------|
| 2023                   | \$ (10,503,814)                                |
| 2024                   | (9,607,558)                                    |
| 2025                   | (9,845,986)                                    |
| 2026                   | (11,406,006)                                   |
| Total                  | \$ (41,363,364)                                |

The deferred outflows of resources and deferred inflows of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|------------------------------------------------|
| 2023                   | \$ 3,840,039                                   |
| 2024                   | 4,068,639                                      |
| 2025                   | 517,596                                        |
| 2026                   | (79,326)                                       |
| 2027                   | (397,341)                                      |
| 2028                   | (358,768)                                      |
| Total                  | <u>\$ 7,590,839</u>                            |

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

|                           |                                    |
|---------------------------|------------------------------------|
| Valuation date            | June 30, 2020                      |
| Measurement date          | June 30, 2021                      |
| Experience study          | July 1, 2015 through June 30, 2018 |
| Actuarial cost method     | Entry age normal                   |
| Discount rate             | 7.10%                              |
| Investment rate of return | 7.10%                              |
| Consumer price inflation  | 2.75%                              |
| Wage growth               | 3.50%                              |

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent

consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2021, are summarized in the following table:

| Asset Class                | Assumed Asset Allocation | Long-Term Expected Real Rate of Return |
|----------------------------|--------------------------|----------------------------------------|
| Public equity              | 42%                      | 4.8%                                   |
| Real estate                | 15%                      | 3.6%                                   |
| Private equity             | 13%                      | 6.3%                                   |
| Fixed income               | 12%                      | 1.3%                                   |
| Risk mitigating strategies | 10%                      | 1.8%                                   |
| Inflation sensitive        | 6%                       | 3.3%                                   |
| Cash/liquidity             | 2%                       | (0.4%)                                 |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate                 | Net Pension Liability |
|-------------------------------|-----------------------|
| 1% decrease (6.10%)           | \$ 106,445,338        |
| Current discount rate (7.10%) | 52,290,793            |
| 1% increase (8.10%)           | 7,343,554             |

**California Public Employees Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:  
<https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2022, are summarized as follows:

|                                                           | School Employer Pool (CalPERS)    |                                |
|-----------------------------------------------------------|-----------------------------------|--------------------------------|
|                                                           | On or before<br>December 31, 2012 | On or after<br>January 1, 2013 |
| Hire date                                                 |                                   |                                |
| Benefit formula                                           | 2% at 55                          | 2% at 62                       |
| Benefit vesting schedule                                  | 5 years of service                | 5 years of service             |
| Benefit payments                                          | Monthly for life                  | Monthly for life               |
| Retirement age                                            | 55                                | 62                             |
| Monthly benefits as a percentage of eligible compensation | 1.1% - 2.5%                       | 1.0% - 2.5%                    |
| Required employee contribution rate                       | 7.00%                             | 7.00%                          |
| Required employer contribution rate                       | 22.91%                            | 22.91%                         |

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022, are presented above and the total District contributions were \$5,662,186

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$30,022,858. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2021 and June 30, 2020, respectively, was 0.1476% and 0.1469%, resulting in a net increase in the proportionate share of 0.0007%.

For the year ended June 30, 2022, the District recognized pension expense of \$3,224,196. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                     | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                                                                | \$ 5,662,186                      | \$ -                             |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 623,690                           | 1,047,036                        |
| Differences between projected and actual earnings on pension plan investments                                       | -                                 | 11,521,879                       |
| Differences between expected and actual experience in the measurement of the total pension liability                | 896,260                           | 70,776                           |
| Total                                                                                                               | \$ 7,182,136                      | \$ 12,639,691                    |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows of resources and deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|------------------------------------------------|
| 2023                   | \$ (2,889,677)                                 |
| 2024                   | (2,657,318)                                    |
| 2025                   | (2,770,427)                                    |
| 2026                   | (3,204,457)                                    |
| Total                  | \$ (11,521,879)                                |

The deferred outflows of resources and deferred inflows of resources related to the change in proportion and differences between contributions made and District’s proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|------------------------------------------------|
| 2023                   | \$ 611,072                                     |
| 2024                   | (211,454)                                      |
| 2025                   | (759)                                          |
| 2026                   | 3,279                                          |
| Total                  | \$ 402,138                                     |

#### Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

|                           |                                    |
|---------------------------|------------------------------------|
| Valuation date            | June 30, 2020                      |
| Measurement date          | June 30, 2021                      |
| Experience study          | July 1, 1997 through June 30, 2015 |
| Actuarial cost method     | Entry age normal                   |
| Discount rate             | 7.15%                              |
| Investment rate of return | 7.15%                              |
| Consumer price inflation  | 2.50%                              |
| Wage growth               | Varies by entry age and service    |

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class      | Assumed Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------|--------------------------|----------------------------------------|
| Global equity    | 50%                      | 5.98%                                  |
| Fixed income     | 28%                      | 2.62%                                  |
| Inflation assets | 0%                       | 1.81%                                  |
| Private equity   | 8%                       | 7.23%                                  |
| Real assets      | 13%                      | 4.93%                                  |
| Liquidity        | 1%                       | (0.92%)                                |

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

| Discount Rate                 | Net Pension Liability |
|-------------------------------|-----------------------|
| 1% decrease (6.15%)           | \$ 50,622,754         |
| Current discount rate (7.15%) | 30,022,858            |
| 1% increase (8.15%)           | 12,920,524            |



### **Alternative Accumulation Program for Part-Time and Limited Service Employees (APPLE)**

Employees not enrolled in CalPERS or CalSTRS are enrolled in APPLE. The District contributes 3.75% of an employee's gross earnings. An employee is required to contribute 3.75% of his or her gross earnings to the pension plan. Contributions made by the District and an employee vest immediately. Keenan and Associates administers the plan on behalf of the District.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$7,389,793 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements and have been included in the calculation of available reserves.

## **Note 13 - Commitments and Contingencies**

### **Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

### **Litigation**

The District is not currently a party to any legal proceedings.

**Construction Commitments**

As of June 30, 2022, the District had the following commitments with respect to the unfinished capital projects:

| Capital Projects                                                               | Remaining<br>Construction<br>Commitment | Expected<br>Date of<br>Completion |
|--------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| Centerville Elementary site improvements                                       | \$ 1,797,934                            | December 2022                     |
| Centerville Elementary fire tanks                                              | 67,940                                  | December 2022                     |
| Fairmont Ag Farm Preliminary approvals, design, and DSA approval               | 254,566                                 | To be determined                  |
| Hallmark Academy relocatable buildings                                         | 262,775                                 | December 2022                     |
| Lincoln Elementary relocatable classrooms and site improvements                | 934,056                                 | December 2022                     |
| Lone Star Elementary relocatable classrooms and site improvements              | 1,275,902                               | December 2022                     |
| Lone Star Elementary fire tanks                                                | 25,252                                  | December 2022                     |
| McCall Complex preliminary site approvals                                      | 35,817                                  | To be determined                  |
| Temperance Elementary Preliminary site approvals, design, and<br>DSA approvals | 604,452                                 | To be determined                  |
| Washington Academic Middle School West Gym HVAC upgrades                       | 280,910                                 | November 2022                     |
| Washington Academic Middle School East Gym and Cafeteria<br>HVAC Upgrades      | 63,242                                  | November 2023                     |
| Education Complex Phase 1                                                      | 309,233                                 | December 2022                     |
| Education Complex Phase 1B                                                     | 5,956,659                               | December 2022                     |
| Education Complex Phase 2                                                      | 67,525,646                              | September 2023                    |
| Education Complex Phase 3                                                      | 4,990,412                               | To be determined                  |
| Total                                                                          | <u>\$ 84,384,797</u>                    |                                   |

**Note 14 - Participation in Public Entity Risk Pools and Joint Powers Authorities**

The District is a member of the California Risk Management Authority (CRMA I and II) and the Self-Insured Schools of California (SISC III) public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one member to the governing board of CRMA II.

During the year ended June 30, 2022, the District made payment of \$1,204,430 CRMA II for workers' compensation.

The District has appointed one member to the governing board of CRMA I.

During the year ended June 30, 2022, the District made payment of \$1,134,925 to CRMA I for general liability and auto insurance.

The District has appointed one member to the governing board of SISC III.

During the year ended June 30, 2022, the District made payment of \$18,352,641 to SISC III for health benefits.



Required Supplementary Information  
June 30, 2022

## Sanger Unified School District

Sanger Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2022

|                                                      | Budgeted Amounts     |                      | Actual               | Variances -<br>Positive<br>(Negative) |
|------------------------------------------------------|----------------------|----------------------|----------------------|---------------------------------------|
|                                                      | Original             | Final                |                      | Final<br>to Actual                    |
| <b>Revenues</b>                                      |                      |                      |                      |                                       |
| Local Control Funding Formula                        | \$ 119,300,953       | \$ 123,005,775       | \$ 128,102,627       | \$ 5,096,852                          |
| Federal sources                                      | 17,616,704           | 17,454,608           | 18,673,175           | 1,218,567                             |
| Other State sources                                  | 15,537,358           | 21,623,282           | 20,304,513           | (1,318,769)                           |
| Other local sources                                  | 6,998,482            | 11,442,833           | 7,627,760            | (3,815,073)                           |
| Total revenues <sup>1</sup>                          | <u>159,453,497</u>   | <u>173,526,498</u>   | <u>174,708,075</u>   | <u>1,181,577</u>                      |
| <b>Expenditures</b>                                  |                      |                      |                      |                                       |
| <b>Current</b>                                       |                      |                      |                      |                                       |
| Certificated salaries                                | 59,990,892           | 65,903,745           | 66,766,430           | (862,685)                             |
| Classified salaries                                  | 21,638,757           | 24,254,350           | 24,574,387           | (320,037)                             |
| Employee benefits                                    | 40,442,680           | 41,047,383           | 40,366,457           | 680,926                               |
| Books and supplies                                   | 8,926,368            | 14,820,226           | 13,036,435           | 1,783,791                             |
| Services and operating expenditures                  | 14,652,782           | 18,613,979           | 17,109,513           | 1,504,466                             |
| Other outgo                                          | 1,368,230            | 1,090,057            | 1,042,159            | 47,898                                |
| Capital outlay                                       | 1,492,363            | 5,872,172            | 5,275,849            | 596,323                               |
| <b>Debt service</b>                                  |                      |                      |                      |                                       |
| Debt service - principal                             | 5,113,124            | 3,086,272            | 2,799,780            | 286,492                               |
| Debt service - interest and other                    | 1,525,060            | 1,426,614            | 1,547,478            | (120,864)                             |
| Total expenditures <sup>1</sup>                      | <u>155,150,256</u>   | <u>176,114,798</u>   | <u>172,518,488</u>   | <u>3,596,310</u>                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>4,303,241</u>     | <u>(2,588,300)</u>   | <u>2,189,587</u>     | <u>4,777,887</u>                      |
| <b>Other Financing Sources (Uses)</b>                |                      |                      |                      |                                       |
| Transfers in                                         | 500,000              | 678,358              | -                    | (678,358)                             |
| Sources from COP sales, par                          | -                    | -                    | 2,525,000            | 2,525,000                             |
| Sources from COP sales, premiums                     | -                    | -                    | 331,047              | 331,047                               |
| Sources from leases                                  | -                    | -                    | 273,151              | 273,151                               |
| Debt proceeds contributed to<br>refunding escrow     | -                    | -                    | (2,791,685)          | (2,791,685)                           |
| Transfers out                                        | (430,802)            | (4,335,291)          | (4,770,932)          | (435,641)                             |
| Net financing sources (uses)                         | <u>69,198</u>        | <u>(3,656,933)</u>   | <u>(4,433,419)</u>   | <u>(776,486)</u>                      |
| Net Change in Fund Balances                          | 4,372,439            | (6,245,233)          | (2,243,832)          | 4,001,401                             |
| Fund Balance - Beginning                             | 40,787,984           | 40,787,984           | 40,787,984           | -                                     |
| Fund Balance - Ending                                | <u>\$ 45,160,423</u> | <u>\$ 34,542,751</u> | <u>\$ 38,544,152</u> | <u>\$ 4,001,401</u>                   |

<sup>1</sup> Due to the consolidation of Fund 17, Special Reserve Non-Capital Fund, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the actual revenues and expenditures, however, are not included in the original and final General Fund budgets.

Sanger Unified School District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2022

|                                                         | <u>2022</u>            | <u>2021</u>            | <u>2020</u>            | <u>2019</u>            | <u>2018</u>            |
|---------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability                                    |                        |                        |                        |                        |                        |
| Service cost                                            | \$ 1,206,150           | \$ 954,650             | \$ 822,093             | \$ 734,925             | \$ 712,620             |
| Interest                                                | 370,797                | 425,987                | 379,669                | 305,797                | 297,891                |
| Difference between expected and actual experience       | 2,801,779              | -                      | 1,594,927              | -                      | -                      |
| Changes of assumptions                                  | 346,441                | 725,435                | 918,254                | (375,784)              | -                      |
| Benefit payments                                        | (987,045)              | (679,291)              | (770,686)              | (767,867)              | (748,121)              |
| Net change in total OPEB liability                      | 3,738,122              | 1,426,781              | 2,944,257              | (102,929)              | 262,390                |
| Total OPEB Liability - Beginning                        | <u>14,418,968</u>      | <u>12,992,187</u>      | <u>10,047,930</u>      | <u>10,150,859</u>      | <u>9,888,469</u>       |
| Total OPEB Liability - Ending                           | <u>\$ 18,157,090</u>   | <u>\$ 14,418,968</u>   | <u>\$ 12,992,187</u>   | <u>\$ 10,047,930</u>   | <u>\$ 10,150,859</u>   |
| Covered Payroll                                         | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Total OPEB Liability as a Percentage of Covered Payroll | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Measurement Date                                        | June 30, 2021          | June 30, 2020          | June 30, 2019          | June 30, 2018          | June 30, 2017          |

<sup>1</sup> The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

*Note:* In the future, as data becomes available, ten years of information will be presented.

Sanger Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability – MPP Program  
Year Ended June 30, 2022

| Year ended June 30,                                                                   | 2022             | 2021             | 2020             | 2019             | 2018             |
|---------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Proportion of the net OPEB liability                                                  | 0.1727%          | 0.1946%          | 0.1970%          | 0.1903%          | 0.1821%          |
| Proportionate share of the net OPEB liability                                         | \$ 688,919       | \$ 824,736       | \$ 733,594       | \$ 728,424       | \$ 766,222       |
| Covered payroll                                                                       | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> |
| Proportionate share of the net OPEB liability as a percentage of it's covered payroll | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> |
| Plan fiduciary net position as a percentage of the total OPEB liability               | (0.80%)          | (0.71%)          | (0.81%)          | (0.40%)          | 0.01%            |
| Measurement Date                                                                      | June 30, 2021    | June 30, 2020    | June 30, 2019    | June 30, 2018    | June 30, 2017    |

<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*Note* : In the future, as data becomes available, ten years of information will be presented.

Sanger Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2022

|                                                                                            | <u>2022</u>          | <u>2021</u>           | <u>2020</u>           | <u>2019</u>           |
|--------------------------------------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>CaSTRS</b>                                                                              |                      |                       |                       |                       |
| Proportion of the net pension liability                                                    | 0.1149%              | 0.1117%               | 0.1114%               | 0.1060%               |
| Proportionate share of the net pension liability                                           | \$ 52,290,793        | \$ 108,235,963        | \$ 100,573,411        | \$ 97,444,450         |
| State's proportionate share of the net pension liability                                   | 26,310,699           | 55,795,652            | 54,869,510            | 55,791,505            |
| Total                                                                                      | <u>\$ 78,601,492</u> | <u>\$ 164,031,615</u> | <u>\$ 155,442,921</u> | <u>\$ 153,235,955</u> |
| Covered payroll                                                                            | <u>\$ 63,940,303</u> | <u>\$ 60,268,269</u>  | <u>\$ 59,631,106</u>  | <u>\$ 56,953,063</u>  |
| Proportionate share of the net pension liability<br>as a percentage of its covered payroll | <u>81.78%</u>        | <u>179.59%</u>        | <u>168.66%</u>        | <u>171.10%</u>        |
| Plan fiduciary net position as a percentage of the total<br>pension liability              | <u>87%</u>           | <u>72%</u>            | <u>73%</u>            | <u>71%</u>            |
| Measurement Date                                                                           | June 30, 2021        | June 30, 2020         | June 30, 2019         | June 30, 2018         |
| <b>CaIPERS</b>                                                                             |                      |                       |                       |                       |
| Proportion of the net pension liability                                                    | 0.1476%              | 0.1469%               | 0.1496%               | 0.1420%               |
| Proportionate share of the net pension liability                                           | \$ 30,022,858        | \$ 45,069,850         | \$ 43,614,302         | \$ 37,868,512         |
| Covered payroll                                                                            | <u>\$ 21,245,362</u> | <u>\$ 21,154,374</u>  | <u>\$ 20,738,429</u>  | <u>\$ 19,077,722</u>  |
| Proportionate share of the net pension liability<br>as a percentage of its covered payroll | <u>141.31%</u>       | <u>213.05%</u>        | <u>210.31%</u>        | <u>198.50%</u>        |
| Plan fiduciary net position as a percentage of the<br>total pension liability              | <u>81%</u>           | <u>70%</u>            | <u>70%</u>            | <u>71%</u>            |
| Measurement Date                                                                           | June 30, 2021        | June 30, 2020         | June 30, 2019         | June 30, 2018         |

Note: In the future, as data becomes available, ten years of information will be presented.



Sanger Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2022

|                                                                                            | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           | <u>2015</u>          |
|--------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| <b>CaSTRS</b>                                                                              |                       |                       |                       |                      |
| Proportion of the net pension liability                                                    | 0.1006%               | 0.0987%               | 0.0990%               | 0.0958%              |
| Proportionate share of the net pension liability                                           | \$ 93,033,848         | \$ 79,859,396         | \$ 66,678,343         | \$ 55,983,491        |
| State's proportionate share of the net pension liability                                   | 55,038,038            | 45,462,530            | 35,265,493            | 33,805,249           |
| Total                                                                                      | <u>\$ 148,071,886</u> | <u>\$ 125,321,926</u> | <u>\$ 101,943,836</u> | <u>\$ 89,788,740</u> |
| Covered payroll                                                                            | <u>\$ 54,022,711</u>  | <u>\$ 49,651,314</u>  | <u>\$ 46,886,441</u>  | <u>\$ 43,340,921</u> |
| Proportionate share of the net pension liability<br>as a percentage of its covered payroll | <u>172.21%</u>        | <u>160.84%</u>        | <u>142.21%</u>        | <u>129.17%</u>       |
| Plan fiduciary net position as a percentage of the total<br>pension liability              | <u>69%</u>            | <u>70%</u>            | <u>74%</u>            | <u>77%</u>           |
| Measurement Date                                                                           | June 30, 2017         | June 30, 2016         | June 30, 2015         | June 30, 2014        |
| <b>CaIPERS</b>                                                                             |                       |                       |                       |                      |
| Proportion of the net pension liability                                                    | <u>0.1399%</u>        | <u>0.1345%</u>        | <u>0.1322%</u>        | <u>0.1287%</u>       |
| Proportionate share of the net pension liability                                           | <u>\$ 33,407,023</u>  | <u>\$ 26,558,884</u>  | <u>\$ 19,483,075</u>  | <u>\$ 14,608,651</u> |
| Covered payroll                                                                            | <u>\$ 17,857,049</u>  | <u>\$ 17,365,561</u>  | <u>\$ 14,529,938</u>  | <u>\$ 13,514,901</u> |
| Proportionate share of the net pension liability<br>as a percentage of its covered payroll | <u>187.08%</u>        | <u>152.94%</u>        | <u>134.09%</u>        | <u>108.09%</u>       |
| Plan fiduciary net position as a percentage of the<br>total pension liability              | <u>72%</u>            | <u>74%</u>            | <u>79%</u>            | <u>83%</u>           |
| Measurement Date                                                                           | June 30, 2017         | June 30, 2016         | June 30, 2015         | June 30, 2014        |

Note: In the future, as data becomes available, ten years of information will be presented.

Sanger Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2022

|                                                                           | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>CaSTRS</b>                                                             |                      |                      |                      |                      |
| Contractually required contribution                                       | \$ 12,097,409        | \$ 10,326,359        | \$ 10,305,874        | \$ 9,707,944         |
| Less contributions in relation to the contractually required contribution | <u>12,097,409</u>    | <u>10,326,359</u>    | <u>10,305,874</u>    | <u>9,707,944</u>     |
| Contribution deficiency (excess)                                          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll                                                           | <u>\$ 71,497,689</u> | <u>\$ 63,940,303</u> | <u>\$ 60,268,269</u> | <u>\$ 59,631,106</u> |
| Contributions as a percentage of covered payroll                          | <u>16.92%</u>        | <u>16.15%</u>        | <u>17.10%</u>        | <u>16.28%</u>        |
| <b>CaIPERS</b>                                                            |                      |                      |                      |                      |
| Contractually required contribution                                       | \$ 5,662,186         | \$ 4,397,790         | \$ 4,171,854         | \$ 3,745,775         |
| Less contributions in relation to the contractually required contribution | <u>5,662,186</u>     | <u>4,397,790</u>     | <u>4,171,854</u>     | <u>3,745,775</u>     |
| Contribution deficiency (excess)                                          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll                                                           | <u>\$ 24,714,911</u> | <u>\$ 21,245,362</u> | <u>\$ 21,154,374</u> | <u>\$ 20,738,429</u> |
| Contributions as a percentage of covered payroll                          | <u>22.910%</u>       | <u>20.700%</u>       | <u>19.721%</u>       | <u>18.062%</u>       |

*Note:* In the future, as data becomes available, ten years of information will be presented.

Sanger Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2022

|                                                                           | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>CalSTRS</b>                                                            |                      |                      |                      |                      |
| Contractually required contribution                                       | \$ 8,218,327         | \$ 6,796,057         | \$ 5,327,586         | \$ 4,163,516         |
| Less contributions in relation to the contractually required contribution | <u>8,218,327</u>     | <u>6,796,057</u>     | <u>5,327,586</u>     | <u>4,163,516</u>     |
| Contribution deficiency (excess)                                          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll                                                           | <u>\$ 56,953,063</u> | <u>\$ 54,022,711</u> | <u>\$ 49,651,314</u> | <u>\$ 46,886,441</u> |
| Contributions as a percentage of covered payroll                          | <u>14.43%</u>        | <u>12.58%</u>        | <u>10.73%</u>        | <u>8.88%</u>         |
| <b>CalPERS</b>                                                            |                      |                      |                      |                      |
| Contractually required contribution                                       | \$ 2,962,961         | \$ 2,479,987         | \$ 2,057,298         | \$ 1,710,319         |
| Less contributions in relation to the contractually required contribution | <u>2,962,961</u>     | <u>2,479,987</u>     | <u>2,057,298</u>     | <u>1,710,319</u>     |
| Contribution deficiency (excess)                                          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll                                                           | <u>\$ 19,077,722</u> | <u>\$ 17,857,049</u> | <u>\$ 17,365,561</u> | <u>\$ 14,529,938</u> |
| Contributions as a percentage of covered payroll                          | <u>15.531%</u>       | <u>13.888%</u>       | <u>11.847%</u>       | <u>11.771%</u>       |

*Note:* In the future, as data becomes available, ten years of information will be presented.

## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedules**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

These schedules present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

### **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 2.45% to 1.92% since the previous valuation. In addition, the health care cost trend rates were changed from 5.9% to 6.0% since the previous valuation.

### **Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plan's fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 2.21% to 2.16% since the previous valuation.

### **Schedule of the District's Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

### **Schedule of the District's Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information  
June 30, 2022

## Sanger Unified School District

Sanger Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title                                  | Federal Financial<br>Assistance<br>Listing/Federal<br>CFDA Number | Pass-Through<br>Entity<br>Identifying<br>Number | Federal<br>Expenditures |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|-------------------------|
| U.S. Department of Education                                                                      |                                                                   |                                                 |                         |
| Passed Through California Department of Education (CDE)                                           |                                                                   |                                                 |                         |
| Adult Basic Education and ESL (Section 231)                                                       | 84.002                                                            | 14508                                           | \$ 68,055               |
| Adult Secondary Education (Section 231)                                                           | 84.002A                                                           | 13978                                           | <u>129,965</u>          |
| Subtotal - CFDA 84.002 Programs                                                                   |                                                                   |                                                 | <u>198,020</u>          |
|                                                                                                   |                                                                   |                                                 |                         |
| Title I - Part A, Basic                                                                           | 84.010                                                            | 14329                                           | 3,902,821               |
| School Improvement Funding for LEAs                                                               | 84.010                                                            | 15438                                           | <u>145,280</u>          |
| Subtotal - CFDA 84.010 Programs                                                                   |                                                                   |                                                 | <u>4,048,101</u>        |
|                                                                                                   |                                                                   |                                                 |                         |
| Title I - Part C, Migrant Education - Regular                                                     | 84.011                                                            | 14326                                           | <u>82,253</u>           |
|                                                                                                   |                                                                   |                                                 |                         |
| COVID-19, Elementary and Secondary School Emergency<br>Relief (ESSER) Fund                        | 84.425D                                                           | 15536                                           | 754,690                 |
| COVID-19, Elementary and Secondary School Emergency<br>Relief II (ESSER II) Fund                  | 84.425D                                                           | 15547                                           | 4,395,408               |
| Elementary and Secondary School Emergency<br>Relief III (ESSER III) Fund                          | 84.425U                                                           | 15559                                           | 1,336,771               |
| COVID-19, Expanded Learning Opportunities (ELO) Grant<br>ESSER II State Reserve                   | 84.425D                                                           | 15618                                           | 1,311,459               |
| COVID-19, Expanded Learning Opportunities (ELO) Grant<br>ESSER III State Reserve, Learning Loss   | 84.425U                                                           | 15621                                           | 1,473,733               |
| COVID-19, Expanded Learning Opportunities (ELO) Grant<br>GEER II                                  | 84.425C                                                           | 15619                                           | 300,991                 |
| COVID-19, Expanded Learning Opportunities (ELO) Grant<br>ESSER III State Reserve, Emergency Needs | 84.425U                                                           | 15620                                           | <u>854,918</u>          |
| Subtotal - CFDA 84.425 Programs                                                                   |                                                                   |                                                 | <u>10,427,970</u>       |
|                                                                                                   |                                                                   |                                                 |                         |
| ESEA (ESSA) : Title III, Immigrant Student Program                                                | 84.365                                                            | 15146                                           | 9,195                   |
| ESEA (ESSA) : Title III, English Learner Student Program                                          | 84.365                                                            | 14346                                           | <u>228,651</u>          |
| Subtotal - CFDA 84.365 Programs                                                                   |                                                                   |                                                 | <u>237,846</u>          |
|                                                                                                   |                                                                   |                                                 |                         |
| Title II - Part A, Supporting Effective Instruction                                               | 84.367                                                            | 14341                                           | 473,690                 |
| Title IV - Part A, Student Support and Academic<br>Enrichment Grants                              | 84.424                                                            | 15396                                           | <u>259,322</u>          |
|                                                                                                   |                                                                   |                                                 |                         |
| Special Education Cluster                                                                         |                                                                   |                                                 |                         |
| Special Education - Basic Local Assistance                                                        | 84.027                                                            | 13379                                           | 1,825,862               |
| Special Education - Supporting Inclusive Practices                                                | 84.027A                                                           | 13693                                           | <u>1,101</u>            |
| Subtotal - CFDA 84.027 Programs                                                                   |                                                                   |                                                 | 1,826,963               |

Sanger Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title            | Federal Financial<br>Assistance<br>Listing/Federal<br>CFDA Number | Pass-Through<br>Entity<br>Identifying<br>Number | Federal<br>Expenditures |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|-------------------------|
| U.S. Department of Education                                                |                                                                   |                                                 |                         |
| Passed Through California Department of Education (CDE)                     |                                                                   |                                                 |                         |
| Special Education Cluster                                                   |                                                                   |                                                 |                         |
| Special Education - Preschool Grants, Part B,<br>Section 619                | 84.173                                                            | 13430                                           | <u>41,936</u>           |
| Total Special Education Cluster                                             |                                                                   |                                                 | <u>1,868,899</u>        |
| Career and Technical Education - Secondary                                  | 84.048                                                            | 14894                                           | <u>112,968</u>          |
| Total U.S. Department of Education                                          |                                                                   |                                                 | <u>17,709,069</u>       |
| U.S. Department of Agriculture                                              |                                                                   |                                                 |                         |
| Passed Through California Department of Education                           |                                                                   |                                                 |                         |
| Child Nutrition Cluster                                                     |                                                                   |                                                 |                         |
| Food Distribution - Commodities                                             | 10.555                                                            | 13391                                           | 944,121                 |
| COVID-19, SNP COVID-19 Emergency Operational<br>Costs Reimbursement (ECR)   | 10.555                                                            | 15637                                           | <u>471,546</u>          |
| Subtotal - CFDA 10.555 Programs                                             |                                                                   |                                                 | 1,415,667               |
| Seamless Summer Food Program                                                | 10.559                                                            | 13004                                           | <u>7,910,048</u>        |
| Total Child Nutrition Cluster                                               |                                                                   |                                                 | <u>9,325,715</u>        |
| Passed Through California Department of Social Services                     |                                                                   |                                                 |                         |
| Child and Adult Care Food Program                                           | 10.558                                                            | 13393                                           | 1,068,941               |
| COVID-19, CACFP COVID-19 Emergency Operational<br>Costs Reimbursement (ECR) | 10.558                                                            | 15577                                           | <u>38,765</u>           |
| Subtotal - CFDA 10.558 Programs                                             |                                                                   |                                                 | <u>1,107,706</u>        |
| Total U.S. Department of Agriculture                                        |                                                                   |                                                 | <u>10,433,421</u>       |
| Total Federal Financial Assistance                                          |                                                                   |                                                 | <u>\$ 28,142,490</u>    |



**Organization**

The Sanger Unified School District was unified in 1965 and consists of an area comprising approximately 180 square miles. The District operates twelve elementary schools, one middle school, one high school, one continuation high school, three charter schools, one community day school, one alternative education school, and one adult school. There were no boundary changes during the year.

**Governing Board**

| Member                  | Office         | Term Expires |
|-------------------------|----------------|--------------|
| G. Brandon Vang         | President      | 2024         |
| Tammy Wolfe             | Clerk          | 2024         |
| Ismael (Mike) Hernandez | Vice President | 2024         |
| Peter R. Filippi        | Member         | 2022         |
| Va Her                  | Member         | 2024         |
| Jesse Solorio           | Member         | 2022         |
| Jesse Vasquez           | Member         | 2022         |

**Administration**

|                      |                                                |
|----------------------|------------------------------------------------|
| Adela Madrigal Jones | Superintendent                                 |
| Eduardo Martinez     | Deputy Superintendent, Administrative Services |
| Timothy Lopez        | Associate Superintendent, Educational Services |
| Dennis Wiechmann     | Assistant Superintendent, Human Resources      |
| Ryan Kilby           | Chief Operations Officer                       |
| Marsha Alfvig, CPA   | Chief Financial Officer                        |

Sanger Unified School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2022

|                                         | <u>Second Period<br/>Report</u> | <u>Annual<br/>Report</u> |
|-----------------------------------------|---------------------------------|--------------------------|
| Sanger Unified School District          |                                 |                          |
| Regular ADA                             |                                 |                          |
| Transitional kindergarten through third | 3,218.80                        | 3,233.08                 |
| Fourth through sixth                    | 2,393.64                        | 2,399.31                 |
| Seventh and eighth                      | 1,537.37                        | 1,538.77                 |
| Ninth through twelfth                   | 3,489.27                        | 3,489.31                 |
| Total regular ADA                       | 10,639.08                       | 10,660.47                |
| Community Day School                    |                                 |                          |
| Seventh and eighth                      | 3.58                            | 4.97                     |
| Ninth through twelfth                   | 21.92                           | 22.21                    |
| Total Community Day School              | 25.50                           | 27.18                    |
| Total ADA                               | 10,664.58                       | 10,687.65                |
| Hallmark Charter School                 |                                 |                          |
| Regular ADA - All non-classroom based   |                                 |                          |
| Transitional kindergarten through third | 41.92                           | 41.20                    |
| Fourth through sixth                    | 39.23                           | 40.07                    |
| Seventh and eighth                      | 40.48                           | 42.25                    |
| Ninth through twelfth                   | 123.58                          | 125.51                   |
| Total non-classroom based ADA           | 245.21                          | 249.03                   |
| Quail Lake Environmental Charter School |                                 |                          |
| Regular ADA - All classroom based       |                                 |                          |
| Transitional kindergarten through third | 261.08                          | 265.56                   |
| Fourth through sixth                    | 178.84                          | 178.94                   |
| Seventh and eighth                      | 108.27                          | 108.40                   |
| Total classroom based ADA               | 548.19                          | 552.90                   |
| Sanger Academy Charter School           |                                 |                          |
| Regular ADA - All classroom based       |                                 |                          |
| Transitional kindergarten through third | 269.30                          | 271.71                   |
| Fourth through sixth                    | 185.75                          | 186.09                   |
| Seventh and eighth                      | 119.11                          | 119.39                   |
| Total classroom based ADA               | 574.16                          | 577.19                   |

Sanger Unified School District

Schedule of Instructional Time

Year Ended June 30, 2022

Sanger Unified School District

| Grade Level   | 1986-1987<br>Minutes<br>Requirement | 2021-2022<br>Actual<br>Minutes | Traditional<br>Calendar | Multitrack<br>Calendar | Status   |
|---------------|-------------------------------------|--------------------------------|-------------------------|------------------------|----------|
| Kindergarten  | 36,000                              | 41,740                         | 180                     | N/A                    | Complied |
| Grades 1 - 3  | 50,400                              |                                |                         |                        |          |
| Grade 1       |                                     | 54,540                         | 180                     | N/A                    | Complied |
| Grade 2       |                                     | 54,540                         | 180                     | N/A                    | Complied |
| Grade 3       |                                     | 54,540                         | 180                     | N/A                    | Complied |
| Grades 4 - 8  | 54,000                              |                                |                         |                        |          |
| Grade 4       |                                     | 55,440                         | 180                     | N/A                    | Complied |
| Grade 5       |                                     | 55,440                         | 180                     | N/A                    | Complied |
| Grade 6       |                                     | 55,440                         | 180                     | N/A                    | Complied |
| Grade 7       |                                     | 58,480                         | 180                     | N/A                    | Complied |
| Grade 8       |                                     | 58,480                         | 180                     | N/A                    | Complied |
| Grades 9 - 12 | 64,800                              |                                |                         |                        |          |
| Grade 9       |                                     | 66,209                         | 180                     | N/A                    | Complied |
| Grade 10      |                                     | 66,209                         | 180                     | N/A                    | Complied |
| Grade 11      |                                     | 66,209                         | 180                     | N/A                    | Complied |
| Grade 12      |                                     | 66,209                         | 180                     | N/A                    | Complied |

Quail Lake Environmental Charter School

| Grade Level  | 1986-1987<br>Minutes<br>Requirement | 2021-2022<br>Actual<br>Minutes | Traditional<br>Calendar | Multitrack<br>Calendar | Status   |
|--------------|-------------------------------------|--------------------------------|-------------------------|------------------------|----------|
| Kindergarten | 36,000                              | 45,900                         | 180                     | N/A                    | Complied |
| Grades 1 - 3 | 50,400                              |                                |                         |                        |          |
| Grade 1      |                                     | 57,580                         | 180                     | N/A                    | Complied |
| Grade 2      |                                     | 57,580                         | 180                     | N/A                    | Complied |
| Grade 3      |                                     | 59,040                         | 180                     | N/A                    | Complied |
| Grades 4 - 8 | 54,000                              |                                |                         |                        |          |
| Grade 4      |                                     | 59,040                         | 180                     | N/A                    | Complied |
| Grade 5      |                                     | 59,040                         | 180                     | N/A                    | Complied |
| Grade 6      |                                     | 58,140                         | 180                     | N/A                    | Complied |
| Grade 7      |                                     | 58,140                         | 180                     | N/A                    | Complied |
| Grade 8      |                                     | 58,140                         | 180                     | N/A                    | Complied |

Sanger Unified School District  
 Schedule of Instructional Time  
 Year Ended June 30, 2022

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Sanger Academy Charter School

| Grade Level  | 1986-1987<br>Minutes<br>Requirement | 2021-2022<br>Actual<br>Minutes | Traditional<br>Calendar | Multitrack<br>Calendar | Status   |
|--------------|-------------------------------------|--------------------------------|-------------------------|------------------------|----------|
| Kindergarten | 36,000                              | 47,700                         | 180                     | N/A                    | Complied |
| Grades 1 - 3 | 50,400                              |                                |                         |                        |          |
| Grade 1      |                                     | 57,580                         | 180                     | N/A                    | Complied |
| Grade 2      |                                     | 57,580                         | 180                     | N/A                    | Complied |
| Grade 3      |                                     | 55,089                         | 180                     | N/A                    | Complied |
| Grades 4 - 8 | 54,000                              |                                |                         |                        |          |
| Grade 4      |                                     | 55,089                         | 180                     | N/A                    | Complied |
| Grade 5      |                                     | 55,089                         | 180                     | N/A                    | Complied |
| Grade 6      |                                     | 55,089                         | 180                     | N/A                    | Complied |
| Grade 7      |                                     | 55,089                         | 180                     | N/A                    | Complied |
| Grade 8      |                                     | 55,089                         | 180                     | N/A                    | Complied |

Sanger Unified School District  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
Year Ended June 30, 2022

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2022.

Sanger Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2022

|                                                   | (Budget)             |                       |                       |                       |
|---------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                                   | 2023 <sup>1</sup>    | 2022                  | 2021 <sup>1</sup>     | 2020 <sup>1</sup>     |
| General Fund <sup>4</sup>                         |                      |                       |                       |                       |
| Revenues                                          | \$ 221,835,048       | \$ 174,708,312        | \$ 165,941,695        | \$ 146,710,645        |
| Other sources and transfers in                    | 500,000              | 3,129,198             | 5,580,260             | 4,748,228             |
| Total Revenues and Other Sources                  | <u>222,335,048</u>   | <u>177,837,510</u>    | <u>171,521,955</u>    | <u>151,458,873</u>    |
| Expenditures                                      | 181,137,673          | 175,310,173           | 158,583,991           | 143,122,117           |
| Other uses and transfers out                      | 11,994,546           | 4,770,932             | 442,334               | 4,397,842             |
| Total Expenditures and Other Uses                 | <u>193,132,219</u>   | <u>180,081,105</u>    | <u>159,026,325</u>    | <u>147,519,959</u>    |
| Increase/(Decrease) in Fund Balance               | <u>29,202,829</u>    | <u>(2,243,595)</u>    | <u>12,495,630</u>     | <u>3,938,914</u>      |
| Ending Fund Balance                               | <u>\$ 67,741,271</u> | <u>\$ 38,538,442</u>  | <u>\$ 40,782,037</u>  | <u>\$ 28,286,407</u>  |
| Available Reserves <sup>2</sup>                   | <u>\$ 12,669,308</u> | <u>\$ 5,873,903</u>   | <u>\$ 5,888,901</u>   | <u>\$ 8,915,980</u>   |
| Available Reserves as a Percentage of Total Outgo | <u>6.56%</u>         | <u>3.26%</u>          | <u>3.70%</u>          | <u>6.04%</u>          |
| Long-Term Liabilities                             | <u>Not Available</u> | <u>\$ 509,231,536</u> | <u>\$ 469,893,395</u> | <u>\$ 377,686,539</u> |
| Average Daily Attendance at P-2 <sup>3</sup>      | <u>10,665</u>        | <u>10,665</u>         | <u>10,666</u>         | <u>10,666</u>         |

The General Fund balance has increased by \$10,252,035 over the past two years. The fiscal year 2022-2023 budget projects an increase of \$29,202,829 (75.8%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2022-2023 fiscal year. Total long-term liabilities have increased by \$133,809,094 over the past two years primarily due to the issuance of general obligation bonds, certificates of participation, and changes in the Districts OPEB and net pension liability obligations.

Average daily attendance has increased by one over the past two years. No change in ADA is anticipated during fiscal year 2022-2023.

<sup>1</sup> Financial information for 2023, 2021 and 2020 is included for analytical purposes only and has not been subjected to audit in the current period.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund.

<sup>3</sup> Excludes charter schools ADA.

<sup>4</sup> General Fund amounts do not include activity related to the consolidation of the Special Reserve Non-Capital Fund as required by GASB Statement No. 54.

Sanger Unified School District  
Schedule of Charter Schools  
Year Ended June 30, 2022

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| <u>Name of Charter School</u>           | <u>Charter Number</u> | <u>Included in Audit Report</u> |
|-----------------------------------------|-----------------------|---------------------------------|
| Hallmark Charter School*                | 0257                  | Yes                             |
| Quail Lake Environmental Charter School | 0258                  | Yes                             |
| Sanger Academy Charter School           | 0283                  | Yes                             |

\* Independent Study (Non-Classroom Based)

Sanger Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2022

|                                            | Student<br>Activities<br>Fund | Charter Schools<br>Fund | Adult<br>Education<br>Fund | Child<br>Development<br>Fund | Cafeteria<br>Fund   | Deferred<br>Maintenance<br>Fund | Capital<br>Facilities<br>Fund | Bond<br>Interest and<br>Redemption<br>Fund | Total<br>Non-Major<br>Governmental<br>Funds |
|--------------------------------------------|-------------------------------|-------------------------|----------------------------|------------------------------|---------------------|---------------------------------|-------------------------------|--------------------------------------------|---------------------------------------------|
| <b>Assets</b>                              |                               |                         |                            |                              |                     |                                 |                               |                                            |                                             |
| Deposits and investments                   | \$ 1,070,646                  | \$ 6,920,757            | \$ 249,929                 | \$ 689,613                   | \$ 2,454,110        | \$ 1,036,698                    | \$ 3,983,847                  | \$ 16,563,443                              | \$ 32,969,043                               |
| Receivables                                | -                             | 298,457                 | 198,045                    | 93,393                       | 1,687,630           | 3,643                           | 13,904                        | 52,666                                     | 2,347,738                                   |
| Stores inventories                         | -                             | -                       | -                          | -                            | 30,195              | -                               | -                             | -                                          | 30,195                                      |
| <b>Total assets</b>                        | <b>\$ 1,070,646</b>           | <b>\$ 7,219,214</b>     | <b>\$ 447,974</b>          | <b>\$ 783,006</b>            | <b>\$ 4,171,935</b> | <b>\$ 1,040,341</b>             | <b>\$ 3,997,751</b>           | <b>\$ 16,616,109</b>                       | <b>\$ 35,346,976</b>                        |
| <b>Liabilities and Fund Balances</b>       |                               |                         |                            |                              |                     |                                 |                               |                                            |                                             |
| <b>Liabilities</b>                         |                               |                         |                            |                              |                     |                                 |                               |                                            |                                             |
| Accounts payable                           | \$ -                          | \$ 2,146,212            | \$ 46,201                  | \$ 10,650                    | \$ 112,039          | \$ -                            | \$ 674,549                    | \$ -                                       | \$ 2,989,651                                |
| Due to other funds                         | -                             | 418,447                 | 62,765                     | 113,615                      | 312,797             | -                               | 167                           | -                                          | 907,791                                     |
| Unearned revenue                           | -                             | 211,270                 | -                          | 278,316                      | 90,000              | -                               | -                             | -                                          | 579,586                                     |
| <b>Total liabilities</b>                   | <b>-</b>                      | <b>2,775,929</b>        | <b>108,966</b>             | <b>402,581</b>               | <b>514,836</b>      | <b>-</b>                        | <b>674,716</b>                | <b>-</b>                                   | <b>4,477,028</b>                            |
| <b>Fund Balances</b>                       |                               |                         |                            |                              |                     |                                 |                               |                                            |                                             |
| Nonspendable                               | -                             | -                       | -                          | -                            | 30,195              | -                               | -                             | -                                          | 30,195                                      |
| Restricted                                 | 1,070,646                     | 1,026,705               | -                          | 373,790                      | 3,626,904           | -                               | 3,323,035                     | 16,616,109                                 | 26,037,189                                  |
| Committed                                  | -                             | -                       | 339,008                    | -                            | -                   | 1,040,341                       | -                             | -                                          | 1,379,349                                   |
| Assigned                                   | -                             | 3,416,580               | -                          | 6,635                        | -                   | -                               | -                             | -                                          | 3,423,215                                   |
| <b>Total fund balances</b>                 | <b>1,070,646</b>              | <b>4,443,285</b>        | <b>339,008</b>             | <b>380,425</b>               | <b>3,657,099</b>    | <b>1,040,341</b>                | <b>3,323,035</b>              | <b>16,616,109</b>                          | <b>30,869,948</b>                           |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,070,646</b>           | <b>\$ 7,219,214</b>     | <b>\$ 447,974</b>          | <b>\$ 783,006</b>            | <b>\$ 4,171,935</b> | <b>\$ 1,040,341</b>             | <b>\$ 3,997,751</b>           | <b>\$ 16,616,109</b>                       | <b>\$ 35,346,976</b>                        |



Sanger Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2022

|                                                   | Student<br>Activities<br>Fund | Charter Schools<br>Fund | Adult<br>Education<br>Fund |
|---------------------------------------------------|-------------------------------|-------------------------|----------------------------|
| <b>Revenues</b>                                   |                               |                         |                            |
| Local control funding formula                     | \$ -                          | \$ 13,895,316           | \$ -                       |
| Federal sources                                   | -                             | -                       | 198,020                    |
| Other State sources                               | -                             | 1,813,635               | 998,838                    |
| Other local sources                               | 2,062,156                     | (96,963)                | 55,286                     |
| Total revenues                                    | <u>2,062,156</u>              | <u>15,611,988</u>       | <u>1,252,144</u>           |
| <b>Expenditures</b>                               |                               |                         |                            |
| <b>Current</b>                                    |                               |                         |                            |
| Instruction                                       | -                             | 10,464,007              | 585,108                    |
| Instruction-related activities                    |                               |                         |                            |
| Supervision of instruction                        | -                             | 293,858                 | 1,444                      |
| Instructional library, media, and technology      | -                             | 222,979                 | -                          |
| School site administration                        | -                             | 1,091,157               | 322,653                    |
| Pupil services                                    |                               |                         |                            |
| Home-to-school transportation                     | -                             | 216,032                 | -                          |
| Food services                                     | -                             | -                       | -                          |
| All other pupil services                          | -                             | 794,821                 | 159,296                    |
| Administration                                    |                               |                         |                            |
| Data processing                                   | -                             | 45,239                  | -                          |
| All other administration                          | -                             | 763,495                 | 40,359                     |
| Plant services                                    | -                             | 1,461,593               | 18,528                     |
| Ancillary services                                | 1,768,963                     | 56,293                  | -                          |
| Facility acquisition and construction             | -                             | 151,939                 | 9,137                      |
| Debt service                                      |                               |                         |                            |
| Principal                                         | -                             | -                       | -                          |
| Interest and other                                | -                             | -                       | -                          |
| Total expenditures                                | <u>1,768,963</u>              | <u>15,561,413</u>       | <u>1,136,525</u>           |
| Excess (Deficiency) of Revenues Over Expenditures | <u>293,193</u>                | <u>50,575</u>           | <u>115,619</u>             |
| <b>Other Financing Sources (Uses)</b>             |                               |                         |                            |
| Transfers in                                      | -                             | 846,127                 | -                          |
| Sources from bond sales, par                      | -                             | -                       | -                          |
| Transfers out                                     | -                             | -                       | -                          |
| Escrow deposits for refunding                     | -                             | -                       | -                          |
| Other uses                                        | -                             | -                       | -                          |
| Net Financing Sources (Uses)                      | <u>-</u>                      | <u>846,127</u>          | <u>-</u>                   |
| Net Change in Fund Balances                       | 293,193                       | 896,702                 | 115,619                    |
| Fund Balance - Beginning                          | <u>777,453</u>                | <u>3,546,583</u>        | <u>223,389</u>             |
| Fund Balance - Ending                             | <u>\$ 1,070,646</u>           | <u>\$ 4,443,285</u>     | <u>\$ 339,008</u>          |

Sanger Unified School District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental  
Funds  
Year Ended June 30, 2022

|                                                   | Child<br>Development<br>Fund | Cafeteria<br>Fund   | Deferred<br>Maintenance<br>Fund |
|---------------------------------------------------|------------------------------|---------------------|---------------------------------|
| <b>Revenues</b>                                   |                              |                     |                                 |
| Local control funding formula                     | \$ -                         | \$ -                | \$ -                            |
| Federal sources                                   | 78,000                       | 10,433,420          | -                               |
| Other State sources                               | 1,550,242                    | 880,571             | -                               |
| Other local sources                               | (25,614)                     | 151,816             | (43,098)                        |
| Total revenues                                    | <u>1,602,628</u>             | <u>11,465,807</u>   | <u>(43,098)</u>                 |
| <b>Expenditures</b>                               |                              |                     |                                 |
| <b>Current</b>                                    |                              |                     |                                 |
| Instruction                                       | 1,003,695                    | -                   | -                               |
| Instruction-related activities                    |                              |                     |                                 |
| Supervision of instruction                        | -                            | -                   | -                               |
| Instructional library, media, and technology      | -                            | -                   | -                               |
| School site administration                        | 356,356                      | -                   | -                               |
| Pupil services                                    |                              |                     |                                 |
| Home-to-school transportation                     | -                            | -                   | -                               |
| Food services                                     | -                            | 8,149,502           | -                               |
| All other pupil services                          | 99,795                       | -                   | -                               |
| Administration                                    |                              |                     |                                 |
| Data processing                                   | -                            | -                   | -                               |
| All other administration                          | 96,452                       | 255,450             | -                               |
| Plant services                                    | -                            | 209,352             | -                               |
| Ancillary services                                | -                            | -                   | -                               |
| Facility acquisition and construction             | -                            | -                   | -                               |
| Debt service                                      |                              |                     |                                 |
| Principal                                         | -                            | -                   | -                               |
| Interest and other                                | -                            | -                   | -                               |
| Total expenditures                                | <u>1,556,298</u>             | <u>8,614,304</u>    | <u>-</u>                        |
| Excess (Deficiency) of Revenues Over Expenditures | <u>46,330</u>                | <u>2,851,503</u>    | <u>(43,098)</u>                 |
| <b>Other Financing Sources (Uses)</b>             |                              |                     |                                 |
| Transfers in                                      | 14,805                       | 10,000              | -                               |
| Sources from bond sales, par                      | -                            | -                   | -                               |
| Transfers out                                     | -                            | -                   | -                               |
| Escrow deposits for refunding                     | -                            | -                   | -                               |
| Other uses                                        | -                            | -                   | -                               |
| Net Financing Sources (Uses)                      | <u>14,805</u>                | <u>10,000</u>       | <u>-</u>                        |
| Net Change in Fund Balances                       | 61,135                       | 2,861,503           | (43,098)                        |
| Fund Balance - Beginning                          | <u>319,290</u>               | <u>795,596</u>      | <u>1,083,439</u>                |
| Fund Balance - Ending                             | <u>\$ 380,425</u>            | <u>\$ 3,657,099</u> | <u>\$ 1,040,341</u>             |

Sanger Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2022

|                                                   | Capital<br>Facilities<br>Fund | Bond<br>Interest and<br>Redemption<br>Fund | Total<br>Non-Major<br>Governmental<br>Funds |
|---------------------------------------------------|-------------------------------|--------------------------------------------|---------------------------------------------|
| <b>Revenues</b>                                   |                               |                                            |                                             |
| Local control funding formula                     | \$ -                          | \$ -                                       | \$ 13,895,316                               |
| Federal sources                                   | -                             | -                                          | 10,709,440                                  |
| Other State sources                               | -                             | 77,152                                     | 5,320,438                                   |
| Other local sources                               | 1,696,806                     | 11,748,647                                 | 15,549,036                                  |
| Total revenues                                    | <u>1,696,806</u>              | <u>11,825,799</u>                          | <u>45,474,230</u>                           |
| <b>Expenditures</b>                               |                               |                                            |                                             |
| <b>Current</b>                                    |                               |                                            |                                             |
| Instruction                                       | -                             | -                                          | 12,052,810                                  |
| Instruction-related activities                    |                               |                                            |                                             |
| Supervision of instruction                        | -                             | -                                          | 295,302                                     |
| Instructional library, media, and technology      | -                             | -                                          | 222,979                                     |
| School site administration                        | -                             | -                                          | 1,770,166                                   |
| Pupil services                                    |                               |                                            |                                             |
| Home-to-school transportation                     | -                             | -                                          | 216,032                                     |
| Food services                                     | -                             | -                                          | 8,149,502                                   |
| All other pupil services                          | -                             | -                                          | 1,053,912                                   |
| Administration                                    |                               |                                            |                                             |
| Data processing                                   | -                             | -                                          | 45,239                                      |
| All other administration                          | 61,274                        | -                                          | 1,217,030                                   |
| Plant services                                    | 40,446                        | -                                          | 1,729,919                                   |
| Ancillary services                                | -                             | -                                          | 1,825,256                                   |
| Facility acquisition and construction             | 2,981,924                     | -                                          | 3,143,000                                   |
| Debt service                                      |                               |                                            |                                             |
| Principal                                         | 615,000                       | 3,140,000                                  | 3,755,000                                   |
| Interest and other                                | 403,338                       | 8,915,152                                  | 9,318,490                                   |
| Total expenditures                                | <u>4,101,982</u>              | <u>12,055,152</u>                          | <u>44,794,637</u>                           |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(2,405,176)</u>            | <u>(229,353)</u>                           | <u>679,593</u>                              |
| <b>Other Financing Sources (Uses)</b>             |                               |                                            |                                             |
| Transfers in                                      | -                             | -                                          | 870,932                                     |
| Sources from bond sales, par                      | -                             | 15,315,000                                 | 15,315,000                                  |
| Transfers out                                     | -                             | -                                          | -                                           |
| Escrow deposits for refunding                     | -                             | (15,315,000)                               | (15,315,000)                                |
| Other uses                                        | -                             | -                                          | -                                           |
| Net Financing Sources (Uses)                      | <u>-</u>                      | <u>-</u>                                   | <u>870,932</u>                              |
| Net Change in Fund Balances                       | (2,405,176)                   | (229,353)                                  | 1,550,525                                   |
| Fund Balance - Beginning                          | 5,728,211                     | 16,845,462                                 | 29,319,423                                  |
| Fund Balance - Ending                             | <u>\$ 3,323,035</u>           | <u>\$ 16,616,109</u>                       | <u>\$ 30,869,948</u>                        |

**Note 1 - Purpose of Schedules**

**Schedule of Expenditures of Federal Awards (SEFA)**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Sanger Unified School District (the District) under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the net position or fund balance nor changes thereof for the District.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist of a Qualified School Construction Bond Federal interest subsidy and unspent portion of the Child Development: ARP California State Preschool Program One-time Stipend revenue received that is not required to be reflected on the Schedule of Expenditures of Federal Awards but has been recorded as revenues.

|                                                                                         | Federal Financial<br>Assistance<br>Listing/Federal<br>CFDA Number | Amount        |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------|
| Description                                                                             |                                                                   |               |
| Total Federal Revenues reported on the financial statements                             |                                                                   | \$ 29,382,615 |
| Qualified School Construction Bond interest subsidy                                     | Not Available                                                     | (1,162,125)   |
| COVID-19, Child Development: ARP California State<br>Preschool Program One-time Stipend | 93.575                                                            | (78,000)      |
| Total Schedule of Expenditures of Federal Awards                                        |                                                                   | \$ 28,142,490 |

As of June 30, 2022, the District had less than \$5,000 of federal commodities on hand in inventory.

**Local Education Agency Organization Structure**

This schedule provides information about the District’s boundaries and schools operated, members of the governing board, and members of the administration.

### **Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

### **Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

### **Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District, and displays information for each charter school on whether or not the charter school is included in the District audit.

### **Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Independent Auditor's Reports  
June 30, 2022

# Sanger Unified School District



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Governing Board  
Sanger Unified School District  
Sanger, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sanger Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Sanger Unified School District’s basic financial statements and have issued our report thereon dated February 16, 2023.

***Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, the Sanger Unified School District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sanger Unified School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sanger Unified School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Sanger Unified School District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sanger Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Sanger Unified School District in a separate letter dated February 16, 2023.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Fresno, California  
February 16, 2023





## **Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Governing Board  
Sanger Unified School District  
Sanger, California

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Sanger Unified School District’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sanger Unified School District’s major federal programs for the year ended June 30, 2022. Sanger Unified School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sanger Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sanger Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Sanger Unified School District’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Sanger Unified School District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sanger Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sanger Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sanger Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sanger Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Sanger Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such

that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fresno, California  
February 16, 2023



## Independent Auditor's Report on State Compliance

To the Governing Board  
Sanger Unified School District  
Sanger, California

### Report on Compliance

#### *Opinion on State Compliance*

We have audited Sanger Unified School District's (the District) compliance with the requirements specified in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

| 2021-2022 K-12 Audit Guide Procedures               | Procedures Performed |
|-----------------------------------------------------|----------------------|
| Local Education Agencies Other than Charter Schools |                      |
| Attendance                                          | Yes                  |
| Teacher Certification and Misassignments            | Yes                  |
| Kindergarten Continuance                            | Yes                  |
| Independent Study                                   | Yes                  |
| Continuation Education                              | No (see below)       |
| Instructional Time                                  | Yes                  |
| Instructional Materials                             | Yes                  |
| Ratios of Administrative Employees to Teachers      | Yes                  |
| Classroom Teacher Salaries                          | Yes                  |
| Early Retirement Incentive                          | No (see below)       |
| Gann Limit Calculation                              | Yes                  |

| 2021-2022 K-12 Audit Guide Procedures                                     | Procedures Performed |
|---------------------------------------------------------------------------|----------------------|
| School Accountability Report Card                                         | Yes                  |
| Juvenile Court Schools                                                    | No (see below)       |
| Middle or Early College High Schools                                      | No (see below)       |
| K-3 Grade Span Adjustment                                                 | Yes                  |
| Transportation Maintenance of Effort                                      | Yes                  |
| Apprenticeship: Related and Supplemental Instruction                      | No (see below)       |
| Comprehensive School Safety Plan                                          | Yes                  |
| District of Choice                                                        | No (see below)       |
| <b>School Districts, County Offices of Education, and Charter Schools</b> |                      |
| California Clean Energy Jobs Act                                          | No (see below)       |
| After/Before School Education and Safety Program                          | Yes                  |
| Proper Expenditure of Education Protection Account Funds                  | Yes                  |
| Unduplicated Local Control Funding Formula Pupil Counts                   | Yes                  |
| Local Control and Accountability Plan                                     | Yes                  |
| Independent Study - Course Based                                          | No (see below)       |
| Immunizations                                                             | No (see below)       |
| Educator Effectiveness                                                    | Yes                  |
| Expanded Learning Opportunities Grant (ELO-G)                             | Yes                  |
| Career Technical Education Incentive Grant                                | No (see below)       |
| In Person Instruction Grant                                               | Yes                  |
| <b>Charter Schools</b>                                                    |                      |
| Attendance                                                                | Yes                  |
| Mode of Instruction                                                       | Yes                  |
| Nonclassroom-Based Instruction/Independent Study                          | Yes                  |
| Determination of Funding for Nonclassroom-Based Instruction               | Yes                  |
| Annual Instructional Minutes - Classroom Based                            | Yes                  |
| Charter School Facility Grant Program                                     | No (see below)       |

We did not perform Continuation Education procedures because the ADA for the program is immaterial.

The District did not have any employees retire under the CalSTRS Early Retirement Incentive program; therefore, testing was not required.

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

The District was not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

We did not perform Career Technical Education Incentive Grant procedures because the District did not receive funding for this grant.

Additionally, we did not perform procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

#### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California  
February 16, 2023





Schedule of Findings and Questioned Costs  
June 30, 2022

# Sanger Unified School District

**Financial Statements**

|                                                                              |               |
|------------------------------------------------------------------------------|---------------|
| Type of auditor's report issued                                              | Unmodified    |
| Internal control over financial reporting                                    |               |
| Material weaknesses identified                                               | No            |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted?                        | No            |

**Federal Awards**

|                                                                                                                    |               |
|--------------------------------------------------------------------------------------------------------------------|---------------|
| Internal control over major program                                                                                |               |
| Material weaknesses identified                                                                                     | No            |
| Significant deficiencies identified not considered to be material weaknesses                                       | None Reported |
| Type of auditor's report issued on compliance for major programs                                                   | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a) | No            |

**Identification of major programs**

| Name of Federal Program or Cluster                                                              | Federal Financial Assistance Listing/<br>Federal CFDA Number |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected                             | 84.010                                                       |
| ESEA: ESSA School Improvement (CSI) Funding for LEAs                                            | 84.010                                                       |
| Special Education Cluster                                                                       | 84.027, 84.027A, 84.173                                      |
| COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs | 84.425U                                                      |
| COVID-19, Expanded Learning Opportunities (ELO) Grant GEER II                                   | 84.425C                                                      |
| COVID-19, Elementary and Secondary School Emergency Relief (ESSER) Fund                         | 84.425D                                                      |
| COVID-19, Elementary and Secondary School Emergency Relief II (ESSER II) Fund                   | 84.425D                                                      |
| COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund                 | 84.425U                                                      |
| COVID-19, Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve                    | 84.425D                                                      |
| COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss   | 84.425U                                                      |
| Child and Adult Care Food Program                                                               | 10.558                                                       |
| Dollar threshold used to distinguish between type A and type B programs                         | \$ 844,275                                                   |
| Auditee qualified as low-risk auditee?                                                          | Yes                                                          |

**State Compliance**

|                                                                              |               |
|------------------------------------------------------------------------------|---------------|
| Internal control over state compliance programs                              |               |
| Material weaknesses identified                                               | No            |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Type of auditor's report issued on compliance for programs                   | Unmodified    |

None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

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## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SANGER AND FRESNO COUNTY

*The following information concerning the City of Fresno (the “City”) and Fresno County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

#### **General**

**The City.** The City was founded in 1886 when the Southern Pacific Company referred to the area as Sanger Junction concerning plans to improve access to the fertile land. Later the area was known as Sanger. In 1888, the Pacific Improvement Company owned and sold lots within the City and the first post office opened. The City is located in central Fresno County approximately 15 miles southeast of the City of Fresno. It has a total area of 5.5 square miles. The City is served by State Route 180 and State Route 99. The City was incorporated on May 9, 1911. The City Council consists of five elected members. The position of Mayor is elected at large. The appointment of the Mayor *Pro Tem* changes every other year in December and is decided by a vote of the five Council members.

**The County.** The County is California’s fifth-largest county as measured by area, covering approximately 6,000 square miles. It is located in the geographic center of the State and is the nation’s leading crop-producing county.

Within the County, there are roughly four different agricultural areas. East and south of the City of Fresno, grapes and other fruit and nut crops are grown, harvested and processed for shipment; west of the City of Fresno is a melon-producing area, which lies within the Mendota Unified School District. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, extensive cattle and sheep ranches.

The County is the trade, financial and commercial center for many surrounding counties in the Central Valley and is a hub of transportation facilities connecting the Central Valley to all parts of the Country. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Routes 180 and 198 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

## Population

The most recent estimate of the County's population at January 1, 2023 was 1,011,499 persons according to the State Department of Finance. The City, with an estimated population of 26,241 persons at January 1, 2023, is the third largest city in the County. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

**FRESNO COUNTY**  
**Population Estimates for Cities Within the County**  
**Calendar Years 2019 through 2023**  
**(As of January 1<sup>st</sup>)**

|                   | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      | <b>2023</b>      |
|-------------------|------------------|------------------|------------------|------------------|------------------|
| Clovis            | 116,609          | 119,968          | 121,451          | 123,532          | 124,523          |
| Coalinga          | 16,944           | 18,067           | 17,558           | 17,327           | 17,237           |
| Firebaugh         | 7,980            | 8,093            | 8,141            | 8,420            | 8,495            |
| Fowler            | 6,220            | 6,703            | 6,835            | 6,936            | 7,168            |
| Fresno            | 542,012          | 542,081          | 541,652          | 542,829          | 543,428          |
| Huron             | 7,302            | 6,131            | 6,171            | 6,168            | 6,124            |
| Kerman            | 15,767           | 16,006           | 16,036           | 16,605           | 16,955           |
| Kingsburg         | 12,551           | 12,386           | 12,465           | 12,432           | 12,865           |
| Mendota           | 12,278           | 12,587           | 12,543           | 12,475           | 12,463           |
| Orange Cove       | 9,460            | 9,618            | 9,583            | 9,531            | 9,463            |
| Parlier           | 15,658           | 14,569           | 14,521           | 14,472           | 14,402           |
| Reedley           | 25,873           | 24,933           | 24,880           | 24,944           | 25,381           |
| <b>Sanger</b>     | <b>27,005</b>    | <b>26,577</b>    | <b>26,580</b>    | <b>26,302</b>    | <b>26,241</b>    |
| San Joaquin       | 4,144            | 3,699            | 3,670            | 3,634            | 3,608            |
| Selma             | 24,402           | 24,717           | 24,544           | 24,354           | 24,300           |
| Balance of County | 170,990          | 162,519          | 160,729          | 159,829          | 158,846          |
| <b>Total</b>      | <b>1,015,195</b> | <b>1,008,654</b> | <b>1,007,359</b> | <b>1,009,790</b> | <b>1,011,499</b> |

*Source: State Department of Finance, Demographic Research.*

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## Industry and Employment

The District is included in the Fresno Metropolitan Statistical Area (“MSA”). The unemployment rate in the County was 7.0% in August 2023, down from a revised 7.1% in July 2023, and above the year-ago estimate of 5.8%. This compares with an unadjusted unemployment rate of 5.1% for California and 3.9% for the nation during the same period.

The table below provides information about employment by industry type for Fresno County for calendar years 2018 through 2022.

### FRESNO COUNTY Civilian Labor Force, Employment and Unemployment, Unemployment by Industry (Annual Averages)

|                                                   | 2018    | 2019    | 2020    | 2021    | 2022    |
|---------------------------------------------------|---------|---------|---------|---------|---------|
| Civilian Labor Force <sup>(1)</sup>               | 446,200 | 451,300 | 446,500 | 444,500 | 453,200 |
| Employment                                        | 412,400 | 418,400 | 394,500 | 403,900 | 424,300 |
| Unemployment                                      | 33,800  | 32,900  | 52,000  | 40,600  | 28,900  |
| Unemployment Rate                                 | 7.6%    | 7.3%    | 11.7%   | 9.1%    | 6.4%    |
| <u>Wage and Salary Employment:</u> <sup>(2)</sup> |         |         |         |         |         |
| Agriculture                                       | 44,200  | 44,100  | 40,300  | 40,500  | 40,200  |
| Mining and Logging                                | 300     | 200     | 200     | 300     | 200     |
| Construction                                      | 18,700  | 19,000  | 18,800  | 20,200  | 22,300  |
| Manufacturing                                     | 25,900  | 26,200  | 25,800  | 26,100  | 27,000  |
| Wholesale Trade                                   | 14,400  | 14,700  | 14,400  | 14,900  | 16,000  |
| Retail Trade                                      | 39,100  | 38,700  | 36,900  | 39,100  | 40,000  |
| Trans., Warehousing, Utilities                    | 15,400  | 16,600  | 18,300  | 19,500  | 20,600  |
| Information                                       | 3,600   | 3,400   | 3,000   | 3,000   | 3,200   |
| Financial and Insurance                           | 9,200   | 9,300   | 8,800   | 8,300   | 7,900   |
| Professional and Business Services                | 32,500  | 34,600  | 32,100  | 32,200  | 34,200  |
| Educational and Health Services                   | 69,300  | 72,500  | 71,700  | 74,800  | 79,400  |
| Leisure and Hospitality                           | 34,500  | 35,700  | 28,800  | 32,900  | 37,000  |
| Other Services                                    | 11,900  | 12,100  | 11,100  | 12,000  | 12,800  |
| Federal Government                                | 10,000  | 10,100  | 10,800  | 10,100  | 9,600   |
| State Government                                  | 12,600  | 12,800  | 12,500  | 12,100  | 12,500  |
| Local Government                                  | 51,900  | 52,300  | 49,200  | 48,700  | 51,600  |
| Total All Industries <sup>(3)</sup>               | 398,300 | 407,400 | 387,300 | 399,300 | 419,600 |

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Columns may not sum to totals due to rounding.

Source: State of California Employment Development Department.

## Largest Employers

The following table shows the major employers in the County as of October 2023, in alphabetical order without regard to the number of employees.

### FRESNO COUNTY Major Employers (Listed Alphabetically)

| <b>Employer Name</b>           | <b>Location</b> | <b>Industry</b>                          |
|--------------------------------|-----------------|------------------------------------------|
| Air National Guard             | Fresno          | Veterans' & Military Organizations       |
| Amazon Fulfillment Ctr         | Fresno          | Mail Order Fulfillment Service           |
| California State Univ Fresno   | Fresno          | Schools-Universities & Colleges Academic |
| Cargill                        | Fresno          | Meat Packers (mfrs)                      |
| Community Regional Medical Ctr | Fresno          | Hospitals                                |
| Foster Farms                   | Fresno          | Poultry Farms                            |
| Fresno County Sheriff's Office | Fresno          | Police Departments                       |
| Fresno Police Dept             | Fresno          | Police Departments                       |
| Fresno Police Dept-Central     | Fresno          | Police Departments                       |
| Fresno VA Hospital Medical Ctr | Fresno          | Hospitals                                |
| Kaiser Permanente Fresno Med   | Fresno          | Hospitals                                |
| Lion Dehydrators               | Selma           | Dehydrating Service (mfrs)               |
| Pelco Inc                      | Fresno          | Security Control Equip & Systems-Mfrs    |
| Phebe Conley Art Gallery       | Fresno          | Art Galleries & Dealers                  |
| Pitman Family Farms            | Sanger          | Farms                                    |
| Pleasant Valley State Prison   | Coalinga        | Government Offices-State                 |
| St Agnes Medical Ctr           | Fresno          | Medical Centers                          |
| St Agnes Medical Ctr           | Fresno          | Hospitals                                |
| Stamoules Produce Co           | Mendota         | Fruits & Vegetables & Produce-Retail     |
| State Center Community College | Fresno          | Junior-Community College-Tech Institutes |
| Sun-Maid Growers of California | Kingsburg       | Feed-Manufacturers                       |
| Table Mountain Casino          | Friant          | Casinos                                  |
| Taylor Communications          | Fresno          | Commercial Printing NEC (mfrs)           |
| Teaching Fellows               | Fresno          | Employment Service-Govt Co Fraternal     |
| Via West Insurance             | Fresno          | Insurance                                |

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2024 1st Edition.

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## Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total median household effective buying income for the City, the County, the State and the United States for the period 2019 through 2023.

### FRESNO COUNTY Median Household Effective Buying Income 2019 through 2023

|                  | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| City of Fresno   | \$42,571    | \$45,699    | \$45,528    | \$53,831    | \$54,855    |
| County of Fresno | 46,028      | 48,980      | 48,681      | 57,777      | 58,117      |
| California       | 62,637      | 65,870      | 67,956      | 77,058      | 77,175      |
| United States    | 52,841      | 55,303      | 56,790      | 64,448      | 65,326      |

Source: Claritas, LLC.

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## Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data are available are shown in the following tables.

Total taxable sales reported during the first two quarters of calendar year 2023 in the City were \$155,544,627, a 0.03% decrease over the total taxable sales of \$155,592,513 reported during the first two quarters of calendar year 2022.

### CITY OF SANGER Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

| Calendar Year | Retail Stores     |                      | Total All Outlets |                      |
|---------------|-------------------|----------------------|-------------------|----------------------|
|               | Number of Permits | Taxable Transactions | Number of Permits | Taxable Transactions |
| 2018          | 266               | \$168,142            | 398               | \$211,314            |
| 2019          | 269               | 170,487              | 412               | 223,921              |
| 2020          | 301               | 193,160              | 462               | 247,987              |
| 2021          | 309               | 254,062              | 458               | 308,788              |
| 2022          | 320               | 287,029              | 484               | 316,924              |

Source: State Department of Tax and Fee Administration.

During the first two quarters of calendar year 2023, total taxable transactions in the County were reported to be \$11,473,108,149 representing a 3.96% decrease over the total taxable transactions of \$11,945,982,706 that were reported in the County during the first two quarters of calendar year 2022.

### FRESNO COUNTY Annual Taxable Transactions Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

|      | Retail Stores     |                      | Total All Outlets |                      |
|------|-------------------|----------------------|-------------------|----------------------|
|      | Number of Permits | Taxable Transactions | Number of Permits | Taxable Transactions |
| 2018 | 13,041            | \$10,566,360         | 21,036            | \$15,386,256         |
| 2019 | 13,516            | 11,073,207           | 22,082            | 16,179,870           |
| 2020 | 14,811            | 11,557,538           | 24,307            | 16,930,267           |
| 2021 | 14,162            | 16,649,725           | 23,521            | 22,925,232           |
| 2022 | 14,654            | 17,230,232           | 24,512            | 24,307,053           |

Source: State Department of Tax and Fee Administration.

## Construction Activity

The tables below summarize building activity in the City and the County from calendar years 2018 through 2022.

### CITY OF SANGER Total Building Permit Valuations (Valuations in Thousands) Calendar Years 2018 through 2022

|                            | 2018         | 2019         | 2020           | 2021         | 2022           |
|----------------------------|--------------|--------------|----------------|--------------|----------------|
| <u>Permit Valuation</u>    |              |              |                |              |                |
| New Single-family          | \$15,926.6   | \$15,977.6   | \$899.5        | \$2,657.3    | \$12,012.0     |
| New Multi-family           | 0.0          | 0.0          | 0.0            | 0.0          | 0.0            |
| Res. Alterations/Additions | <u>722.1</u> | <u>525.3</u> | <u>336.8</u>   | <u>329.5</u> | <u>2,537.0</u> |
| Total Residential          | \$16,648.7   | \$16,502.9   | \$1,236.3      | \$2,986.8    | \$14,549.0     |
| <br>                       |              |              |                |              |                |
| New Commercial             | \$6,173.5    | \$950.0      | \$266.6        | \$1,100.3    | \$0.0          |
| New Industrial             | 0.0          | 0.0          | 0.0            | 0.0          | 0.0            |
| New Other                  | 626.5        | 712.2        | 1,038.4        | 472.4        | 1,485.4        |
| Com. Alterations/Additions | <u>480.0</u> | <u>973.0</u> | <u>1,761.9</u> | <u>150.0</u> | <u>79.5</u>    |
| Total Nonresidential       | \$7,280.0    | \$2,635.2    | \$3,066.9      | \$1,722.7    | \$1,564.9      |
| <br>                       |              |              |                |              |                |
| <u>New Dwelling Units</u>  |              |              |                |              |                |
| Single Family              | 85           | 97           | 4              | 12           | 38             |
| Multiple Family            | <u>0</u>     | <u>0</u>     | <u>0</u>       | <u>0</u>     | <u>0</u>       |
| TOTAL                      | 85           | 97           | 4              | 12           | 38             |

Source: Construction Industry Research Board, Building Permit Summary.

### FRESNO COUNTY Total Building Permit Valuations (Valuations in Thousands) Calendar Years 2018 through 2022

|                            | 2018             | 2019             | 2020             | 2021             | 2022             |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Permit Valuation</u>    |                  |                  |                  |                  |                  |
| New Single-family          | \$703,307.1      | \$770,423.8      | \$769,338.0      | \$889,656.9      | \$542,870.4      |
| New Multi-family           | 67,589.9         | 87,818.1         | 183,382.3        | 53,428.9         | 171,092.2        |
| Res. Alterations/Additions | <u>47,115.5</u>  | <u>41,033.6</u>  | <u>30,839.5</u>  | <u>57,187.3</u>  | <u>39,525.3</u>  |
| Total Residential          | \$818,012.5      | \$899,275.5      | \$983,559.8      | \$1,000,273.1    | \$753,487.9      |
| <br>                       |                  |                  |                  |                  |                  |
| New Commercial             | \$139,662.0      | \$273,781.9      | \$256,617.3      | \$179,674.3      | \$173,813.0      |
| New Industrial             | 37,564.8         | 7,105.1          | 9,965.7          | 1,952.7          | 6,742.0          |
| New Other                  | 90,451.9         | 54,746.2         | 100,674.4        | 89,285.2         | 120,021.4        |
| Com. Alterations/Additions | <u>229,373.0</u> | <u>163,703.6</u> | <u>210,055.6</u> | <u>127,121.0</u> | <u>173,258.1</u> |
| Total Nonresidential       | \$497,051.7      | \$499,336.8      | \$577,313.0      | \$398,033.2      | \$473,834.5      |
| <br>                       |                  |                  |                  |                  |                  |
| <u>New Dwelling Units</u>  |                  |                  |                  |                  |                  |
| Single Family              | 2,560            | 2,732            | 2,747            | 3,337            | 1,865            |
| Multiple Family            | <u>290</u>       | <u>689</u>       | <u>653</u>       | <u>398</u>       | <u>1,235</u>     |
| TOTAL                      | 2,850            | 3,421            | 3,400            | 3,735            | 3,100            |

Source: Construction Industry Research Board, Building Permit Summary.

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## APPENDIX D

### PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

November 14, 2023

Board of Trustees  
Sanger Unified School District  
1905 Seventh Street  
Sanger, California 93657

**OPINION:** \$20,425,000 Sanger Unified School District  
(Fresno County, California)  
General Obligation Bonds, 2020 Election, Series B

Members of the Board of Trustees:

We have acted as bond counsel to the Sanger Unified School District (the "District") in connection with the issuance by the District of \$20,425,000 principal amount of Sanger Unified School District (Fresno County, California) General Obligation Bonds, 2020 Election, Series B, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a resolution of the Board of Trustees of the District (the "Board") adopted on September 12, 2023 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds, and to perform its obligations under the Bond Resolution and the Bonds.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Fresno County is required under the laws of the State of California to levy an *ad valorem* tax upon the property in the District, unlimited as to rate or amount, for the payment of principal and interest on the Bonds.

5. The interest on the Bonds maturing on and after August 1, 2024 (the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Tax-Exempt Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Tax-Exempt Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

*Jones Hall,*  
A Professional Law Corporation

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

**\$20,425,000**  
**SANGER UNIFIED SCHOOL DISTRICT**  
(Fresno County, California)  
**General Obligation Bonds**  
**2020 ELECTION, SERIES B**

#### **CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is dated the date set forth below and is executed and delivered by the Sanger Unified School District (the “District”) in connection with the issuance of the above-captioned bonds (the “Bonds”). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District on September 12, 2023 (the “Bond Resolution”).

The District hereby covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth above and in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently ending June 30<sup>th</sup>), or March 31.

“*Dissemination Agent*” means, initially, Keygent LLC. or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Paying Agent*” means U.S. Bank Trust Company, National Association or any successor thereto.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **Section 3. Provision of Annual Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2024 with the report for the 2022-23 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB, in a timely manner, in an electronic format as prescribed by the MSRB, with a copy to the Paying Agent.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

**Section 4. Content of Annual Reports.** The District’s Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not

available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year, or if available at the time of filing the Annual Report, for the fiscal year in which the Annual Report is filed, as follows:

- (i) total assessed valuation of taxable properties in the District;
- (ii) total secured assessed valuation of taxable properties of the top twenty taxpayers in the District;
- (iii) property tax collection delinquencies for the District, but only if *ad valorem* taxes for general obligation bonds are not collected on the County's Teeter Plan and such information is available from the County at the time of filing the Annual Report; and
- (iv) the District's most recently adopted budget and interim financial report available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

#### **Section 5. Reporting of Significant Events.**

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District,

or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (a)(16), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

**Section 6. Identifying Information for Filings with the MSRB.** All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

**Section 7. Termination of Reporting Obligation.** The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

**Section 8. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

**Section 10. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 12. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and



shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

**Section 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: November 14, 2023

**SANGER UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## APPENDIX F

### DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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**APPENDIX G**

**FRESNO COUNTY INVESTMENT POLICY AND  
INVESTMENT REPORT**

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**Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector**

**County of Fresno Treasury Investment Pool**

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# **INVESTMENT POLICY**

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**Established: 1984**

**Current Revision: December 13, 2022**

**(559) 600-3496  
Room 105  
Hall of Records  
2281 Tulare Street  
Fresno, California 93721**

COUNTY OF FRESNO  
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR  
TREASURY INVESTMENT POOL

**INVESTMENT POLICY**



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COUNTY OF FRESNO  
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR  
TREASURY INVESTMENT POOL

**INVESTMENT POLICY**

1.0 **Purpose**

The Auditor-Controller/Treasurer-Tax Collector's policy is to invest public funds in a manner that will provide a market average rate of return consistent with the objectives included in this Investment Policy while meeting the daily cash flow demands of the County Treasury and conform to all applicable state laws governing the investment of public funds.

Investments differing from this policy shall be made only in circumstances where market timing or economic trends indicate such investments are beneficial. Such investments must comply with all applicable laws and may only be made with written approval by the Auditor-Controller/Treasurer-Tax Collector.

This Investment Policy is established under Government Code sections 27133 and 53646.

2.0 **Scope**

This Investment Policy applies to all financial assets deposited and retained in the County of Fresno Treasury Investment Pool.

3.0 **Objective**

The primary objectives, in priority order, of the County of Fresno's investment activities shall be the following:

3.1 Safety. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Investments should be made in securities of high quality to avoid credit risk and loss of principal.

3.2 Liquidity. The investment portfolio should remain sufficiently liquid to enable the Treasury Investment Pool to meet all its operating requirements which might be reasonably anticipated.

3.3 Return on Investment. The investment portfolio shall be designed with the objective of attaining the highest interest revenue, taking into consideration the objectives of this Investment Policy and the cash flow characteristics of the portfolio.

3.4 Local Community Reinvestment. When it is in the best interest of the investment portfolio, and within the confines of other objectives enumerated in this Investment Policy, the Auditor-Controller/Treasurer-Tax Collector may give preference to local investment opportunities.

#### 4.0 **Delegation of Authority**

The authority of the Board of Supervisors to delegate management responsibility for the County of Fresno Treasury Investment Pool is derived from GC 53607. Investment authority, in accordance with this provision, has been delegated to the Auditor-Controller/Treasurer-Tax Collector. The original delegation is in the Ordinance Code of the County of Fresno Section 2.20.080 and is subject to annual renewal by the Board of Supervisors. The Auditor-Controller/Treasurer-Tax Collector shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions (GC 53607).

No person may engage in an investment transaction for the Treasury Investment Pool except as provided under the terms of this policy and the procedures established by the Auditor-Controller/Treasurer-Tax Collector. The Auditor-Controller/Treasurer-Tax Collector shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff.

The County of Fresno Treasury Oversight Committee shall annually review and monitor the Investment Policy. The County of Fresno Treasury Oversight Committee shall also cause an annual audit to determine the Auditor-Controller/Treasurer-Tax Collector's compliance with this Investment Policy. The cost of the audit shall be considered an administrative cost of investing. Audit Reports are available to participants of the Treasury Investment Pool upon request (GC 27133, 27134 and 27135).

5.0 **Ethics and Conflict of Interest**

The Auditor-Controller/Treasurer-Tax Collector, the County of Fresno Treasury Oversight Committee and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County of Fresno Treasury Oversight Committee shall require the completion of an annual Statement of Economic Interests by each member to be filed with the member's respective agency. This policy sets a \$520 per current filing limit on the amount of honoraria, gifts and gratuities that a committee member may receive from a single source in a calendar year.

6.0 **Prudence**

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, and not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

6.1 The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk of market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

7.0 **Borrowing for Purposes of Making Investments**

The Fresno County Auditor-Controller/Treasurer-Tax Collector is prohibited from the practice of borrowing for the sole purpose of making investments.

8.0 **Authorized Investments and Limits**

All investments shall be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Securities shall be valued at amortized cost when determining their percentage to the money in the County of Fresno Treasury Investment Pool. Additions or deviations from this list must be expressly authorized by the Government Code and approved by the Auditor-Controller/Treasurer-Tax Collector. Investments not expressly authorized by law are prohibited.

The Auditor-Controller/Treasurer-Tax Collector interprets the authorized investment limits to be based upon the portfolio allocation at the time a security is purchased. The portfolio allocation may temporarily fall outside of these limits due to maturities and fluctuations in the size of the pool after the purchase of a security. Additionally, the applicable credit ratings are interpreted to be based upon the rating at the time the security is purchased.

8.1 United States Treasury Bills, Notes, Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.2 Obligations issued by Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Mortgage Company, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in obligations, participations, or other instruments of or issued by a federal agency or a United States Government-sponsored enterprise.

8.3 Bills of Exchange or Time Drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Any investment in Bankers Acceptances shall be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical-rating service.

Purchases of Bankers Acceptances may not exceed 180 days maturity or 40 percent of the money in the Treasury Investment Pool.

8.4 Commercial Paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization, having a maximum maturity of 270 days or less. The entity that issues the commercial paper shall meet all of the following conditions of either (1) or (2): (1) The entity must be organized and operating within the United States as a general corporation; have total assets in excess of five hundred million dollars; and have a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization for its debt other than commercial paper, if any. (2) The entity must be organized within the United States as a special purpose corporation, trust, or limited liability company; have program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.

Additionally, GC 53635 limits the assets held by the Treasury Investment Pool in any single issuer to 10 percent and the total Commercial Paper investments may not exceed 40 percent of the total assets in the Treasury Investment Pool.

8.5 Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. Any investment is to be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher rating as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments.

Investments in Negotiable Certificates of Deposit (including those allowed under section 8.6.1) may not exceed 30 percent of the money in the Treasury Investment Pool. No more than 5 percent of the money shall be invested in any one institution.

8.6 Non-negotiable Time Certificates of Deposit issued by a nationally or state-chartered bank, savings association or federal association (GC 53601 (n)). Unless fully covered by FDIC insurance, including the interest earned, these investments require full collateralization with government securities totaling 110 percent or mortgages totaling 150 percent of the principal amount (GC 53652). Any investment is to be restricted to those institutions whose short term rating is of prime quality of the highest ranking as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments. Any investment will require the approval and execution of a Contract for Deposit by the Auditor-Controller/Treasurer-Tax Collector, as authorized by GC 53682.

Investments in Non-negotiable Time Certificates of Deposit may not exceed 50 percent of the money in the Treasury Investment Pool. No more than 15 percent of the money shall be invested in any one institution.

8.6.1 Investments in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. Investments will be made in compliance with GC 53635.8. Investments shall be initially placed with a nationally or state-chartered commercial bank, savings bank, savings



and loan association or a credit union in this state, which shall be known as the selected depository institution. Any investment will require the approval and execution of a Deposit Placement Agreement by the Auditor-Controller/Treasurer-Tax Collector. Investments in certificates of deposit under sections 8.5 and 8.6.1 may not exceed 30 percent of the money in the Treasury Investment Pool. Additionally, investments under 8.6.1 shall not exceed 15 percent of the money in the Treasury Investment Pool.

8.7 Investments in Repurchase Agreements representing United States Treasury Securities, United States Agency discount and coupon securities, domestic and foreign Banker's Acceptances, commercial paper, and domestic bank/savings associations or federal associations Negotiable Certificates of Deposit.

Investments shall be made only after the execution of a Repurchase and Custody Agreement (Tri-Party Agreement) between the County or the investment manager (if under contract), the dealer and the Custodian. Investments will consist of overnight Repurchase Agreements, which include weekend placements and maturities; however, securities with longer maturities may be used as collateral for these Agreements. (GC 53635.2)

Excluding circumstances of market-timing and known cash demands, investments in Repurchase Agreements shall be limited to not more than 15 percent of the money in the Treasury Investment Pool. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against these securities. Any exceptions to the maturity or investment amount provisions will require written approval by the Auditor-Controller/Treasurer-Tax Collector.

8.8 Medium-term Notes with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or higher, by Standard and Poor's Corporation, or its equivalent or better by a nationally recognized rating service

Investments in Medium-term Notes may not exceed 30 percent of the money in the Treasury Investment Pool.

8.9 Investment of funds in the Local Agency Investment Fund (LAIF) created by law, which the State Treasurer invests through the Pooled Money Investment Account. Money invested in LAIF is available for overnight liquidity; however, it is also subject to a limited number of transactions per month. Money shall be placed in LAIF as alternative liquid investments under the guidelines of this policy pertaining to yield. The County may invest up to the maximum amount permitted by LAIF, not to exceed 10 percent of the

portfolio. The Auditor-Controller/Treasurer-Tax Collector may invest any portion of debt proceeds in the LAIF.

8.10 Shares of beneficial interest issued by diversified management companies, otherwise known as Mutual Funds, investing in the securities and obligations as authorized by the GC 53601 et. seq.

To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with at least five years of experience investing in the securities authorized by the GC sections noted above and with assets under management in excess of \$500,000,000.

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000 (GC 53601).

Investment in Mutual Funds shall not include the payment of any commission that diversified management companies may charge and may not exceed 20 percent of the surplus funds in the Treasury Investment Pool. Only 10 percent of the surplus funds may be invested in any one mutual fund (GC 53601, 53635.2).

8.11 Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond of a maximum of five years maturity. Securities eligible for investment shall be rated "AA" or its equivalent or better by a nationally recognized rating service.

Investments in these securities may not exceed 10 percent of the funds in the Treasury Investment Pool.

8.12 Bond proceeds may be invested in accordance with the Government Code provisions, or they may be invested in alternative vehicles if authorized by bond documents (GC 53635.2 and California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines).

8.13 External Investment Managers. The Auditor-Controller/Treasurer-Tax Collector may contract with external investment managers to provide

investment management services. These managers may be hired to invest funds not needed for liquidity and to increase the rate of return of the pool by employing an active investment strategy. The external investment manager is allowed to make specific investment decisions within the framework of this investment policy.

External investment managers are required to provide timely transaction documentation and investment reports to ensure that the manager's actions comply with the requirements of the law and this investment policy. External investment managers shall remit, at least quarterly, the interest earnings to the Pool to allow these earnings to be apportioned to the pool participants.

Selection of External Investment Managers is subject to section 13.0 of this Investment Policy. Additionally, after selection, the manager's performance shall be reviewed against the agreed upon benchmark.

8.14 Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Investments in these securities may not exceed 10 percent of the surplus funds in the Treasury Investment Pool.

## **9.0 Selection of Investments**

Investments, with the exception of California registered state warrants in section 8.14, above, shall only be made following a minimum of three competitive comparisons with offerings documented and retained for each type of investment.

## **10.0 Diversification**

The Treasury Investment Pool shall be diversified by security type and institution.

## **11.0 Maximum Maturities**

To the extent possible, investments shall be made to match anticipated cash requirements. Unless matched to a specific cash flow, normal investments will be in securities such that the average weighted maturity of the Treasury Investment Pool shall not exceed 3.5 years. Proceeds of sales or funds set aside for the repayment of any notes issued for temporary borrowing purposes shall not be invested for a term that exceeds the term of the notes.

## 12.0 **Selling Securities Prior to Maturity**

Securities purchased shall normally be held until maturity. Occasionally, opportunities will exist to sell securities prior to maturity and purchase other securities (swap/trade). Securities that are no longer in compliance with this Investment Policy may be sold prior to maturity. Securities may also be sold in order to maintain the liquidity of the Treasury Investment Pool.

## 13.0 **Authorized Financial Dealers and Institutions**

The Auditor-Controller/Treasurer-Tax Collector shall maintain a list of financial institutions authorized to provide investment services. In addition, a list shall also be maintained of approved security broker-dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker-dealers who desire to become qualified bidders for investment transactions must supply the following: audited financial statements, proof of Financial Industry Regulatory Authority membership, trading resolution, proof of state registration, completed broker-dealer questionnaire, certification of having read this Investment Policy, and if applicable, depository contracts. Broker-dealers are evaluated and selected based upon criteria that include: organization experience and credibility, individual broker-dealer qualifications, compliance, product inventory, and economic research.

An annual review of the financial conditions and registrations of selected brokers shall be conducted by the Auditor-Controller/Treasurer-Tax Collector. A current audited financial statement is required to be on file for each authorized financial institution and broker-dealer.

Investment managers are evaluated and selected based upon criteria that include: organization experience and credibility, staff experience, compliance, and performance.

The selection of any broker, brokerage firm, dealer or securities firm that has, within any consecutive 48 month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Auditor-Controller/ Treasurer-Tax Collector or member of the Board of Supervisors or

any candidate for those offices is prohibited. The County will, to the best of its ability, monitor and comply with this requirement.

**14.0 Confirmation**

Receipts for confirmation of purchase of authorized securities should include the following information: trade date, par value, maturity, rate, price, yield, settlement date, description of securities purchased, agency's name, net amount due, and third party custodian information. Confirmation of all investment transactions should be received by the Auditor-Controller/Treasurer-Tax Collector within five business days of the transaction.

**15.0 Safekeeping and Custody**

Investments, excluding Non-negotiable Time Certificates of Deposit, Repurchase Agreements and investments that are under the management of contracted parties, shall be held in custody with the Service Bank or its correspondent or other institutions approved by the Auditor-Controller/Treasurer-Tax Collector. Investments in Repurchase Agreements shall be held in custody by the Custodian to the Tri-Party Agreement.

**16.0 Performance Standards**

The investment portfolio shall be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

16.1 Market yield benchmark. The investment strategy is passive. Given this strategy, the basis used by the Auditor-Controller/Treasurer-Tax Collector to determine whether market yields are being achieved shall be the one-year U.S. Treasury note rate.

**17.0 Administrative Cost of Investing**

The Auditor-Controller/Treasurer-Tax Collector may deduct actual administrative costs associated with investing, depositing, banking, auditing, reporting, or otherwise handling or managing of funds. The administrative costs shall be segregated and deducted from the interest earnings of the Treasury Pool each quarter prior to the distribution of interest earnings.

**18.0 Credit of Interest Earnings**

Interest shall be credited based on the average daily cash balance of money on deposit in the County Treasury for the calendar quarter and shall be paid quarterly.

19.0 **Local Agency Deposit of Excess Funds**

The County Auditor-Controller/Treasurer-Tax Collector is authorized to accept deposits of excess funds from local agencies within Fresno County pursuant to Resolution 98-354 and in accordance with Government Code section 53684. Such deposits will be accepted, if at all, subject to the terms and conditions of a written agreement between the depositing agency and the Auditor-Controller/Treasurer-Tax Collector. In deciding whether to accept such deposits, the Auditor-Controller/Treasurer-Tax Collector considers factors that may include, but are not limited to, the objectives of this policy, the potential effect of such deposits on the volatility of the investment portfolio, the human resources available to conduct investment activities, and the best interests of current depositors.

20.0 **Withdrawal of Funds from the Treasury Pool**

The withdrawal of funds by any depositor/participant in the County of Fresno Treasury Investment Pool shall not adversely affect the interests of the other depositors/participants in the County of Fresno Treasury Investment Pool. All withdrawals that are not considered as funds being utilized for operations shall be presented to the Auditor-Controller/Treasurer-Tax Collector for review and approval. The Auditor-Controller/Treasurer-Tax Collector shall perform an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Treasury Investment Pool as is required by GC 27136 and 27133. Prior to approving a withdrawal, the Auditor-Controller/Treasurer-Tax Collector shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the Treasury Investment Pool. All requests for withdrawals shall be considered in order of receipt and shall in no way affect the ability of the Auditor-Controller/Treasurer-Tax Collector to meet the pool's expenditure requirements.

If the Auditor-Controller/Treasurer-Tax Collector's assessment of the effect of the proposed withdrawal does not negatively impact the stability and predictability of the investments and the interests of other depositors, the Auditor-Controller/Treasurer-Tax Collector may authorize a total or partial withdrawal of funds from the Treasury Pool. A total withdrawal of funds from the County of Fresno Treasury Investment Pool by a participant requires a 30-day written notice to the Auditor-Controller/Treasurer-Tax Collector. Withdrawals involving less than the participant's total funds (other than for operational needs) are subject to all of the following constraints:

- each withdrawal shall be limited to a maximum of \$5,000,000

- no more than two withdrawals of a non-operational purpose are allowed per 30 day period
- at least ten days must lapse before the second withdrawal in any 30 day period will be considered by the Auditor-Controller/Treasurer-Tax Collector
- each withdrawal shall be submitted to the Auditor-Controller/Treasurer-Tax Collector at least 2 business days prior to the date of withdrawal

The depositor/participant shall notify the Auditor-Controller/Treasurer-Tax Collector of normal operating expenditures or disbursements in excess of \$1,000,000 as early as possible, preferably three business days in advance of disbursement, in order to adjust the cash position to meet disbursement requirements.

**21.0 Reporting**

The Auditor-Controller/Treasurer-Tax Collector shall provide the Board of Supervisors with a monthly inventory report and a monthly transaction report of the Treasury Investment Pool. The Auditor-Controller/Treasurer-Tax Collector shall provide a quarterly investment report to the Board of Supervisors, the County Administrative Officer and the County of Fresno Treasury Oversight Committee. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report. Monthly inventory reports and quarterly investment reports are available to participants of the pool upon request (GC 53646).

**22.0 Internal Control**

As part of the County of Fresno's annual independent audit, the investment program shall be reviewed for appropriate internal controls that provide assurance of compliance with policies and procedures.

**23.0 Investment Policy Review**

This Investment Policy shall be reviewed on an annual basis by the Auditor-Controller/Treasurer-Tax Collector and rendered annually to the Board of Supervisors and the County of Fresno Treasury Oversight Committee, which consists of the following members:

- The County Auditor-Controller/Treasurer-Tax Collector
- A representative appointed by the County Board of Supervisors
- The County Superintendent of Schools or the Superintendent's designee

- A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County
- A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury

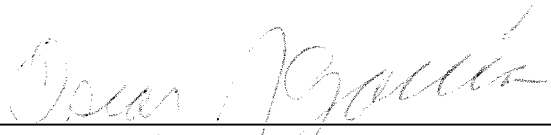
The Board of Supervisors shall accept and approve the investment policy and any changes thereto at a public meeting (GC 27133, 53646).

24.0 **Disaster/Business Continuity Plan**

The County of Fresno Treasurer's banking and investment functions are critical to the function of Treasury Investment Pool and therefore must have a continuity plan to guide operations in the event of a disaster or business interruption.

The objective of the Disaster/Business Continuity Plan is to protect and account for all funds on deposit with the county treasurer and to be able to continue banking and investment functions for all participants in the event of an occurrence; i.e., earthquake, fire, flood, or some other event, which disrupts normal operations. The Plan provides for the ability to perform banking and investment functions at an off-site location under less than optimal conditions.

Approved

  
\_\_\_\_\_  
Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

12-13-2022  
Date



APPENDIX A

| <u>Permitted Investments/Deposits</u>                               | <u>Government Code Limits %</u> | <u>Investment Policy Limits %</u> | <u>Investment Policy Term Limit</u> | <u>Minimum Rating</u> |
|---------------------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-----------------------|
| Securities of the U.S. Government                                   | No Limit                        | No Limit                          | 5 years                             | N/A                   |
| Securities issued by United States Government Sponsored Enterprises | No Limit                        | No Limit                          | 5 years                             | N/A                   |
| Bankers Acceptances (1)                                             | 40%                             | 40%                               | 180 days                            | N/A                   |
| Commercial Paper                                                    | 40%                             | 40%                               | 270 days                            | P-1, A-1              |
| Negotiable Certificates of Deposit (2)                              | 30%                             | 30%                               | 13 months                           | P-1, or A-1 or 4 Star |
| Non-negotiable Certificates of Deposit (2)                          | No Limit                        | 50%                               | 13 months                           | P-1 or A-1 or 4 Star  |
| Account Registry Service Deposits (2)                               | 30%                             | 15%                               | 13 months                           | N/A                   |
| Repurchase Agreements                                               | No Limit                        | 15%                               | Overnight/Weekend                   | N/A                   |
| Medium Term Notes                                                   | 30%                             | 30%                               | 5 years                             | A                     |
| LAIF (3)                                                            | No Limit                        | 10%                               | 5 years                             | N/A                   |
| Mutual Funds (4)                                                    | 20%                             | 20%                               | 5 years                             | AAA, Aaa              |
| Mortgage-Backed Securities                                          | 20%                             | 10%                               | 5 years                             | AA                    |
| State of California Debt                                            | No Limit                        | 10%                               | 5 years                             | N/A                   |

APPENDIX A  
(Continued)

- (1) Investment policy limits any investment in bankers acceptances to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt is of prime quality and of the highest ranking as provided for by Moody's or Standard and Poor's (P-1, A-1).
- (2) Banks, savings associations or federal associations having a "4 Star" or higher rating as provided by Bauer Financial, Inc. or a comparable rating service. For negotiable certificates of deposit, no more than 5 percent of the money shall be invested in any one institution. Negotiable certificates of deposit and account registry service deposits combined shall not exceed 30% of the portfolio. For non-negotiable certificates of deposit, no more than 15 percent of the money shall be invested in any one institution.
- (3) LAIF Board of Directors currently limits the investment to \$75,000,000, excluding bond and note proceeds. Government Code does not place a percentage limit on the amount of money that may be invested in LAIF.
- (4) Diversified management companies investing in the securities and obligations as authorized by California Government Code, Sections 53601, et seq., shall either (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the SEC with at least five years of experience investing in the securities authorized by code sections noted in the policy and with assets under management in excess of \$500,000,000.

Diversified management companies issuing shares of beneficial interest that are money market funds registered with the Securities and Exchange Commission (SEC) under the Investment Act of 1940 shall either (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the SEC with not less than five years of experience managing money market mutual funds with assets under management in excess of \$500,000,000. Only 10 percent of the money may be invested in any one mutual fund.

APPENDIX B

RATING SUMMARY

| <u>RATING SERVICE</u>          | <u>RATING CATEGORY</u> | <u>RATING DEFINITION</u>                                |
|--------------------------------|------------------------|---------------------------------------------------------|
| Moody's                        | Aaa                    | Best Quality                                            |
|                                | Aa                     | High Quality                                            |
|                                | A                      | Upper-medium grade                                      |
|                                | Baa                    | Medium grade obligations                                |
|                                | Ba                     | Judged to have speculative elements                     |
|                                | B                      | Lack characteristics of desirable investment            |
|                                | Caa                    | Investment in poor standing                             |
|                                | Ca                     | Speculative in a high degree                            |
|                                | C                      | Poor prospect of attaining investment standing          |
| Moody's Modifiers              | 1,2,and 3              | Rankings within rating category                         |
| Moody's Commercial Paper       | P-1                    | Superior ability for repayment                          |
|                                | P-2                    | Strong ability for repayment                            |
|                                | P-3                    | Acceptable ability for repayment                        |
|                                | Not Prime              | Do not fall in top 3 rating categories                  |
| Standard & Poor's              | AAA                    | Highest Rating                                          |
|                                | AA                     | Strong capacity for repayment                           |
|                                | A                      | Strong capacity for repayment but less than AA category |
|                                | BBB                    | Adequate capacity for repayment                         |
|                                | BB                     | Speculative                                             |
|                                | B                      | Greater vulnerability to default than BB category       |
|                                | CCC                    | Identifiable vulnerability to default                   |
|                                | CC                     | Subordinated debt of issues ranked in CCC category      |
|                                | C                      | Subordinated debt of issues ranked in CCC category      |
|                                | Cl                     | Income bonds where no interest is paid                  |
|                                | D                      | Default                                                 |
| Standard & Poor's – Modifiers  | (+) or (-)             | Rankings within rating category                         |
| Standard & Poor's – Commercial | A-1                    | Highest degree of safety                                |
|                                | A-2                    | Timely repayment characteristics is satisfactory        |
|                                | A-3                    | Adequate capacity for repayment                         |
|                                | B                      | Speculative                                             |
|                                | C                      | Doubtful repayment                                      |
|                                | D                      | Default                                                 |

APPENDIX B  
(Continued)

RATING SUMMARY

| <u>RATING SERVICE</u> |                  | <u>RATING CATEGORY</u> | <u>RATING DEFINITION</u>                 |
|-----------------------|------------------|------------------------|------------------------------------------|
| Fitch                 |                  | AAA                    | Highest credit quality                   |
|                       |                  | AA                     | Very high credit quality                 |
|                       |                  | A                      | High credit quality                      |
|                       |                  | BBB                    | Good credit quality                      |
|                       |                  | BB                     | Speculative                              |
|                       |                  | B                      | High speculative                         |
|                       |                  | CCC, CC, C             | High default risk                        |
|                       |                  | DDD, DD, D             | Default                                  |
| Fitch                 | Modifiers        | “+” or “-”             | Relative status within rating categories |
| Fitch                 | Commercial Paper | F1                     | Highest credit quality                   |
|                       |                  | F2                     | Good credit quality                      |
|                       |                  | F3                     | Fair credit quality                      |
|                       |                  | B                      | Speculative                              |
|                       |                  | C                      | High default risk                        |
|                       |                  | D                      | Default                                  |
| Bauer                 |                  | 5 Star                 | Superior                                 |
|                       |                  | 4 Star                 | Excellent                                |
|                       |                  | 3 ½ Star               | Good                                     |
|                       |                  | 3 Star                 | Adequate                                 |
|                       |                  | 2 Star                 | Problematic                              |
|                       |                  | 1 Star                 | Troubled                                 |
|                       | Zero             | Our lowest star rating |                                          |

## APPENDIX C

### Glossary of Cash Management Terms

The following is a glossary of key investing terms, many of which appear in County of Fresno Treasury Investment Policy. This glossary has been adapted from the Government Finance Officers Association (GFOA) sample investment policy.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds term bonds, or both, with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance - A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C  
(Continued)

Certificate of Deposit (CD) - A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) - A private CD placement service that allows local agencies to purchase more than \$100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating services.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest principal on a security, or both.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

APPENDIX C  
(Continued)

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms in the United States.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause in investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash without significant loss of value.

Local Agency Investment Fund - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

APPENDIX C  
(Continued)

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Medium-Term Note - Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities - Mortgage-backed securities (MBS) are created when a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interest or participations in the pool. MBS owners receive a prorate share of the interest and principal passed through from the pool of mortgages. Most MBS are issued guaranteed, or both, by federal agencies and instrumentalities.

Mortgage Pass-Through Obligations - Securities that are created when residential mortgages are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.



APPENDIX C  
(Continued)

Negotiable Certificates of Deposit - Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, or state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)  $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit - CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to \$100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also, may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C  
(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C  
(Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



## Quarterly Investment Report

As of June 30, 2023

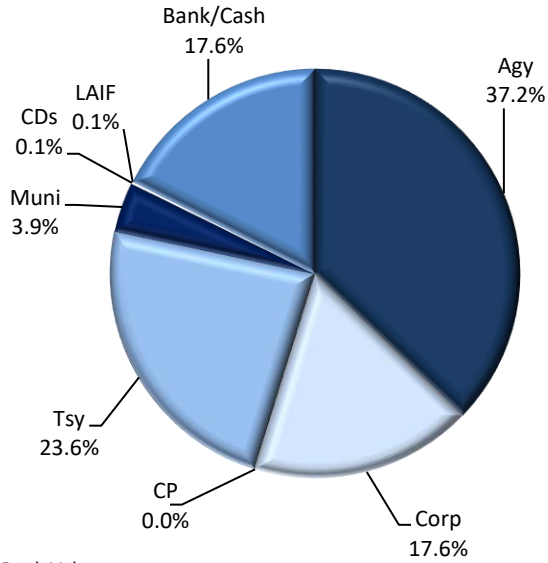
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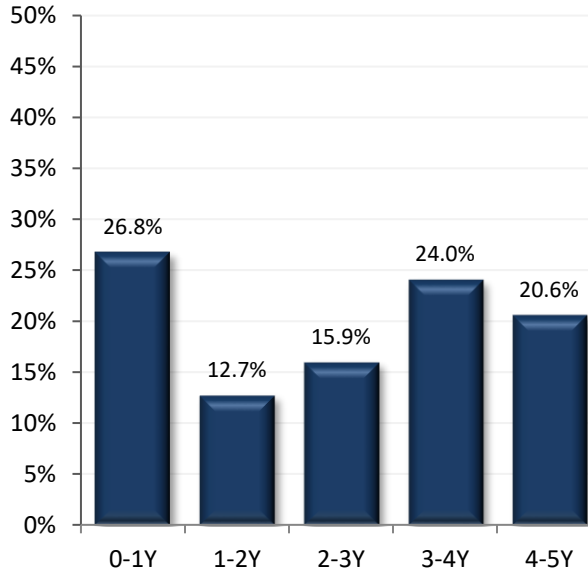
Board of Supervisors: Sal Quintero, Nathan Magsig, Steve Brandau, Buddy Mendes, Brian Pacheco  
County Administrative Officer: Paul Nerland

**SECTOR ALLOCATION**



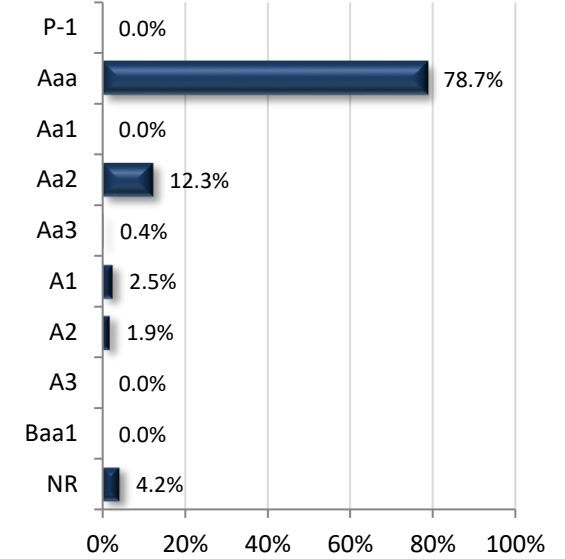
Per Book Value

**MATURITY DISTRIBUTION**



Per Book Value

**CREDIT QUALITY (MOODY'S)**



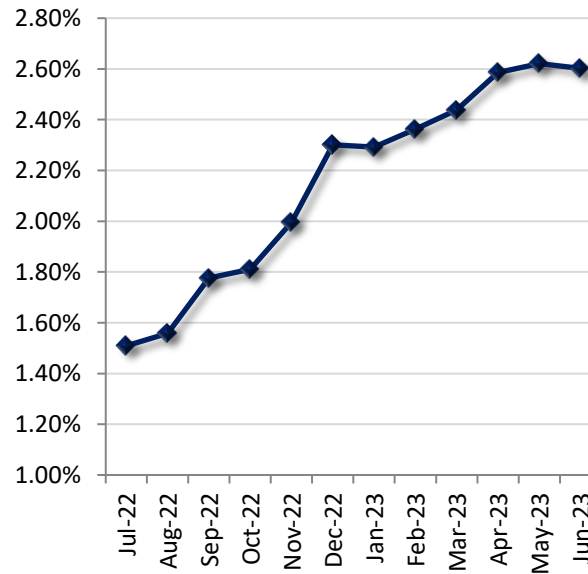
NR: Not Rated

**ACCOUNT SUMMARY**

|                           | 6/30/23         | 3/31/23         |
|---------------------------|-----------------|-----------------|
| <b>Market Value</b>       | \$7,221,872,874 | \$6,874,891,359 |
| <b>Book Value*</b>        | \$7,565,068,380 | \$7,151,730,923 |
| <b>Unrealized G/L</b>     | -\$343,195,506  | -\$276,839,563  |
| <b>Par Value</b>          | \$7,607,674,750 | \$7,190,929,955 |
| <b>Net Asset Value</b>    | \$95.463        | \$96.129        |
| <b>Book Yield</b>         | 2.60%           | 2.44%           |
| <b>Years to Maturity</b>  | 2.36            | 2.42            |
| <b>Effective Duration</b> | 2.19            | 2.29            |

\*Book Value is Amortized

**PORTFOLIO BOOK YIELD HISTORY**



**TOP ISSUERS**

| Issuer                    | % Portfolio |
|---------------------------|-------------|
| US TREASURY NOTE          | 23.5%       |
| FEDERAL FARM CREDIT BANK  | 14.2%       |
| FIDELITY 2642             | 11.0%       |
| FEDERAL HOME LOAN BANK    | 10.9%       |
| FEDERAL NATIONAL MORTGAGE | 9.3%        |
| STATE OF CALIFORNIA       | 3.9%        |
| APPLE INC                 | 2.9%        |
| BANK OF THE WEST MM       | 2.6%        |
| FIDELITY 2644             | 2.6%        |
| TOYOTA MOTOR CREDIT       | 2.5%        |
| JP MORGAN                 | 2.5%        |
| CHEVRON CORP              | 2.2%        |
| WALMART                   | 2.0%        |
| FEDERAL HOME MORTGAGE CO  | 1.9%        |
| JOHN DEERE                | 1.5%        |

Per Book Value

| Item / Sector                  | Parameters                                                                                                                                                                                                                                                                                                                  | In Compliance |          |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------|
| 11.0 Weighted Average Maturity | Weighted Average Maturity (WAM) must be less than 3.5 years.                                                                                                                                                                                                                                                                | Yes           | 2.36 Yrs |
| 8.1 U.S. Treasuries            | No sector limit, no issuer limit, max maturity 5 years.                                                                                                                                                                                                                                                                     | Yes           | 23.6%    |
| 8.2 U.S. Agencies              | No sector limit, no issuer limit, max maturity 5 years.                                                                                                                                                                                                                                                                     | Yes           | 37.2%    |
| 8.3 Banker Acceptances         | 40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.                                                                                                                                                         | Yes           | 0.0%     |
| 8.4 Commercial Paper           | 40% limit, corporation organized and operating in the US with total assets of \$500mm. 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.         | Yes           | 0.0%     |
| 8.5 Negotiable CDs             | 30% limit (combined with 8.6.1), Issued by national or state chartered bank or savings assoc., or a state licensed branch of a foreign bank that is among 150 largest banks in total asset size; minimum short-term rating of P-1 or A-1 or issuer meets rating requirements; 5% in any one issuer, max maturity 13 months. | Yes           | 0.1%     |
| 8.6 Non-Negotiable CDs         | 50% limit, Issued by national or state chartered bank or savings association. FDIC insurance OR full collateralization of 110% government or 150% mortgages. Contract for Deposit in place. 15% in any one issuer; short-term rating is a minimum of A-1 by S&P or P-1 by Moody's, max maturity 13 months.                  | No*           | 0.0%     |
| 8.6.1 Placement CDs            | 15% limit (30% combined with 8.5), Issued by national or state chartered bank or savings association or credit union that uses a placement entity. Deposit Placement Agreement in place.                                                                                                                                    | Yes           | 0.0%     |
| 8.7 Repurchase Agreements      | 15% limit, Tri-party agreement in place. 102% collateralization of US treasuries or agencies, BAs, CP, Negotiable CD's; Overnight or weekend maturities.                                                                                                                                                                    | Yes           | 0.0%     |
| 8.8 Medium-Term Notes          | 30% limit, organized and operating in the US or state licensed depository institution; max maturity 5 years; rated A or better by S&P, or its equivalent or better by a nationally recognized rating service.                                                                                                               | Yes           | 17.6%    |
| 8.9 L.A.I.F                    | California State's deposit limit is \$75 million; Current investment policy limit is not to exceed 10% of the portfolio.                                                                                                                                                                                                    | Yes           | \$5 Mil  |

\*Bank of the West CD has a maturity greater than 13 months and is out of compliance.

| Item / Sector                             | Parameters                                                                                                                                                                                                              | In Compliance |       |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------|
| 8.10 Mutual Funds/<br>Money Markets Funds | 20% limit, 20% per issuer; Registered with SEC, 5 years experience, \$500mm AUM or rated by AAA-m, Aaa-mf, AAA-m by not less than two nationally recognized rating agencies.                                            | Yes           | 13.5% |
| 8.11 ABS and MBS                          | 10% limit combined. Security must be AA rated by one rating agency, with an A or better rating for the underlying, max maturity 5 years.                                                                                | Yes           | 0.0%  |
| 8.12 Money Held from Pledged Assets       | Invest according to statutory provision or according to entity providing issuance.                                                                                                                                      | Yes           | 0.0%  |
| 8.13 External Managers                    | Invest per policy.                                                                                                                                                                                                      | Yes           | 0.0%  |
| 8.14 State of California Debt             | 10% limit, Registered State warrants or CA treasury notes, including revenue producing entities controlled or operated by the State or by a department, board, agency, or authority of the State; 5 years max maturity. | Yes           | 3.9%  |
| Cash & Bank Account                       | NA                                                                                                                                                                                                                      | NA            | 4.0%  |

**Compliance**

The Treasury Investment Pool is out of compliance with the County of Fresno Treasury Investment Pool Investment Policy due to a Bank of West Non-Negotiable CD maturing longer than 13 months.

The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

**Review and Monitoring**

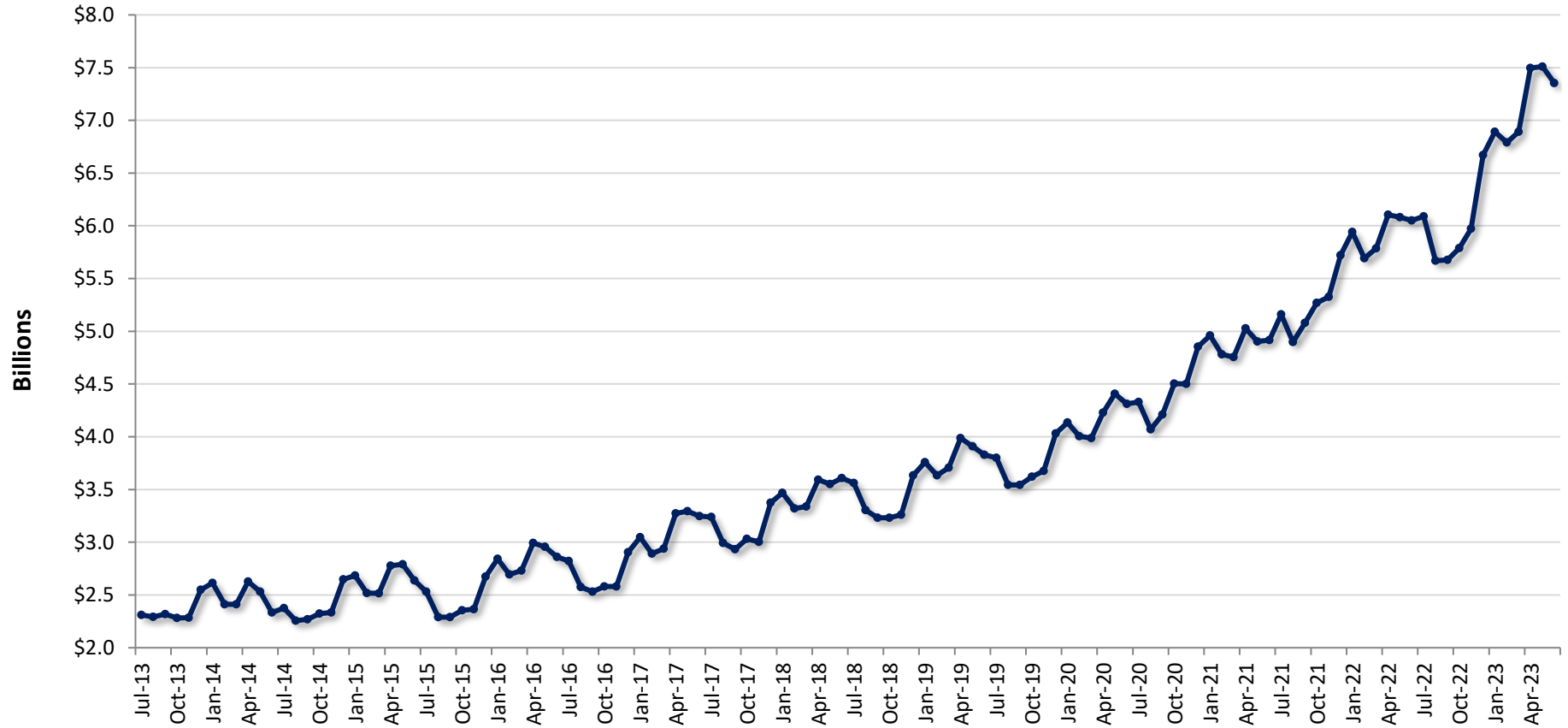
FHN Financial Main Street Advisors, the County’s investment advisor, currently monitors the Treasury Department’s investment activities.

**Additional Information**

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

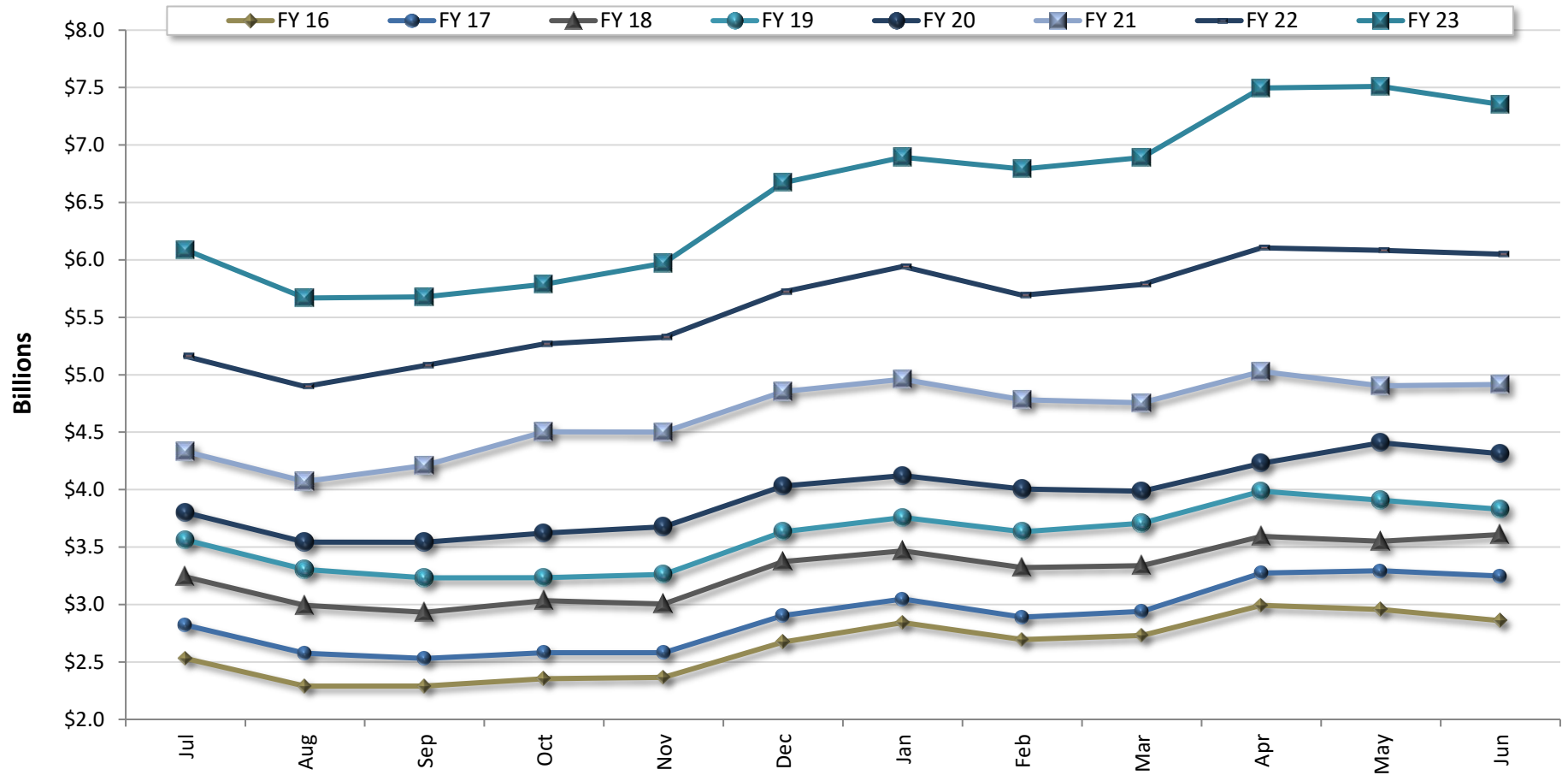
The market values of securities were taken from pricing services provided by Ice Data Services.





|                         | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     | Jan     | Feb     | Mar     | Apr     | May     | Jun     |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Fiscal Year 2016</b> | \$2.531 | \$2.291 | \$2.290 | \$2.354 | \$2.365 | \$2.673 | \$2.842 | \$2.695 | \$2.731 | \$2.993 | \$2.957 | \$2.860 |
| <b>Fiscal Year 2017</b> | \$2.822 | \$2.576 | \$2.530 | \$2.581 | \$2.580 | \$2.905 | \$3.048 | \$2.891 | \$2.940 | \$3.274 | \$3.294 | \$3.247 |
| <b>Fiscal Year 2018</b> | \$3.240 | \$2.992 | \$2.932 | \$3.032 | \$3.004 | \$3.374 | \$3.468 | \$3.321 | \$3.337 | \$3.593 | \$3.550 | \$3.609 |
| <b>Fiscal Year 2019</b> | \$3.562 | \$3.305 | \$3.232 | \$3.233 | \$3.262 | \$3.634 | \$3.759 | \$3.634 | \$3.707 | \$3.987 | \$3.909 | \$3.830 |
| <b>Fiscal Year 2020</b> | \$3.800 | \$3.544 | \$3.542 | \$3.622 | \$3.676 | \$4.031 | \$4.123 | \$4.006 | \$3.986 | \$4.229 | \$4.408 | \$4.312 |
| <b>Fiscal Year 2021</b> | \$4.331 | \$4.071 | \$4.210 | \$4.503 | \$4.501 | \$4.854 | \$4.962 | \$4.781 | \$4.755 | \$5.028 | \$4.903 | \$4.915 |
| <b>Fiscal Year 2022</b> | \$5.161 | \$4.897 | \$5.079 | \$5.269 | \$5.326 | \$5.721 | \$5.942 | \$5.693 | \$5.786 | \$6.105 | \$6.083 | \$6.051 |
| <b>Fiscal Year 2023</b> | \$6.088 | \$5.668 | \$5.677 | \$5.788 | \$5.972 | \$6.671 | \$6.892 | \$6.790 | \$6.892 | \$7.496 | \$7.510 | \$7.354 |

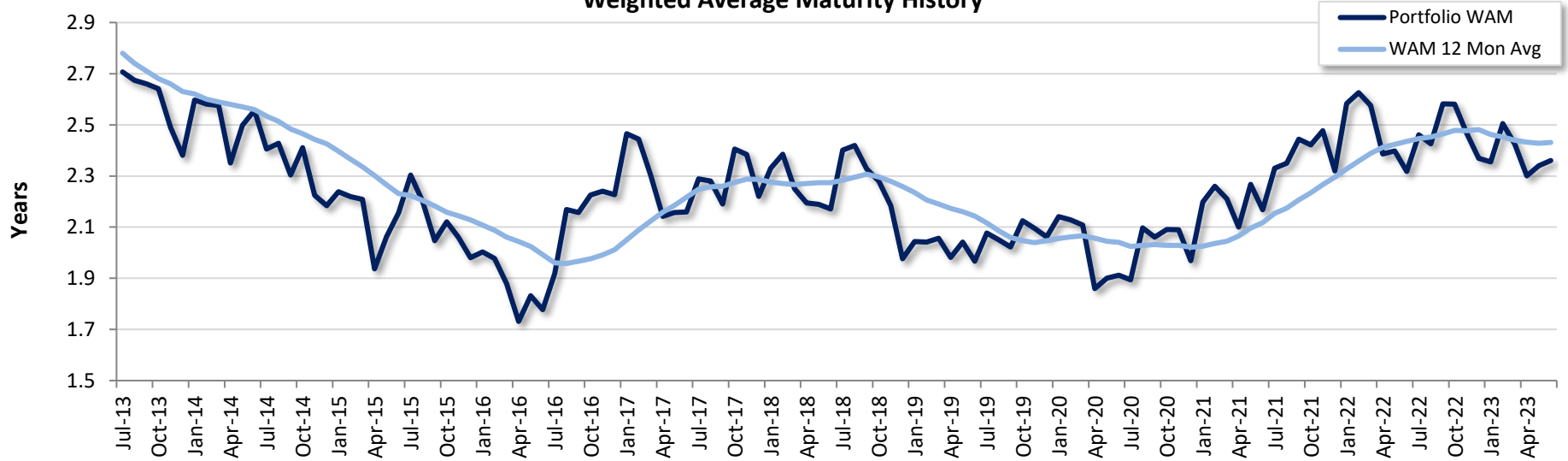
Figures in Billions, Average Daily Balance



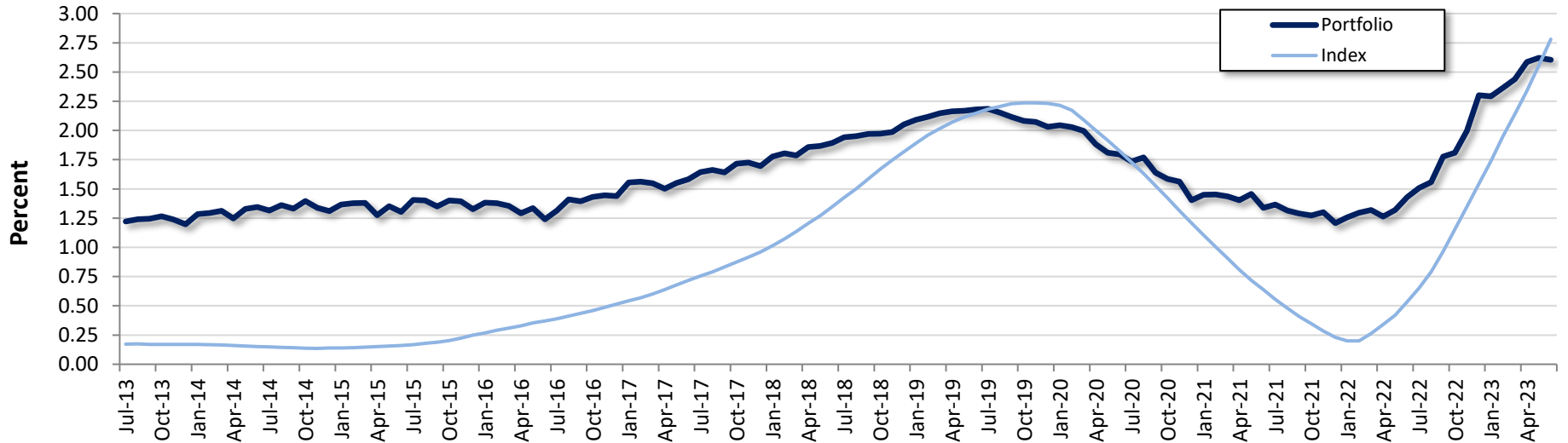
|                         | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     | Jan     | Feb     | Mar     | Apr     | May     | Jun     |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Fiscal Year 2016</b> | \$2.531 | \$2.291 | \$2.290 | \$2.354 | \$2.365 | \$2.673 | \$2.842 | \$2.695 | \$2.731 | \$2.993 | \$2.957 | \$2.860 |
| <b>Fiscal Year 2017</b> | \$2.822 | \$2.576 | \$2.530 | \$2.581 | \$2.580 | \$2.905 | \$3.048 | \$2.891 | \$2.940 | \$3.274 | \$3.294 | \$3.247 |
| <b>Fiscal Year 2018</b> | \$3.240 | \$2.992 | \$2.932 | \$3.032 | \$3.004 | \$3.374 | \$3.468 | \$3.321 | \$3.337 | \$3.593 | \$3.550 | \$3.609 |
| <b>Fiscal Year 2019</b> | \$3.562 | \$3.305 | \$3.232 | \$3.233 | \$3.262 | \$3.634 | \$3.759 | \$3.634 | \$3.707 | \$3.987 | \$3.909 | \$3.830 |
| <b>Fiscal Year 2020</b> | \$3.800 | \$3.544 | \$3.542 | \$3.622 | \$3.676 | \$4.031 | \$4.123 | \$4.006 | \$3.986 | \$4.229 | \$4.408 | \$4.312 |
| <b>Fiscal Year 2021</b> | \$4.331 | \$4.071 | \$4.210 | \$4.503 | \$4.501 | \$4.854 | \$4.962 | \$4.781 | \$4.755 | \$5.028 | \$4.903 | \$4.915 |
| <b>Fiscal Year 2022</b> | \$5.161 | \$4.897 | \$5.079 | \$5.269 | \$5.326 | \$5.721 | \$5.942 | \$5.693 | \$5.786 | \$6.105 | \$6.083 | \$6.051 |
| <b>Fiscal Year 2023</b> | \$6.088 | \$5.668 | \$5.677 | \$5.788 | \$5.972 | \$6.671 | \$6.892 | \$6.790 | \$6.892 | \$7.496 | \$7.510 | \$7.354 |

Figures in Billions, Average Daily Balance

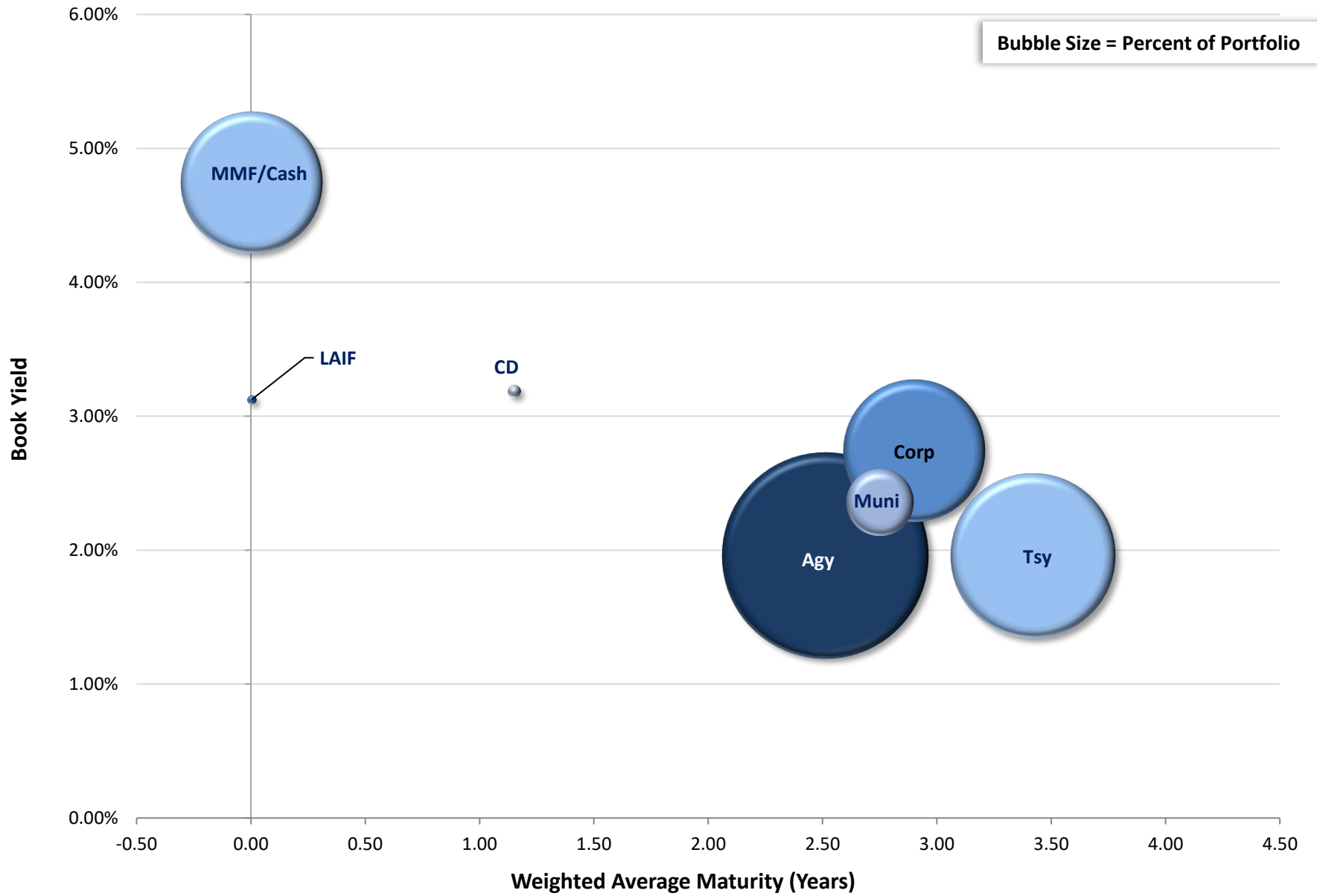
Weighted Average Maturity History



Month-End Book Yield vs 1-Year Treasury Note Index Yield (24 month moving avg)

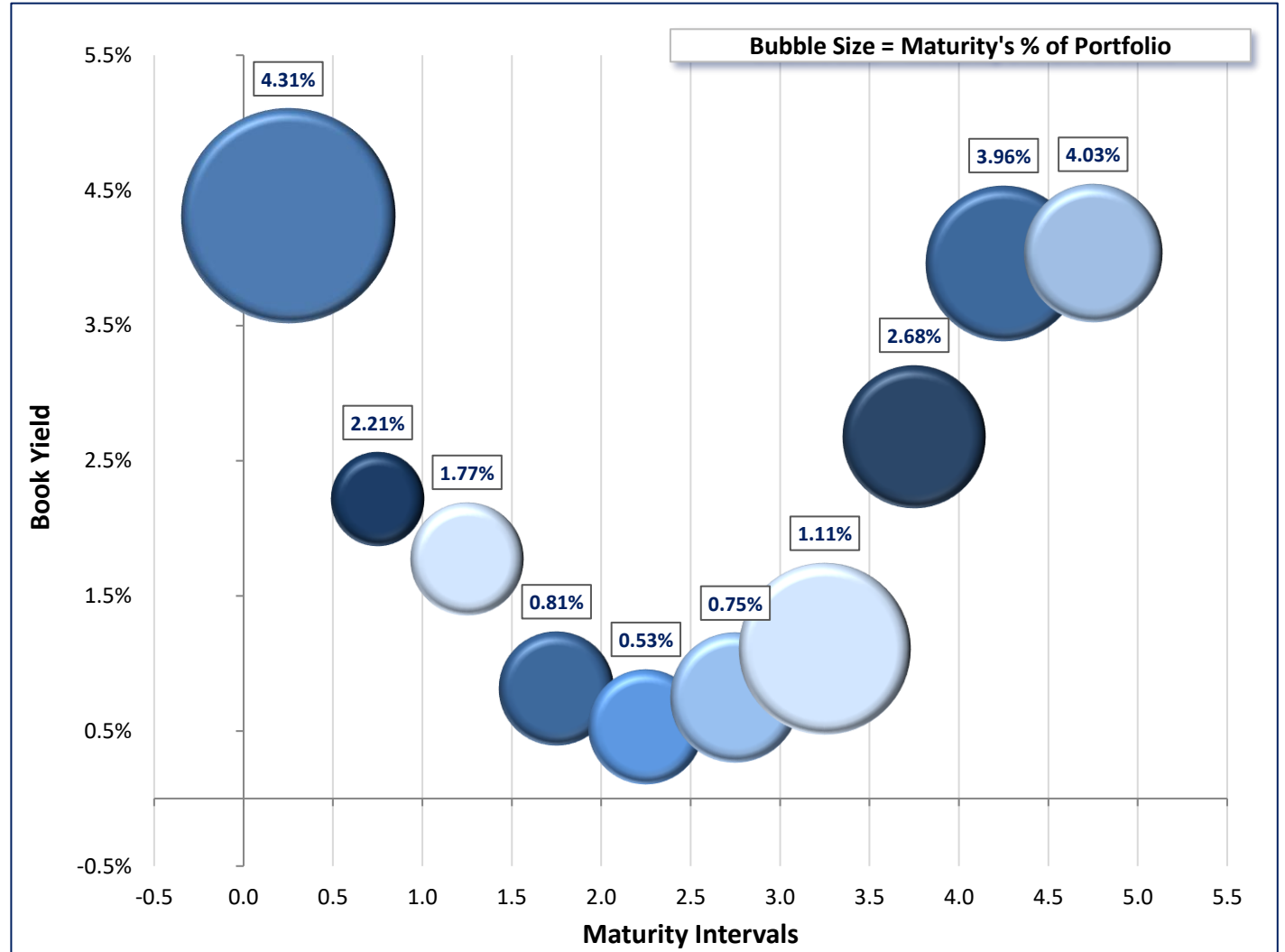


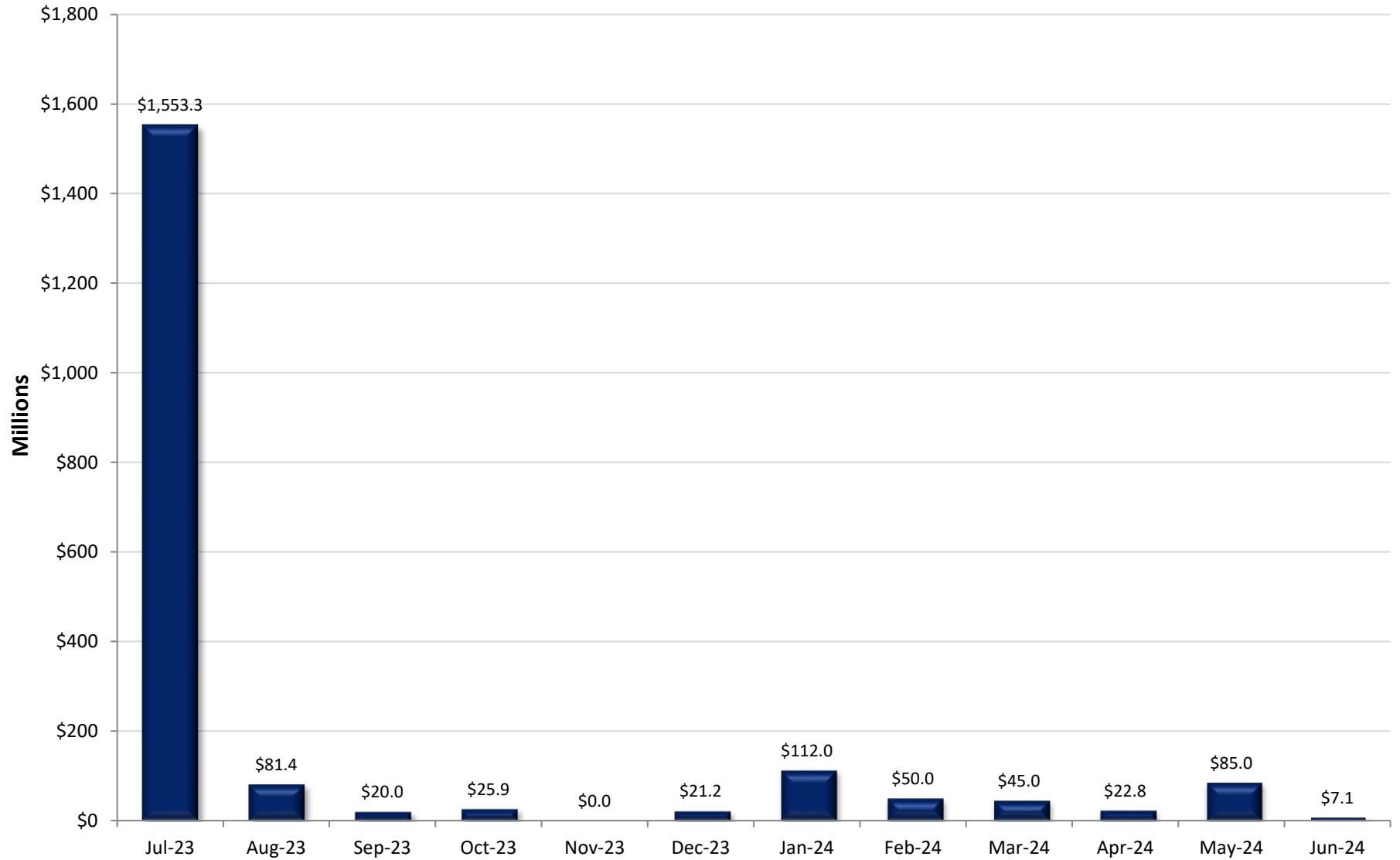
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



| Years        | Book Yield   | % of Portfolio* |
|--------------|--------------|-----------------|
| 0 to .5      | 4.31%        | 22.50%          |
| .5 to 1.0    | 2.21%        | 4.26%           |
| 1.0 to 1.5   | 1.77%        | 6.35%           |
| 1.5 to 2.0   | 0.81%        | 6.36%           |
| 2.0 to 2.5   | 0.53%        | 6.52%           |
| 2.5 to 3.0   | 0.75%        | 8.22%           |
| 3.0 to 3.5   | 1.11%        | 14.43%          |
| 3.5 to 4.0   | 2.68%        | 10.06%          |
| 4.0 to 4.5   | 3.96%        | 11.94%          |
| 4.5 to 5.0+  | 4.03%        | 9.37%           |
| <b>Total</b> | <b>2.60%</b> | <b>100.0%</b>   |

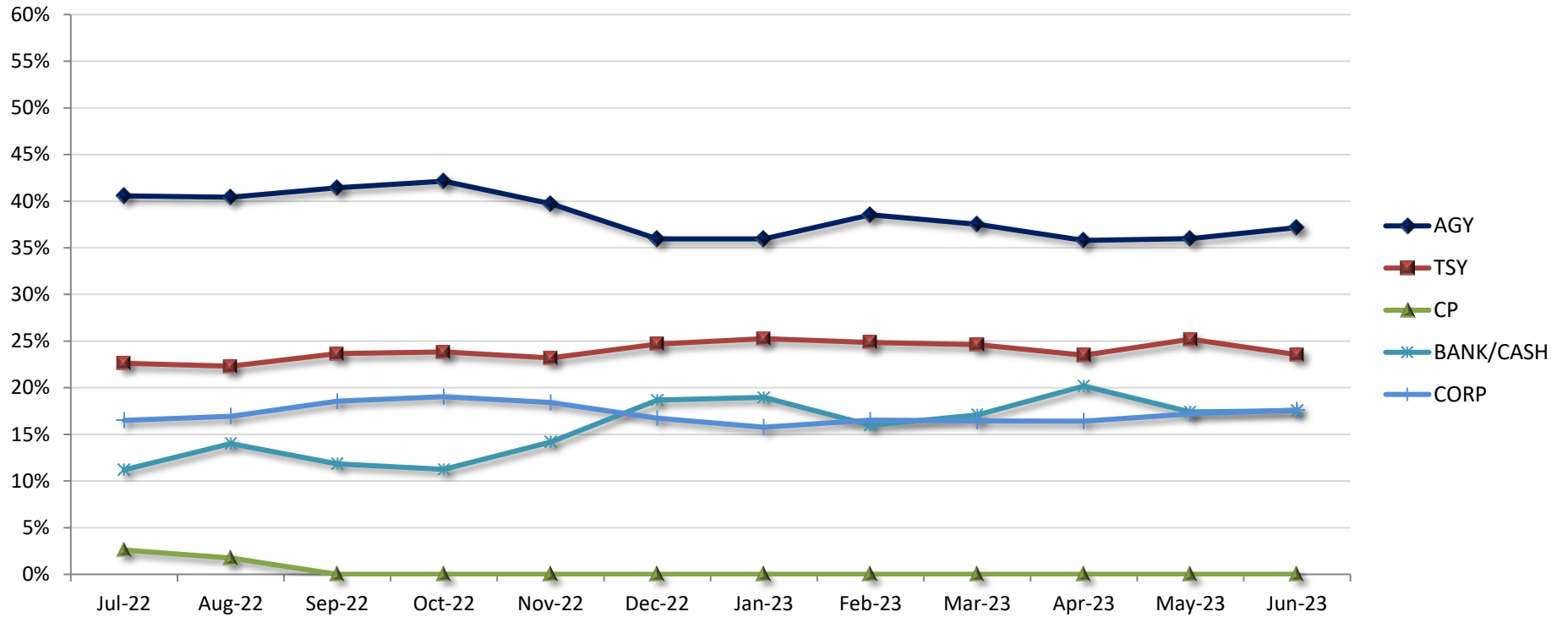
\*Based on Book Value



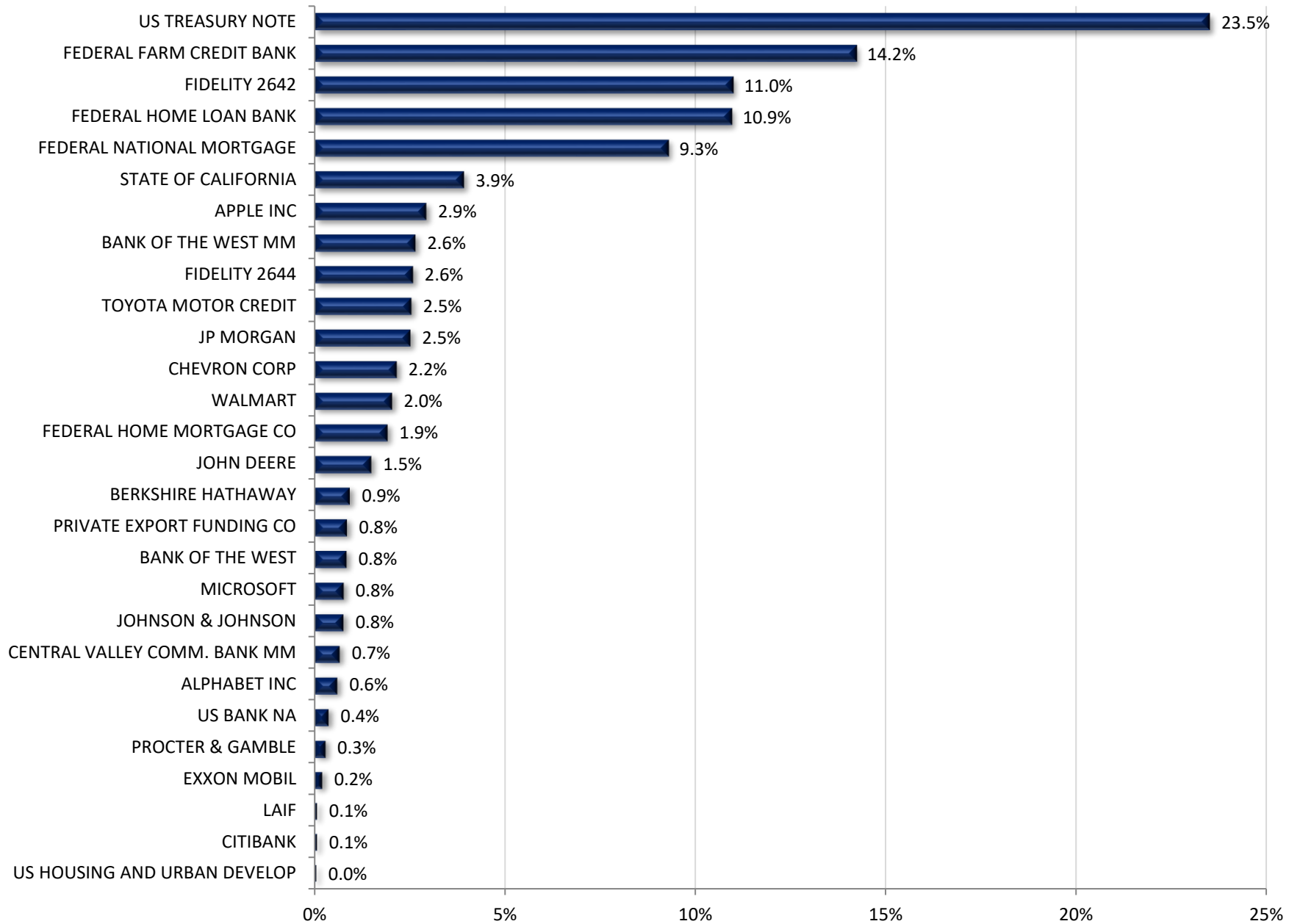


|                   | Jul-23    | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24  | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 |
|-------------------|-----------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| <b>Maturities</b> | \$1,553.3 | \$81.4 | \$20.0 | \$25.9 | \$0.0  | \$21.2 | \$112.0 | \$50.0 | \$45.0 | \$22.8 | \$85.0 | \$7.1  |

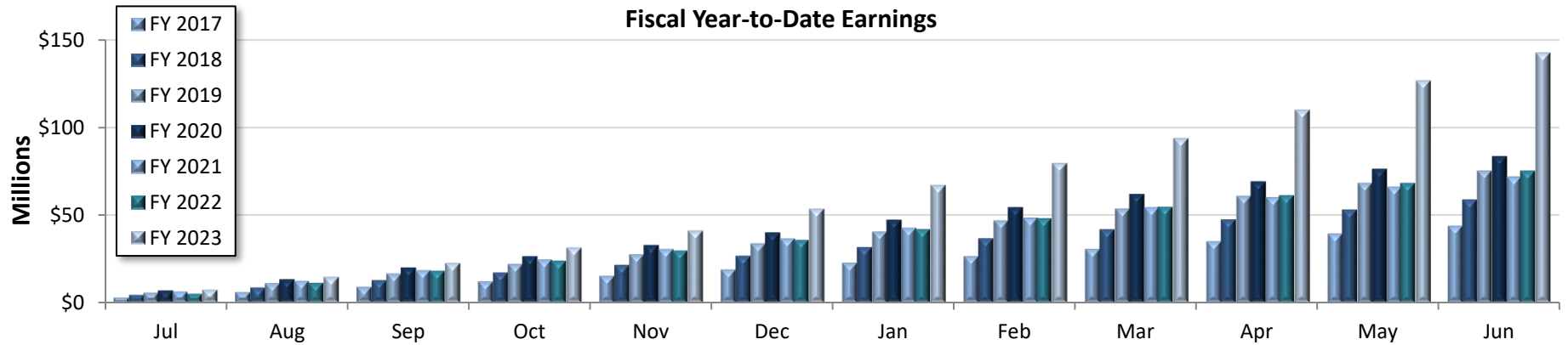
Par Value in Millions



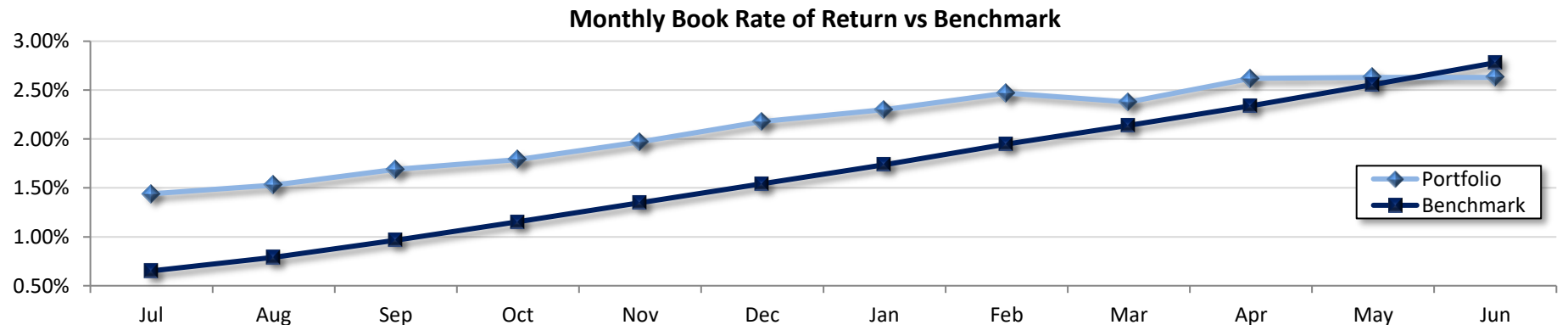
| Sector           | Jul-22        | Aug-22        | Sep-22        | Oct-22        | Nov-22        | Dec-22        | Jan-23        | Feb-23        | Mar-23        | Apr-23        | May-23        | Jun-23        |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Agency           | 40.6%         | 40.4%         | 41.4%         | 42.1%         | 39.7%         | 36.0%         | 36.0%         | 38.5%         | 37.5%         | 35.8%         | 36.0%         | 37.2%         |
| Treasury         | 22.6%         | 22.3%         | 23.7%         | 23.8%         | 23.2%         | 24.7%         | 25.3%         | 24.9%         | 24.6%         | 23.5%         | 25.2%         | 23.6%         |
| Commercial Paper | 2.6%          | 1.7%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| LAIF             | 1.3%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          |
| Muni             | 4.3%          | 4.3%          | 4.2%          | 3.5%          | 4.2%          | 3.7%          | 3.8%          | 3.9%          | 4.1%          | 3.9%          | 4.0%          | 3.9%          |
| Corporates       | 16.5%         | 16.9%         | 18.6%         | 19.0%         | 18.4%         | 16.7%         | 15.8%         | 16.5%         | 16.5%         | 16.4%         | 17.2%         | 17.6%         |
| CDs              | 0.9%          | 0.2%          | 0.2%          | 0.2%          | 0.2%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          |
| Bank/Cash        | 11.2%         | 14.0%         | 11.8%         | 11.3%         | 14.2%         | 18.7%         | 19.0%         | 16.0%         | 17.1%         | 20.2%         | 17.4%         | 17.6%         |
| <b>Total</b>     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |







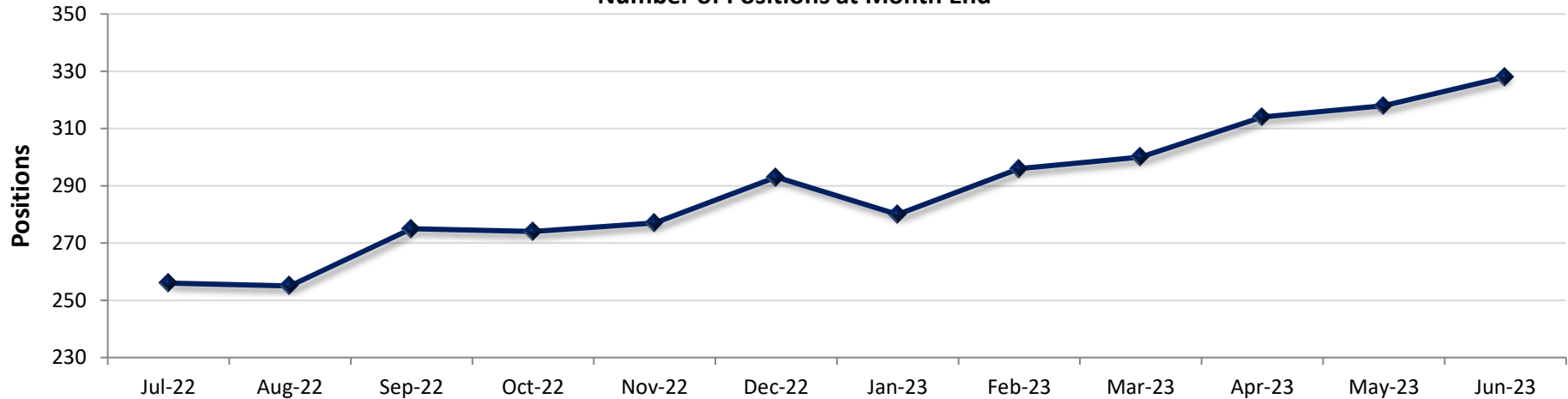
| Fiscal YTD (\$Mil) | Jul   | Aug    | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar    | Apr     | May     | Jun     |
|--------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| FY 2017            | \$3.0 | \$6.0  | \$9.0  | \$12.1 | \$15.3 | \$18.9 | \$22.7 | \$26.5 | \$30.5 | \$34.8  | \$39.2  | \$43.5  |
| FY 2018            | \$4.5 | \$8.7  | \$12.9 | \$17.3 | \$21.6 | \$26.7 | \$31.7 | \$36.7 | \$41.9 | \$47.4  | \$53.0  | \$58.8  |
| FY 2019            | \$5.8 | \$11.3 | \$16.7 | \$22.1 | \$27.5 | \$33.8 | \$40.4 | \$46.7 | \$53.5 | \$60.7  | \$68.0  | \$75.1  |
| FY 2020            | \$7.1 | \$13.5 | \$20.0 | \$26.4 | \$32.9 | \$39.9 | \$47.1 | \$54.2 | \$61.8 | \$68.9  | \$76.1  | \$83.1  |
| FY 2021            | \$6.3 | \$12.4 | \$18.5 | \$24.5 | \$30.5 | \$36.6 | \$42.5 | \$48.4 | \$54.2 | \$60.0  | \$65.9  | \$71.6  |
| FY 2022            | \$5.2 | \$11.3 | \$18.2 | \$23.9 | \$29.8 | \$35.7 | \$41.9 | \$48.0 | \$54.5 | \$61.1  | \$68.1  | \$75.1  |
| FY 2023            | \$7.5 | \$14.8 | \$22.7 | \$31.6 | \$41.2 | \$53.6 | \$67.1 | \$79.8 | \$93.9 | \$110.0 | \$126.8 | \$142.7 |



|                  | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May   | Jun    |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Book Rate of Rtn | 1.44% | 1.53% | 1.69% | 1.79% | 1.97% | 2.18% | 2.30% | 2.47% | 2.38% | 2.62% | 2.63% | 2.63%  |
| Benchmark*       | 0.65% | 0.79% | 0.96% | 1.15% | 1.35% | 1.54% | 1.74% | 1.95% | 2.14% | 2.34% | 2.56% | 2.78%  |
| Variance         | 0.79% | 0.74% | 0.73% | 0.64% | 0.62% | 0.64% | 0.56% | 0.52% | 0.24% | 0.28% | 0.07% | -0.15% |

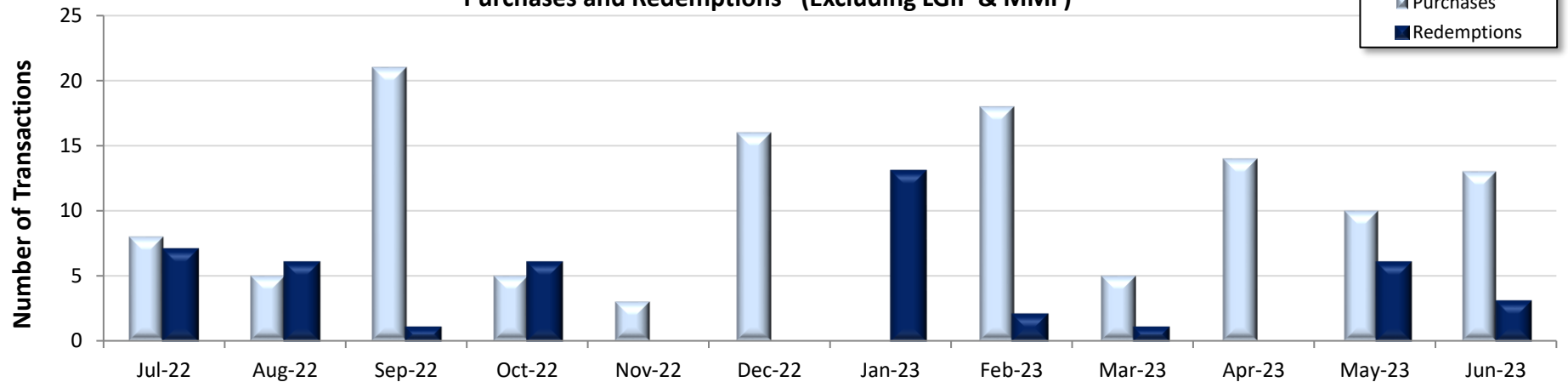
\*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)

Number of Positions at Month End



|                  | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Positions</b> | 256    | 255    | 275    | 274    | 277    | 293    | 280    | 296    | 300    | 314    | 318    | 328    |

Purchases and Redemptions\* (Excluding LGIP & MMF)



\*Redemptions include maturities, calls, and sells

|                           | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Purchases</b>          | 8      | 5      | 21     | 5      | 3      | 16     | 0      | 18     | 5      | 14     | 10     | 13     |
| <b>Redemptions</b>        | 7      | 6      | 1      | 6      | 0      | 0      | 13     | 2      | 1      | 0      | 6      | 3      |
| <b>Total Transactions</b> | 15     | 11     | 22     | 11     | 3      | 16     | 13     | 20     | 6      | 14     | 16     | 16     |

Summary of Portfolio

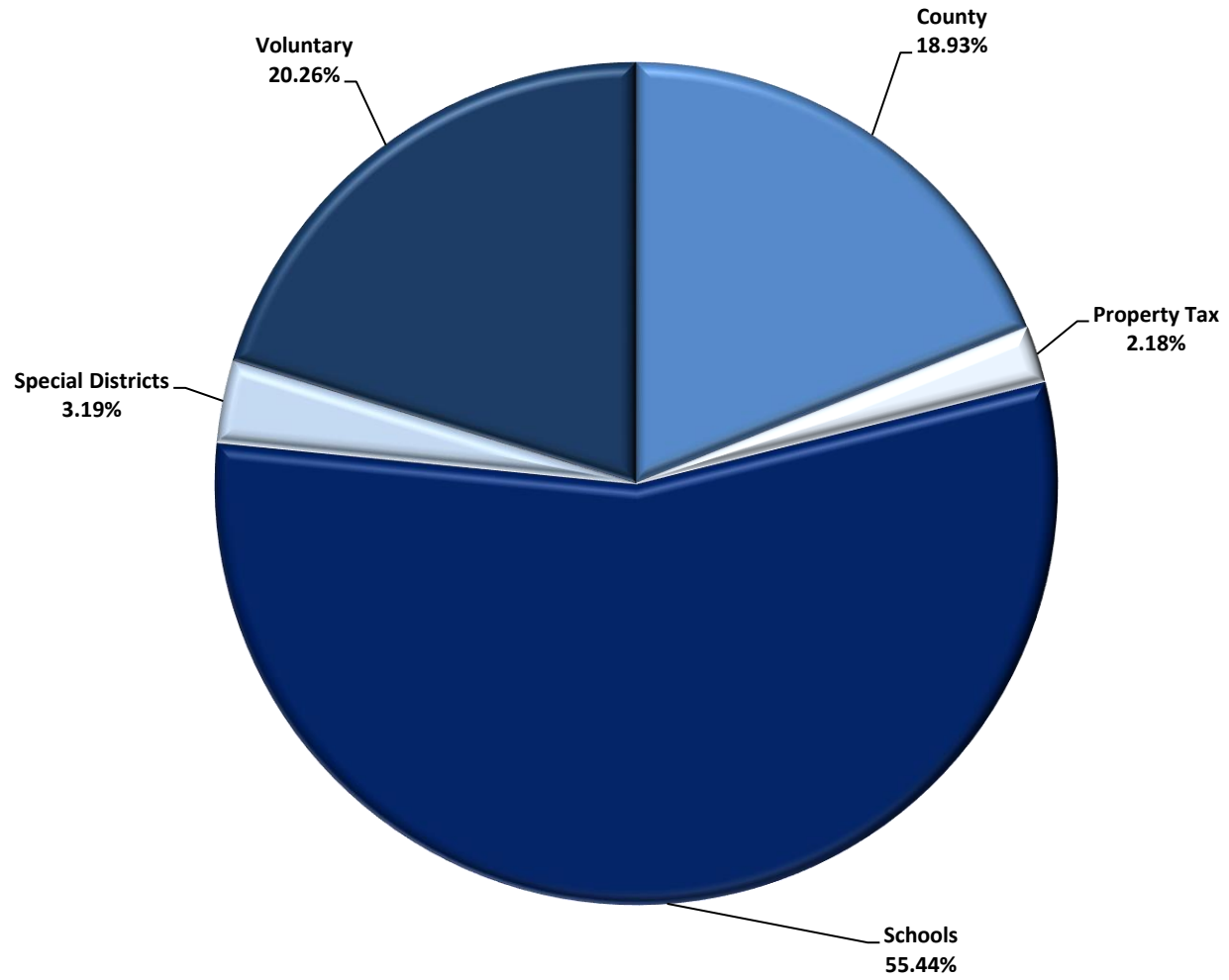
|                                                   | June 2023       | March 2023      | December 2022   | September 2022  | June 2022       |
|---------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Market Value</b>                               | \$7,221,872,874 | \$6,874,891,359 | \$6,672,011,496 | \$5,500,287,958 | \$6,012,424,829 |
| <b>Amortize Cost Value</b>                        | \$7,565,068,380 | \$7,151,730,923 | \$7,021,822,855 | \$5,876,834,741 | \$6,258,299,137 |
| <b>Unrealized Gain/Loss % on cost</b>             | -4.54%          | -3.87%          | -4.98%          | -6.41%          | -3.93%          |
| <b>Yield (weighted on cost value)</b>             | 2.60%           | 2.44%           | 2.30%           | 1.78%           | 1.43%           |
| <b>Years to Maturity (weighted on cost value)</b> | 2.36            | 2.42            | 2.37            | 2.58            | 2.32            |
| <b>Avg Dollar-Weighted Quality Rating</b>         | AA+             | AA+             | AA+             | AA+             | AA+             |

Projection of Future Cash Flows (in millions)

| Month                 | Monthly Receipts (a) | Monthly Disburs. (a) | Difference    | Actual Inv. Maturities | Balance |
|-----------------------|----------------------|----------------------|---------------|------------------------|---------|
| Beginning Balance (b) |                      |                      |               |                        | 1,133.0 |
| 7/23                  | 372.7                | 925.4                | -552.7        | 220.2                  | 800.5   |
| 8/23                  | 404.4                | 553.9                | -149.5        | 81.4                   | 732.4   |
| 9/23                  | 564.4                | 508.9                | 55.5          | 20.0                   | 807.9   |
| 10/23                 | 493.8                | 561.9                | -68.1         | 25.9                   | 765.7   |
| 11/23                 | 588.0                | 530.1                | 57.9          | 0.0                    | 823.6   |
| 12/23                 | 917.4                | 619.1                | 298.3         | 21.2                   | 1,143.1 |
| <b>Totals</b>         | <b>3,340.7</b>       | <b>3,699.3</b>       | <b>-358.6</b> | <b>368.7</b>           |         |

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.





**Month End Reporting  
Portfolio Management  
Portfolio Summary  
June 30, 2023**

Fresno County  
P.O. Box 1247  
Fresno, CA 93715  
(559)600-3496

| <b>Investments</b>            | <b>Par Value</b>        | <b>Market Value</b>     | <b>Book Value</b>       | <b>% of Portfolio</b> | <b>Term</b>  | <b>Days to Maturity</b> | <b>YTM 360 Equiv.</b> |
|-------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|--------------|-------------------------|-----------------------|
| Bank Accounts                 | 53,137,750.46           | 53,137,750.46           | 53,137,750.46           | 0.70                  | 1            | 1                       | 1.460                 |
| Federal Agency Coupons        | 2,813,955,000.00        | 2,664,860,126.74        | 2,812,150,769.37        | 37.17                 | 1,763        | 918                     | 1.959                 |
| Medium Term Notes             | 1,356,632,000.00        | 1,277,575,054.67        | 1,331,741,196.66        | 17.60                 | 1,761        | 1,059                   | 2.741                 |
| Treasury Notes                | 1,803,500,000.00        | 1,655,490,885.84        | 1,781,695,512.36        | 23.55                 | 1,772        | 1,249                   | 1.957                 |
| Certificates of Deposit       | 10,000,000.00           | 10,000,000.00           | 10,000,000.00           | 0.13                  | 731          | 420                     | 3.186                 |
| Mutual Funds                  | 1,025,000,000.00        | 1,025,000,000.00        | 1,025,000,000.00        | 13.55                 | 1            | 1                       | 4.969                 |
| Local Agency Investment Funds | 5,000,000.00            | 5,000,000.00            | 5,000,000.00            | 0.07                  | 1            | 1                       | 3.124                 |
| Bank Money Market Accounts    | 250,000,000.00          | 250,000,000.00          | 250,000,000.00          | 3.30                  | 1            | 1                       | 4.531                 |
| Municipal Bonds               | 290,450,000.00          | 280,809,056.25          | 296,343,151.32          | 3.92                  | 1,688        | 1,004                   | 2.356                 |
| <b>Investments</b>            | <b>7,607,674,750.46</b> | <b>7,221,872,873.96</b> | <b>7,565,068,380.17</b> | <b>100.00%</b>        | <b>1,450</b> | <b>862</b>              | <b>2.603</b>          |

| <b>Total Earnings</b>           | <b>June 30 Month Ending</b> | <b>Fiscal Year To Date</b> | <b>Fiscal Year Ending</b> |
|---------------------------------|-----------------------------|----------------------------|---------------------------|
| Current Year                    | 15,887,279.70               | 142,672,450.13             | 142,672,450.13            |
| <b>Average Daily Balance</b>    | <b>7,353,993,132.64</b>     | <b>5,632,342,177.84</b>    |                           |
| <b>Effective Rate of Return</b> | <b>2.63%</b>                | <b>2.53%</b>               |                           |

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                         | Investment # | Issuer                   | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | YTM 365      | S&P Moody's | Maturity Date  |
|-------------------------------|--------------|--------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|--------------|-------------|----------------|
| <b>Bank Accounts</b>          |              |                          |                      |               |                      |                      |                      |             |              |             |                |
| SYS03400A                     | 03400A       | BANK OF THE WEST         |                      |               | 53,137,750.46        | 53,137,750.46        | 53,137,750.46        | 1.480       | 1.480        |             |                |
| <b>Subtotal and Average</b>   |              |                          | <b>18,448,846.42</b> |               | <b>53,137,750.46</b> | <b>53,137,750.46</b> | <b>53,137,750.46</b> |             | <b>1.480</b> |             |                |
| <b>Federal Agency Coupons</b> |              |                          |                      |               |                      |                      |                      |             |              |             |                |
| 3133EJUS6                     | 17584        | FEDERAL FARM CREDIT BANK |                      | 07/17/2018    | 20,000,000.00        | 19,980,922.40        | 19,999,976.89        | 2.875       | 2.878        | AA+         | Aaa 07/17/2023 |
| 3133EJUS6                     | 17589        | FEDERAL FARM CREDIT BANK |                      | 07/25/2018    | 30,000,000.00        | 29,971,383.60        | 29,999,140.18        | 2.875       | 2.945        | AA+         | Aaa 07/17/2023 |
| 3133EJUS6                     | 17593        | FEDERAL FARM CREDIT BANK |                      | 09/19/2018    | 10,000,000.00        | 9,990,461.20         | 9,999,364.97         | 2.875       | 3.029        | AA+         | Aaa 07/17/2023 |
| 3133EJK57                     | 17606        | FEDERAL FARM CREDIT BANK |                      | 12/20/2018    | 17,000,000.00        | 16,975,022.58        | 17,003,089.94        | 3.080       | 2.775        | AA+         | Aaa 07/24/2023 |
| 3133EJUS6                     | 17607        | FEDERAL FARM CREDIT BANK |                      | 12/20/2018    | 2,910,000.00         | 2,907,224.21         | 2,910,122.01         | 2.875       | 2.774        | AA+         | Aaa 07/17/2023 |
| 3133EJ4G1                     | 17610        | FEDERAL FARM CREDIT BANK |                      | 12/28/2018    | 65,000,000.00        | 64,880,223.85        | 64,999,221.42        | 2.770       | 2.787        | AA+         | Aaa 07/28/2023 |
| 3133EJUS6                     | 17615        | FEDERAL FARM CREDIT BANK |                      | 01/18/2019    | 20,000,000.00        | 19,980,922.40        | 20,001,630.64        | 2.875       | 2.679        | AA+         | Aaa 07/17/2023 |
| 3133EJ5W5                     | 17618        | FEDERAL FARM CREDIT BANK |                      | 02/26/2019    | 2,945,000.00         | 2,920,130.24         | 2,945,577.07         | 2.650       | 2.583        | AA+         | Aaa 10/23/2023 |
| 3133EKBW5                     | 17620        | FEDERAL FARM CREDIT BANK |                      | 02/28/2019    | 20,000,000.00        | 19,632,722.60        | 20,002,419.03        | 2.610       | 2.590        | AA+         | Aaa 02/27/2024 |
| 3133EKBW5                     | 17622        | FEDERAL FARM CREDIT BANK |                      | 03/01/2019    | 20,000,000.00        | 19,632,722.60        | 19,997,897.55        | 2.610       | 2.627        | AA+         | Aaa 02/27/2024 |
| 3133EKWV4                     | 17647        | FEDERAL FARM CREDIT BANK |                      | 08/28/2019    | 4,950,000.00         | 4,763,969.15         | 4,970,127.87         | 1.850       | 1.455        | AA+         | Aaa 07/26/2024 |
| 3133EKWV4                     | 17648        | FEDERAL FARM CREDIT BANK |                      | 08/28/2019    | 15,000,000.00        | 14,436,270.15        | 15,059,484.46        | 1.850       | 1.464        | AA+         | Aaa 07/26/2024 |
| 3133EKWV4                     | 17649        | FEDERAL FARM CREDIT BANK |                      | 09/13/2019    | 17,941,000.00        | 17,266,741.52        | 17,967,525.87        | 1.850       | 1.705        | AA+         | Aaa 07/26/2024 |
| 3133EKHV1                     | 17655        | FEDERAL FARM CREDIT BANK |                      | 10/16/2019    | 2,292,000.00         | 2,225,485.13         | 2,310,676.19         | 2.450       | 1.646        | AA+         | Aaa 07/22/2024 |
| 3133ELCS1                     | 17666        | FEDERAL FARM CREDIT BANK |                      | 12/11/2019    | 20,000,000.00        | 19,486,951.80        | 19,990,000.00        | 1.550       | 1.625        | AA+         | Aaa 03/11/2024 |
| 3133ELCS1                     | 17667        | FEDERAL FARM CREDIT BANK |                      | 12/11/2019    | 25,000,000.00        | 24,358,689.75        | 24,986,928.10        | 1.550       | 1.628        | AA+         | Aaa 03/11/2024 |
| 3133ELEM2                     | 17674        | FEDERAL FARM CREDIT BANK |                      | 12/17/2019    | 25,000,000.00        | 24,227,812.25        | 25,000,000.00        | 1.700       | 1.700        | AA+         | Aaa 05/17/2024 |
| 3133ELZM9                     | 17711        | FEDERAL FARM CREDIT BANK |                      | 05/19/2020    | 45,559,000.00        | 41,968,148.96        | 45,492,775.21        | 0.500       | 0.579        | AA+         | Aaa 05/14/2025 |
| 3133ELJM7                     | 17712        | FEDERAL FARM CREDIT BANK |                      | 05/19/2020    | 10,000,000.00        | 9,467,722.30         | 10,167,632.19        | 1.650       | 0.561        | AA+         | Aaa 01/23/2025 |
| 3133EMPC0                     | 17783        | FEDERAL FARM CREDIT BANK |                      | 01/29/2021    | 125,000,000.00       | 112,261,977.50       | 124,987,304.44       | 0.460       | 0.464        | AA+         | Aaa 01/29/2026 |
| 3133EMP48                     | 17825        | FEDERAL FARM CREDIT BANK |                      | 07/01/2021    | 30,000,000.00        | 26,917,220.10        | 29,982,180.00        | 0.900       | 0.920        | AA+         | Aaa 07/01/2026 |
| 3133EMP48                     | 17826        | FEDERAL FARM CREDIT BANK |                      | 07/01/2021    | 20,000,000.00        | 17,944,813.40        | 19,987,160.00        | 0.900       | 0.922        | AA+         | Aaa 07/01/2026 |
| 3133EM4A7                     | 17837        | FEDERAL FARM CREDIT BANK |                      | 08/27/2021    | 50,000,000.00        | 44,494,126.00        | 49,992,268.89        | 0.800       | 0.805        | AA+         | Aaa 08/27/2026 |
| 3133ENKV1                     | 17879        | FEDERAL FARM CREDIT BANK |                      | 01/27/2022    | 50,000,000.00        | 45,242,323.50        | 49,722,239.64        | 1.500       | 1.664        | AA+         | Aaa 01/13/2027 |
| 3133ENKV1                     | 17880        | FEDERAL FARM CREDIT BANK |                      | 01/27/2022    | 50,000,000.00        | 45,242,323.50        | 49,738,050.62        | 1.500       | 1.655        | AA+         | Aaa 01/13/2027 |
| 3133ENNS5                     | 17882        | FEDERAL FARM CREDIT BANK |                      | 02/28/2022    | 50,000,000.00        | 45,590,986.50        | 49,767,683.72        | 1.800       | 1.935        | AA+         | Aaa 02/16/2027 |
| 3133ENRD4                     | 17893        | FEDERAL FARM CREDIT BANK |                      | 03/15/2022    | 10,000,000.00        | 9,067,281.10         | 9,824,823.73         | 1.680       | 2.183        | AA+         | Aaa 03/10/2027 |
| 3133ENJ50                     | 17906        | FEDERAL FARM CREDIT BANK |                      | 08/26/2022    | 13,000,000.00        | 12,388,563.98        | 12,950,008.86        | 3.125       | 3.226        | AA+         | Aaa 08/26/2027 |
| 3133EHYG2                     | 17917        | FEDERAL FARM CREDIT BANK |                      | 09/13/2022    | 19,500,000.00        | 18,063,144.06        | 18,788,125.20        | 2.430       | 3.382        | AA+         | Aaa 09/13/2027 |
| 3133ENP53                     | 17932        | FEDERAL FARM CREDIT BANK |                      | 09/27/2022    | 25,000,000.00        | 24,413,712.75        | 24,971,290.83        | 3.750       | 3.782        | AA+         | Aaa 07/27/2027 |
| 3133ENP53                     | 17938        | FEDERAL FARM CREDIT BANK |                      | 09/28/2022    | 50,000,000.00        | 48,827,425.50        | 49,364,747.38        | 3.750       | 4.098        | AA+         | Aaa 07/27/2027 |
| 3133ENR36                     | 17943        | FEDERAL FARM CREDIT BANK |                      | 10/06/2022    | 25,000,000.00        | 24,689,812.75        | 24,973,449.39        | 4.050       | 4.080        | AA+         | Aaa 07/27/2027 |
| 3133ENW22                     | 17947        | FEDERAL FARM CREDIT BANK |                      | 10/28/2022    | 25,000,000.00        | 25,032,064.25        | 24,998,460.36        | 4.430       | 4.433        | AA+         | Aaa 06/28/2027 |
| 3133EN5N6                     | 17977        | FEDERAL FARM CREDIT BANK |                      | 02/07/2023    | 30,000,000.00        | 29,703,557.70        | 30,244,319.76        | 4.000       | 3.884        | AA+         | Aaa 01/06/2028 |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                         | Investment # | Issuer                   | Average Balance | Purchase Date | Par Value      | Market Value  | Book Value    | Stated Rate | YTM 365 | S&P Moody's | Maturity Date |
|-------------------------------|--------------|--------------------------|-----------------|---------------|----------------|---------------|---------------|-------------|---------|-------------|---------------|
| <b>Federal Agency Coupons</b> |              |                          |                 |               |                |               |               |             |         |             |               |
| 3133EPAU9                     | 17978        | FEDERAL FARM CREDIT BANK |                 | 02/14/2023    | 20,000,000.00  | 19,705,521.40 | 19,932,232.27 | 3.875       | 3.968   | AA+ Aaa     | 07/14/2027    |
| 3133EPAV7                     | 17984        | FEDERAL FARM CREDIT BANK |                 | 02/15/2023    | 20,000,000.00  | 19,725,995.60 | 19,891,779.13 | 3.875       | 4.008   | AA+ Aaa     | 02/14/2028    |
| 3133EPAV7                     | 17985        | FEDERAL FARM CREDIT BANK |                 | 02/15/2023    | 47,000,000.00  | 46,356,089.66 | 46,747,592.61 | 3.875       | 4.007   | AA+ Aaa     | 02/14/2028    |
| 3133EPAV7                     | 17989        | FEDERAL FARM CREDIT BANK |                 | 02/16/2023    | 5,000,000.00   | 4,931,498.90  | 4,951,621.10  | 3.875       | 4.114   | AA+ Aaa     | 02/14/2028    |
| 3133EPME2                     | 18033        | FEDERAL FARM CREDIT BANK |                 | 06/08/2023    | 20,850,000.00  | 20,614,091.22 | 20,770,423.87 | 3.875       | 3.961   | AA+ Aaa     | 06/08/2028    |
| 3133EKQG4                     | 18037        | FEDERAL FARM CREDIT BANK |                 | 06/13/2023    | 8,916,000.00   | 8,225,163.62  | 8,277,976.11  | 2.400       | 4.012   | AA+ Aaa     | 06/12/2028    |
| 3133EPNH4                     | 18044        | FEDERAL FARM CREDIT BANK |                 | 06/30/2023    | 10,000,000.00  | 9,869,933.50  | 9,873,163.77  | 3.875       | 4.182   | AA+ Aaa     | 06/21/2028    |
| 3130AFBD8                     | 17608        | FEDERAL HOME LOAN BANK   |                 | 12/20/2018    | 12,500,000.00  | 12,482,584.63 | 12,502,732.27 | 3.125       | 2.774   | AA+ Aaa     | 07/25/2023    |
| 3130A0F70                     | 17613        | FEDERAL HOME LOAN BANK   |                 | 01/18/2019    | 10,000,000.00  | 9,917,165.50  | 10,026,154.77 | 3.375       | 2.730   | AA+ Aaa     | 12/08/2023    |
| 3130AFQL4                     | 17614        | FEDERAL HOME LOAN BANK   |                 | 01/18/2019    | 10,000,000.00  | 9,911,339.50  | 9,998,243.47  | 2.640       | 2.699   | AA+ Aaa     | 10/27/2023    |
| 3130AFQL4                     | 17619        | FEDERAL HOME LOAN BANK   |                 | 02/26/2019    | 4,905,000.00   | 4,861,512.02  | 4,905,846.19  | 2.640       | 2.583   | AA+ Aaa     | 10/27/2023    |
| 3130AFRW9                     | 17621        | FEDERAL HOME LOAN BANK   |                 | 02/28/2019    | 20,000,000.00  | 19,910,911.40 | 20,003,744.41 | 2.700       | 2.574   | AA+ Aaa     | 08/28/2023    |
| 3130AFRW9                     | 17623        | FEDERAL HOME LOAN BANK   |                 | 03/01/2019    | 20,000,000.00  | 19,910,911.40 | 20,002,802.41 | 2.700       | 2.606   | AA+ Aaa     | 08/28/2023    |
| 3130A0F70                     | 17632        | FEDERAL HOME LOAN BANK   |                 | 04/04/2019    | 11,200,000.00  | 11,107,225.36 | 11,246,022.26 | 3.375       | 2.373   | AA+ Aaa     | 12/08/2023    |
| 3130AGA88                     | 17633        | FEDERAL HOME LOAN BANK   |                 | 04/05/2019    | 50,000,000.00  | 49,155,441.50 | 49,995,471.74 | 2.320       | 2.337   | AA+ Aaa     | 01/29/2024    |
| 3133X8EW8                     | 17651        | FEDERAL HOME LOAN BANK   |                 | 09/26/2019    | 3,760,000.00   | 3,759,328.76  | 3,910,271.83  | 5.375       | 1.653   | AA+ Aaa     | 08/15/2024    |
| 3130A2UW4                     | 17654        | FEDERAL HOME LOAN BANK   |                 | 10/15/2019    | 10,000,000.00  | 9,716,222.60  | 10,138,469.68 | 2.875       | 1.668   | AA+ Aaa     | 09/13/2024    |
| 3130AGWK7                     | 17658        | FEDERAL HOME LOAN BANK   |                 | 10/23/2019    | 10,000,000.00  | 9,590,380.00  | 9,982,543.09  | 1.500       | 1.662   | AA+ Aaa     | 08/15/2024    |
| 3130AGWK7                     | 17662        | FEDERAL HOME LOAN BANK   |                 | 11/05/2019    | 12,500,000.00  | 11,987,975.00 | 12,479,691.37 | 1.500       | 1.651   | AA+ Aaa     | 08/15/2024    |
| 3130AGWK7                     | 17676        | FEDERAL HOME LOAN BANK   |                 | 12/18/2019    | 10,000,000.00  | 9,590,380.00  | 9,975,186.64  | 1.500       | 1.731   | AA+ Aaa     | 08/15/2024    |
| 3130A3GE8                     | 17693        | FEDERAL HOME LOAN BANK   |                 | 02/05/2020    | 5,000,000.00   | 4,821,536.90  | 5,086,928.83  | 2.750       | 1.502   | AA+ Aaa     | 12/13/2024    |
| 3130AN6L9                     | 17828        | FEDERAL HOME LOAN BANK   |                 | 07/14/2021    | 10,750,000.00  | 9,584,666.46  | 10,741,753.89 | 0.820       | 0.846   | AA+ Aaa     | 07/08/2026    |
| 3133XG6E9                     | 17829        | FEDERAL HOME LOAN BANK   |                 | 07/14/2021    | 15,000,000.00  | 15,409,542.15 | 17,118,108.27 | 5.750       | 0.848   | AA+ Aaa     | 06/12/2026    |
| 3130AN4T4                     | 17830        | FEDERAL HOME LOAN BANK   |                 | 07/14/2021    | 22,000,000.00  | 19,789,745.36 | 22,015,671.35 | 0.875       | 0.850   | AA+ Aaa     | 06/12/2026    |
| 3130AN4T4                     | 17831        | FEDERAL HOME LOAN BANK   |                 | 08/09/2021    | 9,250,000.00   | 8,320,688.39  | 9,275,112.77  | 0.875       | 0.781   | AA+ Aaa     | 06/12/2026    |
| 3130AN4T4                     | 17832        | FEDERAL HOME LOAN BANK   |                 | 08/09/2021    | 12,000,000.00  | 10,794,406.56 | 12,031,409.98 | 0.875       | 0.784   | AA+ Aaa     | 06/12/2026    |
| 3130AN4T4                     | 17833        | FEDERAL HOME LOAN BANK   |                 | 08/11/2021    | 50,000,000.00  | 44,976,694.00 | 50,082,180.27 | 0.875       | 0.818   | AA+ Aaa     | 06/12/2026    |
| 3130A8XY4                     | 17845        | FEDERAL HOME LOAN BANK   |                 | 09/20/2021    | 6,515,000.00   | 6,011,415.39  | 6,714,877.00  | 1.875       | 0.891   | AA+ Aaa     | 09/11/2026    |
| 3130A8XY4                     | 17848        | FEDERAL HOME LOAN BANK   |                 | 09/23/2021    | 13,980,000.00  | 12,899,399.40 | 14,414,564.55 | 1.875       | 0.878   | AA+ Aaa     | 09/11/2026    |
| 3130AQF65                     | 17868        | FEDERAL HOME LOAN BANK   |                 | 12/22/2021    | 100,000,000.00 | 89,932,151.00 | 99,812,326.29 | 1.250       | 1.305   | AA+ Aaa     | 12/21/2026    |
| 3130AQF65                     | 17869        | FEDERAL HOME LOAN BANK   |                 | 12/22/2021    | 24,860,000.00  | 22,357,132.74 | 24,814,173.44 | 1.250       | 1.304   | AA+ Aaa     | 12/21/2026    |
| 3130AQF65                     | 17872        | FEDERAL HOME LOAN BANK   |                 | 01/06/2022    | 24,300,000.00  | 21,853,512.69 | 24,155,476.26 | 1.250       | 1.428   | AA+ Aaa     | 12/21/2026    |
| 3130ASVS5                     | 17918        | FEDERAL HOME LOAN BANK   |                 | 09/12/2022    | 15,650,000.00  | 14,818,711.59 | 15,419,489.34 | 3.000       | 3.384   | AA+ Aaa     | 09/10/2027    |
| 3130AU2B9                     | 17955        | FEDERAL HOME LOAN BANK   |                 | 12/05/2022    | 50,000,000.00  | 49,152,871.00 | 49,948,463.47 | 4.000       | 4.029   | AA+ Aaa     | 06/04/2027    |
| 3130AU2J2                     | 17956        | FEDERAL HOME LOAN BANK   |                 | 12/06/2022    | 15,000,000.00  | 14,754,421.05 | 14,954,127.82 | 4.000       | 4.085   | AA+ Aaa     | 07/06/2027    |
| 3130AUTA2                     | 17971        | FEDERAL HOME LOAN BANK   |                 | 02/07/2023    | 50,000,000.00  | 48,596,513.50 | 49,440,913.22 | 3.625       | 3.900   | AA+ Aaa     | 01/07/2028    |
| 3130AUSN5                     | 17982        | FEDERAL HOME LOAN BANK   |                 | 02/14/2023    | 12,940,000.00  | 12,499,096.03 | 12,680,295.60 | 3.500       | 4.023   | AA+ Aaa     | 10/01/2027    |
| 3130AUZK3                     | 17990        | FEDERAL HOME LOAN BANK   |                 | 02/17/2023    | 60,000,000.00  | 59,345,061.60 | 59,839,499.59 | 4.050       | 4.117   | AA+ Aaa     | 01/03/2028    |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                         | Investment # | Issuer                    | Average Balance | Purchase Date | Par Value      | Market Value   | Book Value     | Stated Rate | YTM 365 | S&P Moody's | Maturity Date  |
|-------------------------------|--------------|---------------------------|-----------------|---------------|----------------|----------------|----------------|-------------|---------|-------------|----------------|
| <b>Federal Agency Coupons</b> |              |                           |                 |               |                |                |                |             |         |             |                |
| 3130AUZK3                     | 17993        | FEDERAL HOME LOAN BANK    |                 | 02/22/2023    | 26,875,000.00  | 26,581,642.18  | 26,734,672.44  | 4.050       | 4.194   | AA+         | Aaa 01/03/2028 |
| 3130AVPH9                     | 18006        | FEDERAL HOME LOAN BANK    |                 | 04/13/2023    | 20,000,000.00  | 19,444,328.60  | 19,979,949.57  | 3.625       | 3.650   | AA+         | Aaa 01/28/2028 |
| 3130AVPZ9                     | 18010        | FEDERAL HOME LOAN BANK    |                 | 04/18/2023    | 10,000,000.00  | 9,710,598.40   | 9,939,498.01   | 3.600       | 3.747   | AA+         | Aaa 01/18/2028 |
| 3130AWC24                     | 18034        | FEDERAL HOME LOAN BANK    |                 | 06/09/2023    | 8,800,000.00   | 8,739,518.83   | 8,812,359.68   | 4.000       | 3.988   | AA+         | Aaa 06/09/2028 |
| 3130AWC24                     | 18039        | FEDERAL HOME LOAN BANK    |                 | 06/14/2023    | 18,025,000.00  | 17,901,116.70  | 17,999,526.49  | 4.000       | 4.064   | AA+         | Aaa 06/09/2028 |
| 3130AWC24                     | 18040        | FEDERAL HOME LOAN BANK    |                 | 06/22/2023    | 30,000,000.00  | 29,793,814.20  | 30,065,821.15  | 4.000       | 4.002   | AA+         | Aaa 06/09/2028 |
| 3130AWC24                     | 18042        | FEDERAL HOME LOAN BANK    |                 | 06/22/2023    | 15,000,000.00  | 14,896,907.10  | 15,035,298.49  | 4.000       | 3.999   | AA+         | Aaa 06/09/2028 |
| 3130AWC24                     | 18045        | FEDERAL HOME LOAN BANK    |                 | 06/30/2023    | 14,650,000.00  | 14,549,312.60  | 14,574,492.93  | 4.000       | 4.189   | AA+         | Aaa 06/09/2028 |
| 3137EAEU9                     | 17724        | FEDERAL HOME MORTGAGE CO  |                 | 07/23/2020    | 65,000,000.00  | 59,292,948.65  | 64,866,775.31  | 0.375       | 0.476   | AA+         | Aaa 07/21/2025 |
| 3137EAEU9                     | 17731        | FEDERAL HOME MORTGAGE CO  |                 | 09/10/2020    | 30,000,000.00  | 27,365,976.30  | 29,966,528.84  | 0.375       | 0.430   | AA+         | Aaa 07/21/2025 |
| 3137EAEU9                     | 17741        | FEDERAL HOME MORTGAGE CO  |                 | 10/08/2020    | 50,000,000.00  | 45,358,091.50  | 49,881,250.08  | 0.375       | 0.483   | AA+         | Aaa 09/23/2025 |
| 3135G0U43                     | 17631        | FEDERAL NATIONAL MORTGAGE |                 | 03/27/2019    | 20,000,000.00  | 19,896,969.20  | 20,023,520.69  | 2.875       | 2.245   | AA+         | Aaa 09/12/2023 |
| 3135G0V75                     | 17652        | FEDERAL NATIONAL MORTGAGE |                 | 09/26/2019    | 35,000,000.00  | 33,750,810.45  | 35,040,062.37  | 1.750       | 1.631   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17656        | FEDERAL NATIONAL MORTGAGE |                 | 10/16/2019    | 10,000,000.00  | 9,643,088.70   | 10,010,642.69  | 1.750       | 1.639   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17659        | FEDERAL NATIONAL MORTGAGE |                 | 10/23/2019    | 10,000,000.00  | 9,643,088.70   | 10,007,829.15  | 1.750       | 1.668   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17660        | FEDERAL NATIONAL MORTGAGE |                 | 10/28/2019    | 8,632,000.00   | 8,323,914.17   | 8,637,421.81   | 1.750       | 1.684   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17661        | FEDERAL NATIONAL MORTGAGE |                 | 11/05/2019    | 23,000,000.00  | 22,179,104.01  | 23,019,903.43  | 1.750       | 1.660   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17663        | FEDERAL NATIONAL MORTGAGE |                 | 11/08/2019    | 25,000,000.00  | 24,107,721.75  | 24,979,674.88  | 1.750       | 1.835   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17668        | FEDERAL NATIONAL MORTGAGE |                 | 12/06/2019    | 25,000,000.00  | 24,107,721.75  | 25,018,477.67  | 1.750       | 1.673   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17669        | FEDERAL NATIONAL MORTGAGE |                 | 12/06/2019    | 15,000,000.00  | 14,464,633.05  | 15,011,813.65  | 1.750       | 1.668   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17670        | FEDERAL NATIONAL MORTGAGE |                 | 12/09/2019    | 15,000,000.00  | 14,464,633.05  | 15,004,910.74  | 1.750       | 1.716   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17671        | FEDERAL NATIONAL MORTGAGE |                 | 12/09/2019    | 25,000,000.00  | 24,107,721.75  | 25,008,569.08  | 1.750       | 1.714   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17673        | FEDERAL NATIONAL MORTGAGE |                 | 12/12/2019    | 25,000,000.00  | 24,107,721.75  | 25,007,208.99  | 1.750       | 1.720   | AA+         | Aaa 07/02/2024 |
| 3135G0V75                     | 17675        | FEDERAL NATIONAL MORTGAGE |                 | 12/13/2019    | 20,000,000.00  | 19,286,177.40  | 19,996,299.69  | 1.750       | 1.769   | AA+         | Aaa 07/02/2024 |
| 3135G0X24                     | 17680        | FEDERAL NATIONAL MORTGAGE |                 | 01/10/2020    | 50,000,000.00  | 47,401,022.50  | 49,935,585.98  | 1.625       | 1.714   | AA+         | Aaa 01/07/2025 |
| 3135G05X7                     | 17730        | FEDERAL NATIONAL MORTGAGE |                 | 08/27/2020    | 125,000,000.00 | 113,718,787.50 | 124,748,170.19 | 0.375       | 0.470   | AA+         | Aaa 08/25/2025 |
| 3135G04Z3                     | 17732        | FEDERAL NATIONAL MORTGAGE |                 | 09/11/2020    | 20,000,000.00  | 18,358,013.20  | 20,025,195.48  | 0.500       | 0.435   | AA+         | Aaa 06/17/2025 |
| 3135G04Z3                     | 17733        | FEDERAL NATIONAL MORTGAGE |                 | 09/24/2020    | 50,000,000.00  | 45,895,033.00  | 50,071,740.05  | 0.500       | 0.426   | AA+         | Aaa 06/17/2025 |
| 3135G04Z3                     | 17734        | FEDERAL NATIONAL MORTGAGE |                 | 09/28/2020    | 20,000,000.00  | 18,358,013.20  | 20,037,398.47  | 0.500       | 0.404   | AA+         | Aaa 06/17/2025 |
| 3135G04Z3                     | 17735        | FEDERAL NATIONAL MORTGAGE |                 | 09/28/2020    | 50,000,000.00  | 45,895,033.00  | 50,093,142.97  | 0.500       | 0.404   | AA+         | Aaa 06/17/2025 |
| 3135G04Z3                     | 17736        | FEDERAL NATIONAL MORTGAGE |                 | 10/01/2020    | 75,000,000.00  | 68,842,549.50  | 75,133,873.58  | 0.500       | 0.408   | AA+         | Aaa 06/17/2025 |
| 3135G04Z3                     | 17746        | FEDERAL NATIONAL MORTGAGE |                 | 11/24/2020    | 10,000,000.00  | 9,179,006.60   | 10,009,496.41  | 0.500       | 0.451   | AA+         | Aaa 06/17/2025 |
| 3135G05X7                     | 17747        | FEDERAL NATIONAL MORTGAGE |                 | 11/24/2020    | 10,000,000.00  | 9,097,503.00   | 9,977,291.17   | 0.375       | 0.482   | AA+         | Aaa 08/25/2025 |
| 3135G05X7                     | 17748        | FEDERAL NATIONAL MORTGAGE |                 | 11/24/2020    | 10,000,000.00  | 9,097,503.00   | 9,977,245.94   | 0.375       | 0.482   | AA+         | Aaa 08/25/2025 |
| 3135G06G3                     | 17754        | FEDERAL NATIONAL MORTGAGE |                 | 12/07/2020    | 25,000,000.00  | 22,652,535.75  | 24,990,141.95  | 0.500       | 0.517   | AA+         | Aaa 11/07/2025 |
| 742651DP4                     | 17643        | PRIVATE EXPORT FUNDING CO |                 | 07/15/2019    | 10,000,000.00  | 9,680,180.40   | 10,044,173.56  | 2.450       | 2.001   |             | Aaa 07/15/2024 |
| 742651DP4                     | 17644        | PRIVATE EXPORT FUNDING CO |                 | 07/15/2019    | 10,000,000.00  | 9,680,180.40   | 10,043,282.19  | 2.450       | 2.010   |             | Aaa 07/15/2024 |
| 742651DZ2                     | 18025        | PRIVATE EXPORT FUNDING CO |                 | 05/18/2023    | 35,000,000.00  | 34,273,836.10  | 35,214,568.28  | 3.900       | 3.785   |             | Aaa 10/15/2027 |



**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
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| CUSIP                         | Investment # | Issuer                    | Average Balance         | Purchase Date | Par Value               | Market Value            | Book Value              | Stated Rate | YTM 365      | S&P Moody's | Maturity Date  |
|-------------------------------|--------------|---------------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|-------------|----------------|
| <b>Federal Agency Coupons</b> |              |                           |                         |               |                         |                         |                         |             |              |             |                |
| 742651DZ2                     | 18030        | PRIVATE EXPORT FUNDING CO |                         | 05/23/2023    | 9,000,000.00            | 8,813,272.14            | 8,973,911.98            | 3.900       | 4.030        | Aaa         | 10/15/2027     |
| <b>Subtotal and Average</b>   |              |                           | <b>2,738,665,675.39</b> |               | <b>2,813,955,000.00</b> | <b>2,664,860,126.74</b> | <b>2,812,150,769.37</b> |             | <b>1.986</b> |             |                |
| <b>Medium Term Notes</b>      |              |                           |                         |               |                         |                         |                         |             |              |             |                |
| 02079KAH0                     | 17773        | ALPHABET INC              |                         | 01/19/2021    | 20,000,000.00           | 18,305,837.80           | 19,949,787.65           | 0.450       | 0.570        | AA+         | Aa2 08/15/2025 |
| 02079KAH0                     | 17776        | ALPHABET INC              |                         | 01/20/2021    | 5,000,000.00            | 4,576,459.45            | 4,990,578.88            | 0.450       | 0.540        | AA+         | Aa2 08/15/2025 |
| 02079KAH0                     | 17777        | ALPHABET INC              |                         | 01/20/2021    | 5,000,000.00            | 4,576,459.45            | 4,990,571.91            | 0.450       | 0.540        | AA+         | Aa2 08/15/2025 |
| 02079KAJ6                     | 17927        | ALPHABET INC              |                         | 09/12/2022    | 5,000,000.00            | 4,326,024.35            | 4,470,053.81            | 0.800       | 3.631        | AA+         | Aa2 08/15/2027 |
| 02079KAJ6                     | 17929        | ALPHABET INC              |                         | 09/15/2022    | 5,000,000.00            | 4,326,024.35            | 4,435,975.20            | 0.800       | 3.828        | AA+         | Aa2 08/15/2027 |
| 02079KAJ6                     | 17945        | ALPHABET INC              |                         | 10/14/2022    | 7,500,000.00            | 6,489,036.53            | 6,498,127.39            | 0.800       | 4.436        | AA+         | Aa2 08/15/2027 |
| 037833DX5                     | 17729        | APPLE INC                 |                         | 08/20/2020    | 10,000,000.00           | 9,134,252.20            | 9,989,917.56            | 0.550       | 0.598        | AA+         | Aaa 08/20/2025 |
| 037833DX5                     | 17772        | APPLE INC                 |                         | 01/19/2021    | 15,000,000.00           | 13,701,378.30           | 14,982,009.31           | 0.550       | 0.607        | AA+         | Aaa 08/20/2025 |
| 037833DX5                     | 17782        | APPLE INC                 |                         | 01/25/2021    | 10,000,000.00           | 9,134,252.20            | 9,993,684.38            | 0.550       | 0.580        | AA+         | Aaa 08/20/2025 |
| 037833EB2                     | 17785        | APPLE INC                 |                         | 02/08/2021    | 10,000,000.00           | 9,012,143.60            | 9,988,287.50            | 0.700       | 0.746        | AA+         | Aaa 02/08/2026 |
| 037833EB2                     | 17787        | APPLE INC                 |                         | 02/08/2021    | 20,000,000.00           | 18,024,287.20           | 19,978,032.56           | 0.700       | 0.743        | AA+         | Aaa 02/08/2026 |
| 037833CR9                     | 17895        | APPLE INC                 |                         | 06/13/2022    | 10,000,000.00           | 9,540,192.50            | 9,923,266.97            | 3.200       | 3.417        | AA+         | Aaa 05/11/2027 |
| 037833CR9                     | 17899        | APPLE INC                 |                         | 07/01/2022    | 5,000,000.00            | 4,770,096.25            | 4,918,863.71            | 3.200       | 3.662        | AA+         | Aaa 05/11/2027 |
| 037833CR9                     | 17902        | APPLE INC                 |                         | 07/27/2022    | 10,000,000.00           | 9,540,192.50            | 9,980,569.03            | 3.200       | 3.254        | AA+         | Aaa 05/11/2027 |
| 037833CR9                     | 17903        | APPLE INC                 |                         | 07/27/2022    | 5,000,000.00            | 4,770,096.25            | 4,993,590.20            | 3.200       | 3.235        | AA+         | Aaa 05/11/2027 |
| 037833CR9                     | 17905        | APPLE INC                 |                         | 08/23/2022    | 10,000,000.00           | 9,540,192.50            | 9,911,696.53            | 3.200       | 3.449        | AA+         | Aaa 05/11/2027 |
| 037833CX6                     | 17921        | APPLE INC                 |                         | 09/02/2022    | 10,000,000.00           | 9,467,177.40            | 9,786,352.92            | 3.000       | 3.590        | AA+         | Aaa 06/20/2027 |
| 037833DB3                     | 17925        | APPLE INC                 |                         | 09/12/2022    | 25,000,000.00           | 23,447,592.25           | 24,085,425.28           | 2.900       | 3.867        | AA+         | Aaa 09/12/2027 |
| 037833DB3                     | 17962        | APPLE INC                 |                         | 12/20/2022    | 10,000,000.00           | 9,379,036.90            | 9,532,460.02            | 2.900       | 4.137        | AA+         | Aaa 09/12/2027 |
| 037833EC0                     | 17979        | APPLE INC                 |                         | 02/10/2023    | 10,000,000.00           | 8,664,504.00            | 8,742,793.55            | 1.200       | 4.263        | AA+         | Aaa 02/08/2028 |
| 037833EC0                     | 17983        | APPLE INC                 |                         | 02/15/2023    | 5,000,000.00            | 4,332,252.00            | 4,345,112.96            | 1.200       | 4.406        | AA+         | Aaa 02/08/2028 |
| 037833EC0                     | 17986        | APPLE INC                 |                         | 02/16/2023    | 10,000,000.00           | 8,664,504.00            | 8,674,366.65            | 1.200       | 4.449        | AA+         | Aaa 02/08/2028 |
| 037833EC0                     | 17996        | APPLE INC                 |                         | 03/02/2023    | 15,000,000.00           | 12,996,756.00           | 12,883,930.57           | 1.200       | 4.688        | AA+         | Aaa 02/08/2028 |
| 037833EC0                     | 18003        | APPLE INC                 |                         | 04/12/2023    | 10,000,000.00           | 8,664,504.00            | 8,894,745.14            | 1.200       | 3.909        | AA+         | Aaa 02/08/2028 |
| 037833ET3                     | 18035        | APPLE INC                 |                         | 06/09/2023    | 10,000,000.00           | 9,834,241.00            | 9,936,723.46            | 4.000       | 4.219        | AA+         | Aaa 05/10/2028 |
| 037833ET3                     | 18036        | APPLE INC                 |                         | 06/14/2023    | 10,000,000.00           | 9,834,241.00            | 9,925,839.30            | 4.000       | 4.257        | AA+         | Aaa 05/10/2028 |
| 037833ET3                     | 18038        | APPLE INC                 |                         | 06/14/2023    | 10,000,000.00           | 9,834,241.00            | 9,922,399.24            | 4.000       | 4.265        | AA+         | Aaa 05/10/2028 |
| 084664CZ2                     | 17890        | BERKSHIRE HATHAWAY        |                         | 03/15/2022    | 60,000,000.00           | 56,096,347.80           | 59,991,551.33           | 2.300       | 2.304        | AA          | Aa2 03/15/2027 |
| 084664CZ2                     | 17891        | BERKSHIRE HATHAWAY        |                         | 03/15/2022    | 10,000,000.00           | 9,349,391.30            | 9,944,490.78            | 2.300       | 2.460        | AA          | Aa2 03/15/2027 |
| 166764BW9                     | 17710        | CHEVRON CORP              |                         | 05/11/2020    | 5,000,000.00            | 4,684,481.10            | 5,000,000.00            | 1.554       | 1.554        | AA-         | Aa2 05/11/2025 |
| 166756AE6                     | 17725        | CHEVRON CORP              |                         | 08/12/2020    | 3,000,000.00            | 2,739,842.70            | 3,000,000.00            | 0.687       | 0.687        | AA-         | Aa2 08/12/2025 |
| 166756AE6                     | 17726        | CHEVRON CORP              |                         | 08/13/2020    | 4,500,000.00            | 4,109,764.05            | 4,498,785.53            | 0.687       | 0.700        | AA-         | Aa2 08/12/2025 |
| 166756AE6                     | 17727        | CHEVRON CORP              |                         | 08/13/2020    | 9,000,000.00            | 8,219,528.10            | 8,997,563.45            | 0.687       | 0.700        | AA-         | Aa2 08/12/2025 |
| 166756AE6                     | 17728        | CHEVRON CORP              |                         | 08/13/2020    | 5,000,000.00            | 4,566,404.50            | 4,998,646.36            | 0.687       | 0.700        | AA-         | Aa2 08/12/2025 |

**Month End Reporting  
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| CUSIP                    | Investment # | Issuer            | Average Balance | Purchase Date | Par Value     | Market Value  | Book Value    | Stated Rate | YTM 365 | S&P Moody's | Maturity Date  |
|--------------------------|--------------|-------------------|-----------------|---------------|---------------|---------------|---------------|-------------|---------|-------------|----------------|
| <b>Medium Term Notes</b> |              |                   |                 |               |               |               |               |             |         |             |                |
| 166756AE6                | 17745        | CHEVRON CORP      |                 | 11/05/2020    | 10,000,000.00 | 9,132,809.00  | 9,985,276.40  | 0.687       | 0.758   | AA-         | Aa2 08/12/2025 |
| 166756AL0                | 17904        | CHEVRON CORP      |                 | 08/23/2022    | 5,000,000.00  | 4,342,805.45  | 4,527,756.37  | 1.018       | 3.542   | AA-         | Aa2 08/12/2027 |
| 166756AL0                | 17915        | CHEVRON CORP      |                 | 08/31/2022    | 10,000,000.00 | 8,685,610.90  | 9,010,449.19  | 1.018       | 3.670   | AA-         | Aa2 08/12/2027 |
| 166764BX7                | 17919        | CHEVRON CORP      |                 | 09/02/2022    | 10,000,000.00 | 9,078,098.00  | 9,395,823.21  | 1.995       | 3.714   | AA-         | Aa2 05/11/2027 |
| 166756AL0                | 17920        | CHEVRON CORP      |                 | 09/02/2022    | 15,000,000.00 | 13,028,416.35 | 13,463,732.91 | 1.018       | 3.770   | AA-         | Aa2 08/12/2027 |
| 166756AL0                | 17930        | CHEVRON CORP      |                 | 09/16/2022    | 8,823,000.00  | 7,663,314.50  | 7,823,673.55  | 1.018       | 4.084   | AA-         | Aa2 08/12/2027 |
| 166756AL0                | 17933        | CHEVRON CORP      |                 | 09/23/2022    | 5,000,000.00  | 4,342,805.45  | 4,396,865.07  | 1.018       | 4.300   | AA-         | Aa2 08/12/2027 |
| 166756AL0                | 17946        | CHEVRON CORP      |                 | 10/14/2022    | 5,000,000.00  | 4,342,805.45  | 4,316,149.53  | 1.018       | 4.780   | AA-         | Aa2 08/12/2027 |
| 166764BX7                | 17957        | CHEVRON CORP      |                 | 12/02/2022    | 5,000,000.00  | 4,539,049.00  | 4,570,247.47  | 1.995       | 4.474   | AA-         | Aa2 05/11/2027 |
| 166756AL0                | 17958        | CHEVRON CORP      |                 | 12/08/2022    | 5,000,000.00  | 4,342,805.45  | 4,411,284.91  | 1.018       | 4.200   | AA-         | Aa2 08/12/2027 |
| 166764BX7                | 17959        | CHEVRON CORP      |                 | 12/08/2022    | 5,000,000.00  | 4,539,049.00  | 4,603,073.41  | 1.995       | 4.273   | AA-         | Aa2 05/11/2027 |
| 166756AR7                | 17987        | CHEVRON CORP      |                 | 02/16/2023    | 17,000,000.00 | 16,576,017.79 | 16,592,189.18 | 3.850       | 4.527   | AA-         | Aa2 01/15/2028 |
| 166764BX7                | 17995        | CHEVRON CORP      |                 | 03/02/2023    | 20,000,000.00 | 18,156,196.00 | 18,099,135.85 | 1.995       | 4.737   | AA-         | Aa2 05/11/2027 |
| 166756AR7                | 18001        | CHEVRON CORP      |                 | 04/12/2023    | 5,000,000.00  | 4,875,299.35  | 5,021,495.73  | 3.850       | 3.971   | AA-         | Aa2 01/15/2028 |
| 166756AR7                | 18026        | CHEVRON CORP      |                 | 05/19/2023    | 10,000,000.00 | 9,750,598.70  | 10,058,320.66 | 3.850       | 4.030   | AA-         | Aa2 01/15/2028 |
| 166756AR7                | 18032        | CHEVRON CORP      |                 | 06/05/2023    | 10,000,000.00 | 9,750,598.70  | 10,027,369.09 | 3.850       | 4.148   | AA-         | Aa2 01/15/2028 |
| 17325FAS7                | 17702        | CITIBANK          |                 | 03/24/2020    | 5,000,000.00  | 4,942,185.55  | 4,981,677.91  | 3.650       | 4.365   | A+          | Aa3 01/23/2024 |
| 30231GBC5                | 17695        | EXXON MOBIL       |                 | 03/17/2020    | 5,000,000.00  | 4,819,302.20  | 4,994,328.98  | 2.019       | 2.125   | AA-         | Aa2 08/16/2024 |
| 30231GBC5                | 17696        | EXXON MOBIL       |                 | 03/17/2020    | 5,000,000.00  | 4,819,302.20  | 4,993,526.12  | 2.019       | 2.140   | AA-         | Aa2 08/16/2024 |
| 30231GBH4                | 17699        | EXXON MOBIL       |                 | 03/19/2020    | 5,000,000.00  | 4,816,287.35  | 5,000,000.00  | 2.992       | 2.992   | AA-         | Aa2 03/19/2025 |
| 24422ETT6                | 17650        | JOHN DEERE        |                 | 09/19/2019    | 7,059,000.00  | 6,866,245.32  | 7,086,017.80  | 2.650       | 2.236   | A           | A2 06/24/2024  |
| 24422EUR8                | 17665        | JOHN DEERE        |                 | 11/26/2019    | 5,000,000.00  | 4,939,686.50  | 5,035,730.42  | 3.450       | 2.024   | A           | A2 01/10/2024  |
| 24422EUR8                | 17672        | JOHN DEERE        |                 | 12/12/2019    | 3,306,000.00  | 3,266,120.71  | 3,329,618.55  | 3.450       | 2.025   | A           | A2 01/10/2024  |
| 24422EUR8                | 17678        | JOHN DEERE        |                 | 12/27/2019    | 6,413,000.00  | 6,335,641.90  | 6,457,444.87  | 3.450       | 2.067   | A           | A2 01/10/2024  |
| 24422EVC0                | 17681        | JOHN DEERE        |                 | 01/10/2020    | 3,925,000.00  | 3,736,693.45  | 3,923,804.39  | 2.050       | 2.071   | A           | A2 01/09/2025  |
| 24422EVC0                | 17683        | JOHN DEERE        |                 | 01/13/2020    | 10,000,000.00 | 9,520,238.10  | 9,995,822.87  | 2.050       | 2.079   | A           | A2 01/09/2025  |
| 24422EVC0                | 17686        | JOHN DEERE        |                 | 02/10/2020    | 10,000,000.00 | 9,520,238.10  | 10,032,159.11 | 2.050       | 1.828   | A           | A2 01/09/2025  |
| 24422EVC0                | 17688        | JOHN DEERE        |                 | 02/28/2020    | 5,000,000.00  | 4,760,119.05  | 5,033,773.51  | 2.050       | 1.587   | A           | A2 01/09/2025  |
| 24422EVC0                | 17689        | JOHN DEERE        |                 | 02/28/2020    | 10,000,000.00 | 9,520,238.10  | 10,068,282.49 | 2.050       | 1.582   | A           | A2 01/09/2025  |
| 24422EVC0                | 17697        | JOHN DEERE        |                 | 03/17/2020    | 5,000,000.00  | 4,760,119.05  | 5,017,835.31  | 2.050       | 1.804   | A           | A2 01/09/2025  |
| 24422EVC0                | 17701        | JOHN DEERE        |                 | 03/24/2020    | 4,500,000.00  | 4,284,107.14  | 4,439,772.42  | 2.050       | 3.000   | A           | A2 01/09/2025  |
| 24422EVC0                | 17755        | JOHN DEERE        |                 | 12/10/2020    | 8,210,000.00  | 7,816,115.48  | 8,391,289.34  | 2.050       | 0.580   | A           | A2 01/09/2025  |
| 24422EVK2                | 17774        | JOHN DEERE        |                 | 01/20/2021    | 9,200,000.00  | 8,274,231.88  | 9,185,149.92  | 0.700       | 0.765   | A           | A2 01/15/2026  |
| 24422EVK2                | 17775        | JOHN DEERE        |                 | 01/20/2021    | 4,510,000.00  | 4,056,172.37  | 4,504,499.99  | 0.700       | 0.749   | A           | A2 01/15/2026  |
| 24422EVK2                | 17778        | JOHN DEERE        |                 | 01/21/2021    | 10,000,000.00 | 8,993,730.30  | 9,995,007.13  | 0.700       | 0.720   | A           | A2 01/15/2026  |
| 24422EVK2                | 17779        | JOHN DEERE        |                 | 01/21/2021    | 5,000,000.00  | 4,496,865.15  | 4,997,503.57  | 0.700       | 0.720   | A           | A2 01/15/2026  |
| 24422EVK2                | 17781        | JOHN DEERE        |                 | 01/22/2021    | 5,000,000.00  | 4,496,865.15  | 4,995,641.55  | 0.700       | 0.735   | A           | A2 01/15/2026  |
| 478160CN2                | 17784        | JOHNSON & JOHNSON |                 | 02/02/2021    | 5,000,000.00  | 4,568,932.50  | 5,000,000.00  | 0.550       | 0.550   | AAA         | Aaa 09/01/2025 |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
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| CUSIP                    | Investment # | Issuer              | Average Balance | Purchase Date | Par Value     | Market Value  | Book Value    | Stated Rate | YTM 365 | S&P Moody's | Maturity Date  |
|--------------------------|--------------|---------------------|-----------------|---------------|---------------|---------------|---------------|-------------|---------|-------------|----------------|
| <b>Medium Term Notes</b> |              |                     |                 |               |               |               |               |             |         |             |                |
| 478160CN2                | 17786        | JOHNSON & JOHNSON   |                 | 02/04/2021    | 5,000,000.00  | 4,568,932.50  | 5,000,000.00  | 0.550       | 0.550   | AAA         | Aaa 09/01/2025 |
| 478160CP7                | 17926        | JOHNSON & JOHNSON   |                 | 09/12/2022    | 5,000,000.00  | 4,369,835.00  | 4,492,423.14  | 0.950       | 3.635   | AAA         | Aaa 09/01/2027 |
| 478160CP7                | 17941        | JOHNSON & JOHNSON   |                 | 09/28/2022    | 5,000,000.00  | 4,369,835.00  | 4,350,423.01  | 0.950       | 4.457   | AAA         | Aaa 09/01/2027 |
| 478160CK8                | 17988        | JOHNSON & JOHNSON   |                 | 02/16/2023    | 5,000,000.00  | 4,702,659.25  | 4,726,171.25  | 2.900       | 4.313   | AAA         | Aaa 01/15/2028 |
| 478160CK8                | 17994        | JOHNSON & JOHNSON   |                 | 03/02/2023    | 5,000,000.00  | 4,702,659.25  | 4,689,171.09  | 2.900       | 4.535   | AAA         | Aaa 01/15/2028 |
| 478160CK8                | 18002        | JOHNSON & JOHNSON   |                 | 04/12/2023    | 5,000,000.00  | 4,702,659.25  | 4,850,847.04  | 2.900       | 3.794   | AAA         | Aaa 01/15/2028 |
| 478160CK8                | 18004        | JOHNSON & JOHNSON   |                 | 04/12/2023    | 5,000,000.00  | 4,702,659.25  | 4,853,327.13  | 2.900       | 3.782   | AAA         | Aaa 01/15/2028 |
| 478160CK8                | 18028        | JOHNSON & JOHNSON   |                 | 05/22/2023    | 10,000,000.00 | 9,405,318.50  | 9,677,299.52  | 2.900       | 3.933   | AAA         | Aaa 01/15/2028 |
| 478160CK8                | 18029        | JOHNSON & JOHNSON   |                 | 05/22/2023    | 10,000,000.00 | 9,405,318.50  | 9,673,695.54  | 2.900       | 3.942   | AAA         | Aaa 01/15/2028 |
| 46632FPH2                | 17590        | JP MORGAN           |                 | 08/14/2018    | 30,000,000.00 | 29,977,800.00 | 30,000,000.00 | 3.450       | 3.450   | A+          | Aa2 07/14/2023 |
| 46632FPT6                | 17627        | JP MORGAN           |                 | 03/06/2019    | 30,000,000.00 | 29,487,900.00 | 30,000,000.00 | 3.050       | 3.050   | A+          | Aa2 01/26/2024 |
| 46632FPX7                | 17634        | JP MORGAN           |                 | 05/15/2019    | 40,000,000.00 | 38,900,800.00 | 40,000,000.00 | 2.775       | 2.775   | A+          | Aa2 05/15/2024 |
| 46632FRT4                | 17756        | JP MORGAN           |                 | 12/14/2020    | 60,000,000.00 | 54,686,154.00 | 60,000,000.00 | 0.580       | 0.580   | A+          | Aa2 05/29/2025 |
| 46632FSV8                | 18027        | JP MORGAN           |                 | 05/25/2023    | 30,000,000.00 | 29,441,709.60 | 30,000,000.00 | 4.000       | 4.000   | A+          | Aa2 05/25/2028 |
| 594918BQ6                | 17616        | MICROSOFT           |                 | 02/07/2019    | 2,880,000.00  | 2,871,516.44  | 2,877,979.90  | 2.000       | 2.730   | AAA         | Aaa 08/08/2023 |
| 594918BQ6                | 17617        | MICROSOFT           |                 | 02/11/2019    | 20,000,000.00 | 19,941,086.40 | 19,986,609.52 | 2.000       | 2.696   | AAA         | Aaa 08/08/2023 |
| 594918BQ6                | 17624        | MICROSOFT           |                 | 03/04/2019    | 10,000,000.00 | 9,970,543.20  | 9,992,929.61  | 2.000       | 2.735   | AAA         | Aaa 08/08/2023 |
| 594918BQ6                | 17625        | MICROSOFT           |                 | 03/04/2019    | 5,000,000.00  | 4,985,271.60  | 4,996,468.98  | 2.000       | 2.734   | AAA         | Aaa 08/08/2023 |
| 594918BX1                | 17629        | MICROSOFT           |                 | 03/07/2019    | 10,000,000.00 | 9,849,254.70  | 10,000,000.00 | 2.875       | 2.875   | AAA         | Aaa 02/06/2024 |
| 594918BY9                | 17961        | MICROSOFT           |                 | 12/19/2022    | 10,000,000.00 | 9,614,094.80  | 9,745,180.23  | 3.300       | 4.076   | AAA         | Aaa 02/06/2027 |
| 742718FL8                | 17780        | PROCTER & GAMBLE    |                 | 01/22/2021    | 12,200,000.00 | 11,052,749.58 | 12,200,000.00 | 0.550       | 0.550   | AA-         | Aa3 10/29/2025 |
| 742718EV7                | 17942        | PROCTER & GAMBLE    |                 | 10/05/2022    | 10,000,000.00 | 9,365,162.50  | 9,434,616.27  | 2.850       | 4.391   | AA-         | Aa3 08/11/2027 |
| 89236TFS9                | 17612        | TOYOTA MOTOR CREDIT |                 | 01/09/2019    | 12,250,000.00 | 12,106,610.08 | 12,242,920.19 | 3.350       | 3.472   | A+          | A1 01/08/2024  |
| 89236TDK8                | 17628        | TOYOTA MOTOR CREDIT |                 | 03/07/2019    | 3,000,000.00  | 2,969,460.00  | 2,993,284.70  | 2.250       | 3.063   | A+          | A1 10/18/2023  |
| 89236TDK8                | 17636        | TOYOTA MOTOR CREDIT |                 | 05/30/2019    | 5,000,000.00  | 4,949,100.00  | 4,994,735.78  | 2.250       | 2.627   | A+          | A1 10/18/2023  |
| 89236TGM1                | 17653        | TOYOTA MOTOR CREDIT |                 | 10/15/2019    | 30,000,000.00 | 28,755,065.70 | 30,000,000.00 | 1.875       | 1.875   | A+          | A1 07/31/2024  |
| 89236TGL3                | 17664        | TOYOTA MOTOR CREDIT |                 | 11/12/2019    | 10,000,000.00 | 9,590,150.30  | 9,993,747.76  | 2.000       | 2.052   | A+          | A1 10/07/2024  |
| 89236TGL3                | 17682        | TOYOTA MOTOR CREDIT |                 | 01/13/2020    | 21,410,000.00 | 20,532,511.79 | 21,398,483.83 | 2.000       | 2.044   | A+          | A1 10/07/2024  |
| 89236THP3                | 17743        | TOYOTA MOTOR CREDIT |                 | 10/16/2020    | 7,000,000.00  | 6,339,331.53  | 6,994,674.17  | 0.800       | 0.834   | A+          | A1 10/16/2025  |
| 89236THW8                | 17767        | TOYOTA MOTOR CREDIT |                 | 01/11/2021    | 5,000,000.00  | 4,494,164.65  | 4,997,045.72  | 0.800       | 0.824   | A+          | A1 01/09/2026  |
| 89236THW8                | 17768        | TOYOTA MOTOR CREDIT |                 | 01/11/2021    | 5,000,000.00  | 4,494,164.65  | 4,998,257.73  | 0.800       | 0.814   | A+          | A1 01/09/2026  |
| 89236THW8                | 17769        | TOYOTA MOTOR CREDIT |                 | 01/11/2021    | 5,500,000.00  | 4,943,581.12  | 5,497,827.97  | 0.800       | 0.816   | A+          | A1 01/09/2026  |
| 89236THW8                | 17770        | TOYOTA MOTOR CREDIT |                 | 01/11/2021    | 5,270,000.00  | 4,736,849.54  | 5,268,049.21  | 0.800       | 0.815   | A+          | A1 01/09/2026  |
| 89236TJV8                | 17884        | TOYOTA MOTOR CREDIT |                 | 03/07/2022    | 11,581,000.00 | 10,454,085.20 | 11,442,126.70 | 1.900       | 2.260   | A+          | A1 01/13/2027  |
| 89236THG3                | 17940        | TOYOTA MOTOR CREDIT |                 | 09/28/2022    | 5,000,000.00  | 4,320,845.50  | 4,309,708.89  | 1.150       | 4.967   | A+          | A1 08/13/2027  |
| 89236TKL8                | 17950        | TOYOTA MOTOR CREDIT |                 | 11/10/2022    | 30,000,000.00 | 30,589,847.70 | 29,967,312.50 | 5.450       | 5.479   | A+          | A1 11/10/2027  |
| 89236TKQ7                | 17981        | TOYOTA MOTOR CREDIT |                 | 02/14/2023    | 20,000,000.00 | 19,818,803.80 | 20,046,982.29 | 4.625       | 4.668   | A+          | A1 01/12/2028  |
| 89236TKQ7                | 17991        | TOYOTA MOTOR CREDIT |                 | 02/17/2023    | 11,860,000.00 | 11,752,550.65 | 11,849,215.27 | 4.625       | 4.759   | A+          | A1 01/12/2028  |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                       | Investment # | Issuer              | Average Balance         | Purchase Date | Par Value               | Market Value            | Book Value              | Stated Rate | YTM 365      | S&P Moody's | Maturity Date  |
|-----------------------------|--------------|---------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|-------------|----------------|
| <b>Medium Term Notes</b>    |              |                     |                         |               |                         |                         |                         |             |              |             |                |
| 89236TKQ7                   | 17992        | TOYOTA MOTOR CREDIT |                         | 02/17/2023    | 5,000,000.00            | 4,954,700.95            | 4,998,086.95            | 4.625       | 4.746        | A+          | A1 01/12/2028  |
| 90331HNV1                   | 17586        | US BANK NA          |                         | 07/25/2018    | 10,000,000.00           | 9,986,470.10            | 9,999,836.35            | 3.400       | 3.428        | AA-         | A1 07/24/2023  |
| 90331HNV1                   | 17587        | US BANK NA          |                         | 07/25/2018    | 1,500,000.00            | 1,497,970.52            | 1,499,961.55            | 3.400       | 3.444        | AA-         | A1 07/24/2023  |
| 90331HNV1                   | 17588        | US BANK NA          |                         | 07/25/2018    | 1,250,000.00            | 1,248,308.76            | 1,249,974.43            | 3.400       | 3.435        | AA-         | A1 07/24/2023  |
| 90331HPL1                   | 17690        | US BANK NA          |                         | 02/28/2020    | 5,000,000.00            | 4,715,391.25            | 5,030,318.77            | 2.050       | 1.636        | AA-         | A1 01/21/2025  |
| 90331HPL1                   | 17691        | US BANK NA          |                         | 03/12/2020    | 5,000,000.00            | 4,715,391.25            | 5,035,490.68            | 2.050       | 1.574        | AA-         | A1 01/21/2025  |
| 90331HPL1                   | 17692        | US BANK NA          |                         | 03/12/2020    | 5,000,000.00            | 4,715,391.25            | 5,032,962.84            | 2.050       | 1.608        | AA-         | A1 01/21/2025  |
| 931142ER0                   | 17842        | WALMART             |                         | 09/17/2021    | 20,000,000.00           | 17,853,487.60           | 19,975,724.00           | 1.050       | 1.089        | AA          | Aa2 09/17/2026 |
| 931142ER0                   | 17846        | WALMART             |                         | 09/21/2021    | 10,000,000.00           | 8,926,743.80            | 10,000,000.00           | 1.050       | 1.050        | AA          | Aa2 09/17/2026 |
| 931142ER0                   | 17847        | WALMART             |                         | 09/21/2021    | 10,000,000.00           | 8,926,743.80            | 10,000,000.00           | 1.050       | 1.050        | AA          | Aa2 09/17/2026 |
| 931142ER0                   | 17849        | WALMART             |                         | 09/27/2021    | 10,000,000.00           | 8,926,743.80            | 10,000,000.00           | 1.050       | 1.050        | AA          | Aa2 09/17/2026 |
| 931142CH4                   | 17901        | WALMART             |                         | 07/18/2022    | 5,125,000.00            | 5,352,810.40            | 5,554,264.38            | 5.875       | 3.442        | AA          | Aa2 04/05/2027 |
| 931142EX7                   | 17923        | WALMART             |                         | 09/09/2022    | 7,000,000.00            | 6,864,023.11            | 6,987,332.80            | 3.950       | 3.998        | AA          | Aa2 09/09/2027 |
| 931142EX7                   | 17924        | WALMART             |                         | 09/09/2022    | 10,000,000.00           | 9,805,747.30            | 9,997,319.11            | 3.950       | 3.957        | AA          | Aa2 09/09/2027 |
| 931142EX7                   | 17931        | WALMART             |                         | 09/22/2022    | 10,000,000.00           | 9,805,747.30            | 9,890,997.00            | 3.950       | 4.241        | AA          | Aa2 09/09/2027 |
| 931142FB4                   | 18008        | WALMART             |                         | 04/18/2023    | 10,000,000.00           | 9,756,179.20            | 9,944,164.27            | 3.900       | 4.030        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18011        | WALMART             |                         | 04/19/2023    | 10,000,000.00           | 9,756,179.20            | 9,920,834.78            | 3.900       | 4.087        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18012        | WALMART             |                         | 04/19/2023    | 5,000,000.00            | 4,878,089.60            | 4,960,412.59            | 3.900       | 4.087        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18013        | WALMART             |                         | 04/19/2023    | 5,000,000.00            | 4,878,089.60            | 4,958,065.61            | 3.900       | 4.098        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18014        | WALMART             |                         | 04/19/2023    | 10,000,000.00           | 9,756,179.20            | 9,916,131.21            | 3.900       | 4.098        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18015        | WALMART             |                         | 04/19/2023    | 5,000,000.00            | 4,878,089.60            | 4,957,633.65            | 3.900       | 4.100        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18023        | WALMART             |                         | 05/17/2023    | 4,660,000.00            | 4,546,379.51            | 4,667,097.08            | 3.900       | 3.937        | AA          | Aa2 04/15/2028 |
| 931142FB4                   | 18024        | WALMART             |                         | 05/18/2023    | 5,000,000.00            | 4,878,089.60            | 4,999,078.30            | 3.900       | 3.979        | AA          | Aa2 04/15/2028 |
| 931142EE9                   | 18043        | WALMART             |                         | 06/26/2023    | 17,200,000.00           | 16,623,615.27           | 16,706,067.46           | 3.700       | 4.347        | AA          | Aa2 06/26/2028 |
| <b>Subtotal and Average</b> |              |                     | <b>1,313,324,033.82</b> |               | <b>1,356,632,000.00</b> | <b>1,277,575,054.67</b> | <b>1,331,741,196.66</b> |             | <b>2.779</b> |             |                |

|                       |       |                              |  |            |               |               |               |       |       |     |                |
|-----------------------|-------|------------------------------|--|------------|---------------|---------------|---------------|-------|-------|-----|----------------|
| <b>Treasury Notes</b> |       |                              |  |            |               |               |               |       |       |     |                |
| 911759MW5             | 17630 | US HOUSING AND URBAN DEVELOP |  | 03/28/2019 | 3,500,000.00  | 3,490,887.44  | 3,500,000.00  | 2.618 | 2.618 | AA+ | Aaa 08/01/2023 |
| 912828XT2             | 17677 | US TREASURY NOTE             |  | 12/18/2019 | 20,000,000.00 | 19,389,843.80 | 20,050,862.93 | 2.000 | 1.711 | AA+ | Aaa 05/31/2024 |
| 912828P46             | 17791 | US TREASURY NOTE             |  | 02/26/2021 | 30,000,000.00 | 27,795,703.20 | 30,650,826.45 | 1.625 | 0.782 | AA+ | Aaa 02/15/2026 |
| 91282CBH3             | 17795 | US TREASURY NOTE             |  | 03/08/2021 | 20,000,000.00 | 17,953,125.00 | 19,781,402.76 | 0.375 | 0.807 | AA+ | Aaa 01/31/2026 |
| 91282CBW0             | 17798 | US TREASURY NOTE             |  | 05/03/2021 | 20,000,000.00 | 18,005,468.80 | 19,933,088.49 | 0.750 | 0.871 | AA+ | Aaa 04/30/2026 |
| 91282CBW0             | 17800 | US TREASURY NOTE             |  | 05/12/2021 | 30,000,000.00 | 27,008,203.20 | 29,919,842.20 | 0.750 | 0.847 | AA+ | Aaa 04/30/2026 |
| 912828R36             | 17801 | US TREASURY NOTE             |  | 05/18/2021 | 30,000,000.00 | 27,669,140.70 | 30,667,583.05 | 1.625 | 0.832 | AA+ | Aaa 05/15/2026 |
| 912828R36             | 17802 | US TREASURY NOTE             |  | 05/19/2021 | 20,000,000.00 | 18,446,093.80 | 20,449,797.61 | 1.625 | 0.824 | AA+ | Aaa 05/15/2026 |
| 912828R36             | 17803 | US TREASURY NOTE             |  | 05/20/2021 | 20,000,000.00 | 18,446,093.80 | 20,424,842.12 | 1.625 | 0.868 | AA+ | Aaa 05/15/2026 |
| 91282CCF6             | 17805 | US TREASURY NOTE             |  | 06/16/2021 | 20,000,000.00 | 17,959,375.00 | 19,979,773.83 | 0.750 | 0.785 | AA+ | Aaa 05/31/2026 |
| 91282CCF6             | 17808 | US TREASURY NOTE             |  | 06/17/2021 | 40,000,000.00 | 35,918,750.00 | 39,902,492.74 | 0.750 | 0.835 | AA+ | Aaa 05/31/2026 |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                 | Investment # | Issuer           | Average Balance | Purchase Date | Par Value     | Market Value  | Book Value    | Stated Rate | YTM 365 | S&P Moody's | Maturity Date |
|-----------------------|--------------|------------------|-----------------|---------------|---------------|---------------|---------------|-------------|---------|-------------|---------------|
| <b>Treasury Notes</b> |              |                  |                 |               |               |               |               |             |         |             |               |
| 91282CCF6             | 17809        | US TREASURY NOTE |                 | 06/17/2021    | 40,000,000.00 | 35,918,750.00 | 39,885,934.91 | 0.750       | 0.850   | AA+ Aaa     | 05/31/2026    |
| 91282CCF6             | 17810        | US TREASURY NOTE |                 | 06/17/2021    | 20,000,000.00 | 17,959,375.00 | 19,915,371.06 | 0.750       | 0.899   | AA+ Aaa     | 05/31/2026    |
| 91282CCJ8             | 17823        | US TREASURY NOTE |                 | 06/30/2021    | 30,000,000.00 | 27,023,437.50 | 29,925,520.81 | 0.875       | 0.960   | AA+ Aaa     | 06/30/2026    |
| 91282CCJ8             | 17824        | US TREASURY NOTE |                 | 06/30/2021    | 30,000,000.00 | 27,023,437.50 | 29,978,059.04 | 0.875       | 0.900   | AA+ Aaa     | 06/30/2026    |
| 91282CCJ8             | 17827        | US TREASURY NOTE |                 | 06/30/2021    | 30,000,000.00 | 27,023,437.50 | 29,947,997.24 | 0.875       | 0.934   | AA+ Aaa     | 06/30/2026    |
| 91282CCW9             | 17836        | US TREASURY NOTE |                 | 08/31/2021    | 50,000,000.00 | 44,582,031.00 | 49,937,992.47 | 0.750       | 0.790   | AA+ Aaa     | 08/31/2026    |
| 91282CCP4             | 17838        | US TREASURY NOTE |                 | 08/26/2021    | 50,000,000.00 | 44,533,203.00 | 49,701,883.68 | 0.625       | 0.823   | AA+ Aaa     | 07/31/2026    |
| 91282CCP4             | 17839        | US TREASURY NOTE |                 | 09/07/2021    | 50,000,000.00 | 44,533,203.00 | 49,768,762.23 | 0.625       | 0.778   | AA+ Aaa     | 07/31/2026    |
| 91282CCP4             | 17840        | US TREASURY NOTE |                 | 09/08/2021    | 25,000,000.00 | 22,266,601.50 | 24,864,625.59 | 0.625       | 0.804   | AA+ Aaa     | 07/31/2026    |
| 91282CCW9             | 17843        | US TREASURY NOTE |                 | 09/13/2021    | 20,000,000.00 | 17,832,812.40 | 19,958,120.17 | 0.750       | 0.818   | AA+ Aaa     | 08/31/2026    |
| 91282CCW9             | 17844        | US TREASURY NOTE |                 | 09/17/2021    | 20,000,000.00 | 17,832,812.40 | 19,949,033.48 | 0.750       | 0.832   | AA+ Aaa     | 08/31/2026    |
| 91282CCZ2             | 17850        | US TREASURY NOTE |                 | 09/30/2021    | 20,000,000.00 | 17,889,062.40 | 19,965,144.06 | 0.875       | 0.930   | AA+ Aaa     | 09/30/2026    |
| 91282CCZ2             | 17851        | US TREASURY NOTE |                 | 09/30/2021    | 30,000,000.00 | 26,833,593.60 | 29,846,119.85 | 0.875       | 1.037   | AA+ Aaa     | 09/30/2026    |
| 91282CCZ2             | 17852        | US TREASURY NOTE |                 | 09/30/2021    | 30,000,000.00 | 26,833,593.60 | 29,881,161.86 | 0.875       | 1.000   | AA+ Aaa     | 09/30/2026    |
| 91282CCW9             | 17853        | US TREASURY NOTE |                 | 10/12/2021    | 20,000,000.00 | 17,832,812.40 | 19,829,250.89 | 0.750       | 1.027   | AA+ Aaa     | 08/31/2026    |
| 91282CCP4             | 17854        | US TREASURY NOTE |                 | 10/19/2021    | 20,000,000.00 | 17,813,281.20 | 19,687,121.46 | 0.625       | 1.148   | AA+ Aaa     | 07/31/2026    |
| 91282CCP4             | 17855        | US TREASURY NOTE |                 | 10/25/2021    | 20,000,000.00 | 17,813,281.20 | 19,649,136.14 | 0.625       | 1.212   | AA+ Aaa     | 07/31/2026    |
| 91282CCP4             | 17856        | US TREASURY NOTE |                 | 10/28/2021    | 5,000,000.00  | 4,453,320.30  | 4,924,540.34  | 0.625       | 1.129   | AA+ Aaa     | 07/31/2026    |
| 91282CDG3             | 17859        | US TREASURY NOTE |                 | 11/01/2021    | 30,000,000.00 | 26,966,015.70 | 29,914,814.15 | 1.125       | 1.213   | AA+ Aaa     | 10/31/2026    |
| 91282CDG3             | 17860        | US TREASURY NOTE |                 | 11/01/2021    | 20,000,000.00 | 17,977,343.80 | 19,936,129.82 | 1.125       | 1.224   | AA+ Aaa     | 10/31/2026    |
| 91282CDG3             | 17861        | US TREASURY NOTE |                 | 11/01/2021    | 50,000,000.00 | 44,943,359.50 | 49,870,952.49 | 1.125       | 1.205   | AA+ Aaa     | 10/31/2026    |
| 91282CCP4             | 17862        | US TREASURY NOTE |                 | 11/01/2021    | 20,000,000.00 | 17,813,281.20 | 19,667,008.08 | 0.625       | 1.182   | AA+ Aaa     | 07/31/2026    |
| 91282CDG3             | 17864        | US TREASURY NOTE |                 | 11/23/2021    | 20,000,000.00 | 17,977,343.80 | 19,880,724.83 | 1.125       | 1.310   | AA+ Aaa     | 10/31/2026    |
| 91282CCP4             | 17867        | US TREASURY NOTE |                 | 12/21/2021    | 50,000,000.00 | 44,533,203.00 | 49,218,578.25 | 0.625       | 1.146   | AA+ Aaa     | 07/31/2026    |
| 91282CDQ1             | 17870        | US TREASURY NOTE |                 | 12/31/2021    | 50,000,000.00 | 44,986,328.00 | 49,983,080.92 | 1.250       | 1.260   | AA+ Aaa     | 12/31/2026    |
| 91282CDQ1             | 17873        | US TREASURY NOTE |                 | 01/06/2022    | 30,000,000.00 | 26,991,796.80 | 29,855,058.38 | 1.250       | 1.393   | AA+ Aaa     | 12/31/2026    |
| 91282CDQ1             | 17874        | US TREASURY NOTE |                 | 01/07/2022    | 30,000,000.00 | 26,991,796.80 | 29,775,876.17 | 1.250       | 1.472   | AA+ Aaa     | 12/31/2026    |
| 91282CDG3             | 17875        | US TREASURY NOTE |                 | 01/10/2022    | 30,000,000.00 | 26,966,015.70 | 29,634,014.42 | 1.125       | 1.506   | AA+ Aaa     | 10/31/2026    |
| 91282CDG3             | 17877        | US TREASURY NOTE |                 | 01/19/2022    | 30,000,000.00 | 26,966,015.70 | 29,511,138.85 | 1.125       | 1.635   | AA+ Aaa     | 10/31/2026    |
| 912828Z78             | 17878        | US TREASURY NOTE |                 | 01/31/2022    | 50,000,000.00 | 45,277,344.00 | 49,778,669.19 | 1.500       | 1.629   | AA+ Aaa     | 01/31/2027    |
| 912828Z78             | 17883        | US TREASURY NOTE |                 | 02/28/2022    | 20,000,000.00 | 18,110,937.60 | 19,716,534.00 | 1.500       | 1.916   | AA+ Aaa     | 01/31/2027    |
| 912828X88             | 17897        | US TREASURY NOTE |                 | 06/22/2022    | 50,000,000.00 | 46,546,875.00 | 48,171,210.85 | 2.375       | 3.408   | AA+ Aaa     | 05/15/2027    |
| 912828X88             | 17898        | US TREASURY NOTE |                 | 06/22/2022    | 50,000,000.00 | 46,546,875.00 | 48,171,210.85 | 2.375       | 3.408   | AA+ Aaa     | 05/15/2027    |
| 91282CFB2             | 17922        | US TREASURY NOTE |                 | 09/07/2022    | 50,000,000.00 | 47,119,140.50 | 48,664,468.85 | 2.750       | 3.466   | AA+ Aaa     | 07/31/2027    |
| 91282CFB2             | 17928        | US TREASURY NOTE |                 | 09/14/2022    | 30,000,000.00 | 28,271,484.30 | 29,026,789.72 | 2.750       | 3.623   | AA+ Aaa     | 07/31/2027    |
| 91282CFB2             | 17934        | US TREASURY NOTE |                 | 09/26/2022    | 30,000,000.00 | 28,271,484.30 | 28,591,520.19 | 2.750       | 4.026   | AA+ Aaa     | 07/31/2027    |
| 912828X88             | 17954        | US TREASURY NOTE |                 | 11/22/2022    | 50,000,000.00 | 46,546,875.00 | 47,054,166.67 | 2.375       | 4.053   | AA+ Aaa     | 05/15/2027    |
| 912828ZV5             | 17960        | US TREASURY NOTE |                 | 12/13/2022    | 30,000,000.00 | 25,858,593.60 | 26,320,453.69 | 0.500       | 3.873   | AA+ Aaa     | 06/30/2027    |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                                | Investment # | Issuer                       | Average Balance         | Purchase Date | Par Value               | Market Value            | Book Value              | Stated Rate | YTM 365      | S&P Moody's | Maturity Date |
|--------------------------------------|--------------|------------------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|-------------|---------------|
| <b>Treasury Notes</b>                |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| 91282CEW7                            | 17963        | US TREASURY NOTE             |                         | 12/23/2022    | 30,000,000.00           | 28,843,359.30           | 29,361,250.00           | 3.250       | 3.835        | AA+ Aaa     | 06/30/2027    |
| 912810FA1                            | 17964        | US TREASURY NOTE             |                         | 12/23/2022    | 25,000,000.00           | 26,930,664.00           | 27,379,486.66           | 6.375       | 3.833        | AA+ Aaa     | 08/15/2027    |
| 912810FA1                            | 17965        | US TREASURY NOTE             |                         | 12/23/2022    | 25,000,000.00           | 26,930,664.00           | 27,379,486.66           | 6.375       | 3.833        | AA+ Aaa     | 08/15/2027    |
| 912810FA1                            | 17966        | US TREASURY NOTE             |                         | 12/23/2022    | 30,000,000.00           | 32,316,796.80           | 32,867,871.09           | 6.375       | 3.823        | AA+ Aaa     | 08/15/2027    |
| 91282CFB2                            | 17967        | US TREASURY NOTE             |                         | 12/27/2022    | 30,000,000.00           | 28,271,484.30           | 28,712,212.10           | 2.750       | 3.908        | AA+ Aaa     | 07/31/2027    |
| 91282CFB2                            | 17968        | US TREASURY NOTE             |                         | 12/28/2022    | 50,000,000.00           | 47,119,140.50           | 47,737,728.87           | 2.750       | 3.972        | AA+ Aaa     | 07/31/2027    |
| 91282CFB2                            | 17969        | US TREASURY NOTE             |                         | 12/28/2022    | 50,000,000.00           | 47,119,140.50           | 47,689,077.88           | 2.750       | 3.999        | AA+ Aaa     | 07/31/2027    |
| 91282CAU5                            | 17970        | US TREASURY NOTE             |                         | 12/29/2022    | 30,000,000.00           | 25,597,265.70           | 25,901,400.68           | 0.500       | 3.999        | AA+ Aaa     | 10/31/2027    |
| 91282CFU0                            | 17997        | US TREASURY NOTE             |                         | 03/03/2023    | 30,000,000.00           | 29,831,250.00           | 29,679,745.76           | 4.125       | 4.399        | AA+ Aaa     | 10/31/2027    |
| 9128283W8                            | 18009        | US TREASURY NOTE             |                         | 04/17/2023    | 20,000,000.00           | 18,788,281.20           | 19,368,564.83           | 2.750       | 3.609        | AA+ Aaa     | 02/15/2028    |
| <b>Subtotal and Average</b>          |              |                              | <b>1,781,475,026.21</b> |               | <b>1,803,500,000.00</b> | <b>1,655,490,885.84</b> | <b>1,781,695,512.36</b> |             | <b>1.984</b> |             |               |
| <b>Certificates of Deposit</b>       |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| SYS16602                             | 16602        | BANK OF THE WEST             |                         | 08/24/2022    | 10,000,000.00           | 10,000,000.00           | 10,000,000.00           | 3.230       | 3.230        |             | 08/24/2024    |
| <b>Subtotal and Average</b>          |              |                              | <b>10,000,000.00</b>    |               | <b>10,000,000.00</b>    | <b>10,000,000.00</b>    | <b>10,000,000.00</b>    |             | <b>3.230</b> |             |               |
| <b>Mutual Funds</b>                  |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| SYS16455                             | 16455        | BLACKROCK T-FUND INST        |                         | 07/01/2022    | 0.00                    | 0.00                    | 0.00                    | 2.858       | 2.858        | AAA Aaa     |               |
| SYS16450                             | 16450        | BLACKROCK LIQUIDITY FED FUND |                         | 07/01/2022    | 0.00                    | 0.00                    | 0.00                    | 0.040       | 0.040        | AAA Aaa     |               |
| SYS02642                             | 02642        | FIDELITY 2642                |                         |               | 830,000,000.00          | 830,000,000.00          | 830,000,000.00          | 5.040       | 5.040        | AAA Aaa     |               |
| SYS15497                             | 15497        | FIDELITY 2644                |                         | 07/01/2022    | 195,000,000.00          | 195,000,000.00          | 195,000,000.00          | 5.030       | 5.030        | AAA Aaa     |               |
| <b>Subtotal and Average</b>          |              |                              | <b>897,333,333.33</b>   |               | <b>1,025,000,000.00</b> | <b>1,025,000,000.00</b> | <b>1,025,000,000.00</b> |             | <b>5.038</b> |             |               |
| <b>Local Agency Investment Funds</b> |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| SYS05291                             | 05291        | LAIF                         |                         |               | 5,000,000.00            | 5,000,000.00            | 5,000,000.00            | 3.167       | 3.167        |             |               |
| <b>Subtotal and Average</b>          |              |                              | <b>5,000,000.00</b>     |               | <b>5,000,000.00</b>     | <b>5,000,000.00</b>     | <b>5,000,000.00</b>     |             | <b>3.167</b> |             |               |
| <b>Treasury Bills</b>                |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| <b>Subtotal and Average</b>          |              |                              | <b>43,291,271.06</b>    |               |                         |                         |                         |             |              |             |               |
| <b>Bank Money Market Accounts</b>    |              |                              |                         |               |                         |                         |                         |             |              |             |               |
| SYS16800                             | 16800        | BANK OF THE WEST MM          |                         |               | 200,000,000.00          | 200,000,000.00          | 200,000,000.00          | 4.530       | 4.530        |             |               |
| SYS16900                             | 16900        | CENTRAL VALLEY COMM. BANK MM |                         |               | 50,000,000.00           | 50,000,000.00           | 50,000,000.00           | 4.850       | 4.850        |             |               |
| SYS16500                             | 16500        | UNION BANK MM                |                         | 07/01/2022    | 0.00                    | 0.00                    | 0.00                    | 0.030       | 0.030        |             |               |
| SYS16950                             | 16950        | UNITED SECURITY BANK MM      |                         |               | 0.00                    | 0.00                    | 0.00                    |             | 0.000        |             |               |
| <b>Subtotal and Average</b>          |              |                              | <b>250,000,000.00</b>   |               | <b>250,000,000.00</b>   | <b>250,000,000.00</b>   | <b>250,000,000.00</b>   |             | <b>4.594</b> |             |               |

**Month End Reporting  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2023**

| CUSIP                       | Investment # | Issuer              | Average Balance         | Purchase Date | Par Value               | Market Value            | Book Value              | Stated Rate | YTM 365      | S&P Moody's | Maturity Date |
|-----------------------------|--------------|---------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|-------------|---------------|
| <b>Municipal Bonds</b>      |              |                     |                         |               |                         |                         |                         |             |              |             |               |
| 13063DRK6                   | 17657        | STATE OF CALIFORNIA |                         | 10/24/2019    | 50,000,000.00           | 48,087,500.00           | 50,290,841.31           | 2.400       | 1.910        | AA- Aa2     | 10/01/2024    |
| 13063DLZ9                   | 17742        | STATE OF CALIFORNIA |                         | 10/15/2020    | 22,790,000.00           | 22,345,367.10           | 23,217,175.32           | 3.000       | 0.477        | AA- Aa2     | 04/01/2024    |
| 13063DYW2                   | 17744        | STATE OF CALIFORNIA |                         | 11/03/2020    | 50,685,000.00           | 48,214,106.25           | 53,353,421.48           | 3.000       | 0.700        | AA- Aa2     | 11/01/2025    |
| 13063DGB8                   | 17766        | STATE OF CALIFORNIA |                         | 01/11/2021    | 7,500,000.00            | 7,255,800.00            | 7,852,882.89            | 3.375       | 0.645        | AA- Aa2     | 04/01/2025    |
| 13063DK31                   | 17863        | STATE OF CALIFORNIA |                         | 11/17/2021    | 16,635,000.00           | 14,796,333.45           | 16,655,861.09           | 1.250       | 1.210        | AA- Aa2     | 10/01/2026    |
| 13063DMA3                   | 17866        | STATE OF CALIFORNIA |                         | 12/17/2021    | 10,000,000.00           | 9,401,500.00            | 10,362,080.96           | 2.650       | 1.292        | AA- Aa2     | 04/01/2026    |
| 13063DRD2                   | 17871        | STATE OF CALIFORNIA |                         | 01/05/2022    | 7,840,000.00            | 7,256,312.00            | 8,060,609.60            | 2.375       | 1.475        | AA- Aa2     | 10/01/2026    |
| 13063DRD2                   | 17881        | STATE OF CALIFORNIA |                         | 02/01/2022    | 16,175,000.00           | 14,970,771.25           | 16,484,442.19           | 2.375       | 1.759        | AA- Aa2     | 10/01/2026    |
| 13063DRD2                   | 17892        | STATE OF CALIFORNIA |                         | 03/11/2022    | 15,000,000.00           | 13,883,250.00           | 15,114,075.00           | 2.375       | 2.128        | AA- Aa2     | 10/01/2026    |
| 13063D2U1                   | 17953        | STATE OF CALIFORNIA |                         | 11/17/2022    | 58,115,000.00           | 59,011,133.30           | 59,048,262.62           | 5.250       | 4.823        | AA- Aa2     | 10/01/2027    |
| 13063D3A4                   | 17980        | STATE OF CALIFORNIA |                         | 02/14/2023    | 8,710,000.00            | 8,892,822.90            | 9,059,462.26            | 5.700       | 4.350        | AA- Aa2     | 10/01/2026    |
| 13063D3N6                   | 18000        | STATE OF CALIFORNIA |                         | 03/15/2023    | 22,000,000.00           | 21,947,860.00           | 22,000,000.00           | 4.846       | 4.847        | AA- Aa2     | 03/01/2027    |
| 13063DGC6                   | 18016        | STATE OF CALIFORNIA |                         | 04/25/2023    | 5,000,000.00            | 4,746,300.00            | 4,844,036.60            | 3.500       | 4.290        | AA- Aa2     | 04/01/2028    |
| <b>Subtotal and Average</b> |              |                     | <b>296,454,946.40</b>   |               | <b>290,450,000.00</b>   | <b>280,809,056.25</b>   | <b>296,343,151.32</b>   |             | <b>2.388</b> |             |               |
| <b>Total and Average</b>    |              |                     | <b>7,353,993,132.64</b> |               | <b>7,607,674,750.46</b> | <b>7,221,872,873.96</b> | <b>7,565,068,380.17</b> |             | <b>2.640</b> |             |               |

**County of Fresno**  
**Inventory by Maturity Report**  
**June 30, 2023**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer                | Purchase Date | Book Value     | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value      | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|-----------------------|---------------|----------------|--------------|---------------|-----------------|------------|----------------|-------|-------|------------------|
|           |              |       |           |                       |               |                |              |               |                 |            |                | 360   | 365   |                  |
| SYS02642  | 02642        | TREAS | LA1       | FIDELITY 2642         | 07/01/2022    | 830,000,000.00 | 5.040        |               | 830,000,000.00  | 1          | 830,000,000.00 | 4.971 | 5.040 | 1                |
| SYS03400A | 03400A       | TREAS | PA1       | BANK OF THE WEST      | 07/01/2022    | 53,137,750.46  | 1.480        |               | 53,137,750.46   | 1          | 53,137,750.46  | 1.460 | 1.480 | 1                |
| SYS05291  | 05291        | TREAS | LA5       | LAIF                  | 07/01/2022    | 5,000,000.00   | 3.167        |               | 5,000,000.00    | 1          | 5,000,000.00   | 3.124 | 3.167 | 1                |
| SYS15497  | 15497        | TREAS | LA1       | FIDELITY 2644         | 07/01/2022    | 195,000,000.00 | 5.030        |               | 195,000,000.00  | 1          | 195,000,000.00 | 4.961 | 5.030 | 1                |
| SYS16450  | 16450        | TREAS | LA1       | BLACKROCK LIQUIDITY   | 07/01/2022    | 0.00           | 0.040        |               | 0.00            | 1          | 0.00           | 0.039 | 0.040 | 1                |
| SYS16455  | 16455        | TREAS | LA1       | BLACKROCK T-FUND INST | 07/01/2022    | 0.00           | 2.858        |               | 0.00            | 1          | 0.00           | 2.819 | 2.858 | 1                |
| SYS16500  | 16500        | TREAS | LA3       | UNION BANK MM         | 07/01/2022    | 0.00           | 0.030        |               | 0.00            | 1          | 0.00           | 0.030 | 0.030 | 1                |
| SYS16800  | 16800        | TREAS | LA3       | BANK OF THE WEST MM   | 07/01/2022    | 200,000,000.00 | 4.530        |               | 200,000,000.00  | 1          | 200,000,000.00 | 4.468 | 4.530 | 1                |
| SYS16900  | 16900        | TREAS | LA3       | CENTRAL VALLEY COMM.  | 07/01/2022    | 50,000,000.00  | 4.850        |               | 50,000,000.00   | 1          | 50,000,000.00  | 4.784 | 4.850 | 1                |
| SYS16950  | 16950        | TREAS | LA3       | UNITED SECURITY BANK  | 07/01/2022    | 0.00           |              |               | 0.00            | 1          | 0.00           |       |       | 1                |
| 46632FPH2 | 17590        | TREAS | MTN       | JP MORGAN             | 08/14/2018    | 30,000,000.00  | 3.450        | 07/14/2023    | 30,000,000.00   | 1,795      | 30,000,000.00  | 3.403 | 3.450 | 13               |
| 3133EJUS6 | 17584        | TREAS | FAC       | FEDERAL FARM CREDIT   | 07/17/2018    | 19,999,976.89  | 2.875        | 07/17/2023    | 20,000,000.00   | 1,826      | 20,000,000.00  | 2.838 | 2.878 | 16               |
| 3133EJUS6 | 17589        | TREAS | FAC       | FEDERAL FARM CREDIT   | 07/25/2018    | 29,999,140.18  | 2.875        | 07/17/2023    | 30,000,000.00   | 1,818      | 30,000,000.00  | 2.904 | 2.945 | 16               |
| 3133EJUS6 | 17593        | TREAS | FAC       | FEDERAL FARM CREDIT   | 09/19/2018    | 9,999,364.97   | 2.875        | 07/17/2023    | 10,000,000.00   | 1,762      | 10,000,000.00  | 2.988 | 3.029 | 16               |
| 3133EJUS6 | 17607        | TREAS | FAC       | FEDERAL FARM CREDIT   | 12/20/2018    | 2,910,122.01   | 2.875        | 07/17/2023    | 2,910,000.00    | 1,670      | 2,910,000.00   | 2.736 | 2.774 | 16               |
| 3133EJUS6 | 17615        | TREAS | FAC       | FEDERAL FARM CREDIT   | 01/18/2019    | 20,001,630.64  | 2.875        | 07/17/2023    | 20,000,000.00   | 1,641      | 20,000,000.00  | 2.642 | 2.679 | 16               |
| 90331HNV1 | 17586        | TREAS | MTN       | US BANK NA            | 07/25/2018    | 9,999,836.35   | 3.400        | 07/24/2023    | 10,000,000.00   | 1,825      | 10,000,000.00  | 3.381 | 3.428 | 23               |
| 90331HNV1 | 17587        | TREAS | MTN       | US BANK NA            | 07/25/2018    | 1,499,961.55   | 3.400        | 07/24/2023    | 1,500,000.00    | 1,825      | 1,500,000.00   | 3.397 | 3.444 | 23               |
| 90331HNV1 | 17588        | TREAS | MTN       | US BANK NA            | 07/25/2018    | 1,249,974.43   | 3.400        | 07/24/2023    | 1,250,000.00    | 1,825      | 1,250,000.00   | 3.388 | 3.435 | 23               |
| 3133EJK57 | 17606        | TREAS | FAC       | FEDERAL FARM CREDIT   | 12/20/2018    | 17,003,089.94  | 3.080        | 07/24/2023    | 17,000,000.00   | 1,677      | 17,000,000.00  | 2.737 | 2.775 | 23               |
| 3130AFBD8 | 17608        | TREAS | FAC       | FEDERAL HOME LOAN     | 12/20/2018    | 12,502,732.27  | 3.125        | 07/25/2023    | 12,500,000.00   | 1,678      | 12,500,000.00  | 2.736 | 2.774 | 24               |
| 3133EJ4G1 | 17610        | TREAS | FAC       | FEDERAL FARM CREDIT   | 12/28/2018    | 64,999,221.42  | 2.770        | 07/28/2023    | 65,000,000.00   | 1,673      | 65,000,000.00  | 2.749 | 2.787 | 27               |
| 911759MW5 | 17630        | TREAS | TRC       | US HOUSING AND URBAN  | 03/28/2019    | 3,500,000.00   | 2.618        | 08/01/2023    | 3,500,000.00    | 1,587      | 3,500,000.00   | 2.583 | 2.618 | 31               |
| 594918BQ6 | 17616        | TREAS | MTN       | MICROSOFT             | 02/07/2019    | 2,877,979.90   | 2.000        | 08/08/2023    | 2,880,000.00    | 1,643      | 2,880,000.00   | 2.693 | 2.730 | 38               |
| 594918BQ6 | 17617        | TREAS | MTN       | MICROSOFT             | 02/11/2019    | 19,986,609.52  | 2.000        | 08/08/2023    | 20,000,000.00   | 1,639      | 20,000,000.00  | 2.659 | 2.696 | 38               |
| 594918BQ6 | 17624        | TREAS | MTN       | MICROSOFT             | 03/04/2019    | 9,992,929.61   | 2.000        | 08/08/2023    | 10,000,000.00   | 1,618      | 10,000,000.00  | 2.698 | 2.735 | 38               |
| 594918BQ6 | 17625        | TREAS | MTN       | MICROSOFT             | 03/04/2019    | 4,996,468.98   | 2.000        | 08/08/2023    | 5,000,000.00    | 1,618      | 5,000,000.00   | 2.697 | 2.734 | 38               |
| 3130AFRW9 | 17621        | TREAS | FAC       | FEDERAL HOME LOAN     | 02/28/2019    | 20,003,744.41  | 2.700        | 08/28/2023    | 20,000,000.00   | 1,642      | 20,000,000.00  | 2.539 | 2.574 | 58               |
| 3130AFRW9 | 17623        | TREAS | FAC       | FEDERAL HOME LOAN     | 03/01/2019    | 20,002,802.41  | 2.700        | 08/28/2023    | 20,000,000.00   | 1,641      | 20,000,000.00  | 2.570 | 2.606 | 58               |
| 3135GQU43 | 17631        | TREAS | FAC       | FEDERAL NATIONAL      | 03/27/2019    | 20,023,520.69  | 2.875        | 09/12/2023    | 20,000,000.00   | 1,630      | 20,000,000.00  | 2.214 | 2.245 | 73               |
| 89236TDK8 | 17628        | TREAS | MTN       | TOYOTA MOTOR CREDIT   | 03/07/2019    | 2,993,284.70   | 2.250        | 10/18/2023    | 3,000,000.00    | 1,686      | 3,000,000.00   | 3.021 | 3.063 | 109              |
| 89236TDK8 | 17636        | TREAS | MTN       | TOYOTA MOTOR CREDIT   | 05/30/2019    | 4,994,735.78   | 2.250        | 10/18/2023    | 5,000,000.00    | 1,602      | 5,000,000.00   | 2.591 | 2.627 | 109              |
| 3133EJ5W5 | 17618        | TREAS | FAC       | FEDERAL FARM CREDIT   | 02/26/2019    | 2,945,577.07   | 2.650        | 10/23/2023    | 2,945,000.00    | 1,700      | 2,945,000.00   | 2.548 | 2.583 | 114              |
| 3130AFQL4 | 17614        | TREAS | FAC       | FEDERAL HOME LOAN     | 01/18/2019    | 9,998,243.47   | 2.640        | 10/27/2023    | 10,000,000.00   | 1,743      | 10,000,000.00  | 2.662 | 2.699 | 118              |
| 3130AFQL4 | 17619        | TREAS | FAC       | FEDERAL HOME LOAN     | 02/26/2019    | 4,905,846.19   | 2.640        | 10/27/2023    | 4,905,000.00    | 1,704      | 4,905,000.00   | 2.548 | 2.583 | 118              |
| 3130A0F70 | 17613        | TREAS | FAC       | FEDERAL HOME LOAN     | 01/18/2019    | 10,026,154.77  | 3.375        | 12/08/2023    | 10,000,000.00   | 1,785      | 10,000,000.00  | 2.692 | 2.730 | 160              |



**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value     | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|---------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |               | 360   | 365   |                  |
| 3130A0F70 | 17632        | TREAS | FAC       | FEDERAL HOME LOAN   | 04/04/2019    | 11,246,022.26 | 3.375        | 12/08/2023    | 11,200,000.00   | 1,709      | 11,200,000.00 | 2.341 | 2.373 | 160              |
| 89236TFS9 | 17612        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/09/2019    | 12,242,920.19 | 3.350        | 01/08/2024    | 12,250,000.00   | 1,825      | 12,250,000.00 | 3.425 | 3.472 | 191              |
| 24422EUR8 | 17665        | TREAS | MTN       | JOHN DEERE          | 11/26/2019    | 5,035,730.42  | 3.450        | 01/10/2024    | 5,000,000.00    | 1,506      | 5,000,000.00  | 1.996 | 2.024 | 193              |
| 24422EUR8 | 17672        | TREAS | MTN       | JOHN DEERE          | 12/12/2019    | 3,329,618.55  | 3.450        | 01/10/2024    | 3,306,000.00    | 1,490      | 3,306,000.00  | 1.997 | 2.025 | 193              |
| 24422EUR8 | 17678        | TREAS | MTN       | JOHN DEERE          | 12/27/2019    | 6,457,444.87  | 3.450        | 01/10/2024    | 6,413,000.00    | 1,475      | 6,413,000.00  | 2.039 | 2.067 | 193              |
| 17325FAS7 | 17702        | TREAS | MTN       | CITIBANK            | 03/24/2020    | 4,981,677.91  | 3.650        | 01/23/2024    | 5,000,000.00    | 1,400      | 5,000,000.00  | 4.305 | 4.365 | 206              |
| 46632FPT6 | 17627        | TREAS | MTN       | JP MORGAN           | 03/06/2019    | 30,000,000.00 | 3.050        | 01/26/2024    | 30,000,000.00   | 1,787      | 30,000,000.00 | 3.009 | 3.050 | 209              |
| 3130AGA88 | 17633        | TREAS | FAC       | FEDERAL HOME LOAN   | 04/05/2019    | 49,995,471.74 | 2.320        | 01/29/2024    | 50,000,000.00   | 1,760      | 50,000,000.00 | 2.305 | 2.337 | 212              |
| 594918BX1 | 17629        | TREAS | MTN       | MICROSOFT           | 03/07/2019    | 10,000,000.00 | 2.875        | 02/06/2024    | 10,000,000.00   | 1,797      | 10,000,000.00 | 2.835 | 2.875 | 220              |
| 3133EKBW5 | 17620        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/28/2019    | 20,002,419.03 | 2.610        | 02/27/2024    | 20,000,000.00   | 1,825      | 20,000,000.00 | 2.555 | 2.590 | 241              |
| 3133EKBW5 | 17622        | TREAS | FAC       | FEDERAL FARM CREDIT | 03/01/2019    | 19,997,897.55 | 2.610        | 02/27/2024    | 20,000,000.00   | 1,824      | 20,000,000.00 | 2.591 | 2.627 | 241              |
| 3133ELCS1 | 17666        | TREAS | FAC       | FEDERAL FARM CREDIT | 12/11/2019    | 19,990,000.00 | 1.550        | 03/11/2024    | 20,000,000.00   | 1,552      | 20,000,000.00 | 1.603 | 1.625 | 254              |
| 3133ELCS1 | 17667        | TREAS | FAC       | FEDERAL FARM CREDIT | 12/11/2019    | 24,986,928.10 | 1.550        | 03/11/2024    | 25,000,000.00   | 1,552      | 25,000,000.00 | 1.606 | 1.628 | 254              |
| 13063DLZ9 | 17742        | TREAS | MUN       | STATE OF CALIFORNIA | 10/15/2020    | 23,217,175.32 | 3.000        | 04/01/2024    | 22,790,000.00   | 1,264      | 22,790,000.00 | 0.470 | 0.477 | 275              |
| 46632FPX7 | 17634        | TREAS | MTN       | JP MORGAN           | 05/15/2019    | 40,000,000.00 | 2.775        | 05/15/2024    | 40,000,000.00   | 1,827      | 40,000,000.00 | 2.737 | 2.775 | 319              |
| 3133ELEM2 | 17674        | TREAS | FAC       | FEDERAL FARM CREDIT | 12/17/2019    | 25,000,000.00 | 1.700        | 05/17/2024    | 25,000,000.00   | 1,613      | 25,000,000.00 | 1.677 | 1.700 | 321              |
| 912828XT2 | 17677        | TREAS | TRC       | US TREASURY NOTE    | 12/18/2019    | 20,050,862.93 | 2.000        | 05/31/2024    | 20,000,000.00   | 1,626      | 20,000,000.00 | 1.688 | 1.711 | 335              |
| 24422ETT6 | 17650        | TREAS | MTN       | JOHN DEERE          | 09/19/2019    | 7,086,017.80  | 2.650        | 06/24/2024    | 7,059,000.00    | 1,740      | 7,059,000.00  | 2.205 | 2.236 | 359              |
| 3135G0V75 | 17652        | TREAS | FAC       | FEDERAL NATIONAL    | 09/26/2019    | 35,040,062.37 | 1.750        | 07/02/2024    | 35,000,000.00   | 1,741      | 35,000,000.00 | 1.608 | 1.631 | 367              |
| 3135G0V75 | 17656        | TREAS | FAC       | FEDERAL NATIONAL    | 10/16/2019    | 10,010,642.69 | 1.750        | 07/02/2024    | 10,000,000.00   | 1,721      | 10,000,000.00 | 1.617 | 1.639 | 367              |
| 3135G0V75 | 17659        | TREAS | FAC       | FEDERAL NATIONAL    | 10/23/2019    | 10,007,829.15 | 1.750        | 07/02/2024    | 10,000,000.00   | 1,714      | 10,000,000.00 | 1.645 | 1.668 | 367              |
| 3135G0V75 | 17660        | TREAS | FAC       | FEDERAL NATIONAL    | 10/28/2019    | 8,637,421.81  | 1.750        | 07/02/2024    | 8,632,000.00    | 1,709      | 8,632,000.00  | 1.661 | 1.684 | 367              |
| 3135G0V75 | 17661        | TREAS | FAC       | FEDERAL NATIONAL    | 11/05/2019    | 23,019,903.43 | 1.750        | 07/02/2024    | 23,000,000.00   | 1,701      | 23,000,000.00 | 1.637 | 1.660 | 367              |
| 3135G0V75 | 17663        | TREAS | FAC       | FEDERAL NATIONAL    | 11/08/2019    | 24,979,674.88 | 1.750        | 07/02/2024    | 25,000,000.00   | 1,698      | 25,000,000.00 | 1.810 | 1.835 | 367              |
| 3135G0V75 | 17668        | TREAS | FAC       | FEDERAL NATIONAL    | 12/06/2019    | 25,018,477.67 | 1.750        | 07/02/2024    | 25,000,000.00   | 1,670      | 25,000,000.00 | 1.650 | 1.673 | 367              |
| 3135G0V75 | 17669        | TREAS | FAC       | FEDERAL NATIONAL    | 12/06/2019    | 15,011,813.65 | 1.750        | 07/02/2024    | 15,000,000.00   | 1,670      | 15,000,000.00 | 1.645 | 1.668 | 367              |
| 3135G0V75 | 17670        | TREAS | FAC       | FEDERAL NATIONAL    | 12/09/2019    | 15,004,910.74 | 1.750        | 07/02/2024    | 15,000,000.00   | 1,667      | 15,000,000.00 | 1.692 | 1.716 | 367              |
| 3135G0V75 | 17671        | TREAS | FAC       | FEDERAL NATIONAL    | 12/09/2019    | 25,008,569.08 | 1.750        | 07/02/2024    | 25,000,000.00   | 1,667      | 25,000,000.00 | 1.691 | 1.714 | 367              |
| 3135G0V75 | 17673        | TREAS | FAC       | FEDERAL NATIONAL    | 12/12/2019    | 25,007,208.99 | 1.750        | 07/02/2024    | 25,000,000.00   | 1,664      | 25,000,000.00 | 1.696 | 1.720 | 367              |
| 3135G0V75 | 17675        | TREAS | FAC       | FEDERAL NATIONAL    | 12/13/2019    | 19,996,299.69 | 1.750        | 07/02/2024    | 20,000,000.00   | 1,663      | 20,000,000.00 | 1.745 | 1.769 | 367              |
| 742651DP4 | 17643        | TREAS | FAC       | PRIVATE EXPORT      | 07/15/2019    | 10,044,173.56 | 2.450        | 07/15/2024    | 10,000,000.00   | 1,827      | 10,000,000.00 | 1.974 | 2.001 | 380              |
| 742651DP4 | 17644        | TREAS | FAC       | PRIVATE EXPORT      | 07/15/2019    | 10,043,282.19 | 2.450        | 07/15/2024    | 10,000,000.00   | 1,827      | 10,000,000.00 | 1.982 | 2.010 | 380              |
| 3133EKHV1 | 17655        | TREAS | FAC       | FEDERAL FARM CREDIT | 10/16/2019    | 2,310,676.19  | 2.450        | 07/22/2024    | 2,292,000.00    | 1,741      | 2,292,000.00  | 1.623 | 1.646 | 387              |
| 3133EKWV4 | 17647        | TREAS | FAC       | FEDERAL FARM CREDIT | 08/28/2019    | 4,970,127.87  | 1.850        | 07/26/2024    | 4,950,000.00    | 1,794      | 4,950,000.00  | 1.435 | 1.455 | 391              |
| 3133EKWV4 | 17648        | TREAS | FAC       | FEDERAL FARM CREDIT | 08/28/2019    | 15,059,484.46 | 1.850        | 07/26/2024    | 15,000,000.00   | 1,794      | 15,000,000.00 | 1.444 | 1.464 | 391              |
| 3133EKWV4 | 17649        | TREAS | FAC       | FEDERAL FARM CREDIT | 09/13/2019    | 17,967,525.87 | 1.850        | 07/26/2024    | 17,941,000.00   | 1,778      | 17,941,000.00 | 1.682 | 1.705 | 391              |
| 89236TGM1 | 17653        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 10/15/2019    | 30,000,000.00 | 1.875        | 07/31/2024    | 30,000,000.00   | 1,751      | 30,000,000.00 | 1.850 | 1.875 | 396              |
| 3133X8EW8 | 17651        | TREAS | FAC       | FEDERAL HOME LOAN   | 09/26/2019    | 3,910,271.83  | 5.375        | 08/15/2024    | 3,760,000.00    | 1,785      | 3,760,000.00  | 1.630 | 1.653 | 411              |
| 3130AGWK7 | 17658        | TREAS | FAC       | FEDERAL HOME LOAN   | 10/23/2019    | 9,982,543.09  | 1.500        | 08/15/2024    | 10,000,000.00   | 1,758      | 10,000,000.00 | 1.640 | 1.662 | 411              |
| 3130AGWK7 | 17662        | TREAS | FAC       | FEDERAL HOME LOAN   | 11/05/2019    | 12,479,691.37 | 1.500        | 08/15/2024    | 12,500,000.00   | 1,745      | 12,500,000.00 | 1.628 | 1.651 | 411              |
| 3130AGWK7 | 17676        | TREAS | FAC       | FEDERAL HOME LOAN   | 12/18/2019    | 9,975,186.64  | 1.500        | 08/15/2024    | 10,000,000.00   | 1,702      | 10,000,000.00 | 1.707 | 1.731 | 411              |

County of Fresno  
Inventory by Maturity Report

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value     | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|---------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |               | 360   | 365   |                  |
| 30231GBC5 | 17695        | TREAS | MTN       | EXXON MOBIL         | 03/17/2020    | 4,994,328.98  | 2.019        | 08/16/2024    | 5,000,000.00    | 1,613      | 5,000,000.00  | 2.096 | 2.125 | 412              |
| 30231GBC5 | 17696        | TREAS | MTN       | EXXON MOBIL         | 03/17/2020    | 4,993,526.12  | 2.019        | 08/16/2024    | 5,000,000.00    | 1,613      | 5,000,000.00  | 2.111 | 2.140 | 412              |
| SYS16602  | 16602        | TREAS | BCD       | BANK OF THE WEST    | 08/24/2022    | 10,000,000.00 | 3.230        | 08/24/2024    | 10,000,000.00   | 731        | 10,000,000.00 | 3.186 | 3.230 | 420              |
| 3130A2UW4 | 17654        | TREAS | FAC       | FEDERAL HOME LOAN   | 10/15/2019    | 10,138,469.68 | 2.875        | 09/13/2024    | 10,000,000.00   | 1,795      | 10,000,000.00 | 1.645 | 1.668 | 440              |
| 13063DRK6 | 17657        | TREAS | MUN       | STATE OF CALIFORNIA | 10/24/2019    | 50,290,841.31 | 2.400        | 10/01/2024    | 50,000,000.00   | 1,804      | 50,000,000.00 | 1.884 | 1.910 | 458              |
| 89236TGL3 | 17664        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 11/12/2019    | 9,993,747.76  | 2.000        | 10/07/2024    | 10,000,000.00   | 1,791      | 10,000,000.00 | 2.024 | 2.052 | 464              |
| 89236TGL3 | 17682        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/13/2020    | 21,398,483.83 | 2.000        | 10/07/2024    | 21,410,000.00   | 1,729      | 21,410,000.00 | 2.016 | 2.044 | 464              |
| 3130A3GE8 | 17693        | TREAS | FAC       | FEDERAL HOME LOAN   | 02/05/2020    | 5,086,928.83  | 2.750        | 12/13/2024    | 5,000,000.00    | 1,773      | 5,000,000.00  | 1.481 | 1.502 | 531              |
| 3135G0X24 | 17680        | TREAS | FAC       | FEDERAL NATIONAL    | 01/10/2020    | 49,935,585.98 | 1.625        | 01/07/2025    | 50,000,000.00   | 1,824      | 50,000,000.00 | 1.691 | 1.714 | 556              |
| 24422EVC0 | 17681        | TREAS | MTN       | JOHN DEERE          | 01/10/2020    | 3,923,804.39  | 2.050        | 01/09/2025    | 3,925,000.00    | 1,826      | 3,925,000.00  | 2.043 | 2.071 | 558              |
| 24422EVC0 | 17683        | TREAS | MTN       | JOHN DEERE          | 01/13/2020    | 9,995,822.87  | 2.050        | 01/09/2025    | 10,000,000.00   | 1,823      | 10,000,000.00 | 2.051 | 2.079 | 558              |
| 24422EVC0 | 17686        | TREAS | MTN       | JOHN DEERE          | 02/10/2020    | 10,032,159.11 | 2.050        | 01/09/2025    | 10,000,000.00   | 1,795      | 10,000,000.00 | 1.803 | 1.828 | 558              |
| 24422EVC0 | 17688        | TREAS | MTN       | JOHN DEERE          | 02/28/2020    | 5,033,773.51  | 2.050        | 01/09/2025    | 5,000,000.00    | 1,777      | 5,000,000.00  | 1.565 | 1.587 | 558              |
| 24422EVC0 | 17689        | TREAS | MTN       | JOHN DEERE          | 02/28/2020    | 10,068,282.49 | 2.050        | 01/09/2025    | 10,000,000.00   | 1,777      | 10,000,000.00 | 1.560 | 1.582 | 558              |
| 24422EVC0 | 17697        | TREAS | MTN       | JOHN DEERE          | 03/17/2020    | 5,017,835.31  | 2.050        | 01/09/2025    | 5,000,000.00    | 1,759      | 5,000,000.00  | 1.779 | 1.804 | 558              |
| 24422EVC0 | 17701        | TREAS | MTN       | JOHN DEERE          | 03/24/2020    | 4,439,772.42  | 2.050        | 01/09/2025    | 4,500,000.00    | 1,752      | 4,500,000.00  | 2.959 | 3.000 | 558              |
| 24422EVC0 | 17755        | TREAS | MTN       | JOHN DEERE          | 12/10/2020    | 8,391,289.34  | 2.050        | 01/09/2025    | 8,210,000.00    | 1,491      | 8,210,000.00  | 0.572 | 0.580 | 558              |
| 90331HPL1 | 17690        | TREAS | MTN       | US BANK NA          | 02/28/2020    | 5,030,318.77  | 2.050        | 01/21/2025    | 5,000,000.00    | 1,789      | 5,000,000.00  | 1.613 | 1.636 | 570              |
| 90331HPL1 | 17691        | TREAS | MTN       | US BANK NA          | 03/12/2020    | 5,035,490.68  | 2.050        | 01/21/2025    | 5,000,000.00    | 1,776      | 5,000,000.00  | 1.552 | 1.574 | 570              |
| 90331HPL1 | 17692        | TREAS | MTN       | US BANK NA          | 03/12/2020    | 5,032,962.84  | 2.050        | 01/21/2025    | 5,000,000.00    | 1,776      | 5,000,000.00  | 1.586 | 1.608 | 570              |
| 3133ELJM7 | 17712        | TREAS | FAC       | FEDERAL FARM CREDIT | 05/19/2020    | 10,167,632.19 | 1.650        | 01/23/2025    | 10,000,000.00   | 1,710      | 10,000,000.00 | 0.553 | 0.561 | 572              |
| 30231GBH4 | 17699        | TREAS | MTN       | EXXON MOBIL         | 03/19/2020    | 5,000,000.00  | 2.992        | 03/19/2025    | 5,000,000.00    | 1,826      | 5,000,000.00  | 2.951 | 2.992 | 627              |
| 13063DGB8 | 17766        | TREAS | MUN       | STATE OF CALIFORNIA | 01/11/2021    | 7,852,882.89  | 3.375        | 04/01/2025    | 7,500,000.00    | 1,541      | 7,500,000.00  | 0.636 | 0.645 | 640              |
| 166764BW9 | 17710        | TREAS | MTN       | CHEVRON CORP        | 05/11/2020    | 5,000,000.00  | 1.554        | 05/11/2025    | 5,000,000.00    | 1,826      | 5,000,000.00  | 1.533 | 1.554 | 680              |
| 3133ELZM9 | 17711        | TREAS | FAC       | FEDERAL FARM CREDIT | 05/19/2020    | 45,492,775.21 | 0.500        | 05/14/2025    | 45,559,000.00   | 1,821      | 45,559,000.00 | 0.571 | 0.579 | 683              |
| 46632FRT4 | 17756        | TREAS | MTN       | JP MORGAN           | 12/14/2020    | 60,000,000.00 | 0.580        | 05/29/2025    | 60,000,000.00   | 1,627      | 60,000,000.00 | 0.572 | 0.580 | 698              |
| 3135G04Z3 | 17732        | TREAS | FAC       | FEDERAL NATIONAL    | 09/11/2020    | 20,025,195.48 | 0.500        | 06/17/2025    | 20,000,000.00   | 1,740      | 20,000,000.00 | 0.429 | 0.435 | 717              |
| 3135G04Z3 | 17733        | TREAS | FAC       | FEDERAL NATIONAL    | 09/24/2020    | 50,071,740.05 | 0.500        | 06/17/2025    | 50,000,000.00   | 1,727      | 50,000,000.00 | 0.420 | 0.426 | 717              |
| 3135G04Z3 | 17734        | TREAS | FAC       | FEDERAL NATIONAL    | 09/28/2020    | 20,037,398.47 | 0.500        | 06/17/2025    | 20,000,000.00   | 1,723      | 20,000,000.00 | 0.398 | 0.404 | 717              |
| 3135G04Z3 | 17735        | TREAS | FAC       | FEDERAL NATIONAL    | 09/28/2020    | 50,093,142.97 | 0.500        | 06/17/2025    | 50,000,000.00   | 1,723      | 50,000,000.00 | 0.398 | 0.404 | 717              |
| 3135G04Z3 | 17736        | TREAS | FAC       | FEDERAL NATIONAL    | 10/01/2020    | 75,133,873.58 | 0.500        | 06/17/2025    | 75,000,000.00   | 1,720      | 75,000,000.00 | 0.402 | 0.408 | 717              |
| 3135G04Z3 | 17746        | TREAS | FAC       | FEDERAL NATIONAL    | 11/24/2020    | 10,009,496.41 | 0.500        | 06/17/2025    | 10,000,000.00   | 1,666      | 10,000,000.00 | 0.445 | 0.451 | 717              |
| 3137EAEU9 | 17724        | TREAS | FAC       | FEDERAL HOME        | 07/23/2020    | 64,866,775.31 | 0.375        | 07/21/2025    | 65,000,000.00   | 1,824      | 65,000,000.00 | 0.469 | 0.476 | 751              |
| 3137EAEU9 | 17731        | TREAS | FAC       | FEDERAL HOME        | 09/10/2020    | 29,966,528.84 | 0.375        | 07/21/2025    | 30,000,000.00   | 1,775      | 30,000,000.00 | 0.424 | 0.430 | 751              |
| 166756AE6 | 17725        | TREAS | MTN       | CHEVRON CORP        | 08/12/2020    | 3,000,000.00  | 0.687        | 08/12/2025    | 3,000,000.00    | 1,826      | 3,000,000.00  | 0.678 | 0.687 | 773              |
| 166756AE6 | 17726        | TREAS | MTN       | CHEVRON CORP        | 08/13/2020    | 4,498,785.53  | 0.687        | 08/12/2025    | 4,500,000.00    | 1,825      | 4,500,000.00  | 0.690 | 0.700 | 773              |
| 166756AE6 | 17727        | TREAS | MTN       | CHEVRON CORP        | 08/13/2020    | 8,997,563.45  | 0.687        | 08/12/2025    | 9,000,000.00    | 1,825      | 9,000,000.00  | 0.690 | 0.700 | 773              |
| 166756AE6 | 17728        | TREAS | MTN       | CHEVRON CORP        | 08/13/2020    | 4,998,646.36  | 0.687        | 08/12/2025    | 5,000,000.00    | 1,825      | 5,000,000.00  | 0.690 | 0.700 | 773              |
| 166756AE6 | 17745        | TREAS | MTN       | CHEVRON CORP        | 11/05/2020    | 9,985,276.40  | 0.687        | 08/12/2025    | 10,000,000.00   | 1,741      | 10,000,000.00 | 0.748 | 0.758 | 773              |
| 02079KAH0 | 17773        | TREAS | MTN       | ALPHABET INC        | 01/19/2021    | 19,949,787.65 | 0.450        | 08/15/2025    | 20,000,000.00   | 1,669      | 20,000,000.00 | 0.562 | 0.570 | 776              |
| 02079KAH0 | 17776        | TREAS | MTN       | ALPHABET INC        | 01/20/2021    | 4,990,578.88  | 0.450        | 08/15/2025    | 5,000,000.00    | 1,668      | 5,000,000.00  | 0.533 | 0.540 | 776              |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value     | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value      | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|----------------|--------------|---------------|-----------------|------------|----------------|-------|-------|------------------|
|           |              |       |           |                     |               |                |              |               |                 |            |                | 360   | 365   |                  |
| 02079KAH0 | 17777        | TREAS | MTN       | ALPHABET INC        | 01/20/2021    | 4,990,571.91   | 0.450        | 08/15/2025    | 5,000,000.00    | 1,668      | 5,000,000.00   | 0.533 | 0.540 | 776              |
| 037833DX5 | 17729        | TREAS | MTN       | APPLE INC           | 08/20/2020    | 9,989,917.56   | 0.550        | 08/20/2025    | 10,000,000.00   | 1,826      | 10,000,000.00  | 0.590 | 0.598 | 781              |
| 037833DX5 | 17772        | TREAS | MTN       | APPLE INC           | 01/19/2021    | 14,982,009.31  | 0.550        | 08/20/2025    | 15,000,000.00   | 1,674      | 15,000,000.00  | 0.599 | 0.607 | 781              |
| 037833DX5 | 17782        | TREAS | MTN       | APPLE INC           | 01/25/2021    | 9,993,684.38   | 0.550        | 08/20/2025    | 10,000,000.00   | 1,668      | 10,000,000.00  | 0.572 | 0.580 | 781              |
| 3135G05X7 | 17730        | TREAS | FAC       | FEDERAL NATIONAL    | 08/27/2020    | 124,748,170.19 | 0.375        | 08/25/2025    | 125,000,000.00  | 1,824      | 125,000,000.00 | 0.463 | 0.470 | 786              |
| 3135G05X7 | 17747        | TREAS | FAC       | FEDERAL NATIONAL    | 11/24/2020    | 9,977,291.17   | 0.375        | 08/25/2025    | 10,000,000.00   | 1,735      | 10,000,000.00  | 0.475 | 0.482 | 786              |
| 3135G05X7 | 17748        | TREAS | FAC       | FEDERAL NATIONAL    | 11/24/2020    | 9,977,245.94   | 0.375        | 08/25/2025    | 10,000,000.00   | 1,735      | 10,000,000.00  | 0.476 | 0.482 | 786              |
| 478160CN2 | 17784        | TREAS | MTN       | JOHNSON & JOHNSON   | 02/02/2021    | 5,000,000.00   | 0.550        | 09/01/2025    | 5,000,000.00    | 1,672      | 5,000,000.00   | 0.542 | 0.550 | 793              |
| 478160CN2 | 17786        | TREAS | MTN       | JOHNSON & JOHNSON   | 02/04/2021    | 5,000,000.00   | 0.550        | 09/01/2025    | 5,000,000.00    | 1,670      | 5,000,000.00   | 0.542 | 0.550 | 793              |
| 3137EAEX3 | 17741        | TREAS | FAC       | FEDERAL HOME        | 10/08/2020    | 49,881,250.08  | 0.375        | 09/23/2025    | 50,000,000.00   | 1,811      | 50,000,000.00  | 0.476 | 0.483 | 815              |
| 89236THP3 | 17743        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 10/16/2020    | 6,994,674.17   | 0.800        | 10/16/2025    | 7,000,000.00    | 1,826      | 7,000,000.00   | 0.823 | 0.834 | 838              |
| 742718FL8 | 17780        | TREAS | MTN       | PROCTER & GAMBLE    | 01/22/2021    | 12,200,000.00  | 0.550        | 10/29/2025    | 12,200,000.00   | 1,741      | 12,200,000.00  | 0.542 | 0.550 | 851              |
| 13063DYW2 | 17744        | TREAS | MUN       | STATE OF CALIFORNIA | 11/03/2020    | 53,353,421.48  | 3.000        | 11/01/2025    | 50,685,000.00   | 1,824      | 50,685,000.00  | 0.690 | 0.700 | 854              |
| 3135G06G3 | 17754        | TREAS | FAC       | FEDERAL NATIONAL    | 12/07/2020    | 24,990,141.95  | 0.500        | 11/07/2025    | 25,000,000.00   | 1,796      | 25,000,000.00  | 0.510 | 0.517 | 860              |
| 89236THW8 | 17767        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/11/2021    | 4,997,045.72   | 0.800        | 01/09/2026    | 5,000,000.00    | 1,824      | 5,000,000.00   | 0.813 | 0.824 | 923              |
| 89236THW8 | 17768        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/11/2021    | 4,998,257.73   | 0.800        | 01/09/2026    | 5,000,000.00    | 1,824      | 5,000,000.00   | 0.803 | 0.814 | 923              |
| 89236THW8 | 17769        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/11/2021    | 5,497,827.97   | 0.800        | 01/09/2026    | 5,500,000.00    | 1,824      | 5,500,000.00   | 0.805 | 0.816 | 923              |
| 89236THW8 | 17770        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 01/11/2021    | 5,268,049.21   | 0.800        | 01/09/2026    | 5,270,000.00    | 1,824      | 5,270,000.00   | 0.804 | 0.815 | 923              |
| 24422EVK2 | 17774        | TREAS | MTN       | JOHN DEERE          | 01/20/2021    | 9,185,149.92   | 0.700        | 01/15/2026    | 9,200,000.00    | 1,821      | 9,200,000.00   | 0.754 | 0.765 | 929              |
| 24422EVK2 | 17775        | TREAS | MTN       | JOHN DEERE          | 01/20/2021    | 4,504,499.99   | 0.700        | 01/15/2026    | 4,510,000.00    | 1,821      | 4,510,000.00   | 0.739 | 0.749 | 929              |
| 24422EVK2 | 17778        | TREAS | MTN       | JOHN DEERE          | 01/21/2021    | 9,995,007.13   | 0.700        | 01/15/2026    | 10,000,000.00   | 1,820      | 10,000,000.00  | 0.710 | 0.720 | 929              |
| 24422EVK2 | 17779        | TREAS | MTN       | JOHN DEERE          | 01/21/2021    | 4,997,503.57   | 0.700        | 01/15/2026    | 5,000,000.00    | 1,820      | 5,000,000.00   | 0.710 | 0.720 | 929              |
| 24422EVK2 | 17781        | TREAS | MTN       | JOHN DEERE          | 01/22/2021    | 4,995,641.55   | 0.700        | 01/15/2026    | 5,000,000.00    | 1,819      | 5,000,000.00   | 0.725 | 0.735 | 929              |
| 3133EMPC0 | 17783        | TREAS | FAC       | FEDERAL FARM CREDIT | 01/29/2021    | 124,987,304.44 | 0.460        | 01/29/2026    | 125,000,000.00  | 1,826      | 125,000,000.00 | 0.458 | 0.464 | 943              |
| 91282CBH3 | 17795        | TREAS | TRC       | US TREASURY NOTE    | 03/08/2021    | 19,781,402.76  | 0.375        | 01/31/2026    | 20,000,000.00   | 1,790      | 20,000,000.00  | 0.796 | 0.807 | 945              |
| 037833EB2 | 17785        | TREAS | MTN       | APPLE INC           | 02/08/2021    | 9,988,287.50   | 0.700        | 02/08/2026    | 10,000,000.00   | 1,826      | 10,000,000.00  | 0.736 | 0.746 | 953              |
| 037833EB2 | 17787        | TREAS | MTN       | APPLE INC           | 02/08/2021    | 19,978,032.56  | 0.700        | 02/08/2026    | 20,000,000.00   | 1,826      | 20,000,000.00  | 0.733 | 0.743 | 953              |
| 91282BP46 | 17791        | TREAS | TRC       | US TREASURY NOTE    | 02/26/2021    | 30,650,826.45  | 1.625        | 02/15/2026    | 30,000,000.00   | 1,815      | 30,000,000.00  | 0.771 | 0.782 | 960              |
| 13063DMA3 | 17866        | TREAS | MUN       | STATE OF CALIFORNIA | 12/17/2021    | 10,362,080.96  | 2.650        | 04/01/2026    | 10,000,000.00   | 1,566      | 10,000,000.00  | 1.274 | 1.292 | 1,005            |
| 91282CBW0 | 17798        | TREAS | TRC       | US TREASURY NOTE    | 05/03/2021    | 19,933,088.49  | 0.750        | 04/30/2026    | 20,000,000.00   | 1,823      | 20,000,000.00  | 0.859 | 0.871 | 1,034            |
| 91282CBW0 | 17800        | TREAS | TRC       | US TREASURY NOTE    | 05/12/2021    | 29,919,842.20  | 0.750        | 04/30/2026    | 30,000,000.00   | 1,814      | 30,000,000.00  | 0.835 | 0.847 | 1,034            |
| 912828R36 | 17801        | TREAS | TRC       | US TREASURY NOTE    | 05/18/2021    | 30,667,583.05  | 1.625        | 05/15/2026    | 30,000,000.00   | 1,823      | 30,000,000.00  | 0.821 | 0.832 | 1,049            |
| 912828R36 | 17802        | TREAS | TRC       | US TREASURY NOTE    | 05/19/2021    | 20,449,797.61  | 1.625        | 05/15/2026    | 20,000,000.00   | 1,822      | 20,000,000.00  | 0.813 | 0.824 | 1,049            |
| 912828R36 | 17803        | TREAS | TRC       | US TREASURY NOTE    | 05/20/2021    | 20,424,842.12  | 1.625        | 05/15/2026    | 20,000,000.00   | 1,821      | 20,000,000.00  | 0.856 | 0.868 | 1,049            |
| 91282CCF6 | 17805        | TREAS | TRC       | US TREASURY NOTE    | 06/16/2021    | 19,979,773.83  | 0.750        | 05/31/2026    | 20,000,000.00   | 1,810      | 20,000,000.00  | 0.775 | 0.785 | 1,065            |
| 91282CCF6 | 17808        | TREAS | TRC       | US TREASURY NOTE    | 06/17/2021    | 39,902,492.74  | 0.750        | 05/31/2026    | 40,000,000.00   | 1,809      | 40,000,000.00  | 0.824 | 0.835 | 1,065            |
| 91282CCF6 | 17809        | TREAS | TRC       | US TREASURY NOTE    | 06/17/2021    | 39,885,934.91  | 0.750        | 05/31/2026    | 40,000,000.00   | 1,809      | 40,000,000.00  | 0.838 | 0.850 | 1,065            |
| 91282CCF6 | 17810        | TREAS | TRC       | US TREASURY NOTE    | 06/17/2021    | 19,915,371.06  | 0.750        | 05/31/2026    | 20,000,000.00   | 1,809      | 20,000,000.00  | 0.886 | 0.899 | 1,065            |
| 3133XG6E9 | 17829        | TREAS | FAC       | FEDERAL HOME LOAN   | 07/14/2021    | 17,118,108.27  | 5.750        | 06/12/2026    | 15,000,000.00   | 1,794      | 15,000,000.00  | 0.836 | 0.848 | 1,077            |
| 3130AN4T4 | 17830        | TREAS | FAC       | FEDERAL HOME LOAN   | 07/14/2021    | 22,015,671.35  | 0.875        | 06/12/2026    | 22,000,000.00   | 1,794      | 22,000,000.00  | 0.839 | 0.850 | 1,077            |
| 3130AN4T4 | 17831        | TREAS | FAC       | FEDERAL HOME LOAN   | 08/09/2021    | 9,275,112.77   | 0.875        | 06/12/2026    | 9,250,000.00    | 1,768      | 9,250,000.00   | 0.770 | 0.781 | 1,077            |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value     | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|---------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |               | 360   | 365   |                  |
| 3130AN4T4 | 17832        | TREAS | FAC       | FEDERAL HOME LOAN   | 08/09/2021    | 12,031,409.98 | 0.875        | 06/12/2026    | 12,000,000.00   | 1,768      | 12,000,000.00 | 0.774 | 0.784 | 1,077            |
| 3130AN4T4 | 17833        | TREAS | FAC       | FEDERAL HOME LOAN   | 08/11/2021    | 50,082,180.27 | 0.875        | 06/12/2026    | 50,000,000.00   | 1,766      | 50,000,000.00 | 0.807 | 0.818 | 1,077            |
| 91282CCJ8 | 17823        | TREAS | TRC       | US TREASURY NOTE    | 06/30/2021    | 29,925,520.81 | 0.875        | 06/30/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 0.947 | 0.960 | 1,095            |
| 91282CCJ8 | 17824        | TREAS | TRC       | US TREASURY NOTE    | 06/30/2021    | 29,978,059.04 | 0.875        | 06/30/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 0.888 | 0.900 | 1,095            |
| 91282CCJ8 | 17827        | TREAS | TRC       | US TREASURY NOTE    | 06/30/2021    | 29,947,997.24 | 0.875        | 06/30/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 0.922 | 0.934 | 1,095            |
| 3133EMP48 | 17825        | TREAS | FAC       | FEDERAL FARM CREDIT | 07/01/2021    | 29,982,180.00 | 0.900        | 07/01/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 0.908 | 0.920 | 1,096            |
| 3133EMP48 | 17826        | TREAS | FAC       | FEDERAL FARM CREDIT | 07/01/2021    | 19,987,160.00 | 0.900        | 07/01/2026    | 20,000,000.00   | 1,826      | 20,000,000.00 | 0.909 | 0.922 | 1,096            |
| 3130AN6L9 | 17828        | TREAS | FAC       | FEDERAL HOME LOAN   | 07/14/2021    | 10,741,753.89 | 0.820        | 07/08/2026    | 10,750,000.00   | 1,820      | 10,750,000.00 | 0.834 | 0.846 | 1,103            |
| 91282CCP4 | 17838        | TREAS | TRC       | US TREASURY NOTE    | 08/26/2021    | 49,701,883.68 | 0.625        | 07/31/2026    | 50,000,000.00   | 1,800      | 50,000,000.00 | 0.811 | 0.823 | 1,126            |
| 91282CCP4 | 17839        | TREAS | TRC       | US TREASURY NOTE    | 09/07/2021    | 49,768,762.23 | 0.625        | 07/31/2026    | 50,000,000.00   | 1,788      | 50,000,000.00 | 0.767 | 0.778 | 1,126            |
| 91282CCP4 | 17840        | TREAS | TRC       | US TREASURY NOTE    | 09/08/2021    | 24,864,625.59 | 0.625        | 07/31/2026    | 25,000,000.00   | 1,787      | 25,000,000.00 | 0.793 | 0.804 | 1,126            |
| 91282CCP4 | 17854        | TREAS | TRC       | US TREASURY NOTE    | 10/19/2021    | 19,687,121.46 | 0.625        | 07/31/2026    | 20,000,000.00   | 1,746      | 20,000,000.00 | 1.132 | 1.148 | 1,126            |
| 91282CCP4 | 17855        | TREAS | TRC       | US TREASURY NOTE    | 10/25/2021    | 19,649,136.14 | 0.625        | 07/31/2026    | 20,000,000.00   | 1,740      | 20,000,000.00 | 1.195 | 1.212 | 1,126            |
| 91282CCP4 | 17856        | TREAS | TRC       | US TREASURY NOTE    | 10/28/2021    | 4,924,540.34  | 0.625        | 07/31/2026    | 5,000,000.00    | 1,737      | 5,000,000.00  | 1.113 | 1.129 | 1,126            |
| 91282CCP4 | 17862        | TREAS | TRC       | US TREASURY NOTE    | 11/01/2021    | 19,667,008.08 | 0.625        | 07/31/2026    | 20,000,000.00   | 1,733      | 20,000,000.00 | 1.165 | 1.182 | 1,126            |
| 91282CCP4 | 17867        | TREAS | TRC       | US TREASURY NOTE    | 12/21/2021    | 49,218,578.25 | 0.625        | 07/31/2026    | 50,000,000.00   | 1,683      | 50,000,000.00 | 1.131 | 1.146 | 1,126            |
| 3133EM4A7 | 17837        | TREAS | FAC       | FEDERAL FARM CREDIT | 08/27/2021    | 49,992,268.89 | 0.800        | 08/27/2026    | 50,000,000.00   | 1,826      | 50,000,000.00 | 0.794 | 0.805 | 1,153            |
| 91282CCW9 | 17836        | TREAS | TRC       | US TREASURY NOTE    | 08/31/2021    | 49,937,992.47 | 0.750        | 08/31/2026    | 50,000,000.00   | 1,826      | 50,000,000.00 | 0.779 | 0.790 | 1,157            |
| 91282CCW9 | 17843        | TREAS | TRC       | US TREASURY NOTE    | 09/13/2021    | 19,958,120.17 | 0.750        | 08/31/2026    | 20,000,000.00   | 1,813      | 20,000,000.00 | 0.806 | 0.818 | 1,157            |
| 91282CCW9 | 17844        | TREAS | TRC       | US TREASURY NOTE    | 09/17/2021    | 19,949,033.48 | 0.750        | 08/31/2026    | 20,000,000.00   | 1,809      | 20,000,000.00 | 0.821 | 0.832 | 1,157            |
| 91282CCW9 | 17853        | TREAS | TRC       | US TREASURY NOTE    | 10/12/2021    | 19,829,250.89 | 0.750        | 08/31/2026    | 20,000,000.00   | 1,784      | 20,000,000.00 | 1.013 | 1.027 | 1,157            |
| 3130A8XY4 | 17845        | TREAS | FAC       | FEDERAL HOME LOAN   | 09/20/2021    | 6,714,877.00  | 1.875        | 09/11/2026    | 6,515,000.00    | 1,817      | 6,515,000.00  | 0.879 | 0.891 | 1,168            |
| 3130A8XY4 | 17848        | TREAS | FAC       | FEDERAL HOME LOAN   | 09/23/2021    | 14,414,564.55 | 1.875        | 09/11/2026    | 13,980,000.00   | 1,814      | 13,980,000.00 | 0.866 | 0.878 | 1,168            |
| 931142ER0 | 17842        | TREAS | MTN       | WALMART             | 09/17/2021    | 19,975,724.00 | 1.050        | 09/17/2026    | 20,000,000.00   | 1,826      | 20,000,000.00 | 1.074 | 1.089 | 1,174            |
| 931142ER0 | 17846        | TREAS | MTN       | WALMART             | 09/21/2021    | 10,000,000.00 | 1.050        | 09/17/2026    | 10,000,000.00   | 1,822      | 10,000,000.00 | 1.036 | 1.050 | 1,174            |
| 931142ER0 | 17847        | TREAS | MTN       | WALMART             | 09/21/2021    | 10,000,000.00 | 1.050        | 09/17/2026    | 10,000,000.00   | 1,822      | 10,000,000.00 | 1.036 | 1.050 | 1,174            |
| 931142ER0 | 17849        | TREAS | MTN       | WALMART             | 09/27/2021    | 10,000,000.00 | 1.050        | 09/17/2026    | 10,000,000.00   | 1,816      | 10,000,000.00 | 1.036 | 1.050 | 1,174            |
| 91282CCZ2 | 17850        | TREAS | TRC       | US TREASURY NOTE    | 09/30/2021    | 19,965,144.06 | 0.875        | 09/30/2026    | 20,000,000.00   | 1,826      | 20,000,000.00 | 0.917 | 0.930 | 1,187            |
| 91282CCZ2 | 17851        | TREAS | TRC       | US TREASURY NOTE    | 09/30/2021    | 29,846,119.85 | 0.875        | 09/30/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 1.023 | 1.037 | 1,187            |
| 91282CCZ2 | 17852        | TREAS | TRC       | US TREASURY NOTE    | 09/30/2021    | 29,881,161.86 | 0.875        | 09/30/2026    | 30,000,000.00   | 1,826      | 30,000,000.00 | 0.987 | 1.000 | 1,187            |
| 13063DK31 | 17863        | TREAS | MUN       | STATE OF CALIFORNIA | 11/17/2021    | 16,655,861.09 | 1.250        | 10/01/2026    | 16,635,000.00   | 1,779      | 16,635,000.00 | 1.194 | 1.210 | 1,188            |
| 13063DRD2 | 17871        | TREAS | MUN       | STATE OF CALIFORNIA | 01/05/2022    | 8,060,609.60  | 2.375        | 10/01/2026    | 7,840,000.00    | 1,730      | 7,840,000.00  | 1.455 | 1.475 | 1,188            |
| 13063DRD2 | 17881        | TREAS | MUN       | STATE OF CALIFORNIA | 02/01/2022    | 16,484,442.19 | 2.375        | 10/01/2026    | 16,175,000.00   | 1,703      | 16,175,000.00 | 1.735 | 1.759 | 1,188            |
| 13063DRD2 | 17892        | TREAS | MUN       | STATE OF CALIFORNIA | 03/11/2022    | 15,114,075.00 | 2.375        | 10/01/2026    | 15,000,000.00   | 1,665      | 15,000,000.00 | 2.099 | 2.128 | 1,188            |
| 13063D3A4 | 17980        | TREAS | MUN       | STATE OF CALIFORNIA | 02/14/2023    | 9,059,462.26  | 5.700        | 10/01/2026    | 8,710,000.00    | 1,325      | 8,710,000.00  | 4.290 | 4.350 | 1,188            |
| 91282CDG3 | 17859        | TREAS | TRC       | US TREASURY NOTE    | 11/01/2021    | 29,914,814.15 | 1.125        | 10/31/2026    | 30,000,000.00   | 1,825      | 30,000,000.00 | 1.196 | 1.213 | 1,218            |
| 91282CDG3 | 17860        | TREAS | TRC       | US TREASURY NOTE    | 11/01/2021    | 19,936,129.82 | 1.125        | 10/31/2026    | 20,000,000.00   | 1,825      | 20,000,000.00 | 1.207 | 1.224 | 1,218            |
| 91282CDG3 | 17861        | TREAS | TRC       | US TREASURY NOTE    | 11/01/2021    | 49,870,952.49 | 1.125        | 10/31/2026    | 50,000,000.00   | 1,825      | 50,000,000.00 | 1.188 | 1.205 | 1,218            |
| 91282CDG3 | 17864        | TREAS | TRC       | US TREASURY NOTE    | 11/23/2021    | 19,880,724.83 | 1.125        | 10/31/2026    | 20,000,000.00   | 1,803      | 20,000,000.00 | 1.292 | 1.310 | 1,218            |
| 91282CDG3 | 17875        | TREAS | TRC       | US TREASURY NOTE    | 01/10/2022    | 29,634,014.42 | 1.125        | 10/31/2026    | 30,000,000.00   | 1,755      | 30,000,000.00 | 1.485 | 1.506 | 1,218            |
| 91282CDG3 | 17877        | TREAS | TRC       | US TREASURY NOTE    | 01/19/2022    | 29,511,138.85 | 1.125        | 10/31/2026    | 30,000,000.00   | 1,746      | 30,000,000.00 | 1.613 | 1.635 | 1,218            |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value      | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|----------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |                | 360   | 365   |                  |
| 3130AQF65 | 17868        | TREAS | FAC       | FEDERAL HOME LOAN   | 12/22/2021    | 99,812,326.29 | 1.250        | 12/21/2026    | 100,000,000.00  | 1,825      | 100,000,000.00 | 1.287 | 1.305 | 1,269            |
| 3130AQF65 | 17869        | TREAS | FAC       | FEDERAL HOME LOAN   | 12/22/2021    | 24,814,173.44 | 1.250        | 12/21/2026    | 24,860,000.00   | 1,825      | 24,860,000.00  | 1.286 | 1.304 | 1,269            |
| 3130AQF65 | 17872        | TREAS | FAC       | FEDERAL HOME LOAN   | 01/06/2022    | 24,155,476.26 | 1.250        | 12/21/2026    | 24,300,000.00   | 1,810      | 24,300,000.00  | 1.408 | 1.428 | 1,269            |
| 91282CDQ1 | 17870        | TREAS | TRC       | US TREASURY NOTE    | 12/31/2021    | 49,983,080.92 | 1.250        | 12/31/2026    | 50,000,000.00   | 1,826      | 50,000,000.00  | 1.243 | 1.260 | 1,279            |
| 91282CDQ1 | 17873        | TREAS | TRC       | US TREASURY NOTE    | 01/06/2022    | 29,855,058.38 | 1.250        | 12/31/2026    | 30,000,000.00   | 1,820      | 30,000,000.00  | 1.374 | 1.393 | 1,279            |
| 91282CDQ1 | 17874        | TREAS | TRC       | US TREASURY NOTE    | 01/07/2022    | 29,775,876.17 | 1.250        | 12/31/2026    | 30,000,000.00   | 1,819      | 30,000,000.00  | 1.452 | 1.472 | 1,279            |
| 3133ENKV1 | 17879        | TREAS | FAC       | FEDERAL FARM CREDIT | 01/27/2022    | 49,722,239.64 | 1.500        | 01/13/2027    | 50,000,000.00   | 1,812      | 50,000,000.00  | 1.642 | 1.664 | 1,292            |
| 3133ENKV1 | 17880        | TREAS | FAC       | FEDERAL FARM CREDIT | 01/27/2022    | 49,738,050.62 | 1.500        | 01/13/2027    | 50,000,000.00   | 1,812      | 50,000,000.00  | 1.632 | 1.655 | 1,292            |
| 89236TJV8 | 17884        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 03/07/2022    | 11,442,126.70 | 1.900        | 01/13/2027    | 11,581,000.00   | 1,773      | 11,581,000.00  | 2.229 | 2.260 | 1,292            |
| 912828Z78 | 17878        | TREAS | TRC       | US TREASURY NOTE    | 01/31/2022    | 49,778,669.19 | 1.500        | 01/31/2027    | 50,000,000.00   | 1,826      | 50,000,000.00  | 1.607 | 1.629 | 1,310            |
| 912828Z78 | 17883        | TREAS | TRC       | US TREASURY NOTE    | 02/28/2022    | 19,716,534.00 | 1.500        | 01/31/2027    | 20,000,000.00   | 1,798      | 20,000,000.00  | 1.890 | 1.916 | 1,310            |
| 594918BY9 | 17961        | TREAS | MTN       | MICROSOFT           | 12/19/2022    | 9,745,180.23  | 3.300        | 02/06/2027    | 10,000,000.00   | 1,510      | 10,000,000.00  | 4.020 | 4.076 | 1,316            |
| 3133ENNS5 | 17882        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/28/2022    | 49,767,683.72 | 1.800        | 02/16/2027    | 50,000,000.00   | 1,814      | 50,000,000.00  | 1.908 | 1.935 | 1,326            |
| 13063D3N6 | 18000        | TREAS | MUN       | STATE OF CALIFORNIA | 03/15/2023    | 22,000,000.00 | 4.846        | 03/01/2027    | 22,000,000.00   | 1,447      | 22,000,000.00  | 4.780 | 4.847 | 1,339            |
| 3133ENRD4 | 17893        | TREAS | FAC       | FEDERAL FARM CREDIT | 03/15/2022    | 9,824,823.73  | 1.680        | 03/10/2027    | 10,000,000.00   | 1,821      | 10,000,000.00  | 2.153 | 2.183 | 1,348            |
| 084664CZ2 | 17890        | TREAS | MTN       | BERKSHIRE HATHAWAY  | 03/15/2022    | 59,991,551.33 | 2.300        | 03/15/2027    | 60,000,000.00   | 1,826      | 60,000,000.00  | 2.272 | 2.304 | 1,353            |
| 084664CZ2 | 17891        | TREAS | MTN       | BERKSHIRE HATHAWAY  | 03/15/2022    | 9,944,490.78  | 2.300        | 03/15/2027    | 10,000,000.00   | 1,826      | 10,000,000.00  | 2.426 | 2.460 | 1,353            |
| 931142CH4 | 17901        | TREAS | MTN       | WALMART             | 07/18/2022    | 5,554,264.38  | 5.875        | 04/05/2027    | 5,125,000.00    | 1,722      | 5,125,000.00   | 3.395 | 3.442 | 1,374            |
| 037833CR9 | 17895        | TREAS | MTN       | APPLE INC           | 06/13/2022    | 9,923,266.97  | 3.200        | 05/11/2027    | 10,000,000.00   | 1,793      | 10,000,000.00  | 3.370 | 3.417 | 1,410            |
| 037833CR9 | 17899        | TREAS | MTN       | APPLE INC           | 07/01/2022    | 4,918,863.71  | 3.200        | 05/11/2027    | 5,000,000.00    | 1,775      | 5,000,000.00   | 3.612 | 3.662 | 1,410            |
| 037833CR9 | 17902        | TREAS | MTN       | APPLE INC           | 07/27/2022    | 9,980,569.03  | 3.200        | 05/11/2027    | 10,000,000.00   | 1,749      | 10,000,000.00  | 3.209 | 3.254 | 1,410            |
| 037833CR9 | 17903        | TREAS | MTN       | APPLE INC           | 07/27/2022    | 4,993,590.20  | 3.200        | 05/11/2027    | 5,000,000.00    | 1,749      | 5,000,000.00   | 3.191 | 3.235 | 1,410            |
| 037833CR9 | 17905        | TREAS | MTN       | APPLE INC           | 08/23/2022    | 9,911,696.53  | 3.200        | 05/11/2027    | 10,000,000.00   | 1,722      | 10,000,000.00  | 3.402 | 3.449 | 1,410            |
| 166764BX7 | 17919        | TREAS | MTN       | CHEVRON CORP        | 09/02/2022    | 9,395,823.21  | 1.995        | 05/11/2027    | 10,000,000.00   | 1,712      | 10,000,000.00  | 3.663 | 3.714 | 1,410            |
| 166764BX7 | 17957        | TREAS | MTN       | CHEVRON CORP        | 12/02/2022    | 4,570,247.47  | 1.995        | 05/11/2027    | 5,000,000.00    | 1,621      | 5,000,000.00   | 4.413 | 4.474 | 1,410            |
| 166764BX7 | 17959        | TREAS | MTN       | CHEVRON CORP        | 12/08/2022    | 4,603,073.41  | 1.995        | 05/11/2027    | 5,000,000.00    | 1,615      | 5,000,000.00   | 4.214 | 4.273 | 1,410            |
| 166764BX7 | 17995        | TREAS | MTN       | CHEVRON CORP        | 03/02/2023    | 18,099,135.85 | 1.995        | 05/11/2027    | 20,000,000.00   | 1,531      | 20,000,000.00  | 4.672 | 4.737 | 1,410            |
| 912828X88 | 17897        | TREAS | TRC       | US TREASURY NOTE    | 06/22/2022    | 48,171,210.85 | 2.375        | 05/15/2027    | 50,000,000.00   | 1,788      | 50,000,000.00  | 3.361 | 3.408 | 1,414            |
| 912828X88 | 17898        | TREAS | TRC       | US TREASURY NOTE    | 06/22/2022    | 48,171,210.85 | 2.375        | 05/15/2027    | 50,000,000.00   | 1,788      | 50,000,000.00  | 3.361 | 3.408 | 1,414            |
| 912828X88 | 17954        | TREAS | TRC       | US TREASURY NOTE    | 11/22/2022    | 47,054,166.67 | 2.375        | 05/15/2027    | 50,000,000.00   | 1,635      | 50,000,000.00  | 3.997 | 4.053 | 1,414            |
| 3130AU2B9 | 17955        | TREAS | FAC       | FEDERAL HOME LOAN   | 12/05/2022    | 49,948,463.47 | 4.000        | 06/04/2027    | 50,000,000.00   | 1,642      | 50,000,000.00  | 3.974 | 4.029 | 1,434            |
| 037833CX6 | 17921        | TREAS | MTN       | APPLE INC           | 09/02/2022    | 9,786,352.92  | 3.000        | 06/20/2027    | 10,000,000.00   | 1,752      | 10,000,000.00  | 3.541 | 3.590 | 1,450            |
| 3133ENW22 | 17947        | TREAS | FAC       | FEDERAL FARM CREDIT | 10/28/2022    | 24,998,460.36 | 4.430        | 06/28/2027    | 25,000,000.00   | 1,704      | 25,000,000.00  | 4.372 | 4.433 | 1,458            |
| 912828ZV5 | 17960        | TREAS | TRC       | US TREASURY NOTE    | 12/13/2022    | 26,320,453.69 | 0.500        | 06/30/2027    | 30,000,000.00   | 1,660      | 30,000,000.00  | 3.820 | 3.873 | 1,460            |
| 91282CEW7 | 17963        | TREAS | TRC       | US TREASURY NOTE    | 12/23/2022    | 29,361,250.00 | 3.250        | 06/30/2027    | 30,000,000.00   | 1,650      | 30,000,000.00  | 3.782 | 3.835 | 1,460            |
| 3130AU2J2 | 17956        | TREAS | FAC       | FEDERAL HOME LOAN   | 12/06/2022    | 14,954,127.82 | 4.000        | 07/06/2027    | 15,000,000.00   | 1,673      | 15,000,000.00  | 4.029 | 4.085 | 1,466            |
| 3133EPAU9 | 17978        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/14/2023    | 19,932,232.27 | 3.875        | 07/14/2027    | 20,000,000.00   | 1,611      | 20,000,000.00  | 3.914 | 3.968 | 1,474            |
| 3133ENP53 | 17932        | TREAS | FAC       | FEDERAL FARM CREDIT | 09/27/2022    | 24,971,290.83 | 3.750        | 07/27/2027    | 25,000,000.00   | 1,764      | 25,000,000.00  | 3.730 | 3.782 | 1,487            |
| 3133ENP53 | 17938        | TREAS | FAC       | FEDERAL FARM CREDIT | 09/28/2022    | 49,364,747.38 | 3.750        | 07/27/2027    | 50,000,000.00   | 1,763      | 50,000,000.00  | 4.042 | 4.098 | 1,487            |
| 3133ENR36 | 17943        | TREAS | FAC       | FEDERAL FARM CREDIT | 10/06/2022    | 24,973,449.39 | 4.050        | 07/27/2027    | 25,000,000.00   | 1,755      | 25,000,000.00  | 4.024 | 4.080 | 1,487            |
| 91282CFB2 | 17922        | TREAS | TRC       | US TREASURY NOTE    | 09/07/2022    | 48,664,468.85 | 2.750        | 07/31/2027    | 50,000,000.00   | 1,788      | 50,000,000.00  | 3.419 | 3.466 | 1,491            |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value     | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|---------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |               | 360   | 365   |                  |
| 91282CFB2 | 17928        | TREAS | TRC       | US TREASURY NOTE    | 09/14/2022    | 29,026,789.72 | 2.750        | 07/31/2027    | 30,000,000.00   | 1,781      | 30,000,000.00 | 3.574 | 3.623 | 1,491            |
| 91282CFB2 | 17934        | TREAS | TRC       | US TREASURY NOTE    | 09/26/2022    | 28,591,520.19 | 2.750        | 07/31/2027    | 30,000,000.00   | 1,769      | 30,000,000.00 | 3.971 | 4.026 | 1,491            |
| 91282CFB2 | 17967        | TREAS | TRC       | US TREASURY NOTE    | 12/27/2022    | 28,712,212.10 | 2.750        | 07/31/2027    | 30,000,000.00   | 1,677      | 30,000,000.00 | 3.854 | 3.908 | 1,491            |
| 91282CFB2 | 17968        | TREAS | TRC       | US TREASURY NOTE    | 12/28/2022    | 47,737,728.87 | 2.750        | 07/31/2027    | 50,000,000.00   | 1,676      | 50,000,000.00 | 3.918 | 3.972 | 1,491            |
| 91282CFB2 | 17969        | TREAS | TRC       | US TREASURY NOTE    | 12/28/2022    | 47,689,077.88 | 2.750        | 07/31/2027    | 50,000,000.00   | 1,676      | 50,000,000.00 | 3.944 | 3.999 | 1,491            |
| 742718EV7 | 17942        | TREAS | MTN       | PROCTER & GAMBLE    | 10/05/2022    | 9,434,616.27  | 2.850        | 08/11/2027    | 10,000,000.00   | 1,771      | 10,000,000.00 | 4.331 | 4.391 | 1,502            |
| 166756AL0 | 17904        | TREAS | MTN       | CHEVRON CORP        | 08/23/2022    | 4,527,756.37  | 1.018        | 08/12/2027    | 5,000,000.00    | 1,815      | 5,000,000.00  | 3.493 | 3.542 | 1,503            |
| 166756AL0 | 17915        | TREAS | MTN       | CHEVRON CORP        | 08/31/2022    | 9,010,449.19  | 1.018        | 08/12/2027    | 10,000,000.00   | 1,807      | 10,000,000.00 | 3.620 | 3.670 | 1,503            |
| 166756AL0 | 17920        | TREAS | MTN       | CHEVRON CORP        | 09/02/2022    | 13,463,732.91 | 1.018        | 08/12/2027    | 15,000,000.00   | 1,805      | 15,000,000.00 | 3.718 | 3.770 | 1,503            |
| 166756AL0 | 17930        | TREAS | MTN       | CHEVRON CORP        | 09/16/2022    | 7,823,673.55  | 1.018        | 08/12/2027    | 8,823,000.00    | 1,791      | 8,823,000.00  | 4.028 | 4.084 | 1,503            |
| 166756AL0 | 17933        | TREAS | MTN       | CHEVRON CORP        | 09/23/2022    | 4,396,865.07  | 1.018        | 08/12/2027    | 5,000,000.00    | 1,784      | 5,000,000.00  | 4.241 | 4.300 | 1,503            |
| 166756AL0 | 17946        | TREAS | MTN       | CHEVRON CORP        | 10/14/2022    | 4,316,149.53  | 1.018        | 08/12/2027    | 5,000,000.00    | 1,763      | 5,000,000.00  | 4.715 | 4.780 | 1,503            |
| 166756AL0 | 17958        | TREAS | MTN       | CHEVRON CORP        | 12/08/2022    | 4,411,284.91  | 1.018        | 08/12/2027    | 5,000,000.00    | 1,708      | 5,000,000.00  | 4.142 | 4.200 | 1,503            |
| 89236THG3 | 17940        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 09/28/2022    | 4,309,708.89  | 1.150        | 08/13/2027    | 5,000,000.00    | 1,780      | 5,000,000.00  | 4.899 | 4.967 | 1,504            |
| 02079KAJ6 | 17927        | TREAS | MTN       | ALPHABET INC        | 09/12/2022    | 4,470,053.81  | 0.800        | 08/15/2027    | 5,000,000.00    | 1,798      | 5,000,000.00  | 3.581 | 3.631 | 1,506            |
| 02079KAJ6 | 17929        | TREAS | MTN       | ALPHABET INC        | 09/15/2022    | 4,435,975.20  | 0.800        | 08/15/2027    | 5,000,000.00    | 1,795      | 5,000,000.00  | 3.776 | 3.828 | 1,506            |
| 02079KAJ6 | 17945        | TREAS | MTN       | ALPHABET INC        | 10/14/2022    | 6,498,127.39  | 0.800        | 08/15/2027    | 7,500,000.00    | 1,766      | 7,500,000.00  | 4.375 | 4.436 | 1,506            |
| 912810FA1 | 17964        | TREAS | TRC       | US TREASURY NOTE    | 12/23/2022    | 27,379,486.66 | 6.375        | 08/15/2027    | 25,000,000.00   | 1,696      | 25,000,000.00 | 3.781 | 3.833 | 1,506            |
| 912810FA1 | 17965        | TREAS | TRC       | US TREASURY NOTE    | 12/23/2022    | 27,379,486.66 | 6.375        | 08/15/2027    | 25,000,000.00   | 1,696      | 25,000,000.00 | 3.781 | 3.833 | 1,506            |
| 912810FA1 | 17966        | TREAS | TRC       | US TREASURY NOTE    | 12/23/2022    | 32,867,871.09 | 6.375        | 08/15/2027    | 30,000,000.00   | 1,696      | 30,000,000.00 | 3.770 | 3.823 | 1,506            |
| 3133ENJ50 | 17906        | TREAS | FAC       | FEDERAL FARM CREDIT | 08/26/2022    | 12,950,008.86 | 3.125        | 08/26/2027    | 13,000,000.00   | 1,826      | 13,000,000.00 | 3.182 | 3.226 | 1,517            |
| 478160CP7 | 17926        | TREAS | MTN       | JOHNSON & JOHNSON   | 09/12/2022    | 4,492,423.14  | 0.950        | 09/01/2027    | 5,000,000.00    | 1,815      | 5,000,000.00  | 3.585 | 3.635 | 1,523            |
| 478160CP7 | 17941        | TREAS | MTN       | JOHNSON & JOHNSON   | 09/28/2022    | 4,350,423.01  | 0.950        | 09/01/2027    | 5,000,000.00    | 1,799      | 5,000,000.00  | 4.396 | 4.457 | 1,523            |
| 931142EX7 | 17923        | TREAS | MTN       | WALMART             | 09/09/2022    | 6,987,332.80  | 3.950        | 09/09/2027    | 7,000,000.00    | 1,826      | 7,000,000.00  | 3.943 | 3.998 | 1,531            |
| 931142EX7 | 17924        | TREAS | MTN       | WALMART             | 09/09/2022    | 9,997,319.11  | 3.950        | 09/09/2027    | 10,000,000.00   | 1,826      | 10,000,000.00 | 3.903 | 3.957 | 1,531            |
| 931142EX7 | 17931        | TREAS | MTN       | WALMART             | 09/22/2022    | 9,890,997.00  | 3.950        | 09/09/2027    | 10,000,000.00   | 1,813      | 10,000,000.00 | 4.183 | 4.241 | 1,531            |
| 3130ASVS5 | 17918        | TREAS | FAC       | FEDERAL HOME LOAN   | 09/12/2022    | 15,419,489.34 | 3.000        | 09/10/2027    | 15,650,000.00   | 1,824      | 15,650,000.00 | 3.337 | 3.384 | 1,532            |
| 037833DB3 | 17925        | TREAS | MTN       | APPLE INC           | 09/12/2022    | 24,085,425.28 | 2.900        | 09/12/2027    | 25,000,000.00   | 1,826      | 25,000,000.00 | 3.814 | 3.867 | 1,534            |
| 037833DB3 | 17962        | TREAS | MTN       | APPLE INC           | 12/20/2022    | 9,532,460.02  | 2.900        | 09/12/2027    | 10,000,000.00   | 1,727      | 10,000,000.00 | 4.080 | 4.137 | 1,534            |
| 3133EHYG2 | 17917        | TREAS | FAC       | FEDERAL FARM CREDIT | 09/13/2022    | 18,788,125.20 | 2.430        | 09/13/2027    | 19,500,000.00   | 1,826      | 19,500,000.00 | 3.336 | 3.382 | 1,535            |
| 13063D2U1 | 17953        | TREAS | MUN       | STATE OF CALIFORNIA | 11/17/2022    | 59,048,262.62 | 5.250        | 10/01/2027    | 58,115,000.00   | 1,779      | 58,115,000.00 | 4.757 | 4.823 | 1,553            |
| 3130AUSN5 | 17982        | TREAS | FAC       | FEDERAL HOME LOAN   | 02/14/2023    | 12,680,295.60 | 3.500        | 10/01/2027    | 12,940,000.00   | 1,690      | 12,940,000.00 | 3.968 | 4.023 | 1,553            |
| 742651DZ2 | 18025        | TREAS | FAC       | PRIVATE EXPORT      | 05/18/2023    | 35,214,568.28 | 3.900        | 10/15/2027    | 35,000,000.00   | 1,611      | 35,000,000.00 | 3.733 | 3.785 | 1,567            |
| 742651DZ2 | 18030        | TREAS | FAC       | PRIVATE EXPORT      | 05/23/2023    | 8,973,911.98  | 3.900        | 10/15/2027    | 9,000,000.00    | 1,606      | 9,000,000.00  | 3.975 | 4.030 | 1,567            |
| 91282CAU5 | 17970        | TREAS | TRC       | US TREASURY NOTE    | 12/29/2022    | 25,901,400.68 | 0.500        | 10/31/2027    | 30,000,000.00   | 1,767      | 30,000,000.00 | 3.944 | 3.999 | 1,583            |
| 91282CFU0 | 17997        | TREAS | TRC       | US TREASURY NOTE    | 03/03/2023    | 29,679,745.76 | 4.125        | 10/31/2027    | 30,000,000.00   | 1,703      | 30,000,000.00 | 4.339 | 4.399 | 1,583            |
| 89236TKL8 | 17950        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 11/10/2022    | 29,967,312.50 | 5.450        | 11/10/2027    | 30,000,000.00   | 1,826      | 30,000,000.00 | 5.404 | 5.479 | 1,593            |
| 3130AUZK3 | 17990        | TREAS | FAC       | FEDERAL HOME LOAN   | 02/17/2023    | 59,839,499.59 | 4.050        | 01/03/2028    | 60,000,000.00   | 1,781      | 60,000,000.00 | 4.061 | 4.117 | 1,647            |
| 3130AUZK3 | 17993        | TREAS | FAC       | FEDERAL HOME LOAN   | 02/22/2023    | 26,734,672.44 | 4.050        | 01/03/2028    | 26,875,000.00   | 1,776      | 26,875,000.00 | 4.137 | 4.194 | 1,647            |
| 3133EN5N6 | 17977        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/07/2023    | 30,244,319.76 | 4.000        | 01/06/2028    | 30,000,000.00   | 1,794      | 30,000,000.00 | 3.831 | 3.884 | 1,650            |
| 3130AUTA2 | 17971        | TREAS | FAC       | FEDERAL HOME LOAN   | 02/07/2023    | 49,440,913.22 | 3.625        | 01/07/2028    | 50,000,000.00   | 1,795      | 50,000,000.00 | 3.847 | 3.900 | 1,651            |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP     | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value    | Current Rate | Maturity Date | Maturity Amount | Total Days | Par Value     | YTM   |       | Days to Maturity |
|-----------|--------------|-------|-----------|---------------------|---------------|---------------|--------------|---------------|-----------------|------------|---------------|-------|-------|------------------|
|           |              |       |           |                     |               |               |              |               |                 |            |               | 360   | 365   |                  |
| 89236TKQ7 | 17981        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 02/14/2023    | 20,046,982.29 | 4.625        | 01/12/2028    | 20,000,000.00   | 1,793      | 20,000,000.00 | 4.604 | 4.668 | 1,656            |
| 89236TKQ7 | 17991        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 02/17/2023    | 11,849,215.27 | 4.625        | 01/12/2028    | 11,860,000.00   | 1,790      | 11,860,000.00 | 4.694 | 4.759 | 1,656            |
| 89236TKQ7 | 17992        | TREAS | MTN       | TOYOTA MOTOR CREDIT | 02/17/2023    | 4,998,086.95  | 4.625        | 01/12/2028    | 5,000,000.00    | 1,790      | 5,000,000.00  | 4.681 | 4.746 | 1,656            |
| 166756AR7 | 17987        | TREAS | MTN       | CHEVRON CORP        | 02/16/2023    | 16,592,189.18 | 3.850        | 01/15/2028    | 17,000,000.00   | 1,794      | 17,000,000.00 | 4.465 | 4.527 | 1,659            |
| 478160CK8 | 17988        | TREAS | MTN       | JOHNSON & JOHNSON   | 02/16/2023    | 4,726,171.25  | 2.900        | 01/15/2028    | 5,000,000.00    | 1,794      | 5,000,000.00  | 4.254 | 4.313 | 1,659            |
| 478160CK8 | 17994        | TREAS | MTN       | JOHNSON & JOHNSON   | 03/02/2023    | 4,689,171.09  | 2.900        | 01/15/2028    | 5,000,000.00    | 1,780      | 5,000,000.00  | 4.473 | 4.535 | 1,659            |
| 166756AR7 | 18001        | TREAS | MTN       | CHEVRON CORP        | 04/12/2023    | 5,021,495.73  | 3.850        | 01/15/2028    | 5,000,000.00    | 1,739      | 5,000,000.00  | 3.917 | 3.971 | 1,659            |
| 478160CK8 | 18002        | TREAS | MTN       | JOHNSON & JOHNSON   | 04/12/2023    | 4,850,847.04  | 2.900        | 01/15/2028    | 5,000,000.00    | 1,739      | 5,000,000.00  | 3.742 | 3.794 | 1,659            |
| 478160CK8 | 18004        | TREAS | MTN       | JOHNSON & JOHNSON   | 04/12/2023    | 4,853,327.13  | 2.900        | 01/15/2028    | 5,000,000.00    | 1,739      | 5,000,000.00  | 3.730 | 3.782 | 1,659            |
| 166756AR7 | 18026        | TREAS | MTN       | CHEVRON CORP        | 05/19/2023    | 10,058,320.66 | 3.850        | 01/15/2028    | 10,000,000.00   | 1,702      | 10,000,000.00 | 3.975 | 4.030 | 1,659            |
| 478160CK8 | 18028        | TREAS | MTN       | JOHNSON & JOHNSON   | 05/22/2023    | 9,677,299.52  | 2.900        | 01/15/2028    | 10,000,000.00   | 1,699      | 10,000,000.00 | 3.879 | 3.933 | 1,659            |
| 478160CK8 | 18029        | TREAS | MTN       | JOHNSON & JOHNSON   | 05/22/2023    | 9,673,695.54  | 2.900        | 01/15/2028    | 10,000,000.00   | 1,699      | 10,000,000.00 | 3.888 | 3.942 | 1,659            |
| 166756AR7 | 18032        | TREAS | MTN       | CHEVRON CORP        | 06/05/2023    | 10,027,369.09 | 3.850        | 01/15/2028    | 10,000,000.00   | 1,685      | 10,000,000.00 | 4.091 | 4.148 | 1,659            |
| 3130AVPZ9 | 18010        | TREAS | FAC       | FEDERAL HOME LOAN   | 04/18/2023    | 9,939,498.01  | 3.600        | 01/18/2028    | 10,000,000.00   | 1,736      | 10,000,000.00 | 3.696 | 3.747 | 1,662            |
| 3130AVPH9 | 18006        | TREAS | FAC       | FEDERAL HOME LOAN   | 04/13/2023    | 19,979,949.57 | 3.625        | 01/28/2028    | 20,000,000.00   | 1,751      | 20,000,000.00 | 3.600 | 3.650 | 1,672            |
| 037833EC0 | 17979        | TREAS | MTN       | APPLE INC           | 02/10/2023    | 8,742,793.55  | 1.200        | 02/08/2028    | 10,000,000.00   | 1,824      | 10,000,000.00 | 4.205 | 4.263 | 1,683            |
| 037833EC0 | 17983        | TREAS | MTN       | APPLE INC           | 02/15/2023    | 4,345,112.96  | 1.200        | 02/08/2028    | 5,000,000.00    | 1,819      | 5,000,000.00  | 4.346 | 4.406 | 1,683            |
| 037833EC0 | 17986        | TREAS | MTN       | APPLE INC           | 02/16/2023    | 8,674,366.65  | 1.200        | 02/08/2028    | 10,000,000.00   | 1,818      | 10,000,000.00 | 4.388 | 4.449 | 1,683            |
| 037833EC0 | 17996        | TREAS | MTN       | APPLE INC           | 03/02/2023    | 12,883,930.57 | 1.200        | 02/08/2028    | 15,000,000.00   | 1,804      | 15,000,000.00 | 4.624 | 4.688 | 1,683            |
| 037833EC0 | 18003        | TREAS | MTN       | APPLE INC           | 04/12/2023    | 8,894,745.14  | 1.200        | 02/08/2028    | 10,000,000.00   | 1,763      | 10,000,000.00 | 3.855 | 3.909 | 1,683            |
| 3133EPAV7 | 17984        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/15/2023    | 19,891,779.13 | 3.875        | 02/14/2028    | 20,000,000.00   | 1,825      | 20,000,000.00 | 3.953 | 4.008 | 1,689            |
| 3133EPAV7 | 17985        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/15/2023    | 46,747,592.61 | 3.875        | 02/14/2028    | 47,000,000.00   | 1,825      | 47,000,000.00 | 3.952 | 4.007 | 1,689            |
| 3133EPAV7 | 17989        | TREAS | FAC       | FEDERAL FARM CREDIT | 02/16/2023    | 4,951,621.10  | 3.875        | 02/14/2028    | 5,000,000.00    | 1,824      | 5,000,000.00  | 4.058 | 4.114 | 1,689            |
| 9128283W8 | 18009        | TREAS | TRC       | US TREASURY NOTE    | 04/17/2023    | 19,368,564.83 | 2.750        | 02/15/2028    | 20,000,000.00   | 1,765      | 20,000,000.00 | 3.560 | 3.609 | 1,690            |
| 13063DGC6 | 18016        | TREAS | MUN       | STATE OF CALIFORNIA | 04/25/2023    | 4,844,036.60  | 3.500        | 04/01/2028    | 5,000,000.00    | 1,803      | 5,000,000.00  | 4.231 | 4.290 | 1,736            |
| 931142FB4 | 18008        | TREAS | MTN       | WALMART             | 04/18/2023    | 9,944,164.27  | 3.900        | 04/15/2028    | 10,000,000.00   | 1,824      | 10,000,000.00 | 3.975 | 4.030 | 1,750            |
| 931142FB4 | 18011        | TREAS | MTN       | WALMART             | 04/19/2023    | 9,920,834.78  | 3.900        | 04/15/2028    | 10,000,000.00   | 1,823      | 10,000,000.00 | 4.031 | 4.087 | 1,750            |
| 931142FB4 | 18012        | TREAS | MTN       | WALMART             | 04/19/2023    | 4,960,412.59  | 3.900        | 04/15/2028    | 5,000,000.00    | 1,823      | 5,000,000.00  | 4.031 | 4.087 | 1,750            |
| 931142FB4 | 18013        | TREAS | MTN       | WALMART             | 04/19/2023    | 4,958,065.61  | 3.900        | 04/15/2028    | 5,000,000.00    | 1,823      | 5,000,000.00  | 4.042 | 4.098 | 1,750            |
| 931142FB4 | 18014        | TREAS | MTN       | WALMART             | 04/19/2023    | 9,916,131.21  | 3.900        | 04/15/2028    | 10,000,000.00   | 1,823      | 10,000,000.00 | 4.042 | 4.098 | 1,750            |
| 931142FB4 | 18015        | TREAS | MTN       | WALMART             | 04/19/2023    | 4,957,633.65  | 3.900        | 04/15/2028    | 5,000,000.00    | 1,823      | 5,000,000.00  | 4.044 | 4.100 | 1,750            |
| 931142FB4 | 18023        | TREAS | MTN       | WALMART             | 05/17/2023    | 4,667,097.08  | 3.900        | 04/15/2028    | 4,660,000.00    | 1,795      | 4,660,000.00  | 3.883 | 3.937 | 1,750            |
| 931142FB4 | 18024        | TREAS | MTN       | WALMART             | 05/18/2023    | 4,999,078.30  | 3.900        | 04/15/2028    | 5,000,000.00    | 1,794      | 5,000,000.00  | 3.925 | 3.979 | 1,750            |
| 037833ET3 | 18035        | TREAS | MTN       | APPLE INC           | 06/09/2023    | 9,936,723.46  | 4.000        | 05/10/2028    | 10,000,000.00   | 1,797      | 10,000,000.00 | 4.161 | 4.219 | 1,775            |
| 037833ET3 | 18036        | TREAS | MTN       | APPLE INC           | 06/14/2023    | 9,925,839.30  | 4.000        | 05/10/2028    | 10,000,000.00   | 1,792      | 10,000,000.00 | 4.199 | 4.257 | 1,775            |
| 037833ET3 | 18038        | TREAS | MTN       | APPLE INC           | 06/14/2023    | 9,922,399.24  | 4.000        | 05/10/2028    | 10,000,000.00   | 1,792      | 10,000,000.00 | 4.207 | 4.265 | 1,775            |
| 46632FSV8 | 18027        | TREAS | MTN       | JP MORGAN           | 05/25/2023    | 30,000,000.00 | 4.000        | 05/25/2028    | 30,000,000.00   | 1,827      | 30,000,000.00 | 3.945 | 4.000 | 1,790            |
| 3133EPME2 | 18033        | TREAS | FAC       | FEDERAL FARM CREDIT | 06/08/2023    | 20,770,423.87 | 3.875        | 06/08/2028    | 20,850,000.00   | 1,827      | 20,850,000.00 | 3.907 | 3.961 | 1,804            |
| 3130AWC24 | 18034        | TREAS | FAC       | FEDERAL HOME LOAN   | 06/09/2023    | 8,812,359.68  | 4.000        | 06/09/2028    | 8,800,000.00    | 1,827      | 8,800,000.00  | 3.933 | 3.988 | 1,805            |
| 3130AWC24 | 18039        | TREAS | FAC       | FEDERAL HOME LOAN   | 06/14/2023    | 17,999,526.49 | 4.000        | 06/09/2028    | 18,025,000.00   | 1,822      | 18,025,000.00 | 4.008 | 4.064 | 1,805            |
| 3130AWC24 | 18040        | TREAS | FAC       | FEDERAL HOME LOAN   | 06/22/2023    | 30,065,821.15 | 4.000        | 06/09/2028    | 30,000,000.00   | 1,814      | 30,000,000.00 | 3.948 | 4.002 | 1,805            |

**County of Fresno  
Inventory by Maturity Report**

| CUSIP                             | Investment # | Fund  | Sec. Type | Issuer              | Purchase Date | Book Value              | Current Rate | Maturity Date | Maturity Amount         | Total Days | Par Value               | YTM          |              | Days to Maturity |
|-----------------------------------|--------------|-------|-----------|---------------------|---------------|-------------------------|--------------|---------------|-------------------------|------------|-------------------------|--------------|--------------|------------------|
|                                   |              |       |           |                     |               |                         |              |               |                         |            |                         | 360          | 365          |                  |
| 3130AWC24                         | 18042        | TREAS | FAC       | FEDERAL HOME LOAN   | 06/22/2023    | 15,035,298.49           | 4.000        | 06/09/2028    | 15,000,000.00           | 1,814      | 15,000,000.00           | 3.944        | 3.999        | 1,805            |
| 3130AWC24                         | 18045        | TREAS | FAC       | FEDERAL HOME LOAN   | 06/30/2023    | 14,574,492.93           | 4.000        | 06/09/2028    | 14,650,000.00           | 1,806      | 14,650,000.00           | 4.131        | 4.189        | 1,805            |
| 3133EKQG4                         | 18037        | TREAS | FAC       | FEDERAL FARM CREDIT | 06/13/2023    | 8,277,976.11            | 2.400        | 06/12/2028    | 8,916,000.00            | 1,826      | 8,916,000.00            | 3.957        | 4.012        | 1,808            |
| 3133EPNH4                         | 18044        | TREAS | FAC       | FEDERAL FARM CREDIT | 06/30/2023    | 9,873,163.77            | 3.875        | 06/21/2028    | 10,000,000.00           | 1,818      | 10,000,000.00           | 4.124        | 4.182        | 1,817            |
| 931142EE9                         | 18043        | TREAS | MTN       | WALMART             | 06/26/2023    | 16,706,067.46           | 3.700        | 06/26/2028    | 17,200,000.00           | 1,827      | 17,200,000.00           | 4.287        | 4.347        | 1,822            |
| <b>Subtotal and Average</b>       |              |       |           |                     |               | <b>7,565,068,380.17</b> |              |               | <b>7,607,674,750.46</b> |            | <b>7,607,674,750.46</b> | <b>2.603</b> | <b>2.640</b> | <b>861</b>       |
| <b>Net Maturities and Average</b> |              |       |           |                     |               | <b>7,565,068,380.17</b> |              |               | <b>7,607,674,750.46</b> |            | <b>7,607,674,750.46</b> | <b>2.603</b> | <b>2.640</b> | <b>861</b>       |





# Quarterly Economic and Market Update

June 2023

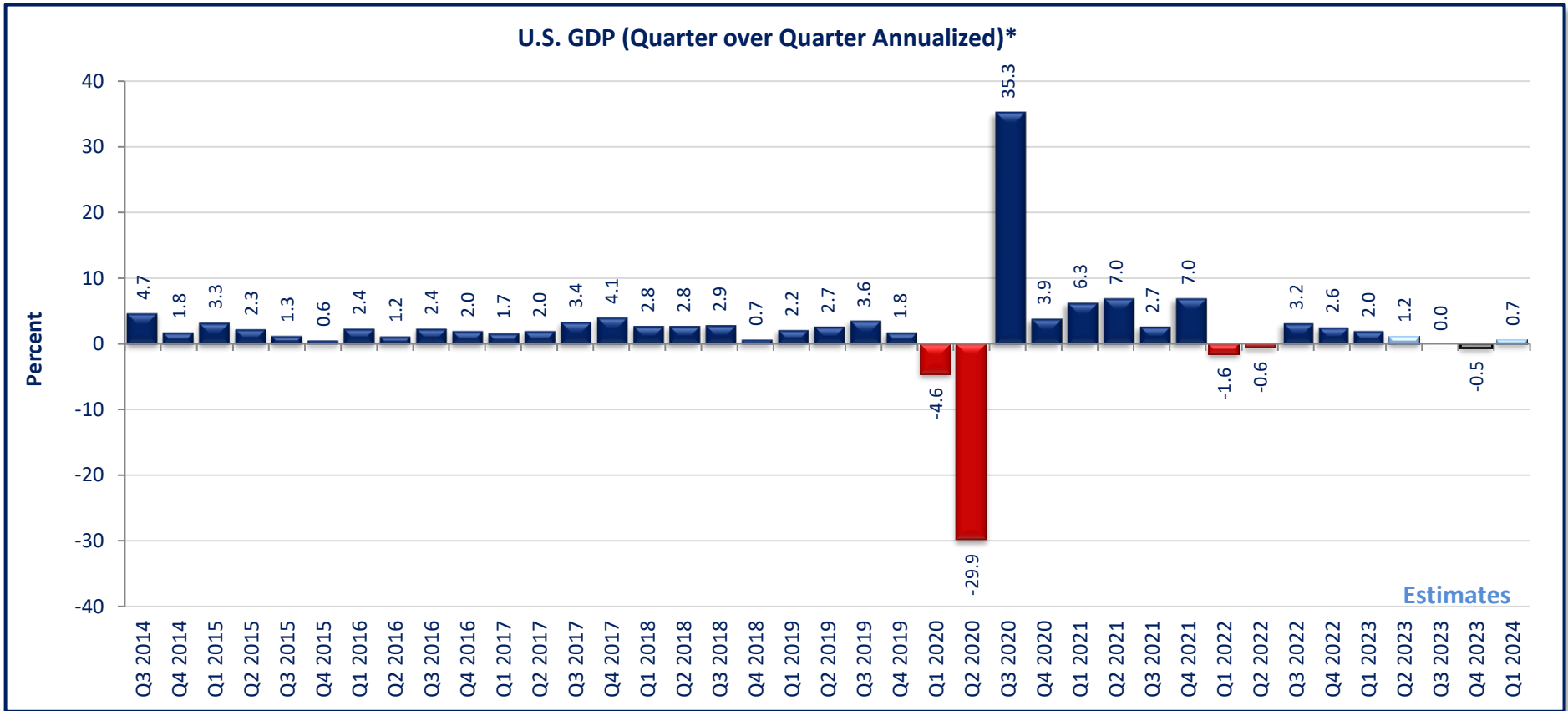
**Economic and Market Update**  
**6/30/2023**

| Item                          | 6/30/2023  | 3/31/2023  | Change    |
|-------------------------------|------------|------------|-----------|
| U.S. Payrolls Monthly Change  | 209,000    | 217,000    | (8,000)   |
| Unemployment Rate             | 3.6%       | 3.5%       | 0.1%      |
| Labor Force Participation     | 62.6%      | 62.6%      | 0.0%      |
| Effective Fed Funds Rate      | 5.08%      | 4.83%      | 0.25%     |
| 3 Month T-Bill                | 5.30%      | 4.75%      | 0.55%     |
| 2 Year T-Note                 | 4.90%      | 4.03%      | 0.87%     |
| 3 Year T-Note                 | 4.53%      | 3.79%      | 0.74%     |
| 5 Year T-Note                 | 4.16%      | 3.58%      | 0.58%     |
| 10 Year T-Note                | 3.84%      | 3.47%      | 0.37%     |
| U.S. Fed Debt Avg Yield*      | 2.78%      | 2.58%      | 0.20%     |
| 30 Year Mortgage Rate         | 7.15%      | 5.83%      | 1.32%     |
| 1-5 Yr Agency Spread          | 0.07%      | 0.10%      | (0.03%)   |
| 1-5 Yr A-AAA Corporate Spread | 0.62%      | 0.76%      | (0.14%)   |
| Dow Jones                     | 34,408     | 33,274     | 3.4%      |
| S&P 500                       | 4,450      | 4,109      | 8.3%      |
| Consumer Price Index YOY*     | 2.7%       | 5.0%       | (2.3%)    |
| U.S. Avg Regular Unleaded     | \$3.54     | \$3.50     | \$0.03    |
| Retail Sales YOY*             | 1.1%       | 2.2%       | (1.1%)    |
| Case-Shiller Home Prices YOY* | -2.0%      | 2.6%       | (4.6%)    |
| Gold (per ounce)              | \$1,919.35 | \$1,969.28 | (\$49.93) |
| Dollar Index                  | 102.91     | 102.51     | 0.41      |
| Consumer Confidence           | 102.3      | 102.9      | (0.6)     |

\*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg

Economic and Market Update  
6/30/2023



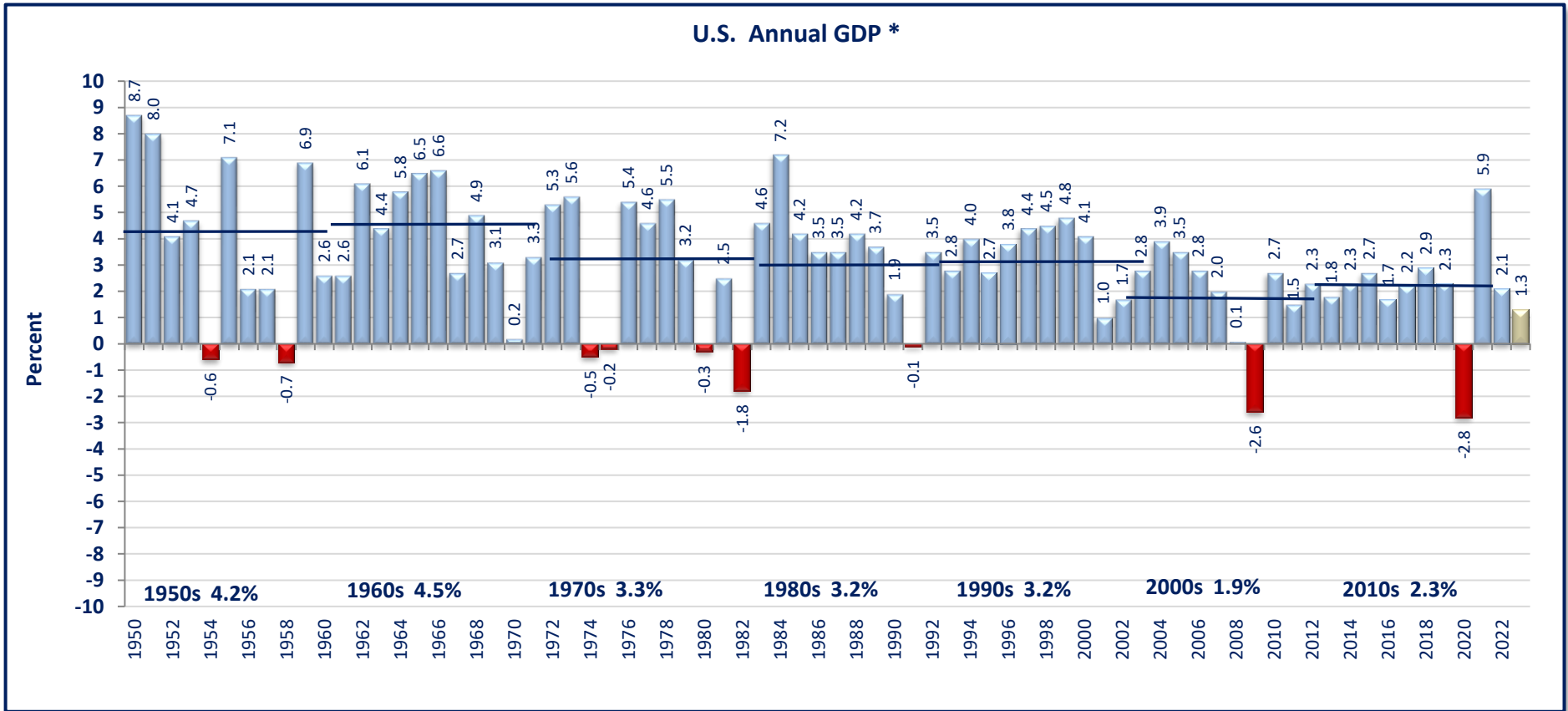
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/2023

Economic and Market Update  
6/30/2023



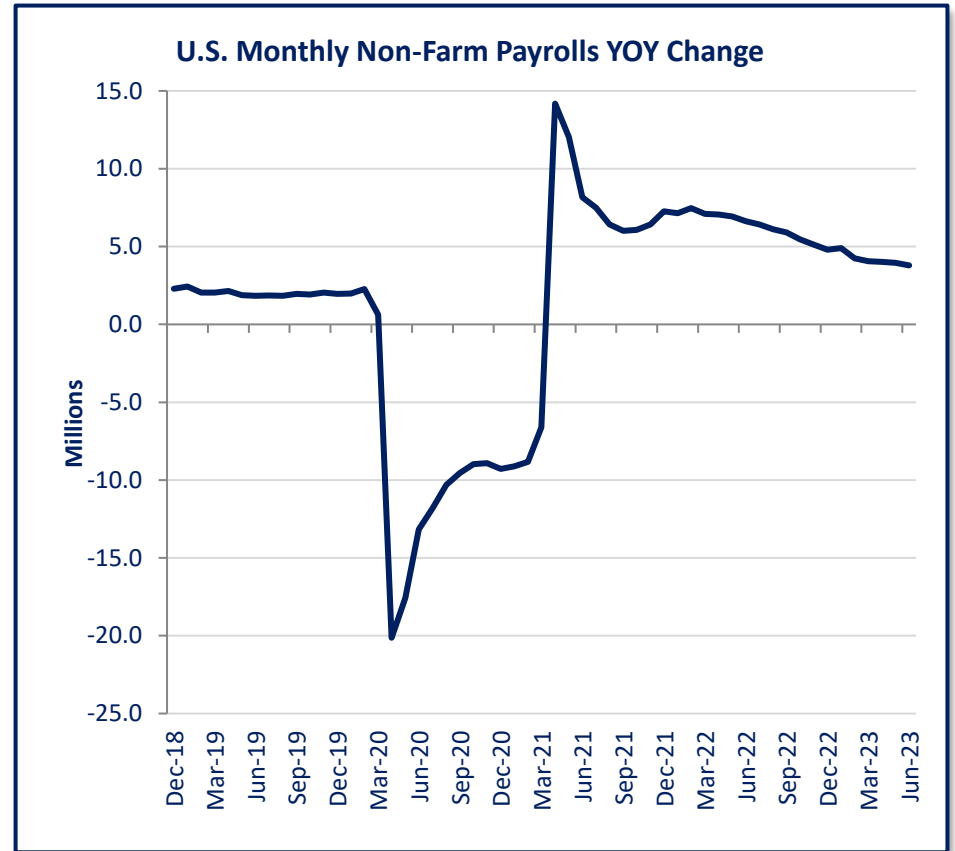
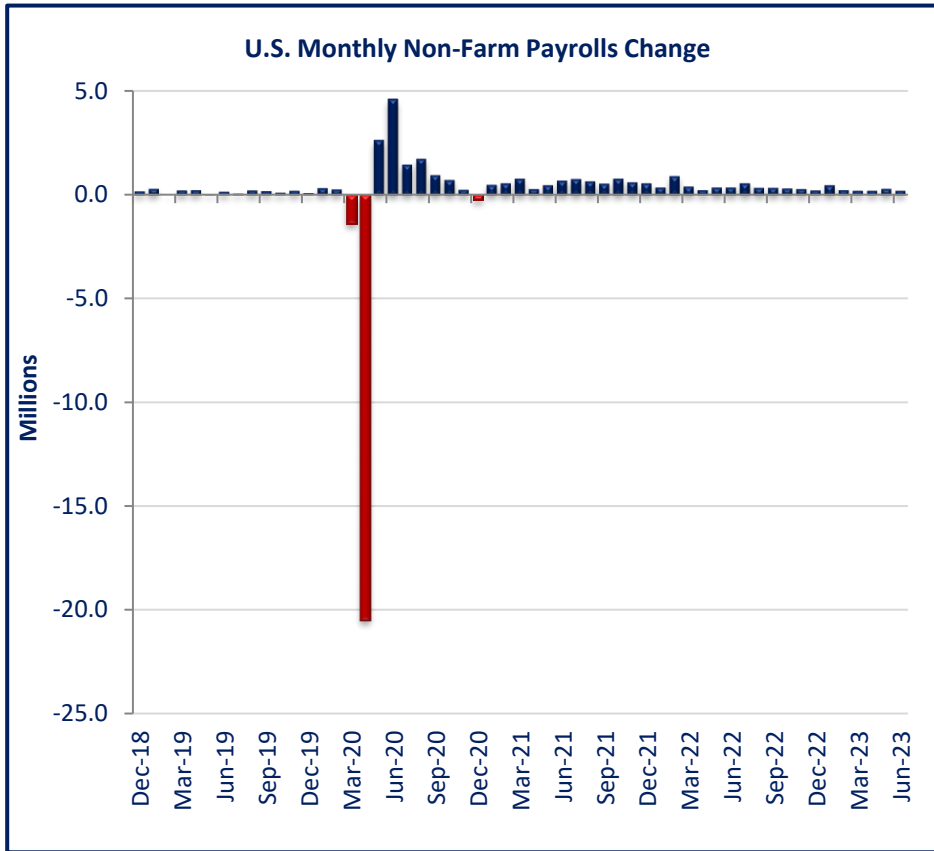
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/2023

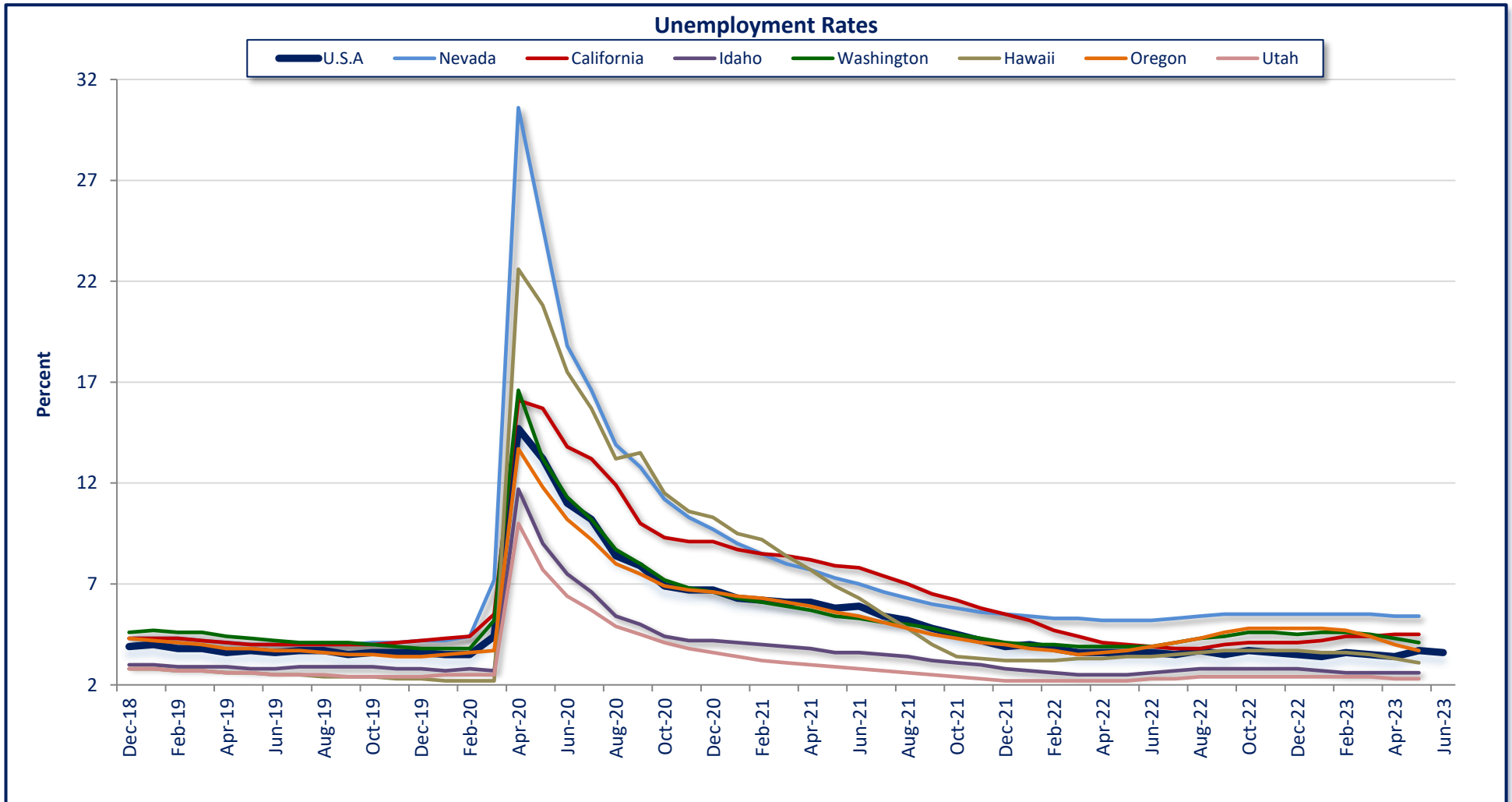
Economic and Market Update  
6/30/2023



**12 Month Average Job Change**                      **316,000**

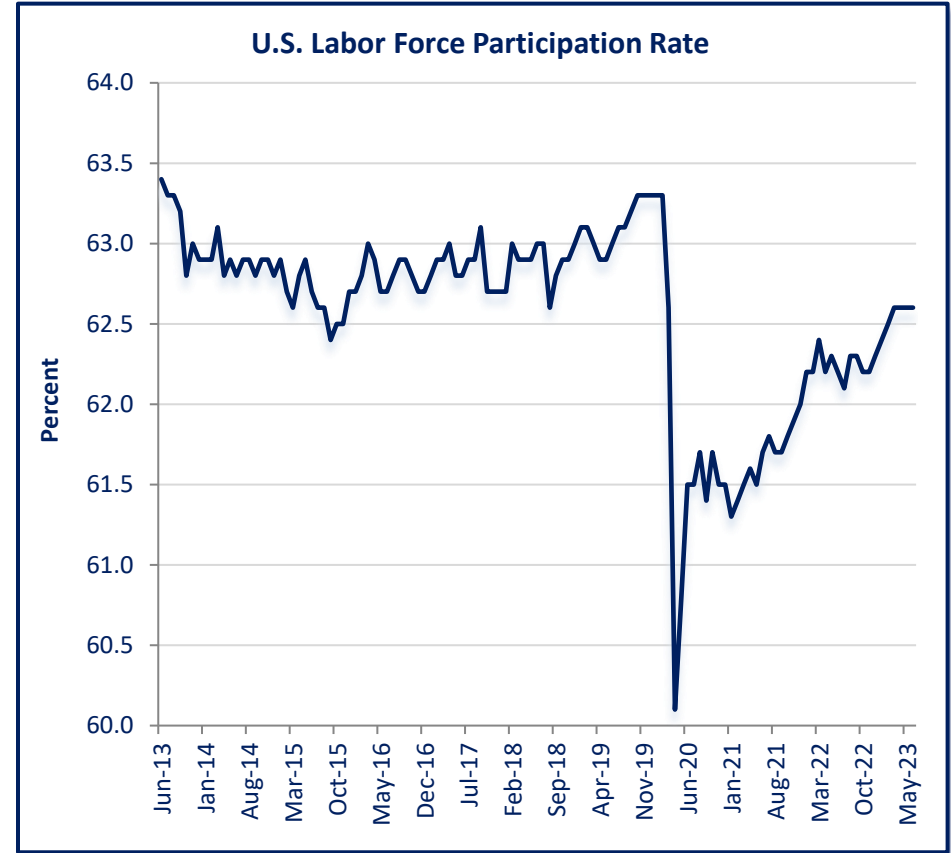
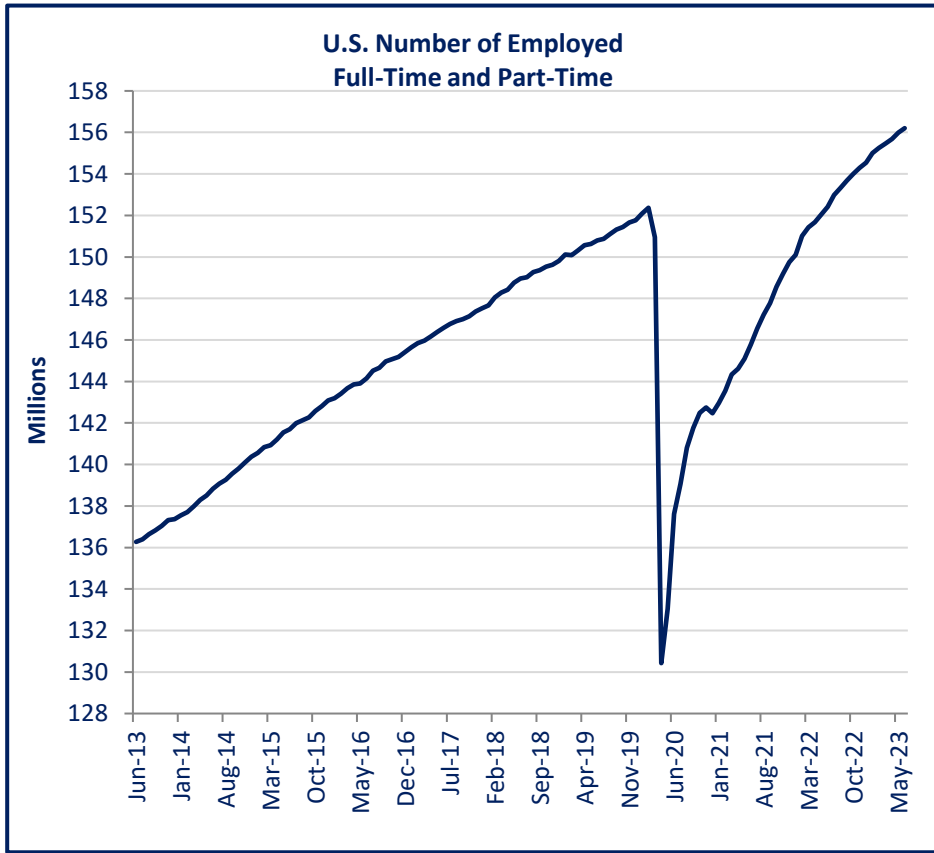
Source: Bureau of Labor Statistics

# Economic and Market Update 6/30/2023

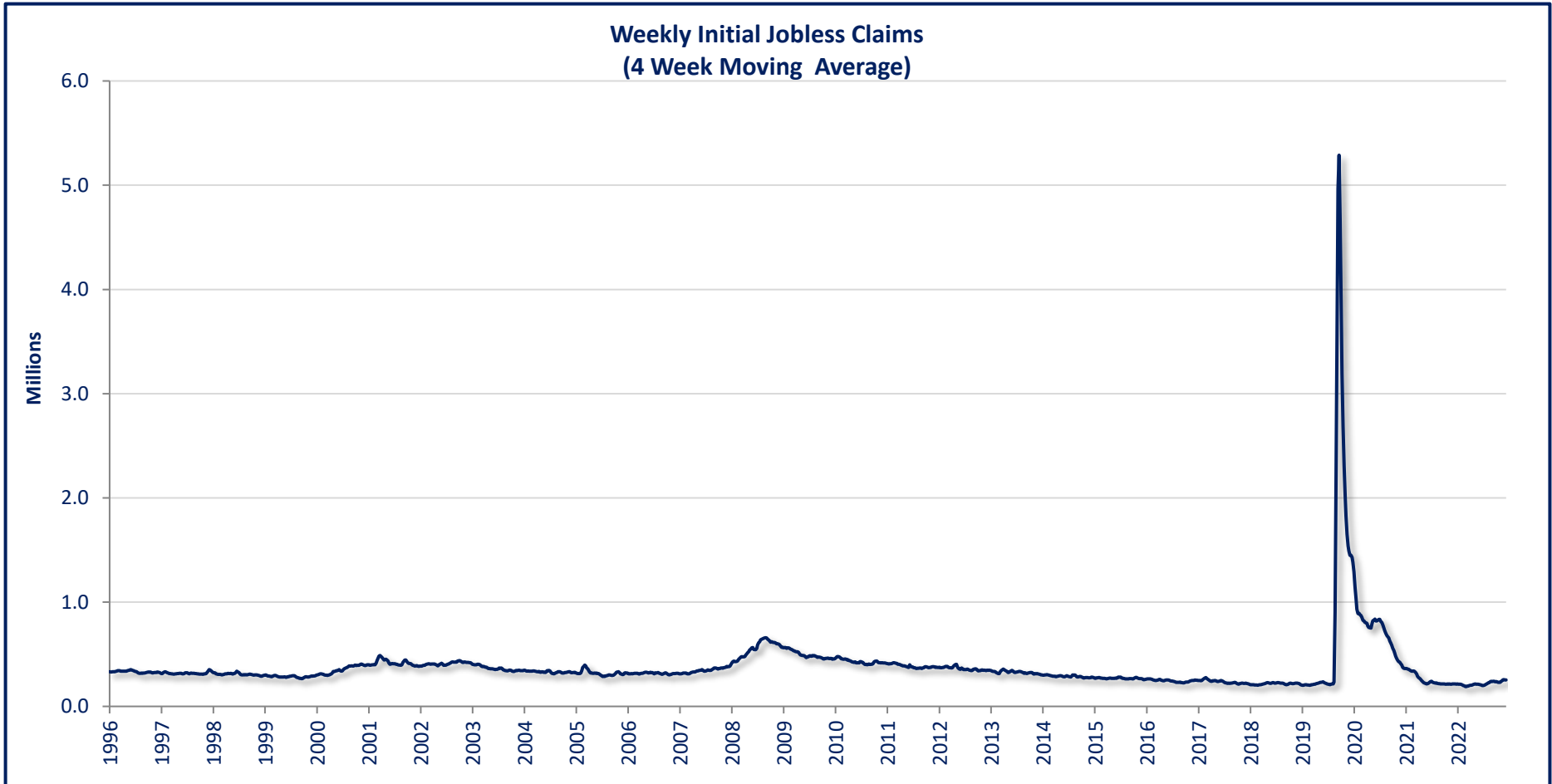


Source: Bureau of Labor Statistics

Economic and Market Update  
6/30/2023



Source: Bureau of Labor Statistics

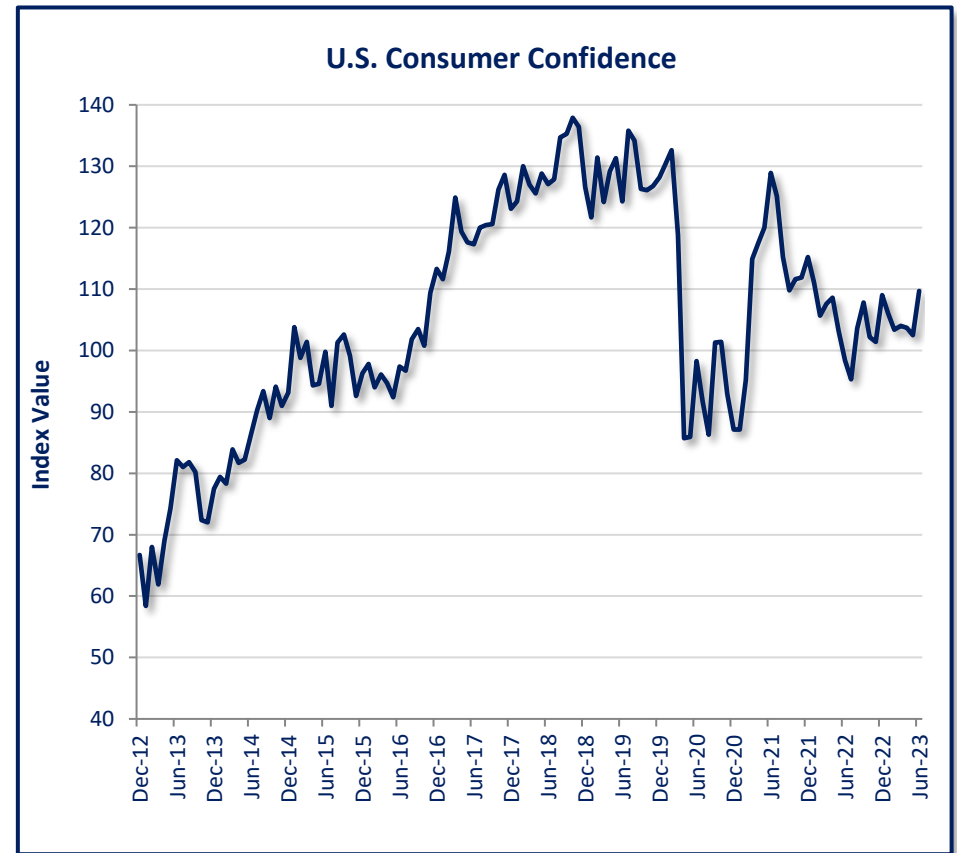
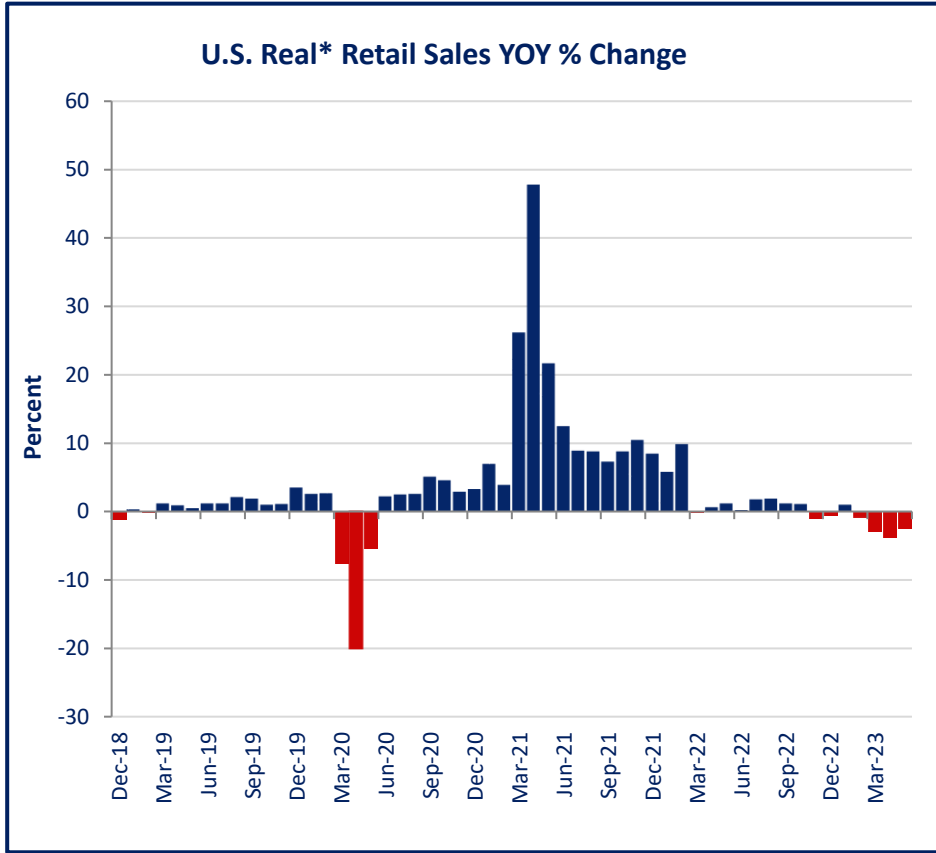


Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

Source: Department of Labor and Bloomberg



Economic and Market Update  
6/30/2023

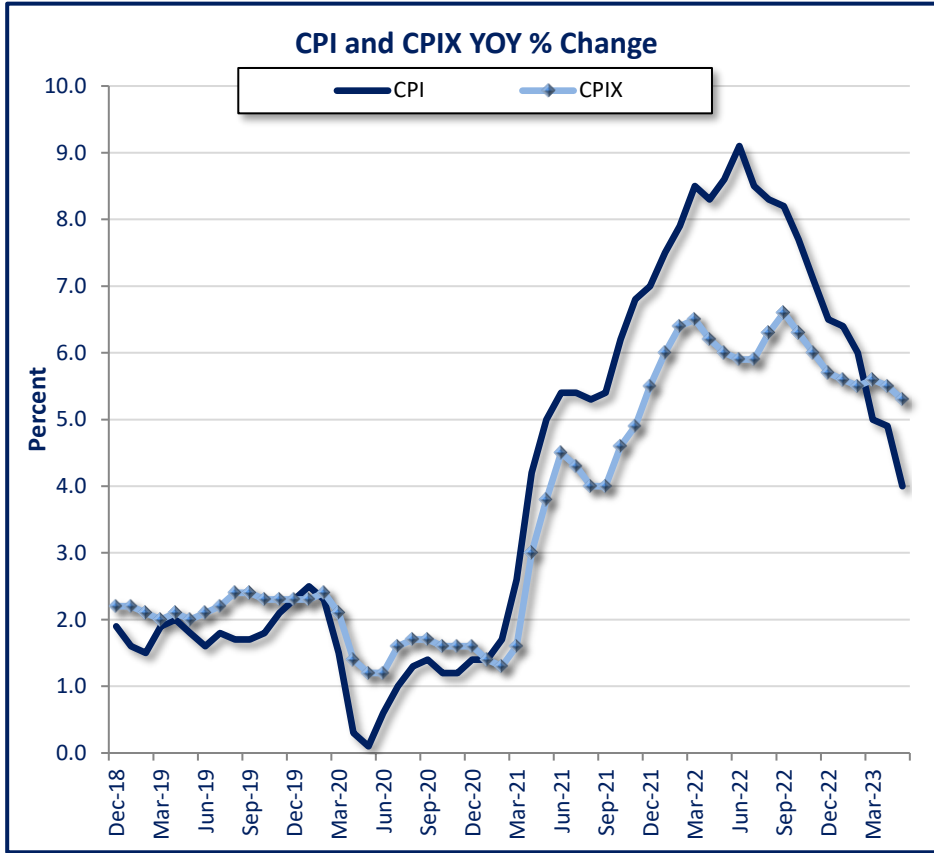


\*Real: Inflation Adjusted

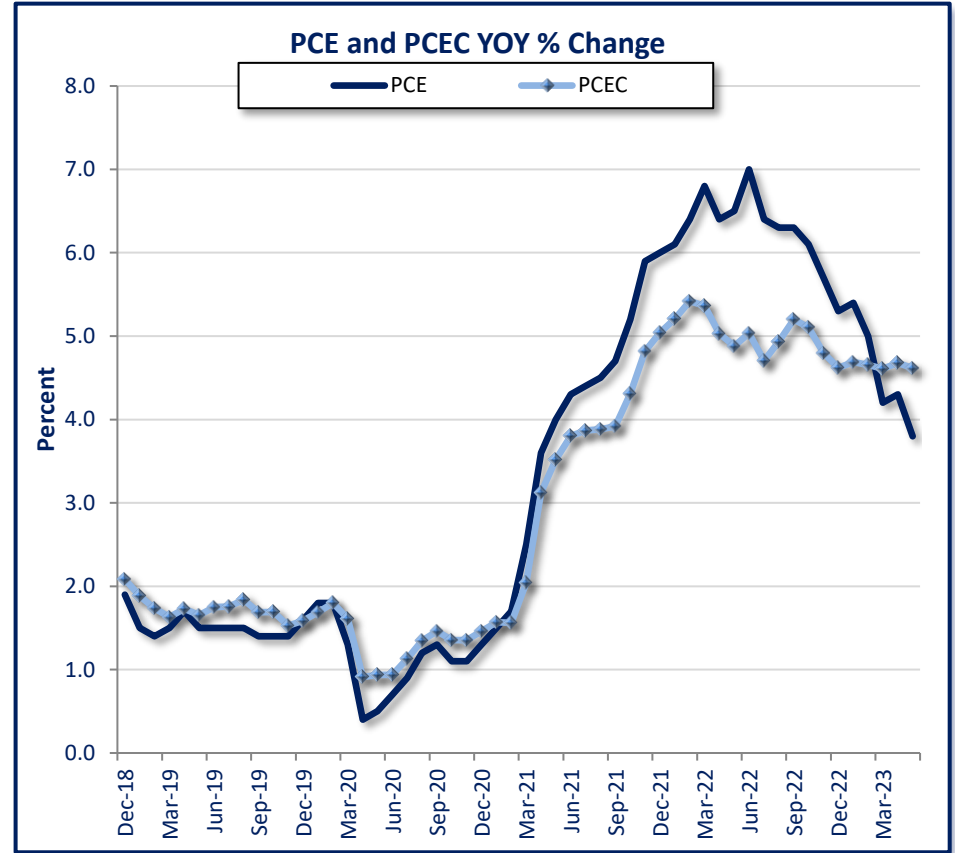
Source: U.S. Census Bureau

Source: Conference Board

Economic and Market Update  
6/30/2023



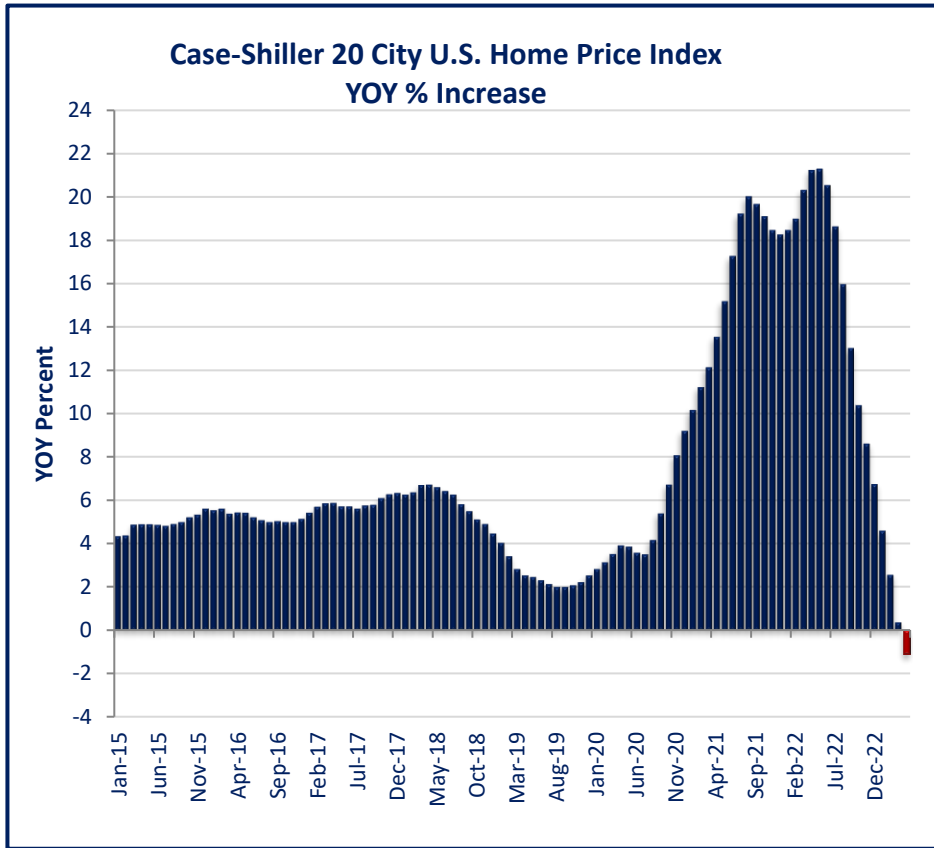
CPIX: Consumer Price Index, excluding food and energy



PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

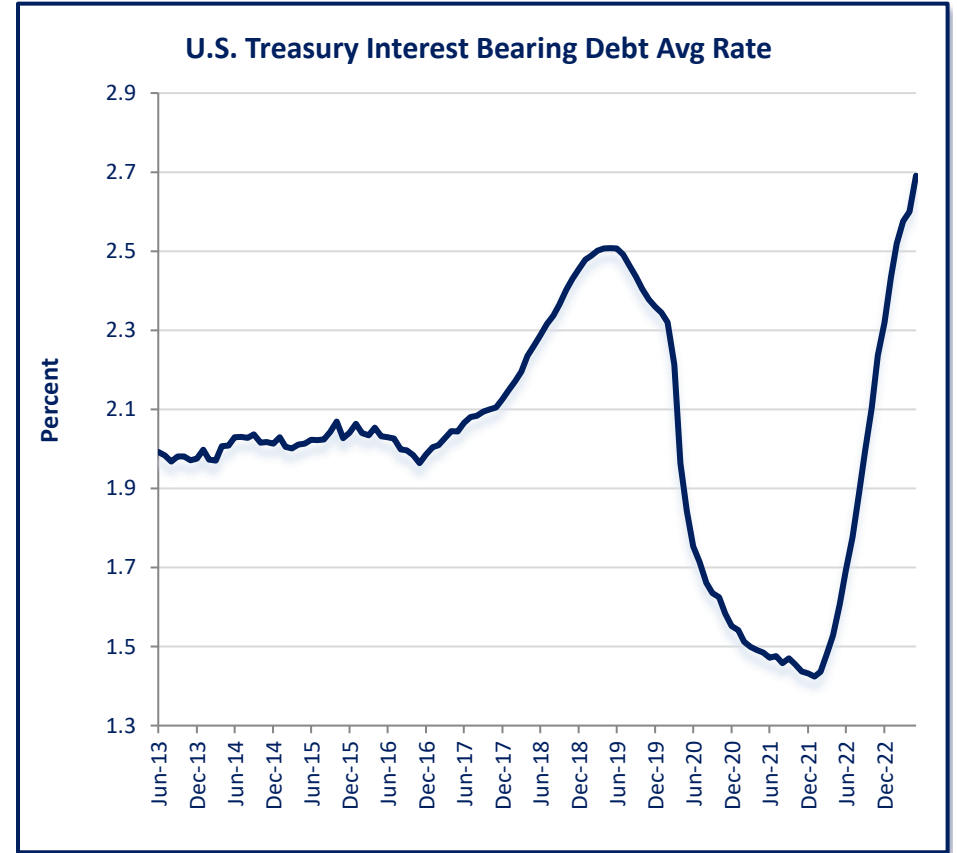
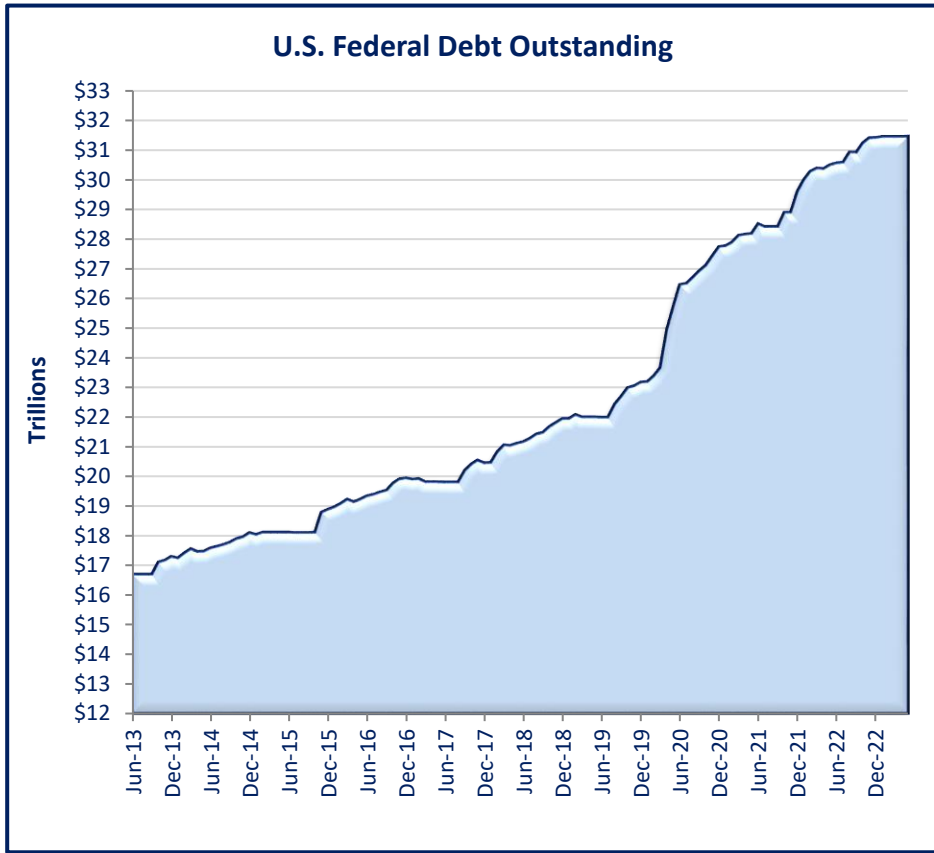
Economic and Market Update  
6/30/2023



Source: Case-Shiller

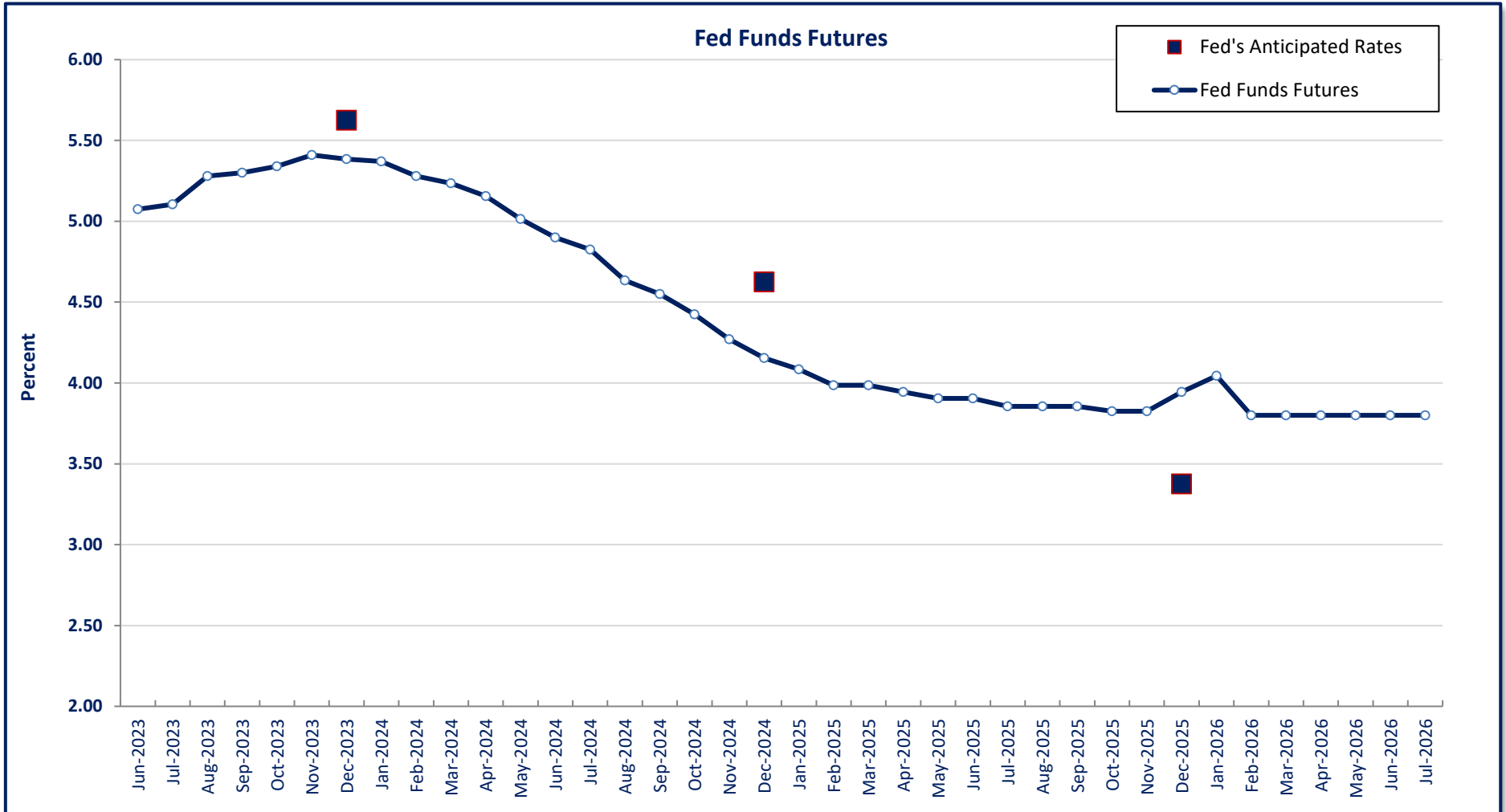
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)  
Seasonally Adjusted Annual Rate

Economic and Market Update  
6/30/2023



Source: U.S. Treasury

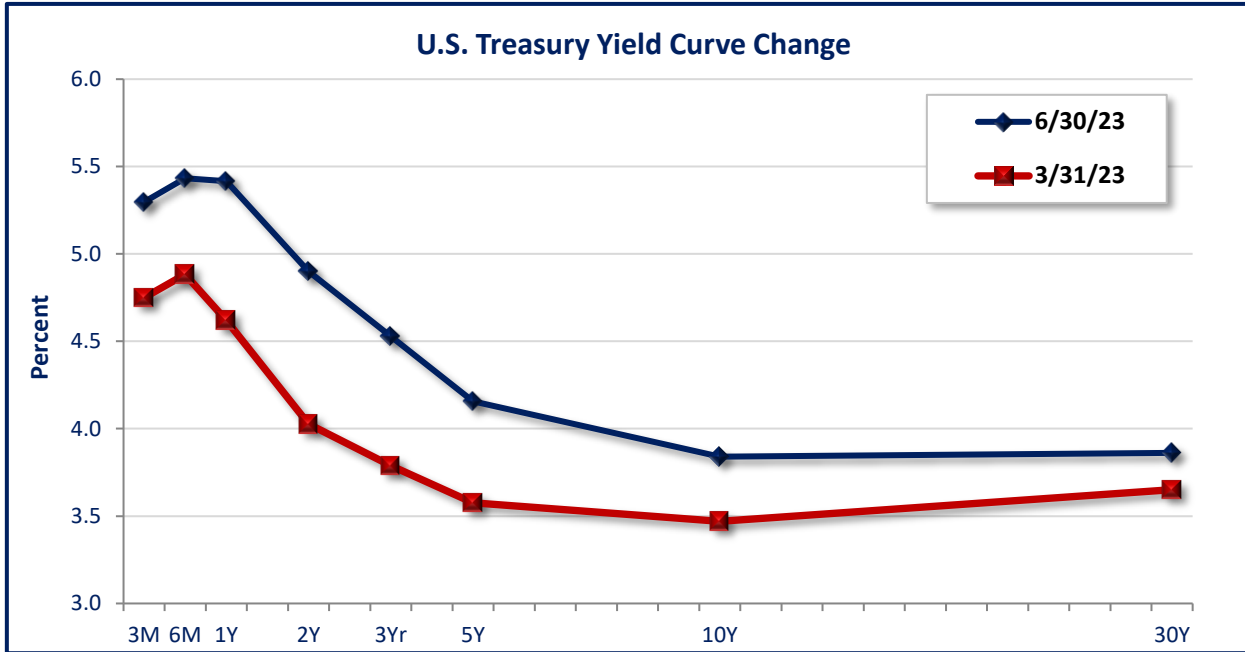
Economic and Market Update  
6/30/2023



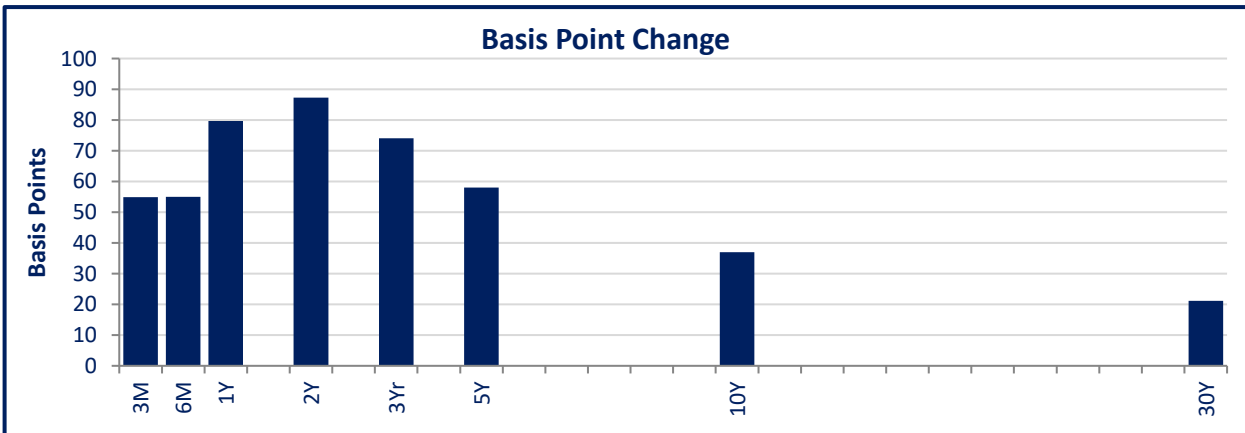
Fed Funds Anticipated Rate from the September 21, 2022 FOMC Meeting

Source: Bloomberg

Economic and Market Update  
6/30/2023

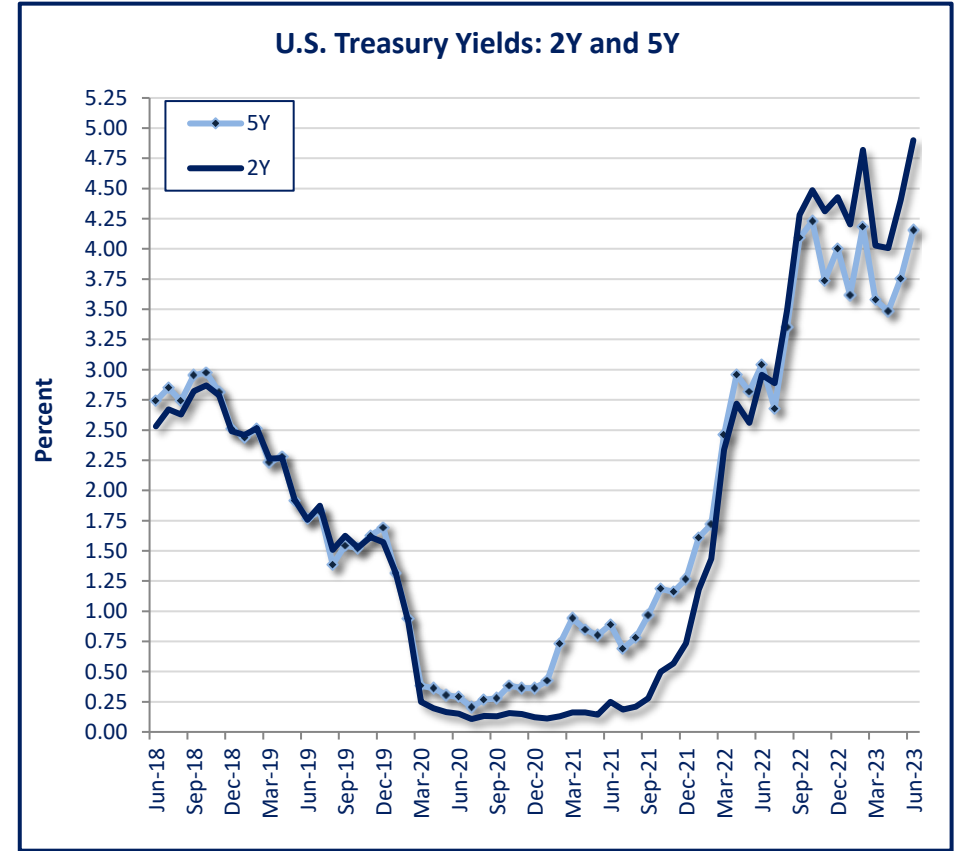
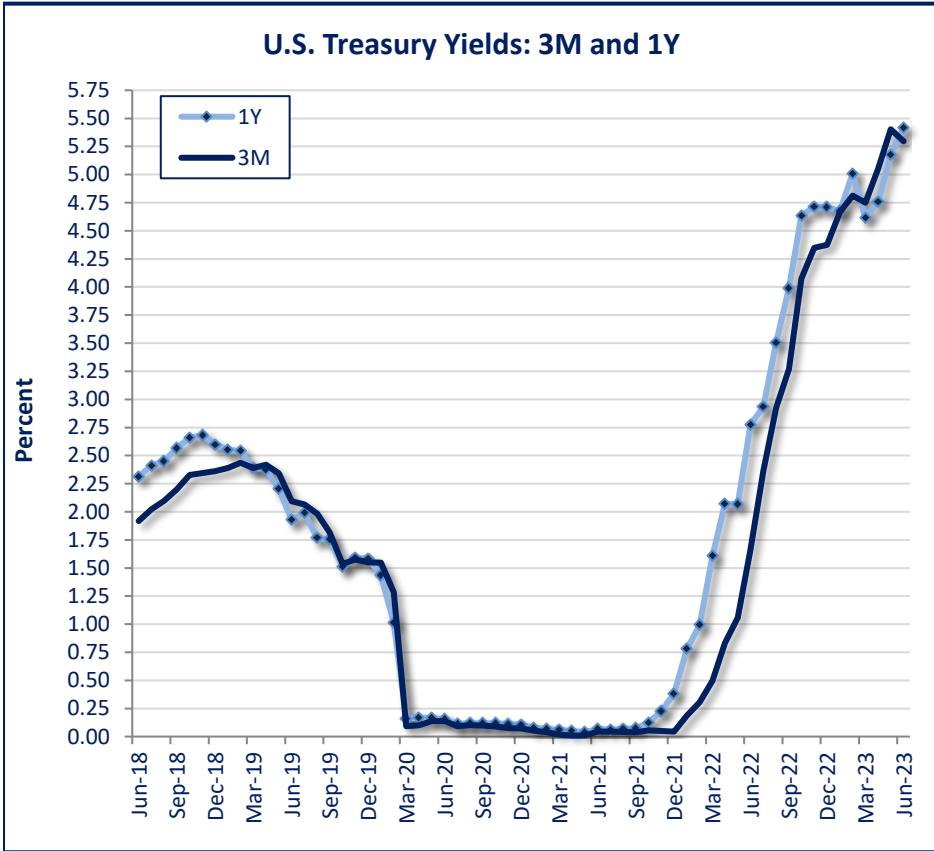


| Maturity | 6/30/23 | 3/31/23 | Change |
|----------|---------|---------|--------|
| 3M       | 5.30    | 4.75    | 0.55   |
| 6M       | 5.43    | 4.88    | 0.55   |
| 1Y       | 5.42    | 4.62    | 0.80   |
| 2Y       | 4.90    | 4.03    | 0.87   |
| 3Y       | 4.53    | 3.79    | 0.74   |
| 5Y       | 4.16    | 3.58    | 0.58   |
| 10Y      | 3.84    | 3.47    | 0.37   |
| 30Y      | 3.86    | 3.65    | 0.21   |



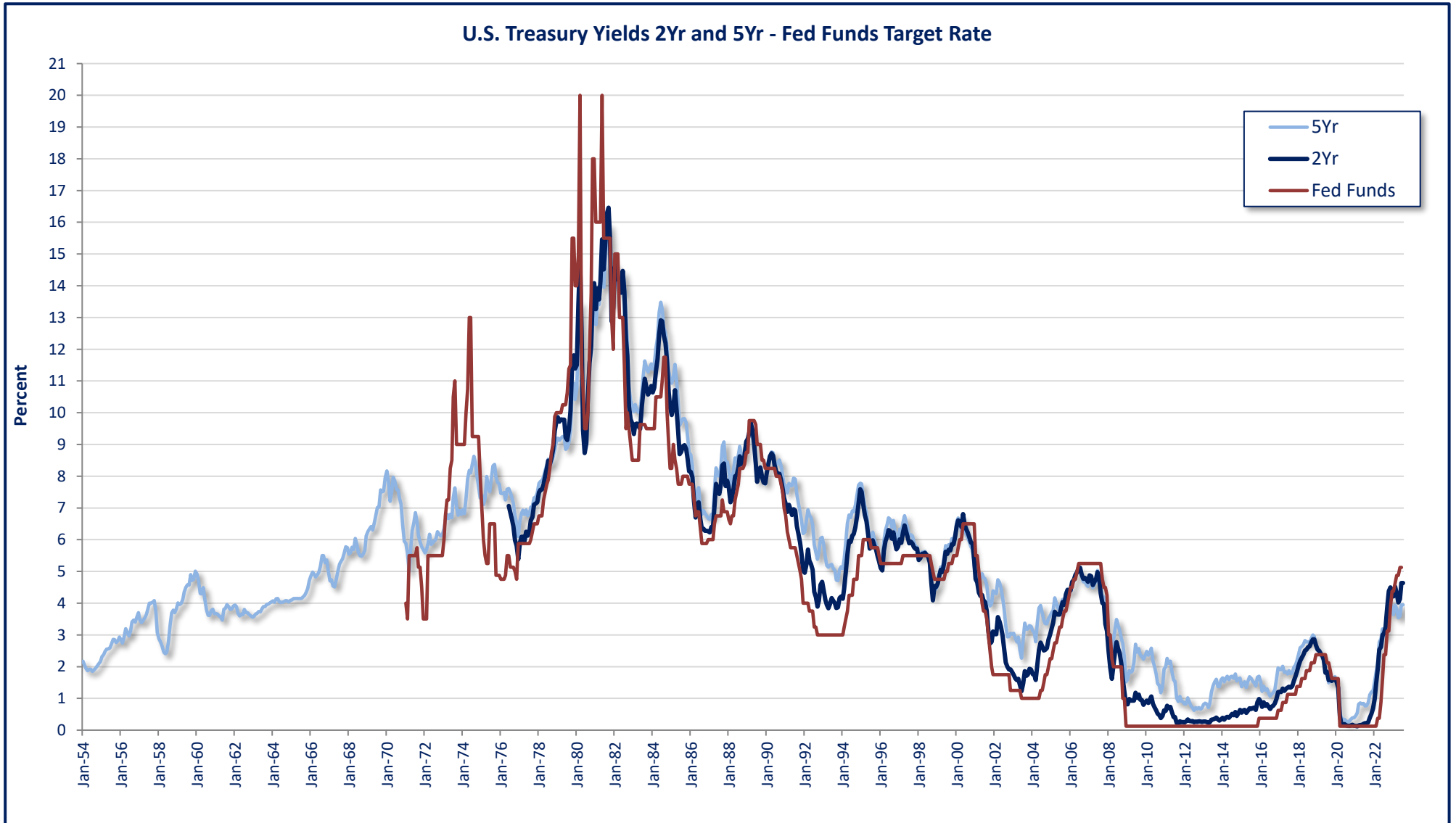
Source: Bloomberg  
Figures may not total due to rounding

Economic and Market Update  
6/30/2023



Source: Bloomberg

Economic and Market Update  
6/30/2023



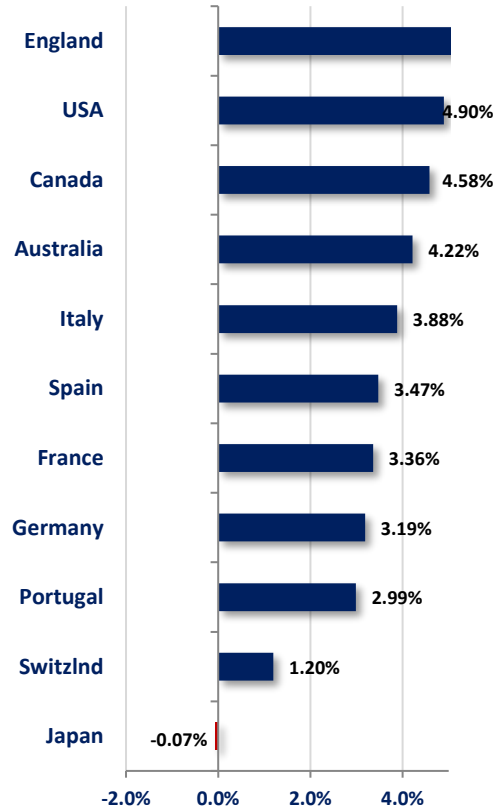
Source: Bloomberg



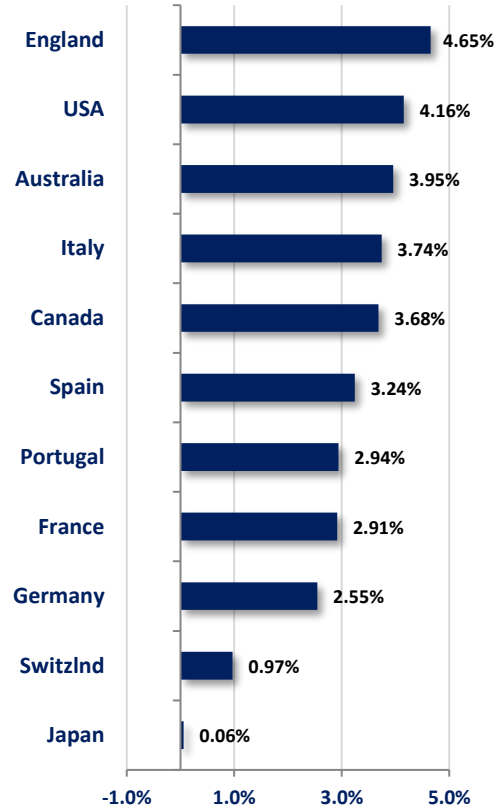
Economic and Market Update  
6/30/2023

Global Treasury Rates

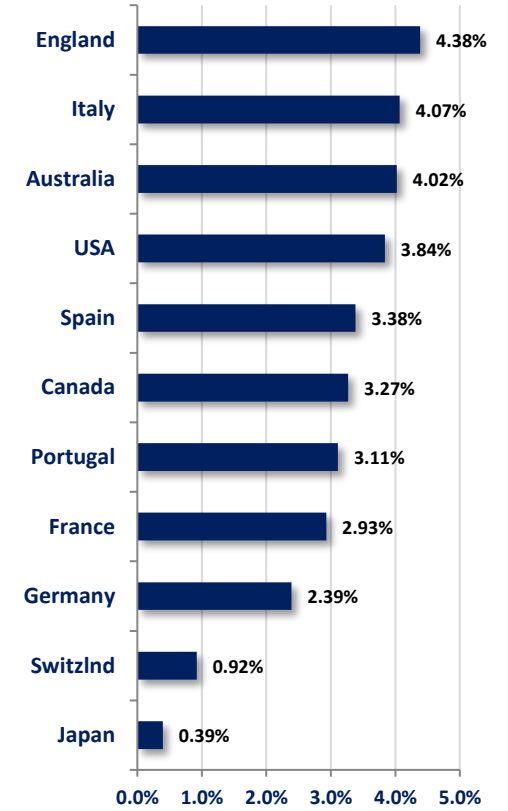
2 Year Yields



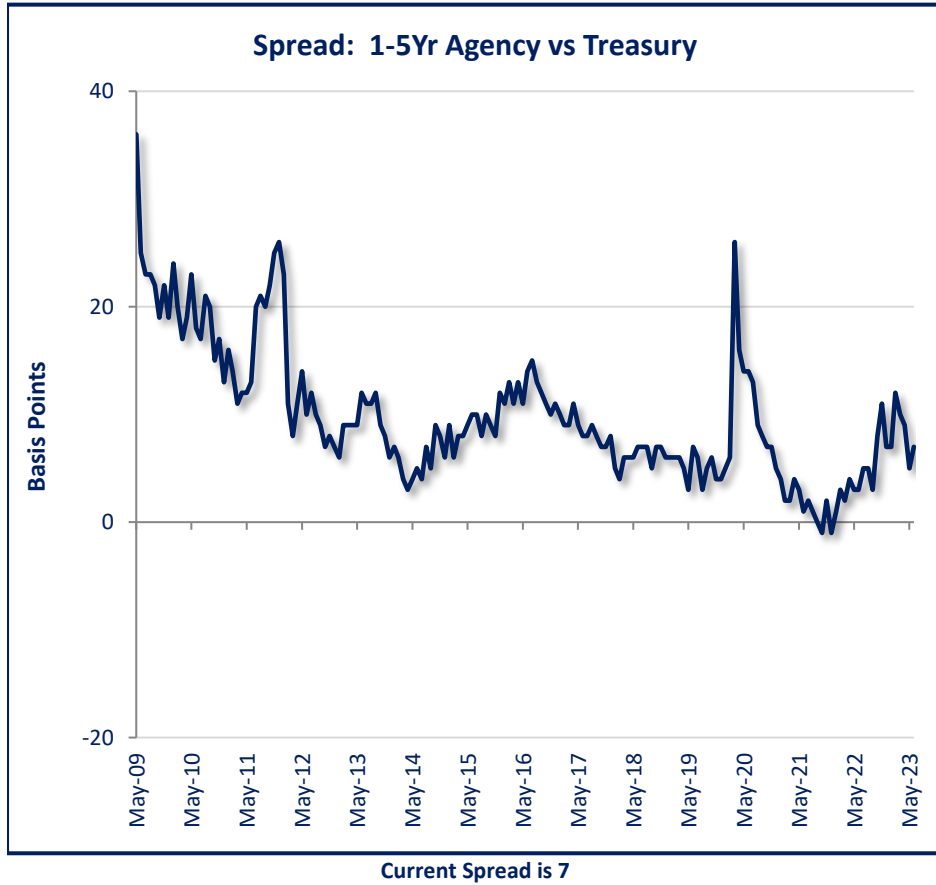
5 Year Yields



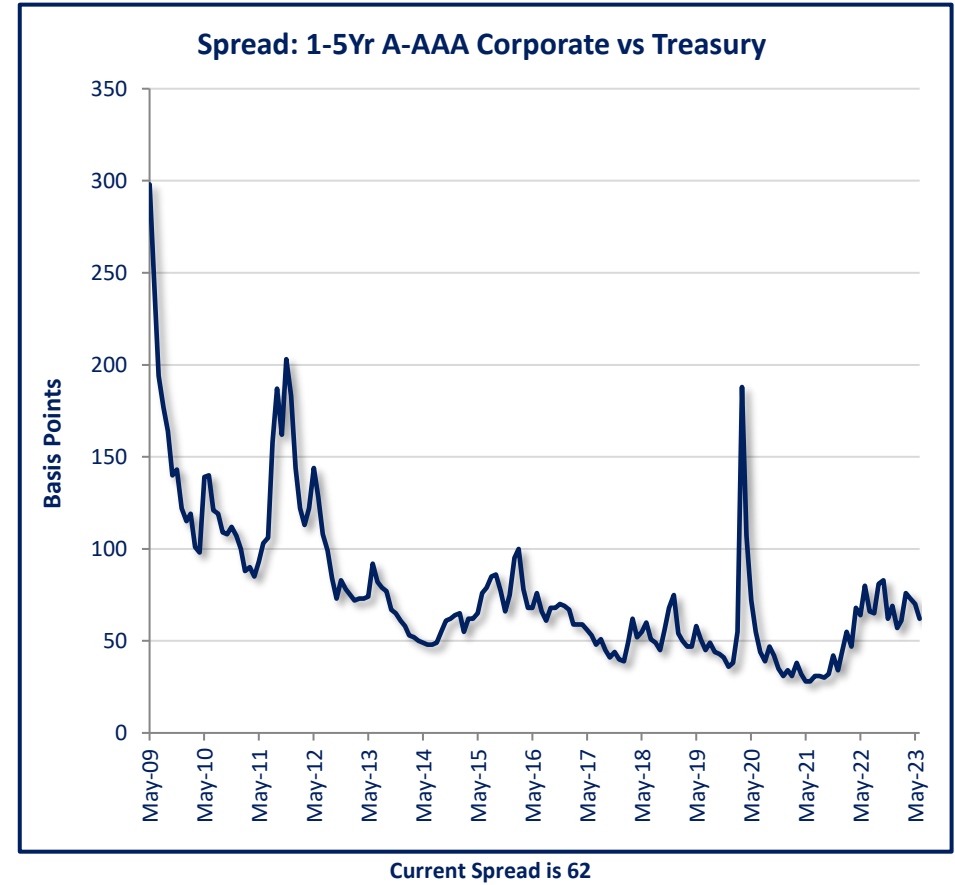
10 Year Yields



Source: Bloomberg



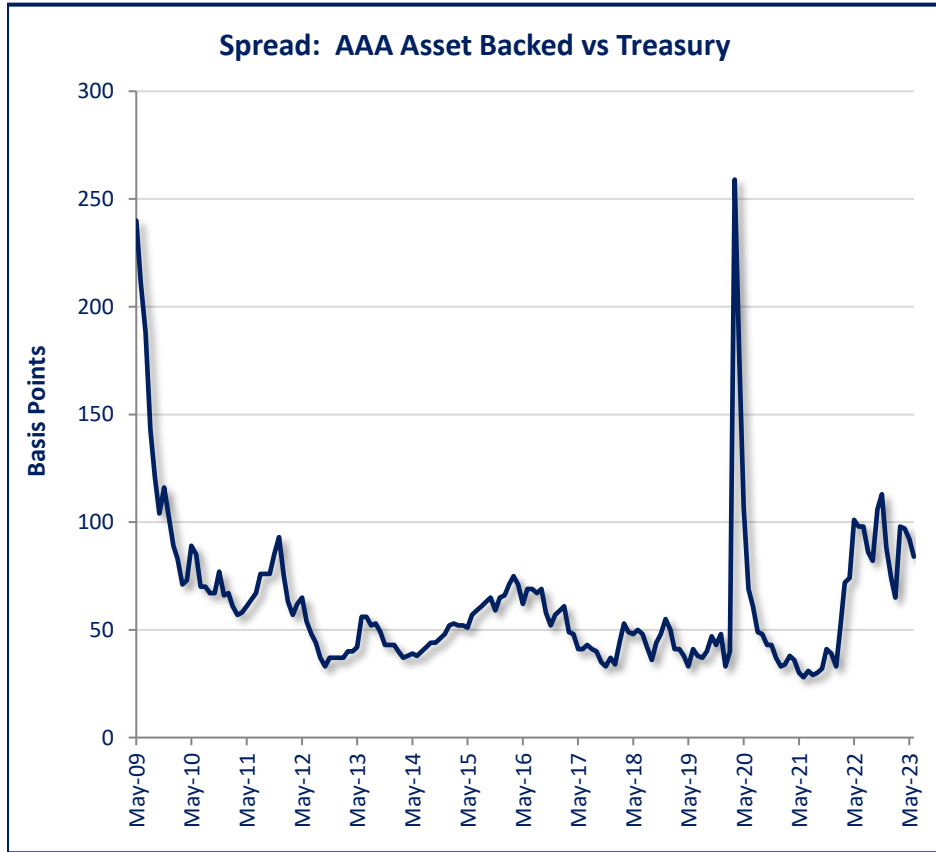
ICE BofAML Index (option adjusted spread vs. Treasury)  
1-5Yr Non-Callable Agency (GVPB)



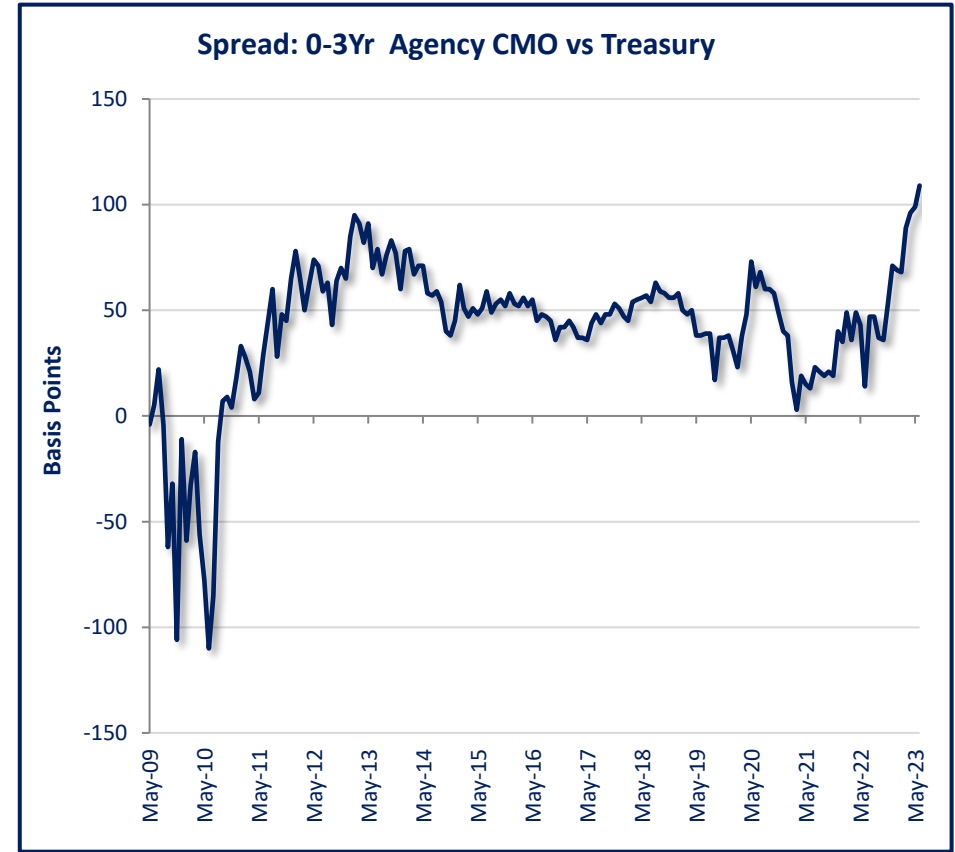
ICE BofAML Index (option adjusted spread vs. Treasury)  
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices

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Current Spread is 84



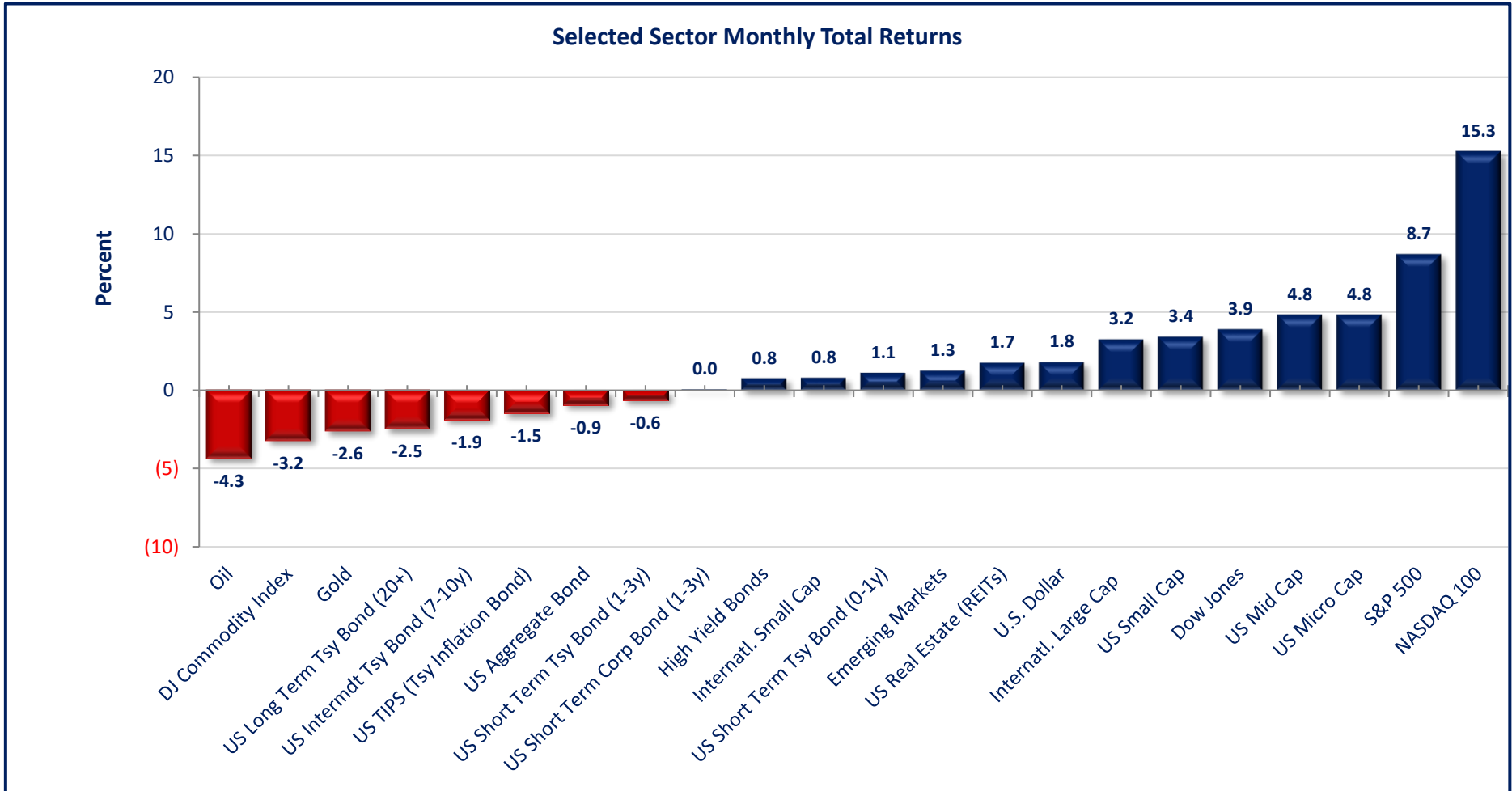
Current Spread is 109

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
AAA Rated ABS (ROA1)

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
CMO Agency 0-3Yr PAC (CM1P)

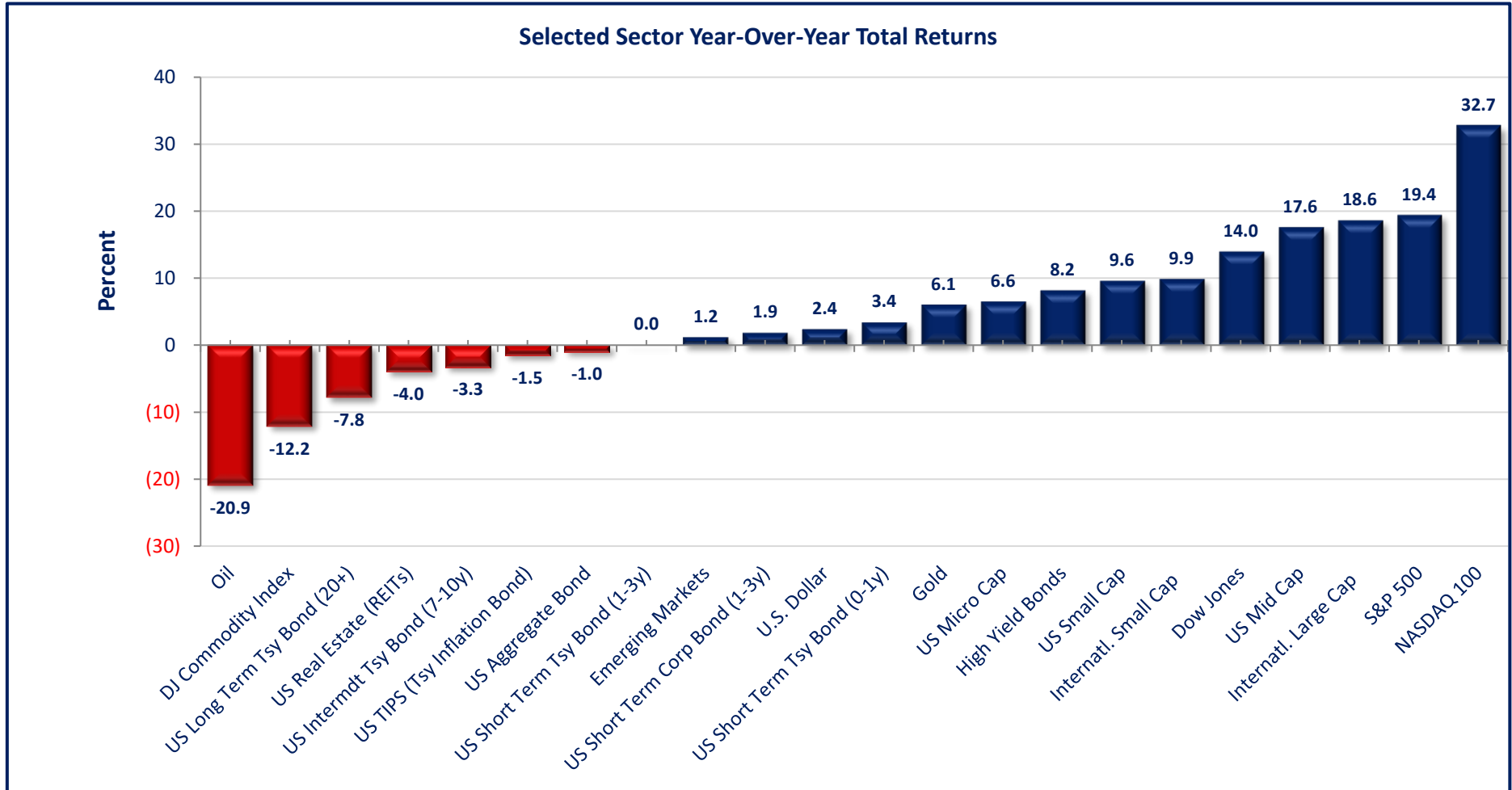
Source: ICE BofAML Indices

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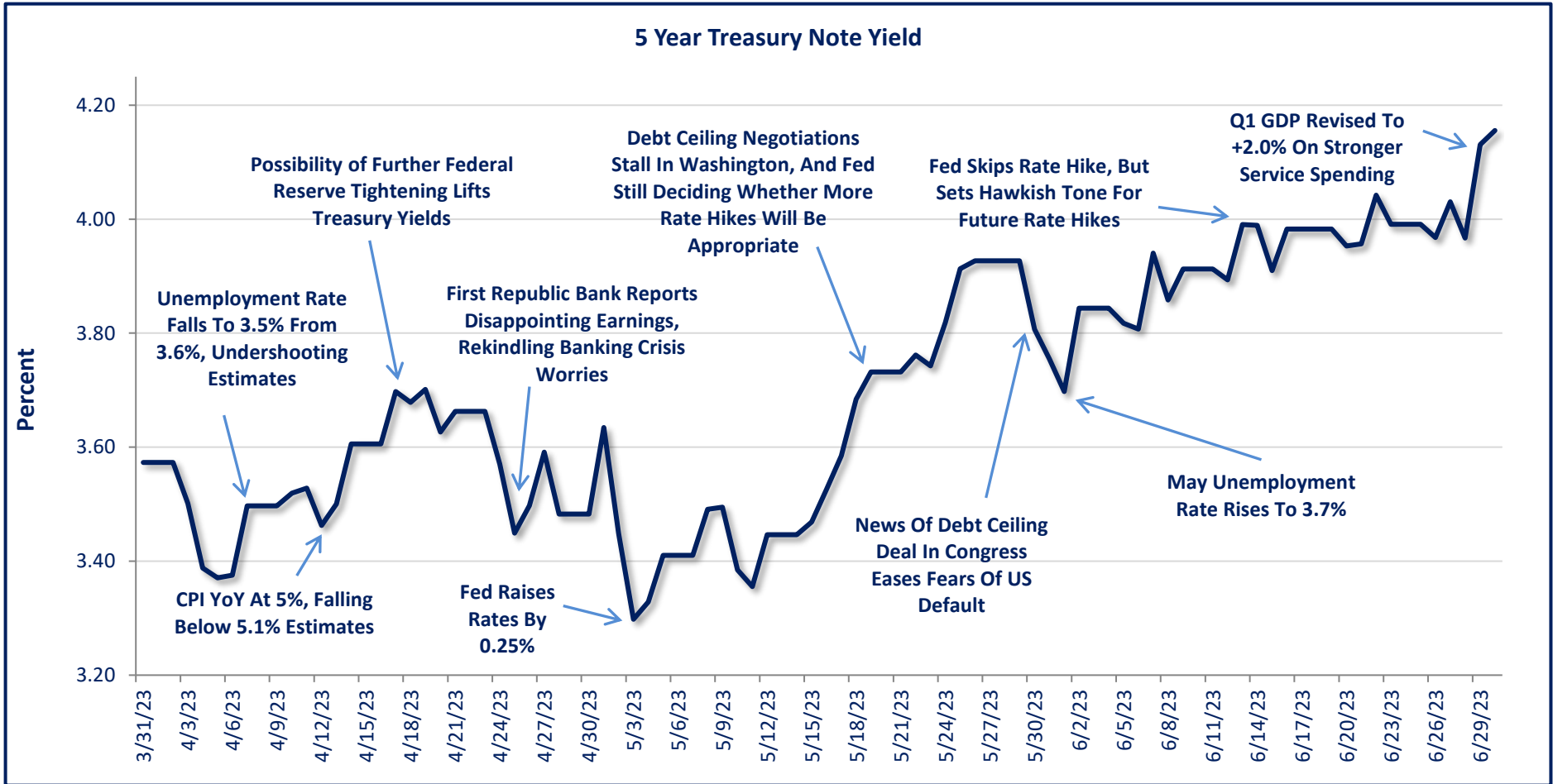
Source: Bloomberg

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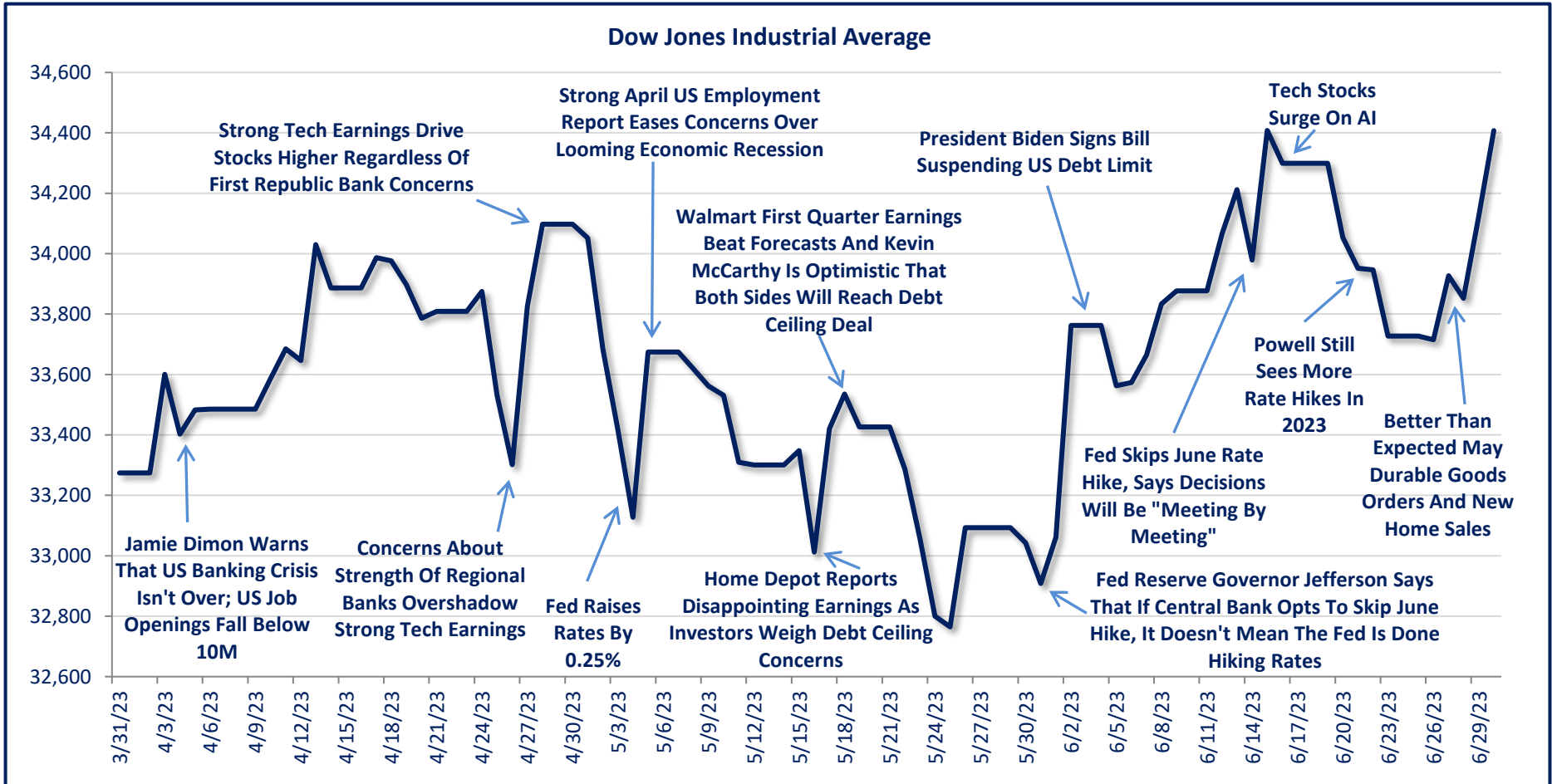
Source: Bloomberg

Economic and Market Update  
6/30/2023



Sources: Bloomberg, FHN Main Street

Economic and Market Update  
6/30/2023



Sources: Bloomberg, FHN Financial, FHN Main Street

## Disclosure

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**APPENDIX H**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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# BAM

## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_  
Member Surplus Contribution: \$ \_\_\_\_\_  
Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CALIFORNIA**  
**ENDORSEMENT TO**  
**MUNICIPAL BOND**  
**INSURANCE POLICY**  
**NO.**

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

\_\_\_\_\_  
Authorized Officer



