NEW ISSUE – BOOK ENTRY ONLY **RATING: S&P: "A"**
(See "RATING" herein)

In the opinion of Stradling Yocca Carlson & Rauth LLP, San Francisco, California ("Special Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, the portion of each Lease Payment constituting interest (and original issue discount) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Special Counsel, the portion of each Lease Payment constituting interest (and original issue discount) is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Certificates, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

$12,000,000
FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT
Certificates of Participation
(2024 School Financing Project)

Evidencing the Fractional Interests of the Owners Thereof in Lease Payments to be Made by the FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

This cover page of the Official Statement contains information for general reference only. It is not a complete summary of the Certificates, the Trust Agreement, or the Lease. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates. Capitalized terms used but not otherwise defined on the cover page hereof shall have the meanings assigned herein.

The Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) (the "Certificates"), are being executed and delivered pursuant to a Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), by and among U.S. Bank Trust Company, National Association, as trustee, the Public Property Financing Corporation of California (the "Corporation"), and the Firebaugh-Las Deltas Unified School District (the "District"). The proceeds of the Certificates will be used to (i) finance capital improvements to District sites and facilities (the "Project"), (ii) fund a reserve fund, and (iii) pay the costs related to the execution and delivery of the Certificates.

Pursuant to a Site Lease, dated as of February 1, 2024, the District will lease the site and improvements known as Firebaugh Middle School, as further described herein (the "Property"), to the Corporation, and will lease the Property back from the Corporation pursuant to a Lease/Purchase Agreement, dated as of February 1, 2024 (the "Lease"), by and between the Corporation and the District. The Certificates evidence fractional and undivided interests in lease payments to be made by the District (the "Lease Payments"), as lessee under the Lease, for use and possession of the Property. The District has covenanted to budget and appropriate Lease Payments in each fiscal year in consideration of the use and occupancy of the Property from any source of legally available funds, and to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations therefor. **The District's obligation to make Lease Payments is subject to abatement in the event of the taking of, damage to or loss of use and possession of the Property.**

The Certificates will be delivered in book-entry form only, and will be initially delivered and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Certificates (the "Beneficial Owners") will not receive physical certificates representing their interest in the Certificates, but will instead receive credit balances on the books of their respective nominees. The Certificates shall be dated their date of delivery and shall represent interest payable semiannually on each June 1 and December 1, commencing June 1, 2024. The Certificates shall be delivered in denominations of $5,000 principal amount or any integral multiple thereof. Payments of principal and interest with respect to the Certificates will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Certificates.

The Certificates are subject to extraordinary, optional, and mandatory sinking fund prepayment prior to their stated maturity dates as further described herein.

The obligation of the District to make Lease Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes a debt of the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The obligation of the District to make Lease Payments is subject to the District's beneficial use and possession of the Property.

Maturity Schedule
(see inside front cover)

The Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approval as to legality by Stradling Yocca Carlson & Rauth LLP, San Francisco, California, as Special Counsel and Disclosure Counsel. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, and for the Trustee and the Corporation by their respective counsels. It is anticipated that the Certificates in book-entry form will be available for delivery to The Depository Trust Company in New York, New York on or about February 21, 2024.

STIFEL

The date of this Official Statement is January 30, 2024.

MATURITY SCHEDULE

Base CUSIP[2]: 318138

$12,000,000
Firebaugh-Las Deltas Unified School District
Certificates of Participation
(2024 School Financing Project)

$2,980,000 – 5.000% Term Certificates due June 1, 2039 – Yield 3.500[1]%; CUSIP[2] Suffix: BL7

$4,165,000 – 5.000% Term Certificates due June 1, 2044 – Yield 3.800[1]%; CUSIP[2] Suffix: BM5

$4,855,000 – 4.000% Term Certificates due June 1, 2048 – Yield 4.240%; CUSIP[2] Suffix: BN3

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(1) Yield to call at par on June 1, 2025.

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are provided for convenience of reference only. None of the District, Municipal Advisor, or the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

Certain of the information contained herein, other than that provided by the District, has been obtained from sources that are believed to be reliable. No representation, warranty or guarantee, however, is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the Appendices hereto, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriter.

No dealer, broker, salesperson or other person has been authorized by the District, the Corporation 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 information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Certificates shall under any circumstances create any implication that there has been no change in the affairs of the District, the Corporation or other matters described herein since the date hereof.

This Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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 in this Official Statement, 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 Underwriter has provided the following sentence for inclusion in this Official Statement:

> "The Underwriter has reviewed the information in this Official Statement in accordance with, and as 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 the completeness of such information."

IN CONNECTION WITH THE OFFERING OF THE CERTIFICATES, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE CERTIFICATES AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The District maintains a website and social media accounts. However, the information presented there is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Certificates.

FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

District Administration

Roy Mendiola, Ed.D., *Superintendent*
Maria Calderon, *Business Manager*

SPECIAL COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
San Francisco, California

MUNICIPAL ADVISOR

Keygent LLC
El Segundo, California

TRUSTEE

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

TABLE OF CONTENTS

$12,000,000
FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT
Certificates of Participation
(2024 School Financing Project)
Evidencing the Fractional Interests of the
Owners Thereof in Lease Payments to be
Made by the
FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

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, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

This Official Statement provides certain information concerning the sale and delivery of the Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) (the "Certificates"), evidencing the fractional and undivided interests of the Owners thereof (as hereinafter defined) in Lease Payments (as hereinafter defined) to be made by the Firebaugh-Las Deltas Unified School District (the "District") pursuant to a Lease/Purchase Agreement, dated as of February 1, 2024 (the "Lease"), by and between the Public Property Financing Corporation of California, as lessor (the "Corporation"), and the District, as lessee, for the use and possession of the real property and school facilities thereon known as Firebaugh Middle School (the "Property").

The District

The District was established on July 1, 1976 and covers approximately 98 square miles in Fresno County (the "County") and Madera County (together with the County, the "Counties"). The District operates one preschool, one primary school (grades TK-2), one elementary school (grades 3-5), one middle school (grades 6-8), one comprehensive high school (grades 9-12), one alternative education school (grades 9-12), one community day school (grades 7-12), and one adult school. For fiscal year 2023-24, the District has a projected average daily attendance ("ADA") of 2,093 students and an enrollment of 2,194. The fiscal year 2023-24 assessed valuation of the area served by the District is $1,399,505,914.

The District is governed by a five-member Board of Trustees (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Trustees are elected by trustee area. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as supervision of the District's other key personnel. Roy Mendiola, Ed.D. currently serves as the District's Superintendent.

For more information regarding the District, see also "FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT" and "DISTRICT FINANCIAL INFORMATION" herein. The District's audited financial statements for the fiscal year ended June 30, 2023 are attached hereto as APPENDIX C and should be read in their entirety. The discussion of the District's financial history and the financial information contained herein does not purport to be complete or definitive.

Purpose of the Certificates

The proceeds of the Certificates will be used to (i) finance certain capital improvements to District sites and facilities (the "Project"), (ii) fund a reserve fund, and (iii) pay certain costs related to the execution and delivery of the Certificates. See "THE PROJECT" and "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

Security and Source of Payment of the Certificates

The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The District is required under the Lease to pay lease payments for the use and possession of the Property (the "Lease Payments"), as further described under "THE PROPERTY" herein. The District is also required to pay any taxes and assessments, and is responsible for all maintenance and repair of the Property.

Pursuant to an Assignment Agreement, dated as of February 1, 2024 (the "Assignment Agreement"), by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the Owners, substantially all of its rights under the Lease and a Site Lease, dated as of February 1, 2024 (the "Site Lease"), by and between the District and the Corporation, including its rights to receive and collect Lease Payments and prepayments from the District under the Lease and rights as may be necessary to enforce the payment of such Lease Payments and prepayments. All rights assigned by the Corporation pursuant to the Assignment Agreement shall be administered by the Trustee in accordance with the provisions of the Trust Agreement for the equal and proportionate benefit of all Owners.

The Certificates evidence fractional and undivided interests in the right to receive Lease Payments and prepayments thereof to be made by the District to the Corporation under the Lease. The Lease Payments are designed to pay, when due, the principal and interest with respect to the Certificates. The District has covenanted in the Lease that it will take such action as may be necessary to include the Lease Payments and other payments due under the Lease in its annual budgets and to make the necessary annual appropriations therefor. See "SECURITY AND SOURCES OF PAYMENT OF THE CERTIFICATES – Lease Payments" herein. The District's obligation to make Lease Payments is subject to abatement in the event of the taking of, damage to or loss of use and possession of the Property. See "RISK FACTORS – Abatement" herein.

The obligation of the District to make Lease Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes a debt of the District, the State of California (the "State") or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Description of the Certificates

For a more complete description of the Certificates and the basic documentation pursuant to which they are being sold and delivered, see "THE CERTIFICATES" herein and APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" attached hereto. The summaries and descriptions in the Official Statement of the Trust Agreement, the Lease, the Site Lease, the Assignment Agreement and other agreements relating to the Certificates are qualified in their entirety by the form thereof and the information with respect thereto included in such documents.

Registration, Transfers and Exchanges. The Certificates will be executed and delivered as fully registered Certificates, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of interests in the Certificates (the "Beneficial Owners"), under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates, but will instead receive credit balances on the books of their respective nominees. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" attached hereto. In the event that the book-entry only system described below is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement.

So long as Cede & Co. is the registered owner of the Certificates, as nominee of DTC, references herein to the "Owners," "Certificate Owners" or "Holders" of the Certificates (other than under the caption "TAX MATTERS" herein and in APPENDIX B attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of interests in the Certificates.

Payments. The Certificates shall be dated as of their date of delivery and shall represent interest therefrom, payable semiannually on each June 1 and December 1, commencing June 1, 2024 (each, a "Certificate Payment Date"). Principal with respect to the Certificates shall be payable on each June 1, in the amounts and years as set forth on the inside cover page hereof.

Principal, premium, if any, and interest due with respect to the Certificates are payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Certificates, the Beneficial Owners will become the registered Owners of the Certificates and will be paid principal and interest by the Trustee, all as described herein. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" and APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

Prepayment. The Certificates are subject to extraordinary prepayment, optional prepayment, and mandatory sinking fund prepayment as further described herein. See "THE CERTIFICATES – Prepayment" herein.

Denominations. The Certificates are being executed and delivered in minimum denominations of $5,000 principal amount, or any integral multiple thereof.

Additional Certificates. Under the terms of the Trust Agreement, the District is authorized to sell Additional Certificates secured by Lease Payments for use and occupancy of the Property. See "THE CERTIFICATES – Additional Certificates" herein and APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement" attached hereto.

Continuing Disclosure

The District has covenanted for the benefit of the Owners and Beneficial Owners of the Certificates to provide certain financial information and operating data relating to the District by not later than nine months following the end of the District's Fiscal Year (presently ending on June 30) (the "Annual Report"), commencing with the report for the Fiscal Year ending June 30, 2024, and to provide notices of the occurrence of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein, and APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee with respect to the Certificates. Stradling Yocca Carlson & Rauth LLP, San Francisco, California, is acting as Special Counsel and Disclosure Counsel to the District with respect to the Certificates. Keygent LLC, El Segundo, California is acting as Municipal Advisor to the District with respect to the Certificates. The payment of fees for Special Counsel and Disclosure Counsel and the Municipal Advisor are contingent on the execution and delivery of the Certificates and the payment of the purchase price therefor by Stifel, Nicolaus & Company, Incorporated, as the Underwriter. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, and for the Trustee and the Corporation by their respective counsels. From time to time, Special Counsel may represent the Municipal Advisor and the Underwriter on matters unrelated to the District or the Certificates.

Certificate Owners' Risks

Certain events could affect the ability of the District to make the Lease Payments when due. See "RISK FACTORS" herein, for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Certificates.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "intend," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of the Lease, the Site Lease, the Trust Agreement and the Assignment Agreement are available, upon request, and upon payment to the District of a charge for copying, mailing and handling, from the Business Manager, Firebaugh-Las Deltas Unified School District, 1976 Morris Kyle Drive, Firebaugh, California 93622, telephone: (559) 659-1476.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This

Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Official Statement contains brief descriptions of, among other things, the District, the Corporation, the Certificates, the Trust Agreement, the Lease, the Assignment Agreement, the Site Lease and certain other matters relating to the security for the Certificates. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents and agreements are qualified in their entirety by reference to such documents, and agreements and references herein to the Certificates are qualified in their entirety by reference to the form thereof included in the Trust Agreement. Copies of such documents will be available for inspection at the designated office of the Trustee after delivery of the Certificates. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Trust Agreement or the Lease.

The sale and delivery of the Certificates to potential investors is made only by means of the Official Statement.

THE PROJECT

The Project consists of financing the acquisition, construction, installation, and equipping of District sites and facilities. Specifically, the District expects to use the net proceeds of the Certificates to contribute to the improvement and expansion of District facilities and to implement energy conservation measures that will maximize operational savings. The Project includes replacing mechanical HVAC equipment at Firebaugh High School Gym and at all other sites that are past their end of useful life, installing new solar panels at Arthur E. Mills Intermediate School, and constructing shade structures and playground improvements for the District's elementary sites. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein.

THE PROPERTY

The District is leasing the Property to the Corporation pursuant to the Site Lease and leasing the Property back from the Corporation pursuant to the Lease. The Property consists of certain real property and improvements thereon currently known as the Firebaugh Middle School, located at 1600 16th Street, Firebaugh, CA 93622 (the "Property"). The Property accommodates approximately 550 students, with a current enrollment of 533 students in grades 6 through 8. The Property was constructed originally in 1949, with additions in 1952 and 1963, and renovations in 1974, 1999, and 2000, encompasses approximately 35,898 square feet, and consists of 3 buildings – one building for the gymnasium, one building for Administrative/Multi-Purpose and classrooms, and one Concession Stand Shelter building. The Property currently has a total estimated real property insured replacement value of $20,840,031. As more fully descried in the following paragraph, the Firebaugh Middle School is located in a 100-year flood plain. See also "RISK FACTORS – Property Values" herein.

The Property is located in a geographic area defined as flood zone AH, which the Federal Emergency Management Agency has designated as a Special Flood Zone Hazard Area (SFHA"). SFHA are defined as the area that will be inundated by the flood event having a 1% chance of being equaled or exceeded in any given year. The 1% annual chance flood is also referred to as the base flood or 100-year flood. Areas designated as flood zone AH have 1% annual chance of shallow flooding each year, usually in the form of a pond, with an average depth ranging from 1 to 3, feet and have a 26% chance of flooding over a 30-year period. The District is not obligated under the Lease to procure and maintain, or cause to be procured and maintained, and currently does not have flood insurance on the Property being leased. Thus, if flooding activity caused significant damage to the Property, the value of such property could be adversely affected and an abatement of Lease Payments could occur. The District is not able to predict whether or to what extent these results might occur. See "RISK FACTORS – Natural Disasters; Absence of Earthquake and Flood Insurance – Flood Risk" and "SECURITY AND SOURCES OF PAYMENT OF THE CERTIFICATES – Abatement" herein.

THE CERTIFICATES

General

The Certificates will be executed in the aggregate principal amount of $12,000,000. The Certificates will be dated the date of delivery (the "Date of Delivery"), and will be executed as fully registered book-entry Certificates, without coupons, in denominations of $5,000 principal amount or any integral multiple thereof, and will mature on June 1 of each year, as set forth on the inside cover page hereof.

Interest with respect to the Certificates will be payable each Certificate Payment Date, commencing on June 1, 2024, at the rates per annum set forth on the inside cover page hereof. If a Certificate is executed: (i) as of a Certificate Payment Date, interest with respect thereto will be payable from the date thereto; (ii) after the close of business on the fifteenth day of the month preceding each Certificate Payment Date (whether or not a business day) (each, a "Record Date") and before the following Certificate Payment Date, interest with respect thereto will be payable from such following Certificate Payment Date; or (iii) prior to or on May 15, 2024, interest with respect thereto will be payable from the Date of Delivery. Interest with respect to the Certificates will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Certificates evidence and represent fractional and undivided interests of the Owners thereof in the Lease Payments to be made by the District. To the extent Lease Payments are abated or not made under the Lease, all Certificate Owners will receive a proportionate reduction in their payments. See "RISK FACTORS – Abatement" herein. If the Lease is prepaid in part, for any reason, the Certificate Owner will be entitled only to the remaining Lease Payments.

Principal and premium, if any, with respect to the Certificates, will be payable upon surrender by the Owners thereof at the designated office of the Trustee. Interest with respect to the Certificates will be payable by wire transfer to a bank account within the United States that is on record with the Trustee as of the Record Date.

Prepayment

Extraordinary Prepayment. The Certificates are subject to prepayment prior to their respective maturity dates on any day, in whole or in part, from the proceeds of any insurance, performance bonds, or taking by eminent domain or condemnation paid with respect to the Property remaining after payment therefrom of any expenses (including attorneys' fees) incurred in the collection thereof (collectively, "Net Proceeds"), which the Trustee shall deposit in the Prepayment Fund (as defined in the Trust Agreement) or other moneys deposited with the Trustee as provided in the Lease at least 45 days prior to the date set for such extraordinary prepayment and credited towards the prepayment made by the District pursuant to the Lease, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium.

Prepayments from Net Proceeds and the resulting prepayment of Certificates that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Certificates. See "RISK FACTORS – Extraordinary Prepayment from Net Proceeds" herein.

Optional Prepayment. The Certificates are subject to optional prepayment prior to their stated maturities, in whole or in part, on any day on or after June 1, 2025, from any lawfully available source of funds in the event the District exercises its option under the Lease to prepay the principal component of the Lease Payments (in integral multiples of $5,000), at the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Fund Prepayment. The Certificates evidencing principal maturing on June 1, 2039 (the "2039 Term Certificates") are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on June 1 of each year, on and after June 1, 2028, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of the 2039 Term Certificates to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

Year Ending June 1	Principal Component To Be Prepaid
2028	$10,000
2029	45,000
2030	75,000
2031	115,000
2032	155,000
2033	200,000
2034	245,000
2035	300,000
2036	360,000
2037	420,000
2038	490,000
2039[(1)]	565,000
Total	$2,980,000

(1) Maturity.

The Certificates evidencing principal maturing on June 1, 2044 (the "2044 Term Certificates") are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on June 1 of each year, on and after June 1, 2040, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of the 2044 Term Certificates to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

Year Ending **June 1**	**Principal Component** **To Be Prepaid**
2040	$645,000
2041	730,000
2042	825,000
2043	925,000
2044(1)	1,040,000
Total	$4,165,000

(1) Maturity.

The Certificates evidencing principal maturing on June 1, 2048 (the "2048 Term Certificates") are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on June 1 of each year, on and after June 1, 2045, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of the 2048 Term Certificates to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

Year Ending **June 1**	**Principal Component** **To Be Prepaid**
2045	$1,045,000
2046	1,155,000
2047	1,265,000
2048(1)	1,390,000
Total	$4,855,000

(1) Maturity.

Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, as directed by the District or, if the District does not so direct, pro rata among maturities and within each maturity by lot.

Prepayment Procedures

Notice of Prepayment. When prepayment is authorized or required pursuant to the Trust Agreement, the Trustee shall give notice of the prepayment of the Certificates. Such notice shall specify: (a) the prepayment date, (b) the prepayment price, (c) if less than all of the Outstanding Certificates are to be prepaid, the Certificate numbers (and in the case of partial prepayment, the respective principal amounts), (d) the CUSIP numbers of the Certificates to be prepaid, (e) the place or places where the prepayment will be made, (f) the original date of execution and delivery of the Certificates, (g) the rate of interest payable with respect to each Certificate being prepaid, and (h) any other descriptive information regarding the Certificates needed to identify accurately the Certificates being prepaid. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount evidenced by such Certificate to be prepaid, together with interest accrued to said date, and that from and after such date, interest with respect thereto shall cease to accrue and be payable.

Notice of such prepayment shall be sent (i) by registered or certified mail, postage prepaid, to the Corporation and the respective Owners of any Certificates designated for prepayment at their addresses appearing on the Certificate registration books, at least twenty (20) days, but not more than forty-five (45) days, prior to the prepayment date, (ii) by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Depository on the date of mailing of notice to the Owners, and (iii) by registered or certified mail, postage prepaid, or overnight delivery service to the national Information Services that disseminate securities redemption notices, on the date notice is mailed to the Owners. Notice of prepayment shall also be sent as required by the Continuing Disclosure Certificate. Neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates.

"Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Trustee or as the Trustee may select.

Notice having been given to the Owners of the Certificates as aforesaid, and the moneys for the prepayment (including the interest to the applicable date of prepayment), having been set aside in the Prepayment Fund or as otherwise permitted by the Trust Agreement, the Certificates shall become due and payable on said date of prepayment, and upon presentation and surrender thereof at the designated office of the Trustee, said Certificates shall be paid at the prepayment price with respect thereto, plus interest accrued and unpaid to said date of prepayment.

Effect of Notice of Prepayment. If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee (or such other independent escrow agent as the District shall select) so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, interest with respect to the Certificates to be prepaid shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, without liability for interest thereon.

Rescission of Notice of Prepayment. With respect to any notice of optional prepayment of Certificates, unless upon the giving of such notice such Certificates shall be deemed to have been defeased pursuant to the Trust Agreement, such notice shall state that such prepayment shall be conditional upon the receipt by the Trustee (or an independent escrow agent selected by the District) on or prior to the date fixed for such prepayment of the moneys necessary and sufficient to pay the principal, premium, if any, and interest with respect to such Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect, the Certificates shall not be subject to prepayment on such date and the Certificates shall not be required to be prepaid on such date. In the event that such notice of prepayment contains such a condition and such moneys are not so received, the prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the notice of prepayment was given, that such moneys were not so received. The District will also have the right to rescind any notice of optional prepayment, by written notice to the Trustee, on or prior to the date fixed for such prepayment. The Trustee will distribute a notice of such rescission in the same manner as the notice of prepayment was originally provided.

Additional Certificates

Pursuant to the Trust Agreement, the District may cause Additional Certificates to be executed and delivered without the consent of the Owners of the Certificates then-outstanding if certain conditions precedent are satisfied. In connection with the delivery of Additional Certificates, the Lease Payments due under the Lease would be increased. The Certificates then outstanding and the Additional Certificates will be secured on a parity under the Trust Agreement by Lease Payments and other amounts held in the funds established thereunder other than the Rebate Fund. Such Additional Certificates would be payable from legally available moneys of the District and be subject to appropriation. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement" attached hereto.

SEMI-ANNUAL CERTIFICATE PAYMENT SCHEDULE

Lease Payments are required to be made by the District under the Lease on or before May 15 and November 15 of each year (each, a "Lease Payment Date") for the use and possession of the Property for the period commencing as of the Date of Delivery and terminating on June 1, 2048, or extended as provided in the Lease. The Lease requires that Lease Payments be deposited in the Lease Payment Fund maintained by the Trustee under the Trust Agreement (the "Lease Payment Fund"). On each Certificate Payment Date, the Trustee will withdraw from the Lease Payment Fund the aggregate amount of such Lease Payments and will apply such amounts to make principal and interest payments represented by the Certificates when due.

The table on the following page summarizes the semi-annual Certificate payment requirements of the District.

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SEMI-ANNUAL CERTIFICATE PAYMENT SCHEDULE

Date	Principal	Interest	Total Semi-Annual Payments	Total Annual Payments
6/1/2024	--	$153,180.56	$153,180.56	$153,180.56
12/1/2024	--	275,725.00	275,725.00	--
6/1/2025	--	275,725.00	275,725.00	551,450.00
12/1/2025	--	275,725.00	275,725.00	--
6/1/2026	--	275,725.00	275,725.00	551,450.00
12/1/2026	--	275,725.00	275,725.00	--
6/1/2027	--	275,725.00	275,725.00	551,450.00
12/1/2027	--	275,725.00	275,725.00	--
6/1/2028	$10,000.00	275,725.00	285,725.00	561,450.00
12/1/2028	--	275,475.00	275,475.00	--
6/1/2029	45,000.00	275,475.00	320,475.00	595,950.00
12/1/2029	--	274,350.00	274,350.00	--
6/1/2030	75,000.00	274,350.00	349,350.00	623,700.00
12/1/2030	--	272,475.00	272,475.00	--
6/1/2031	115,000.00	272,475.00	387,475.00	659,950.00
12/1/2031	--	269,600.00	269,600.00	--
6/1/2032	155,000.00	269,600.00	424,600.00	694,200.00
12/1/2032	--	265,725.00	265,725.00	--
6/1/2033	200,000.00	265,725.00	465,725.00	731,450.00
12/1/2033	--	260,725.00	260,725.00	--
6/1/2034	245,000.00	260,725.00	505,725.00	766,450.00
12/1/2034	--	254,600.00	254,600.00	--
6/1/2035	300,000.00	254,600.00	554,600.00	809,200.00
12/1/2035	--	247,100.00	247,100.00	--
6/1/2036	360,000.00	247,100.00	607,100.00	854,200.00
12/1/2036	--	238,100.00	238,100.00	--
6/1/2037	420,000.00	238,100.00	658,100.00	896,200.00
12/1/2037	--	227,600.00	227,600.00	--
6/1/2038	490,000.00	227,600.00	717,600.00	945,200.00
12/1/2038	--	215,350.00	215,350.00	--
6/1/2039	565,000.00	215,350.00	780,350.00	995,700.00
12/1/2039	--	201,225.00	201,225.00	--
6/1/2040	645,000.00	201,225.00	846,225.00	1,047,450.00
12/1/2040	--	185,100.00	185,100.00	--
6/1/2041	730,000.00	185,100.00	915,100.00	1,100,200.00
12/1/2041	--	166,850.00	166,850.00	--
6/1/2042	825,000.00	166,850.00	991,850.00	1,158,700.00
12/1/2042	--	146,225.00	146,225.00	--
6/1/2043	925,000.00	146,225.00	1,071,225.00	1,217,450.00
12/1/2043	--	123,100.00	123,100.00	--
6/1/2044	1,040,000.00	123,100.00	1,163,100.00	1,286,200.00
12/1/2044	--	97,100.00	97,100.00	--
6/1/2045	1,045,000.00	97,100.00	1,142,100.00	1,239,200.00
12/1/2045	--	76,200.00	76,200.00	--
6/1/2046	1,155,000.00	76,200.00	1,231,200.00	1,307,400.00
12/1/2046	--	53,100.00	53,100.00	--
6/1/2047	1,265,000.00	53,100.00	1,318,100.00	1,371,200.00
12/1/2047	--	27,800.00	27,800.00	--
6/1/2048	1,390,000.00	27,800.00	1,417,800.00	1,445,600.00
Total	$12,000,000.00	$10,114,580.56	$22,114,580.56	$22,114,580.56

SECURITY AND SOURCES OF PAYMENT OF THE CERTIFICATES

Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an obligation of the District for which the District is obligated to levy or pledge, or for which the District has levied or pledged, any form of taxation. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes a debt of the District, the State, or any of its political subdivisions within the meaning of any constitutional limitation or violates any statutory debt limitation.

General

Each Certificate represents a fractional and undivided interest in the Lease Payments and prepayments to be made by the District to the Trustee under the Lease. The District is obligated to pay Lease Payments from any source of legally available funds, and has covenanted in the Lease to include all Lease Payments coming due in its annual budgets and to make the necessary annual appropriations therefor. The Corporation, pursuant to the Assignment Agreement, has assigned all of its rights under the Lease (excepting certain rights as specified therein), including the right to receive Lease Payments and prepayments, to the Trustee for the benefit of the Owners. By the fifteenth day of each May and November (if such day is not a business day, the next succeeding business day), the District must pay to the Trustee a Lease Payment (to the extent required under the Lease) which is equal to the amount necessary to pay the principal, if any, and interest due with respect to the Certificates on the next succeeding Certificate Payment Date.

Under the Lease, the District agrees to pay certain taxes, assessments, utility charges, and insurance premiums charged with respect to the Property and the Certificates and fees and expenses of the Trustee. The District is responsible for repair and maintenance of the Property during the term of the Lease. The District may at its own expense in good faith contest such taxes, assessments and utility and other charges if certain requirements set forth in the Lease are satisfied, including obtaining an opinion of counsel that the Property will not be subjected to loss or forfeiture.

The District's obligation to make Lease Payments will be abated in the event of, and to the extent of, substantial interference with use and possession of the Property arising from damage, destruction, or taking by eminent domain or condemnation of the Property. Abatement would not constitute a default under the Lease and the Trustee would not be entitled in such event to pursue remedies against the District. See "RISK FACTORS – Abatement" herein.

Should the District default under the Lease, the Trustee, as assignee of the Corporation, may terminate the Lease and re-lease the Property or may retain the Lease and hold the District liable for all Lease Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Lease Payments. See "RISK FACTORS – No Acceleration Upon Default" herein. The exercise of the remedies provided to the Trustee is subject to various limitations on the enforcement of remedies against public agencies. See also "RISK FACTORS – Limited Recourse on Default" herein.

Extraordinary Prepayment from Net Proceeds

Prepayment of the Certificates from Net Proceeds could be made as provided in the Trust Agreement, and the resulting prepayment of Certificates that were purchased at a price greater than the applicable prepayment price could reduce the otherwise expected yield on such Certificates.

Constitutional and Statutory Provisions Affecting Taxes and Appropriations

Article XIIIB of the State Constitution places certain limits on the appropriations the District is permitted to make. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING TAXES AND APPROPRIATIONS" herein.

Abatement

The obligation of the District under the Lease to pay Lease Payments is in consideration for the use and possession of the Property. The obligation of the District to make Lease Payments (as well as Additional Payments and Reserve Replenishment Rent) may be abated in whole or in part if the District does not have full use and possession of the Property.

The amount of Lease Payments (as well as Additional Payments and Reserve Replenishment Rent) due under the Lease will be adjusted or abated during any period in which by reason of damage, destruction or taking by eminent domain or condemnation, there is substantial interference with the use and possession of any portion of the Property. During abatement, available moneys on deposit in the Lease Payment Fund and the Reserve Fund, and other special sources of money, including without limitation proceeds of rental interruption insurance, shall be applied to pay the Lease Payments and Additional Payments, as applicable.

If damage or destruction to the Property results in abatement or adjustment of Lease Payments and the resulting Lease Payments or other special sources of money, including without limitation proceeds of rental interruption insurance, are insufficient to make all payments of principal and interest due with respect to the Certificates during the period that the Property is being replaced, repaired or reconstructed, then such payments of principal and interest may not be made, and the only remedy available to the Trustee or Owners will be the proceeds from rental interruption insurance. Such insurance is required to provide coverage of Lease Payments for up to two years during this period.

Notwithstanding the foregoing provisions of the Lease and the Trust Agreement specifying the extent of abatement in the event of the District's failure to have use and possession of the Property, such provisions may be superseded by operation of law and, in such event, the resulting Lease Payments of the District may not be sufficient to pay all of that portion of the remaining principal and interest with respect to the Certificates Outstanding.

Reserve Fund

A debt service reserve fund (the "Reserve Fund") is established by the Trust Agreement in an amount equal to the Reserve Requirement. With respect to the Certificates, the term "Reserve Requirement" means, as of any calculation date, an amount equal to the lesser of (i) the maximum aggregate annual Lease Payments (in any Fiscal year, as defined in the Trust Agreement) then payable under the Lease, (ii) 125% of the average annual aggregate Lease Payments (in any Fiscal Year) then payable under the Lease, or (iii) 10% of the original par amount of the Certificates and/or the Additional Certificates, as applicable (less original issue discount if in excess of two percent (2%) of the stated prepayment amount at maturity). The full amount available in the Reserve Fund may be used by the Trustee in the event of abatement or failure by the District to make Lease Payments with respect to the Certificates. Subject to the requirements and restrictions contained in the Trust Agreement, the District may thereafter substitute a line of credit, letter of credit, an insurance policy, surety bond or any other comparable credit facility (each, a "Reserve Facility"), or alternatively cash, or any combination thereof, which in the aggregate makes funds available in the Reserve Fund in an amount equal to the Reserve Requirement, as provided in the Trust Agreement.

The District is obligated to replenish the Reserve Fund up to the Reserve Requirement by paying reserve replenishment rent under the Lease ("Reserve Replenishment Rent") to the extent that amounts have been withdrawn from the Reserve Fund or a draw has been made on any Reserve Facility, thereby reducing the amounts available thereunder to pay principal or interest with respect to the Certificates, or there shall be a valuation deficiency in the Reserve Fund together with all amounts available under any Reserve Facility resulting from a decrease of 10% or more of the market value of the Permitted Investments therein. Reserve Replenishment Rent will be paid, however, only if (i) Lease Payments are not in abatement, (ii) the amount of such Lease Payments is less than the fair rental value of the Property, and (iii) the amount on deposit in the Reserve Fund is less than the Reserve Requirement, or the amount on deposit in the Lease Payment Fund is less than the amount required to be on deposit therein corresponding to the cumulative gross Lease Payments. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Agreement to Lease; Term of Lease; Lease Payments – Lease Payments – Reserve Replenishment Rent" attached hereto.

To the extent that the conditions to payment of Reserve Replenishment Rent are satisfied under the Lease, the District will be obligated to pay Reserve Replenishment Rent to the Trustee regardless of whether or not the District is in default under the Lease. Interest or income received by the Trustee on investment of moneys in the Reserve Fund will be retained in the Reserve Fund so long as amounts on deposit in the Reserve Fund are less than the Reserve Requirement. In the event that amounts on deposit in the Reserve Fund exceed the Reserve Requirement, subject to the requirement of transfers to the Rebate Fund, such excess may, on or before January 15 and July 15 of each year, be transferred to the Lease Payment Fund to be applied to the Lease Payments next coming due from the District.

Lease Payments

Subject to the provisions of the Lease regarding abatement in the event of loss of use and possession of any portion of the Property (see "RISK FACTORS – Abatement" herein) and prepayment of Lease Payments (see "THE CERTIFICATES – Prepayment Procedures" herein), the District agrees to pay to the Corporation, its successors and assigns, as annual rental for the use and possession of the Property, the Lease Payments to be due and payable on each Lease Payment Date.

Any monies deposited in the Lease Payment Fund during the month preceding a Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to the Lease and other amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited to the payment of Lease Payments due and payable on such Lease Payment Date.

The Trust Agreement requires that Lease Payments be deposited in the Lease Payment Fund maintained by the Trustee. Pursuant to the Trust Agreement, on June 1 and December 1 of each year, commencing June 1, 2024, the Trustee will apply such amounts in the Lease Payment Fund as are necessary to make interest and principal payments, respectively, with respect to the Certificates as the same shall become due and payable, in the amounts specified in the Lease.

Additional Payments

In addition to the Lease Payments, the District shall also pay such Additional Payments as shall be required for the payment of all administrative costs of the Corporation relating to the Property or the Certificates, including without limitation, all expenses, compensation and indemnification of the Trustee payable by the District under the Trust Agreement, fees and payments to the provider of any Reserve Facility, taxes of any sort whatsoever payable by the Corporation as a result of its interest in the Property or undertaking of the transactions contemplated in the Lease or the Trust Agreement, fees of auditors, accountants, attorneys or engineers, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement, including premiums or insurance maintained pursuant to the Lease to indemnify the Corporation and its employees, officers and directors, and the Trustee and its agents, successors and assigns. The District's obligation to make Additional Payments will be abated in the event of, and to the extent of, substantial interference with use and possession of the Property arising from damage, destruction, or taking by eminent domain or condemnation of the Property. See "RISK FACTORS – Abatement" herein.

Title and Rental Interruption Insurance

Pursuant to the Lease, the District will obtain a California Land Title Association ("CLTA") leasehold title insurance policy on the Property in an amount equal to the aggregate principal component of Certificates Outstanding. The Lease also requires that the District maintain rental interruption insurance to insure against loss of Lease Payments from the Property in an amount not less than the maximum remaining scheduled Lease Payments in any future 24-month period. The District is obligated to obtain a standard comprehensive general public liability and property damage insurance policy or policies and workers' compensation insurance. The District is also obligated to procure and maintain casualty insurance providing coverage against loss or damage to the Property. The District is not required to maintain flood or earthquake insurance. See "RISK FACTORS – Natural Disasters; Absence of Earthquake and Flood Insurance" herein, and APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease – Insurance" attached hereto.

The proceeds of any rental interruption insurance will be paid to the Trustee and deposited in the Lease Payment Fund to be credited towards the payment of the Lease Payments in the order in which such Lease Payments become due and payable. The Lease requires the District to apply the Net Proceeds of any insurance award received by it either to replace or repair the Property or to prepay Certificates if certain certifications with respect to the adequacy of the Net Proceeds to make repairs, and the timing thereof, cannot be made. The amount of Lease Payments will be abated and Lease Payments due under the Lease may be reduced during any period in which material damage or destruction to all or part of the Property substantially interferes with the District's use and possession thereof. See "RISK FACTORS – Extraordinary Prepayment from Net Proceeds," and "– Abatement" herein.

Defaults and Remedies

Upon an Event of Default with respect to the Certificates, as described below, the District will be deemed to be in default under the Lease, and the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease. Upon any such default, including a failure to pay Lease Payments, the Trustee as assignee of the Corporation may either (1) terminate the Lease and recover certain damages or (2) continue to collect rent from the District on an annual basis by seeking a separate judgment for that year's defaulted Lease Payments and/or reenter the Leased Property and relet it. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Events of Default and Remedies" attached hereto. In the event of default, there is no remedy of acceleration of the District's total Lease Payments due over the term of the Lease, and the Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Certificates or pay debt service with respect thereto.

Events of Default under the Lease include (i) the failure of the District to pay any Lease Payment by the corresponding Lease Payment Date, (ii) the failure of the District to observe and perform any covenant, condition or agreement of the Trust Agreement or the Lease to be kept or performed by the District after notice and the elapse of a 30-day grace period, and (iii) the filing by the District of a case in bankruptcy, or the subjection of any right or interest of the District under the Lease to any execution, garnishment or attachment, or adjudication of the District as bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, all as more particularly described in APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Events of Default and Remedies" attached hereto.

ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated uses of total proceeds, reflecting proceeds to be received from the sale of the Certificates, are as follows:

Sources	
Principal Amount	$12,000,000.00
Net Original Issue Discount	(59,111.65)
Total	$11,940,888.35
Uses	
Project Fund[(1)]	$9,297,185.22
Reserve Fund	1,138,622.57
Lease Payment Fund	1,256,080.56
Underwriter's Discount	60,000.00
Delivery Costs[(2)]	189,000.00
Total	$11,940,888.35

(1) Reflects the deposit to the Project Fund for Project Costs.
(2) Includes all initial costs of executing and delivering the Certificates, including but not limited to the legal and municipal advisory fees, rating agency fees, printing fees, the fees of the Trustee, and other miscellaneous costs of delivery.

RISK FACTORS

The following factors, together with all other information provided in this Official Statement, should be considered by potential investors in evaluating the purchase of the Certificates. The discussion below does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect the financial condition of the District, the District's ability to make Lease Payments in the future, the effectiveness of any remedies that the Trustee may have or the circumstances under which Lease Payments may be abated. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

No representation is made as to the future financial condition of the District. Payment of the Lease Payments is a general fund obligation of the District and the ability of the District to make Lease Payments may be adversely affected by its financial condition as of any particular time.

Security for the Certificates

The obligation of the District to make the Lease Payments does not constitute a debt of the District or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the District or the State is obligated to levy or pledge any form of taxation or for which the District or the State has levied or pledged any form of taxation.

Although the Lease does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease to pay the Lease Payments and Additional Payments from any source of legally available funds, and the District has covenanted in the Lease that it will take such action as may be necessary to include all Lease Payments and Additional Payments due under the Lease in its annual budgets and to make necessary annual appropriations for all such rental payments. The District is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Lease Payments.

The District has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the District, the funds available to make Lease Payments may be decreased. In the event the District's revenue sources are less than its total obligations, the District could choose to fund other activities before making Lease Payments and other payments due under the Lease.

Extraordinary Prepayment from Net Proceeds

Prepayment of the Certificates from Net Proceeds could be made as provided in the Trust Agreement, and the resulting prepayment of Certificates that were purchased at a price greater than the applicable prepayment price could reduce the otherwise expected yield on such Certificates.

Constitutional and Statutory Provisions Affecting Taxes and Appropriations

Article XIIIB of the State Constitution places certain limits on the appropriations the District is permitted to make. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING TAXES AND APPROPRIATIONS" herein.

Abatement

The obligation of the District under the Lease to pay Lease Payments is in consideration for the use and possession of the Property. The obligation of the District to make Lease Payments (as well as Additional Payments and the Reserve Replenishment Rent) may be abated in whole or in part if the District does not have full use and possession of the Property.

The amount of Lease Payments (as well as Additional Payments and Reserve Replenishment Rent) due under the Lease will be adjusted or abated during any period in which, by reason of damage, destruction or taking by eminent domain or condemnation, there is substantial interference with the use and possession of any portion of the Property. During abatement, available moneys on deposit in the Lease Payment Fund and the Reserve Fund, and other special sources of money, including without limitation proceeds of rental interruption insurance, shall be applied to pay the Lease Payments and Additional Payments, as applicable.

If damage or destruction to the Property results in abatement or adjustment of Lease Payments and the resulting Lease Payments or other special sources of money, including without limitation proceeds of rental interruption insurance, are insufficient to make all payments of principal and interest due with respect to the Certificates during the period that the Property is being replaced, repaired or reconstructed, then such payments of principal and interest may not be made, and the only remedy available to the Trustee or Owners will be the proceeds from rental interruption insurance. Such insurance is required to provide coverage of Lease Payments for up to two years during this period.

Notwithstanding the foregoing provisions of the Lease and the Trust Agreement specifying the extent of abatement in the event of the District's failure to have use and possession of the Property, such provisions may be superseded by operation of law and, in such event, the resulting Lease Payments of the

District may not be sufficient to pay all of that portion of the remaining principal and interest with respect to the Certificates Outstanding.

Natural Disasters; Absence of Earthquake and Flood Insurance

The District, like much of the State, may be subject to unpredictable seismic activity, fires, floods, droughts and other natural disasters.

Flood Risk. The Property is located in a geographic area defined as flood zone AH, which the Federal Emergency Management Agency has designated as a Special Flood Zone Hazard Area ("SFHA"). SFHA are defined as the area that will be inundated by the flood event having a 1% chance of being equaled or exceeded in any given year. The 1% annual chance flood is also referred to as the base flood or 100-year flood. Areas designated as flood zone AH have 1% annual chance of shallow flooding each year, usually in the form of a pond, with an average depth ranging from 1 to 3, feet and have a 26% chance of flooding over a 30-year period.

The Fresno County Multi-Jurisdictional Hazard Mitigation Plan, dated May 2018 (the "Hazard Mitigation Plan") notes that The City of Firebaugh is downstream from the Mendota Diversion dam, which could cause flooding in the event of a failure. Additionally, the Hazard Mitigation Planning Committee (the "HMPC") reported that due to Firebaugh's location on the San Joaquin River and the size of the Friant Dam impoundment on Millerton Lake, the City could also be impacted in the event of a failure of that structure.

The most recent FEMA Flood Insurance Rate Map (FIRM) affecting the City of Firebaugh was updated in February 2009. According to the FEMA Flood Insurance Rate Map updated in February 2009 (the "FIRM"), large portions of the planning area are subject to 100-year (or 1-percent-annual-chance) flooding by the San Joaquin River and areas in the south of the planning area are subject to flooding by the Panoche Creek. According to FEMA's 2016 Flood Insurance Study (FIS), damaging floods occurred in Firebaugh and the surrounding area in 1958, 1969, and 1983. The City of Firebaugh is also vulnerable to levee failure. Portions of Firebaugh fall within both National Levee Inventory leveed areas and State leveed areas.

According to the County's Comprehensive General Plan released in April 2023 (the "General Plan"), the County prioritizes policies to ensure safe, efficient, and environmentally-sound means to drain stormwater and provide flood control by providing necessary facility improvements, ensuring adequate funding, providing a means to detain/retain runoff, and ensuring the facilities meet State environmental regulations, as flooding is a natural occurrence in the Central Valley because it is the drainage basin for thousands of watershed acres of Sierra Nevada and Coast Range foothills and mountains. Flooding in the County occurs primarily along the Kings River in the central-eastern portion of the county and some sections of the San Joaquin River and along many of the foothill streams along the east and west sides of the valley. During the winter and spring months, river and stream systems in the County swell with heavy rainfall and snow melt runoff. Diverting and retaining this water for groundwater replenishment is crucial for not only public safety but maintaining an adequate water supply for domestic and agricultural uses.

Policies in the General Plan are designed to minimize flood hazards by restricting development in flood-prone areas, requiring development that does occur in floodplains to be designed to avoid flood damage, and through public education about flood hazards.

More information about the Hazard Mitigation Plan and the County's Comprehensive General Plan can be found at https://www.fresnocountyca.gov/files/sharedassets/county/v/1/public-health/fresno-county-hmp-final.pdf and https://www.fresnocountyca.gov/files/sharedassets/county/v/2/public-works-and-planning/development-services/planning-and-land-use/general-plan/fcgpr_general-plan_prd-

2023_05_11.pdf. *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

The District is not obligated under the Lease to procure and maintain, or cause to be procured and maintained, and currently does not have flood insurance on the Property being leased. Thus, if flooding activity caused significant damage to the Property, the value of such property could be adversely affected and an abatement of Lease Payments could occur. The District is not able to predict whether or to what extent these results might occur. The District is not obligated under the Lease to procure and maintain, or cause to be procured and maintained, and currently does not have flood insurance on the Property being leased. See "SECURITY AND SOURCES OF PAYMENT OF THE CERTIFICATES – Abatement" herein.

Seismic Activity. Seismic activity presents a potential risk for significant damage to buildings, roads and property within the District, including the Property. An earthquake of large magnitude could result in extensive damage to property within the District, including the Property, and could adversely affect the assessed valuation of property within the District, or more generally the region's economy. The Property is not located within an Alquist-Priolo Earthquake Study Zone or other geological faults.

Absence of Insurance. The District is not obligated under the Lease to procure and maintain, or cause to be procured and maintained, earthquake or flood insurance on the Property being leased, and does not anticipate doing so. Thus, if seismic activity, flooding or other natural disasters caused significant damage to the Property, the value of such property could be adversely affected. The District is not able to predict whether or to what extent such damage might occur.

State Oversight of School Construction. Public school construction in the State, including the school facilities constructed on the Property, are entitled and approved through the California Division of State Architect ("DSA"), which reviews building plans and calculations based on three sets of criteria: Seismic and Engineering; Fire, Life, Safety; and Access. DSA applies the State building code standards and requires that certain buildings are compliant with the Field Act for Public Schools set forth in Education Code Sections 17280 and 81130 *et seq*. (the "Field Act"). The Field Act sets forth structural design standards to enable school buildings meet a higher threshold of seismic safety, ensuring safety for students and building occupants in the event of an earthquake.

Drought. In recent years, the State has experienced severe drought conditions. In January of 2014, the Governor declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021, the Governor expanded the declaration to further include an additional nine counties. On October 19, 2021, the Governor extended the declaration to include the remaining counties in the State, such that the drought state of emergency was in effect Statewide.

Significant snowfall and precipitation in the State commencing in January 2023 have generally eliminated most of the State's drought conditions. According to the U.S. Drought Monitor, portions of the State in the far north and lower southeastern regions continue to classified in the abnormally to severe drought categories, however the majority of the State, including the County, is currently classified as having no drought conditions. In addition, on March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N-27-22. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future.

Wildfires. In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and summer of 2021. The District did not sustain any damage as a result of the recent fires. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events, such as coastal storm surges, drought, wildfires, floods, heat waves, and raising sea levels. See also "— "—Flood Risk", "—Drought," and "—Wildfires" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Outbreak of Disease; COVID-19

General. An outbreak of disease or similar public health threat, such as the ongoing coronavirus ("COVID-19") pandemic, or fear of such an event, could have an adverse impact on the District's financial condition and operating results.

The spread of COVID-19 continues to have significant negative impacts throughout the world, including in the District. The World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were previously declared by the WHO, the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus. All such states of emergency have since been lifted.

To date there have been millions of confirmed cases in the United States, and over one million deaths related to COVID-19. Although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will continue to grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and significant increases in inflation as these restrictions and closures have been lifted. Stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Federal Response. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed by the President of the United States. The CARES Act appropriated over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. On December 27, 2020, the President of the United

States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 (“CRRSA”), which included approximately $900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately $82 billion of COVID-19 related relief for education, including $54.3 billion for K-12 schools (largely through Title I funding), $22.7 billion for higher education and $4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American Rescue Plan Act of 2021 (the “American Rescue Plan”), which provides approximately $1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses.

State Response. In response to the COVID-19 pandemic, on March 17, 2020, Senate Bill 89 (“SB 89”) and Senate Bill 117 (“SB 117”) were signed by the Governor, both of which took effect immediately. SB 89 amended the Budget Act of 2019 by appropriating $500,000,000 from the State general fund for any purpose related to the Governor’s March 4, 2020 emergency proclamation. SB 117, among other things, (i) specified that for school districts that comply with Executive Order N-26-20, the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevented the loss of funding related to an instructional time penalty because of a school closed due to the COVID–19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID–19, (iii) required a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID–19, and (iv) appropriated $100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites. Additionally, the Governor, on March 4, 2021, signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provided approximately $6.6 billion to accelerate the return of in-person school instruction and expand student support.

On June 29, 2020, Senate Bill 98 (“SB 98”), the education omnibus bill to the 2020-21 State budget, was signed by the Governor, which took effect immediately. SB 98 provided that distance learning could be offered by a school district during the 2020-21 academic year on a local educational agency or schoolwide level as a result of an order or guidance from a State public health officer or a local public health officer or for pupils who are medically fragile or would be put at risk by in-person instruction, or who are self-quarantining because of exposure to COVID-19. SB 98 provided requirements for distance learning, including, but not limited to: (i) confirmation or provision of access for all pupils to connectivity and devices adequate to participate in the educational program and complete assigned work, (ii) content aligned to grade level standards that is provided at a level of quality and intellectual challenge substantially equivalent to in-person instruction, (iii) support for pupils who are not performing at grade level or need support in other areas, (iv) special education services, (v) designated and integrated instruction in English language development for English learners, and (vi) daily live interaction with certificated employees and peers.

District Response. As a result of the outbreak of COVID-19, the District closed its schools for in-person learning for the remainder of the 2019-20 school year effective March 2020 and began instruction through distance learning for the remainder of the 2019-20 academic year. The District opened the 2020-21 school year in an all distance learning environment, but a portion of the academic year was a hybrid of in-person and remote learning. Beginning in academic year 2021-22, the District opened up to in-person instruction with an independent study option in accordance with legal requirements.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor enacted Executive Order N-26-20 ("Executive Order N-26-20"), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

The District has received or has been awarded $21,813,312 in COVID-19-related relief funding, of which the District has spent or encumbered $5,212,356. This funding includes (i) $2,503,653 in Coronavirus Relief (CRF) Learning Loss Mitigation, and $322,411 in State Learning Loss Mitigation Funds, (ii) $862,683 from the Elementary and Secondary School Emergency Relief Fund ("ESSER I") funded by the CARES Act, (iii) $3,388,040 from ESSER ("ESSER II") funded by the Consolidated Appropriations Act, 2021, (iv) $7,491,777 from ESSER ("ESSER III") funded by the American Rescue Plan, (v) $163,921 from the Governor's Emergency Education Relief, (vi) $978,952 for In-Person Instruction, (vii) $996,792 from the Expanded Learning Opportunities Grant, (viii) $37,719 of State COVID-19 Response Funding, (ix) Special Education Learning Recovery Support of $149,269, and (x) $28,034 from the Special Education IDEA American Rescue Plan Grant. The District also expects to receive $18,642 from the American Rescue Plan – Homeless Children and Youth II, which the District expects to spend during fiscal year 2023-24. Additionally, the District has received $978,952 for In-person Instruction Grant pursuant to AB 86, and $3,667,123 in Learning Recovery Emergency Block Grant funds, and expects to receive $1,307,794 in Arts Music and Instructional Materials Discretionary Block Grant funds through the State's 2022-23 Budget. The District, however, can make no representation whether all expected funds will be received or full expended, or what the timing of receipt of such funds might be.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT – District Retirement Systems" herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including, but not limited to: the Governor's office (http://www.gov.ca.gov), California Department of Public Health (https://covid19.ca.gov/) and the Fresno County Department of Public Health (https://www.co.fresno.ca.us/departments/public-health). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding available state or federal assistance, materially adversely impact the financial condition or operations of the District.

Other Limitations on Liability

Although the District covenants to budget and appropriate annually to provide for Lease Payments, the District has not pledged its full faith and credit to such payment. In the event that the District's revenue sources are less than its total obligations in any year, the District could choose to fund other District services before paying one or all of the annual Lease Payments.

Except as expressly provided in the Trust Agreement, the Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Lease Payments by the District, or with respect to the performance by the District of other agreements and covenants required to be performed by it contained in the Lease or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

The enforceability of the rights and remedies of the Owners of the Certificates, and the obligations incurred by the District, may become subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

No Acceleration Upon Default

In the event of a default by the District, the remedy of acceleration of the remaining Lease Payments is not available. The District will only be liable for Lease Payments on an annual basis, and the Trustee would in the event of default be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against public agencies in the State.

Limited Recourse on Default

The Lease and the Trust Agreement provide that the Trustee may take possession of the Property and re-lease it if there is a default by the District and that, in the event such re-leasing occurs, the District would be liable for any resulting deficiency in the Lease Payments. The Lease provides that the Trustee may have such rights of access to the Property as may be necessary to exercise any remedies. Portions of the Property may not be easily recoverable, because they may be affixed to property not owned by the District and, even if recovered, may be of little or no value to others. Furthermore, due to the essential nature of the Property in relation to the District, it is not certain whether a court would permit the exercise of the remedies of repossession and leasing with respect thereto. The Trustee is not empowered to sell the Property for the benefit of the Owners. In the event of a default, there is no available remedy of acceleration of the total Lease Payments due over the term of the Lease. The District will be liable for Lease Payments only on an annual basis, and the Trustee would be required to seek a separate judgment in each fiscal year for that fiscal year's Lease Payments.

Alternatively, the Trustee may terminate the Lease with respect to the Property and proceed against the District to recover damages pursuant to the Lease. Any suit for money damages would be subject to limitations on legal remedies against school districts in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Substitution of Property

The Lease provides that, upon the satisfaction of certain conditions specified therein, the District may substitute other public facilities or real property for all or any portion of the Property. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease – Covenants with Respect to the Property – Substitution or Release of the Property" attached hereto. The Lease requires that any property which will comprise the Property after such a substitution must have a useful life and fair rental value at least equal to the useful life and fair rental value of the Property at the time of substitution. Such a replacement could have an adverse impact on the security for the Certificates, particularly if an event requiring abatement of Lease Payments, Additional Payments, and Reserve Replenishment Rent were to occur subsequent to such substitution.

Property Values

The District has estimated the value of the real property constituting the Property. See "THE PROPERTY" herein. The estimate makes certain assumptions which could affect the estimate of the property value. If any of these assumptions are proven incorrect, there could be a negative impact on value.

The estimates as to values are merely the opinions of the District as of the date the Property was last insured. The District has not sought the opinion of any appraiser. A different opinion of such value might be rendered by an appraiser.

The fee estate will not be assigned to the Trustee but, rather, the rights of the Corporation under the Lease, which is for a limited term, will be assigned to the Trustee. See APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" attached hereto. Thus, the value of the real property constituting the Property and the buildings and improvements thereon are not necessarily an accurate measure of the value of the interest in the Lease assigned to the Trustee.

Cybersecurity

The District, like many 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 is potentially subject to multiple 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 access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District carries cybersecurity insurance.

No assurance can be given that the District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Trustee or the Dissemination Agent in connection with compliance by the District with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the Certificates, e.g., systems related to the timeliness of payments on their respective Certificates or compliance with disclosure filings pursuant to the Continuing Disclosure Certificate.

THE CORPORATION

The Public Property Financing Corporation of California, a nonprofit public benefit corporation, was incorporated on April 18, 1991 pursuant to the Nonprofit Public Benefit Corporation Law of the State (Title 1, Division 2, Part 2 of the Corporations Code). The Corporation was organized for the primary purpose of providing financial assistance to public agencies in the State by acquiring, constructing, improving and financing various facilities, land and equipment, and by leasing facilities, land and equipment for the use of such public agencies.

DISTRICT FINANCIAL INFORMATION

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on uniform funding grants assigned to certain grade spans. See "– Local Control Funding Formula" herein.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school 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 Base Grants per unit of ADA for each grade span, as of the first year of the LCFF's implementation, were as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. During the implementation period of the LCFF, the Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See "– State Budget Measures" herein for information on the adjusted Base Grants provided by current State budgetary legislation.

The Base Grants for 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 early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. The LCFF also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs under the prior funding formula. The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten (TK) to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts that serve TK students will be eligible to receive an add-on equal to \$2,813, multiplied by such district's second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants. For fiscal year 2023-24, the District has a projected ADA of 54 TK students.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such district's percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2017-18 through 2022-23, and budgeted figures for fiscal year 2023-24.

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ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2017-18 through 2023-24
Firebaugh-Las Deltas Unified School District

	Average Daily Attendance[1]					Enrollment	
Fiscal Year	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment[2]	% of EL/LI Enrollment[3]
2017-18	705.30	501.59	318.87	650.03	2,175.79	2,260	91.6%
2018-19	691.30	498.85	301.26	663.41	2,154.82	2,240	92.2
2019-20	659.99	517.94	327.19	635.19	2,140.31	2,234	91.9
2020-21	588.16	459.32	305.44	612.09	1,965.01	2,178	92.6
2021-22	588.16	459.32	305.44	612.09	1,965.01	2,164	88.9
2022-23	635.73	440.51	316.72	641.53	2,034.49	2,192	91.5
2023-24[4]	645.49	465.00	353.97	628.23	2,092.69	2,194	94.0

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(1) Except for fiscal years 2023-34, reflects ADA as of the second principal reporting period ("P-2 ADA"), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. For fiscal year 2019-20, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See "– Considerations Regarding COVID-19" herein. In addition, due to the hold harmless provision provided for in the 2020-21 State Budget, the District was funded based on its 2019-20 ADA through fiscal year 2021-22.
(2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education. CALPADS figures exclude preschool, extended transitional kindergarten, adult transitional students. For purposes of calculating Supplemental and Concentration Grants, a school district's percentage of unduplicated EL/LI students is based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
(3) Percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
(4) Projected.
Source: Firebaugh-Las Deltas Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provided for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuation of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on was paid incrementally over the LCFF implementation period. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants are multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, yields a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State legislature (the "State Legislature") to school districts.

Certain school districts, known as "community funded" (previously known as "basic aid") districts, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a community funded district.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs were first required to be adopted in fiscal year 2014-15, and are updated annually. The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts in meeting the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP or annual update thereto, and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district in identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes;

provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Other Revenue Sources

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

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 noninstructional purposes such as real property acquisition, facility construction, or the financing of research. Lottery revenues generally comprise approximately 2% of general fund revenues. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over fiscal year 1997-98 levels must be restricted to use on instruction material.

The District has applied for and received the following State grants: (i) $5.7 million of the Community School Grant awarded through 2027, (ii) $415,287 from Proposition 28: Art and Music in Schools (AMS) Funding Guarantee and Accountability Act, which is ongoing, (iii) $564,500 of the Educator Effectiveness Block Grant awarded through 2026, (iv) $493,845 of the K-12 Strong Workforce Program (SWP) grant awarded through 2025, and (v) $350,000 of the Middle College & Early College (MCEC) Grant & Career Pathways grant awarded through 2027.

Federal and Local Sources. The federal government provides funding for several of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, school districts may receive additional local revenues beyond local property tax collections, such as from leases and rentals, interest earnings, interagency services, developer fees, special tax revenues, pass-through tax increment revenues, parcel tax revenues, redevelopment revenues, foundation revenues, and other local sources.

Foundation. The Foundation for Firebaugh-Las Deltas Unified Schools (the "Foundation") is an independent, non-profit organization that was organized in 2014 to support educational efforts of the District. For fiscal years 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23, the District received $30,335, $30,811, $12,393, $0, and $9,689, respectively, from the Foundation. In fiscal year 2021-22, no grants were awarded due to the COVID-19 pandemic. The District has projected receipt of $37,300 from the Foundation in fiscal year 2023-24.

Rental Income. The District owns five apartments, which are currently leased to school employees. The District receives rental income from these apartments, which is accounted for in the District's general fund. For fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, the District received $21,933, $24,803, $24,426, and $22,989, respectively, of annual rental income. The District has projected receipt of $14,263 of annual rental income in fiscal year 2023-24.

Developer Fees. The District receives developer fees of $4.79 per square foot for residential development and $0.78 per square foot for commercial development pursuant to Government Code Section 65995 (the "Developer Fees"). State law requires that Developer Fees be spent only for the construction or reconstruction of school facilities to accommodate growths in enrollment. For fiscal years 2018-19, 2019-

20, 2020-21, 2021-22, and 2022-23, the District received $19,960, $55,895, $801,270, $662,716, and $17,776, respectively, in developer fees. The District has projected receipt of $330,402 in developer fees in fiscal year 2023-24.

Redevelopment Revenues. The District receives pass-through tax increment revenue (the "Pass-Through Revenues") from the former redevelopment agencies within the District's boundaries. The Pass-Through Revenues received by the District are deposited into the District's general fund, and used for instructional materials and supplies. The Pass-Through Revenues do not offset the State apportionment received by the District. The District began receiving Pass-Through Revenues since fiscal year 2018-19. For fiscal years 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23, the District received $30,694, $37,632, $36,224, $38,433, and $55,387, respectively, in Pass-Through Revenues. The District has projected receipt of $43,348 in Pass-Through Revenues in fiscal year 2023-24.

Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of California Redevelopment Association v. Matosantos ("Matosantos"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, not to exceed $250,000 in any year, to the extent such costs have been approved in an administrative budget; then, fourth is tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of ABX1 26 using current assessed values . . . and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its revenue apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Budget Measures

The following information concerning the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information.

2023-24 State Budget. On June 27, 2023, the Governor signed the State budget for fiscal year 2023-24 (the "2023-24 Budget"). The following information is drawn from the DOF and LAO summaries of the 2023-24 Budget.

The 2023-24 Budget reported that, after two years of growth, the State was projected to face a downturn in revenues driven by a declining stock market, persistently high inflation, rising interest rates and job losses in high-wage sectors. The 2023-24 Budget forecast that the State would face a $31.7 billion shortfall in fiscal year 2023-24. In its summary of the 2023-24 Budget, the LAO calculated the State's budget shortfall to be lower, at $26.5 billion, and resulted from the administration including in its calculation the cost of some policies that had not yet been adopted by the State legislature.

To close the budget gap, the 2023-24 Budget included a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades:

- *Fund Shifts* – $9.3 billion in shifts of spending commitments from the State general fund to other sources.

- *Reductions/Pullbacks* – $8.1 billion in State general fund spending reductions or pullbacks of previously approved spending.

- *Delays* – $7.9 billion in delayed spending across multiple years, without reducing the amount of funding over the same period.

- *Revenue and Internal Borrowing* – $6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances not projected for programmatic purposes.

- *Trigger Reductions* – $340 million in reductions that will be restored in the proposed State budget for fiscal year 2024-25 if there are sufficient resources to do so.

For fiscal year 2022-23, the 2023-24 Budget projected total general fund revenues and transfers of $205.1 billion and authorized expenditures of $234.6 billion. The State was projected to end the 2022-23 fiscal year with total reserves of $54.2 billion, including $21.1 billion in the traditional general fund reserve, $22.3 billion in the BSA, $9.9 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the 2023-24 Budget projected total general fund revenues and transfers of $208.7 billion and authorized expenditures of $225.9 billion. The State was projected to end the 2023-24 fiscal year with total reserves of $37.8 billion, including $3.8 billion in the traditional general fund reserve, $22.3 billion in the BSA, $10.8 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The 2023-24 Budget indicated that maintaining this level of reserves provided a prudent insurance policy, as the State continued to face revenue risks and uncertainty. Significantly, prolonged storm activity over the winter caused a tax filing delay affecting over 99% of tax filers in 55 of the State's 58 counties. This delay pushed the projected receipt of $42 billion in State tax receipts into October, representing nearly one-fourth of the 2022-23 fiscal year's total projected personal income taxes, and nearly one third of the corporation tax.

The ending balance in the BSA was at the constitutional maximum amount, requiring any amounts in excess thereof to be dedicated to infrastructure improvements. The 2023-24 Budget also included revised deposits to the PSSSA of $4.8 billion and $1.8 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorized a deposit in fiscal year 2023-24 of $902 million. The balance of $9.9 billion in the PSSSA in fiscal year 2022-23 triggered school district reserve caps in fiscal year 2023-24. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING TAXES AND APPROPRIATIONS – Proposition 2" herein.

The 2023-24 Budget set total funding for all K-12 education programs at $129.2 billion, including $79.5 billion from the State general fund and $49.7 billion from other sources. The minimum funding guarantee in fiscal year 2023-24 was set at $108.3 billion, including $77.5 billion from the State general fund. The 2023-24 Budget also made retroactive increases to the minimum funding guarantee in fiscal years 2021-22 and 2022-23, setting them at $110.6 billion and $107.4 billion, respectively. Test 1 was projected to be in effect over this three year period. For fiscal year 2023-24, the minimum funding guarantee increased by $952 million (or 0.90%) relative to the revised 2022-23 level, and resulted from projected increases in property tax revenues that offset declines associated with lower State general fund revenue estimates. To accommodate enrollment increases related to the expansion of transitional kindergarten (as further described below), the 2023-24 Budget rebenched the Test 1 percentage, from approximately 38.2% to 38.5%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee. Other significant features relating to K-12 education funding include the following:

- *Local Control Funding Formula:* The 2023-24 Budget funded a COLA of 8.22% to LCFF apportionments. When combined with declining enrollment adjustments, this increased year-over-year discretionary funds available to local educational agencies by approximately $3.4 billion. As a result, the adjusted LCFF Base Grants for fiscal year 2023-24 are as follows: (i) $10,951 for grades TK-3, (ii) $10,069 for grades 4-6, (iii) $10,367 for grades 7 and 8, and (iv) $12,327 for grades 9-12. The LAO noted that the 2023-24 Budget used approximately $1.6 billion in one-time, prior-year Proposition 98 resources to support the ongoing costs of the LCFF in fiscal year 2023-24. The LAO noted that this created a structural gap, in that using one-time funds to cover ongoing costs would create a deficit in the Proposition 98 budget the following year. The 2023-Budget also provided an increase of $80 million in ongoing Proposition 98 funding for county offices of education serving students in juvenile court and other alternative school settings. Finally, to complement efforts to identify and address student group and school site equity gaps through school district LCAPs, the 2023-24 Budget provided $300 million in ongoing Proposition 98 funding to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and $2 million in ongoing Proposition 98 funding to support the work of equity leads within the Statewide system of support.

- *Categorical Programs*: $556.3 million in ongoing Proposition 98 funding to reflect an 8.22% COLA for specified categorical programs that remain outside of the LCFF.

- *Universal Transitional Kindergarten*: The funding levels in the 2023-24 Budget reflected $357 million in ongoing Proposition 98 funding to support the first year of expanded eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2 in fiscal year 2022-23 (roughly 29,000 children). Additionally, the 2023-24 Budget reflected $238 million of Proposition 98 funding to support one additional classified or certificated staff person in every transitional kindergarten class in fiscal year 2022-23. The 2023-24 Budget included $597 million in ongoing Proposition 98 funding to support the second year of expanded eligibility to include all children turning five years old between September 2 and April 2 (roughly 42,000 children), beginning in fiscal year 2023-24. Additionally, the 2023-24 Budget included $165 million to support one additional certificated or classified employee in every transitional kindergarten class. The 2023-24 Budget also made certain adjustments to the transitional kindergarten program, including (i) requiring that, commencing with the 2025-26 fiscal year, transitional kindergarten classrooms maintain a 1:10 adult-to-student ratio, (ii) enabling local educational agencies, in fiscal years 2023-24 and 2024-25, to enroll children whose fourth birthday falls between June 2 and September 1 in transitional kindergarten if classrooms meet the 1:10 ratio and maintain a total class size of 20 or less students, and (iii) extending the deadline for credentialed teachers to have earned 24 early education college credits, or its equivalent, or earned a child development teacher permit or early childhood education specialist credential. Finally, the 2023-24 Budget delayed, to fiscal year 2024-25, $550 million of funding previously approved to support the construction or retrofit of full-day kindergarten and preschool facilities.

- *Literacy*: $250 million in one-time Proposition 98 funding for high-poverty schools, using evidence-based practices, to train and hire literacy coaches and reading specialists for one-on-one and small group interventions for struggling readers. The 2023-24 Budget also provided $1 million in one-time Proposition 98 funding to support efforts to begin screening students in kindergarten through second grade for risk of reading difficulties, including dyslexia. Finally, the 2023-24 Budget provided $1 million in one-time Proposition 98 funding to create a literacy roadmap to help educators navigate literacy resources provided by the State.

- *Educator Workforce*: The 2023-24 Budget included a number of statutory changes to reduce barriers for those interested in entering the teacher profession, including (i) increasing the per-candidate allocation for the Teacher and School Counselor Residency Program, (ii) allowing greater time for residency candidates to complete their service requirements, (iii) providing additional ways for teachers to complete their teaching credentials, and (iv) allowing relocated U.S. military service members, or their spouses, to be issued a State teaching credential if they possess a valid, out-of-state credential. The 2023-24 Budget also provided $10 million in one-time Proposition 98 funding for grants to local education agencies to provide culturally relevant support and mentorship for educators to become school administrators.

- *Arts and Cultural Enrichment:* On November 8, 2022, State voters approved Proposition 28, which requires that an amount equal to 1% of the prior year's minimum funding guarantee be allocated to schools to increase arts instruction and arts programs in public education. The 2023-24 Budget included approximately $938 million to fund this mandate. The 2023-24 Budget also reflected a reduction of approximately $200 million in one-time Proposition 98 funding previously approved for the Arts, Music and Instructional Materials Block Grant.

- *Learning Recovery*: The 2022-23 State budget established the Learning Recovery Emergency Fund and appropriated $7.9 billion in one-time Proposition 98 funding to establish a block grant to support local educational agencies in establishing learning recovery initiatives. The 2023-24 Budget delayed approximately $1.1 billion of such funding to fiscal years 2025-26 through 2027-28.

- *Home-to-School Transportation*: The 2022-23 State budget provided $1.5 billion in one-time Proposition 98 funding, available over five years, to support the greening of school buses as part of a Statewide zero-emissions initiative. The 2023-24 Budget delayed $1 billion of this funding to fiscal years 2024-25 and 2025-26.

- *Nutrition:* $154 million in additional ongoing Proposition 98 funding, and $110 million in one-time Proposition 98 funding, to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.

- *Teacher Development*: $20 million in one-time Proposition 98 funding to support the Bilingual Teacher Professional Development Program. The 2023-24 Budget also provided $6 million in one-time federal funds to support grants to teacher candidates enrolled in a special education teacher preparation program who agree to teach at a high-need school site.

- *Reversing Opioid Overdoses*: $3.5 million in ongoing Proposition 98 funding for all middle school, high school and adult school sites to maintain at least two doses of medication to reverse an opioid overdose on campus.

- *Restorative Justice*: $7 million in one-time Proposition 98 funding to support local educational agencies opting to implement restorative justice best practices.

- *School Safety*: $119.6 million in one-time federal funds authorized by the Bipartisan Safer Communities Act to support local educational agency activities related to improving school climates and school safety.

- *After School Education*: $3 million in one-time federal funds to support after school programs in rural school districts.

- *Facilities*: The 2023-24 Budget reflected a decrease of $100 million in State general fund support for the State school facilities program. The 2023-24 Budget included $30 million in one-time Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program, and $15 million in one-time Proposition 98 funding to support grants to local educational agencies to acquire and install commercial dishwashers.

For additional information regarding the 2023-24 Budget, see the DOF and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites are not incorporated herein by any reference.

LAO Fiscal Outlook. On December 7, 2023, the LAO issued its Fiscal Outlook report (the "Fiscal Outlook"), an annual publication released in anticipation of State budgetary discussions that lead to the January release of the Governor's proposed State budget. The Fiscal Outlook provides the LAO's independent estimates and analysis of the State's budgetary condition.

In the Fiscal Outlook, the LAO reports that the State entered an economic downturn in 2022, precipitated by federal efforts to cool the U.S. economy by making borrowing more expensive and reducing the amount of money available for investment. The Fiscal Outlook notes that there have been signs of revenue weakness over the past year that came into full focus with the arrival of postponed tax collections. The LAO estimates that State revenue collections could come in $58 billion below the levels assumed by the 2023-24 Budget across the three year budgetary window (2022-23 through 2024-25), with approximately half of the difference ($26 billion) attributable to fiscal year 2022-23.

Under the LAO's revenue outlook, across the three year budgetary window, the Proposition 98 minimum funding guarantee is $18.8 billion lower than the estimates included in the 2023-24 Budget. This reduction includes $9.6 billion in fiscal year 2022-23, $6.3 billion in fiscal year 2023-24 and $3.5 billion in fiscal year 2024-25. Although the minimum funding guarantee is down, most school spending is not automatically adjusted. The automatic reduction in school spending over this period is only $4.3 billion, most of which relates to the automatic elimination of required deposits to the PSSSA. Under the LAO's baseline assumptions, the State would provide approximately $11.9 billion in funding to K-14 school districts above the minimum funding guarantee in fiscal years 2022-23 and 2023-24. The State could choose to reduce previously approved spending, which historically has taken the form of across-the-board reductions to per-pupil allocations and payment deferrals. The LAO notes that decisions about whether to reduce funding could significantly impact the minimum funding guarantee in fiscal year 2024-25. Under the LAO's outlook, and without special action by the Legislature, the reductions in the minimum funding guarantee would require the State to withdraw the entire current PSSSA balance ($8.1 billion) in fiscal years 2023-24 and 2024-25. Alternatively, the State could elect to withdraw up to $7.7 billion of those funds preemptively to cover costs that exceed the minimum funding guarantee in fiscal year 2022-23. This approach would require the Governor to declare a budgetary emergency.

For additional information regarding the Fiscal Outlook, see the LAO website www.lao.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

Proposed 2024-25 State Budget. On January 10, 2024, the Governor released his proposed State budget for fiscal year 2024-25 (the "Proposed 2024-25 Budget"). The following is drawn from the DOF and LAO summaries of the Proposed 2024-25 Budget.

The Proposed 2024-25 Budget reports that the State is facing a budgetary shortfall in 2024 of approximately $37.9 billion. The shortfall is rooted in two separate but related developments that have occurred over the past two fiscal years—a substantial decline in the stock market that drove down revenues and an unprecedented delay in critical income tax collections. The Proposed 2024-25 Budget indicates that, typically, the bulk of cash data relating to the prior tax year is available by April, leading to a revised May budget informed by actual cash collections. In calendar year 2023, due to federal and state income tax deadline delays resulting from several winter storms, the majority of the State's revenues did not arrive until October and November. As a result, the corrections that would have been necessary to account for the decline in State revenues that would have normally come as part of last year's May revision are instead being made in the Proposed 2024-25 Budget.

The Proposed 2024-25 Budget also includes multiyear projections of revenues and spending. Under the administration's projections, the State faces operating deficits in 2025-26 through 2027-28 of $37 billion, $30 billion and $28 billion, respectively. The LAO notes that although these deficits are smaller than the one projected for 2024-25, the State will have fewer options – such as one-time spending and draws on reserves – which could necessitate ongoing spending cuts or revenue increases.

The Proposed 2024-25 Budget includes a series of measures intended to close the projected shortfall, including:

- *Reserve Draws* – $13.1 billion of draws on existing State reserves, including $12.2 billion in total draws from the BSA, and $900 million from the Safety Net Reserve. The Proposed 2024-25 Budget also authorizes a draw from the PSSSA to support ongoing LCFF costs in fiscal years 2023-24 and 2024-25 (as further described below).

- *Spending Reductions* – $8.5 billion of reductions to a variety of State programs, including to (i) climate change programs, (ii) various housing programs, (iii) the School Facilities Aid program, (iv) the Student Housing Revolving Loan Fund Program, and (v) a reduction in vacant State administrative positions.

- *Revenue/Internal Borrowing* – $5.7 billion in support from revenue sources and borrowing from special funds, including an increase to the Managed Care Organization Tax to support the Medi-Cal program and conforming to the Tax Cuts and Jobs Act Net Operating Loss Limitation.

- *Funding Delays* – $5.1 billion of delays in funding to multiple programs, spread over a three-year period beginning in fiscal year 2025-26, without reducing the total amount of funding, including to (i) the Transfer and Intercity Rail Capital Program, (ii) rate reform for disability service providers, (iii) the Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program, (iv) the Clean Energy Reliability Investment Plan, (v) Behavioral Health Bridge Housing Program and (vi) the Vulnerable Community Toxic Clean Up program.

- *Fund Shifts* – $3.4 billion in shifts of certain expenditures from the State general fund to other funds, including to the Greenhouse Gas Reduction Fund, the Proposition 2 Debt Repayment Fund and the Unemployment Insurance Interest Payment fund.

- *Deferrals* – $2.1 billion in deferrals of specific obligations to the 2025-26 fiscal year, including a June-to-July payroll deferral and deferrals to the University of California and California State University Systems.

For fiscal year 2023-24, the Proposed 2024-25 Budget projects total general fund revenues and transfers of $196.9 billion and authorizes expenditures of $230.9 billion. The State is projected to end the 2023-24 fiscal year with total reserves of $29.7 billion, including $23.1 billion in the BSA, $5.7 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The Proposed 2024-25 Budget also projects a deficit balance in the traditional general fund reserve of $2.5 billion. For fiscal year 2024-25, the Proposed 2024-25 Budget projects total general fund revenues and transfers of $214.7 billion and authorizes expenditures of $208.7 billion. The State is projected to end the 2024-25 fiscal year with total reserves of $18.4 billion, including $3.4 billion in the traditional general fund reserve, $11.1 billion in the BSA, and $3.9 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance.

The Proposed 2024-25 Budget sets total funding for all K-12 education programs at $126.8 billion, including $76.4 billion from the State general fund and $50.4 billion from other sources. K-12 per-pupil funding totals $23,519, including $17,653 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2024-25 is set at $109.1 billion. The Proposed 2024-25 Budget also makes retroactive decreases to the minimum funding guarantee in fiscal years 2022-23 and 2023-24, setting them at $98.3 billion and $105.6 billion, respectively. These revised Proposition 98 levels represent a decrease of approximately $11.3 billion over the three-year period relative to the levels set in the 2023-24 Budget. Recognizing that the delay in the tax filing deadline to November 2023 impacted State revenue projections for 2022-23 available at the time the 2023-24 Budget was enacted, the Proposed 2024-25 Budget proposes statutory changes to address roughly $8 billion of this decrease to avoid impacting existing budgets for local educational agencies.

Test 1 is projected to be in effect over the three-year period of 2022-23 through 2024-25. To accommodate enrollment increases related to the expansion of transitional kindergarten (as further described herein), the Proposed 2024-25 Budget rebenches the Test 1 percentage, from approximately 38.6% to 39.5%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to K-12 education funding include the following:

- *LCFF* – The Proposed 2024-25 Budget includes an LCFF COLA of 0.76%. When combined with population growth adjustments, this would result in a decrease of roughly $1.4 billion in discretionary funds for local educational agencies. However, to fully fund the LCFF and to maintain the level of current year principal apportionments, the Proposed 2024-25 Budget authorizes a withdrawal of approximately $2.8 billion from the PSSSA to support ongoing LCFF costs in fiscal year 2023-24, an additional withdrawal of approximately $2.2 billion from the PSSSA to support ongoing LCFF costs in 2024-25, and using available reappropriation and reversion funding totaling $38.6 million to support ongoing LCFF costs in 2024-25. The Proposed 2024-25 Budget also provides $65 million in ongoing Proposition 98 funding to reflect a 0.76% COLA for specified categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2024-25 Budget reflects a decrease of $5 million in ongoing Proposition 98 funding to reflect ADA changes applicable to county officers of education LCFF funding and a 0.76% COLA.

- *Instructional Continuity* – $6 million in one-time Proposition 98 funding to research existing, and develop new, models of hybrid and remote learning to support student attendance, and investigate local student information systems to allow local educational agencies to report student absence data in a manner that allows local and statewide disaggregation of absences related to emergency events. The Proposed 2024-25 Budget also includes proposed statutory changes to allow local educational agencies to provide attendance recovery opportunities to make up lost instructional time, offset student absences and mitigate learning loss and chronic absenteeism.

- *Teacher Preparation and Professional Development* – $25 million in ongoing Proposition 98 funding to support training for educators to administer literacy screenings. The Proposed 2024-25 Budget also provides $20 million in ongoing Proposition 98 funding for county offices of education to develop and provide training for mathematics coaches and leaders to support the delivery of high-qualify math instruction.

- *Nutrition* – An increase of $122.2 million in ongoing Proposition 98 funding to fully fund the universal school meals program in 2024-25. Over 845 million meals are projected to be served through this program in 2024-25.

- *Home-to-School Transportation* – The Proposed 2024-25 Budget maintains $500 million in one-time Proposition 98 funding to support the greening of school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission.

- *Facilities* – The Proposed 2024-25 Budget delays $500 million of funds approved as part of previous State budgets to support the construction of new school facilities or the retrofit of existing facilities for the purpose of providing TK, full-day kindergarten or preschool classrooms. The Proposed 2024-25 Budget also adjusts a previously planned investment in the State School Facilities Program from $875 million to $375 million.

For additional information regarding the Proposed 2024-25 Budget, see the DOF and LAO websites www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by any reference.

Future Actions and Events. The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District.

Investment of District Funds

Most District funds are deposited with the Treasurer-Tax Collector of the County (the "Treasurer") to the credit of the proper fund of the District. The Treasurer is responsible for the investment of the funds of the County, and certain classes of involuntary depositors such as school districts (including District funds which will be used to make the Lease Payments), community college districts and certain special districts in the County, are required under state law to be deposited into the County treasury. In addition, certain agencies invest certain of their funds in the County treasury on a voluntary basis. Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the "Investment Pool"). For more information regarding the Investment Pool, see APPENDIX G – "FRESNO COUNTY TREASURY POOL" attached hereto.

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 Education Code Section 41010, is to be followed by all State school districts.

The District's 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. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. 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 District's 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 type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Comparative Financial Statements

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 audited financial statements for the year ended June 30, 2023 are included for reference in APPENDIX C attached hereto. The table on the following page reflects the District's audited general fund revenues, expenditures and changes in fund balance for fiscal years 2018-19 through 2022-23.

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AUDITED GENERAL FUND REVENUE, EXPENDITURES AND FUND BALANCES
Fiscal Years 2018-19 through 2022-23
Firebaugh-Las Deltas Unified School District

REVENUES:	**Fiscal Year 2018-19**	**Fiscal Year 2019-20**	**Fiscal Year 2020-21**	**Fiscal Year 2021-22**	**Fiscal Year 2022-23**
LCFF Revenue					
State Apportionment or State Aid	$17,462,379	$19,358,522	$14,298,359	$14,642,077	$24,264,668
Education Protection Account Funds	3,558,314	1,846,527	6,633,924	8,347,641	1,777,573
Local Sources	4,211,463	4,627,379	4,711,140	4,929,510	1,926,023
Federal Revenue	2,095,499	1,793,873	5,889,365	10,759,117	3,611,078
Other State Revenue	3,344,568	2,465,722	3,514,882	4,829,419	12,802,368
Other Local Revenue	1,282,147	1,729,008	1,965,275	1,996,182	2,527,153
Total Revenues	31,954,370	31,821,031	37,012,945	45,503,946	46,908,863
EXPENDITURES:					
Current					
Instruction	17,049,648	15,841,769	17,039,308	19,508,461	21,149,066
Instruction - Related Services	4,672,727	4,898,371	4,698,418	4,229,539	5,511,758
Pupil Services	2,555,017	2,803,252	2,730,308	2,924,053	3,543,771
Ancillary Services	411,133	428,624	298,762	369,259	455,503
Community Services	27,155	23,984	924	39,129	50,764
General Administration	2,197,830	2,259,798	2,390,480	2,424,578	2,838,765
Plant Services	3,567,690	3,344,941	3,930,504	4,960,289	5,627,251
Other Outgo	256,393	275,358	220,670	462,980	151,738
Capital Outlay	911,790	347,939	1,011,911	8,048,306	1,737,439
Debt Service:					
Principal	448,775	380,000	582,280	586,892	786,609
Interest	161,166	142,622	306,385	157,034	225,249
Total Expenditures	32,259,324	30,746,658	33,209,950	43,710,520	42,077,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(304,954)	1,074,373	3,802,995	1,793,426	4,830,950
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	200,000	(181,000)	362,000	462,000	3,373,065(2)
Other sources	149,640	134,208	118,676	102,819	92,005
Operating Transfers Out	(200,000)	331,000	(502,391)	(762,000)(1)	(700,611)(3)
Total Other Sources & Uses	149,640	284,208	(21,715)	(197,181)	2,764,459
NET CHANGE IN FUND BALANCE	(155,314)	1,358,581	3,781,280	1,596,245	7,595,409
FUND BALANCE – JULY 1	5,628,538	5,473,224	6,831,805	10,613,085	11,846,815(4)
FUND BALANCE – JULY 30	$5,473,224	$6,831,805	$10,613,085	$12,209,330	$19,442,224

(1) Includes transfers out of $300,000 to the Deferred Maintenance Fund, $162,000 to the Special Reserve Fund for Postemployment Benefits, and $300,000 to the Special Reserve Fund for Capital Outlay Projects.
(2) Includes transfers in of $200,000 from the general fund to the Special Reserve Fund for Postemployment Benefits, $3,159,799 from the County School Facilities Fund to the general fund, $38 from the Special Reserve Fund for Capital Outlay Projects to the general fund, $12,495 from the Tax Override Fund to the general fund, and $733 from the Building Fund to the general fund.
(3) Includes transfers out of $200,000 to the Special Reserve Fund for Postemployment Benefits, $592 to the Building Fund for capital outlay expenditures and $500,019 to the Special Reserve Fund for Capital Outlay Projects.
(4) Excludes the beginning fund balance of the Deferred Maintenance Fund ($362,515), which was previously merged with the general fund for purposes of presentation in prior audit reports.
Source: Firebaugh-Las Deltas Unified School District.

Budget Process

State Budgeting Requirements. The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014. AB 2585 eliminated the dual budget cycle option for school districts; all school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education 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 two fiscal years. The county office of education 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 will be 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.

Within the past five years, the District has submitted, and the County Superintendent of Schools has accepted, positive certifications on all of its interim financial reports, including the first interim report for fiscal year 2023-24.

General Fund Budgeting. The table on the following page show the District's general fund adopted budgets for the years 2019-20 through 2023-24, audited general fund results for the fiscal years 2019-20 through 2022-23, and projected ending results for the fiscal year 2023-24.

GENERAL FUND BUDGETING
Fiscal Years 2019-20 through 2023-24
Firebaugh-Las Deltas Unified School District

	2019-20[1]		2020-21[1]		2021-22[1]		2022-23[1]		2023-24[2]	
	Budgeted	Audited	Budgeted	Audited	Budgeted	Audited	Budgeted	Audited	Budgeted	Projected
REVENUES										
LCFF Sources									$33,278,527	$33,263,057
State Apportionment or State Aid	$19,358,522	$19,358,522	$14,298,359	$14,298,359	$14,642,077	$14,642,077	$19,066,517	24,264,668	--	--
Education Protection Account Funds	1,846,527	1,846,527	6,633,924	6,633,924	8,347,641	8,347,641	5,556,444	1,777,573	--	--
Local Sources	4,627,380	4,627,379	4,711,140	4,711,140	4,929,510	4,929,510	4,748,114	1,926,023	--	--
Federal Sources	2,471,134	1,793,873	5,889,365	5,889,365	10,759,117	10,759,117	11,386,736	3,611,078	3,937,616	3,748,362
Other State Sources	2,504,407	2,465,722	3,514,882	3,514,882	4,829,419	4,829,419	3,226,174	12,802,368	11,080,698	9,688,143
Other Local Sources	1,653,891	1,729,008	1,974,610	1,965,275	1,996,182	1,996,182	1,544,267	2,527,153	1,937,713	2,344,223
Total Revenues	32,461,861	31,821,031	37,022,280	37,012,945	45,503,946	45,503,946	45,528,252	46,908,863	50,234,555	49,043,785
EXPENDITURES										
Current:										
Certificated Salaries	12,120,336	11,994,243	11,364,953	11,364,953	13,578,938	13,578,938	14,631,507	14,697,607	16,331,754	16,372,370
Classified Salaries	4,525,427	4,410,139	4,400,698	4,400,698	5,420,769	5,420,769	5,195,873	6,797,095	6,273,085	6,809,332
Employee Benefits	8,137,172	7,848,366	7,666,427	7,666,440	8,389,866	8,389,866	9,818,431	9,383,620	11,405,027	11,521,663
Books & Supplies	1,907,134	1,991,019	4,220,694	4,220,694	2,395,395	2,395,395	2,417,214	2,759,691	4,203,261	4,440,312
Services & Other Operating Expenditures	3,776,107	3,356,972	3,454,638	3,454,638	4,732,451	4,732,451	4,440,210	5,538,865	6,436,365	7,397,912
Other Outgo	1,084,481	275,358	--	201,951	400,869	400,869	304,553	151,738	1,245,803	1,177,603
Other Outgo – Transfers of Indirect Costs	--	--	--	--	--	--	--	--	--	--
Capital Outlay	382,930	347,939	1,011,911	1,011,911	8,048,306	8,048,306	8,187,425	1,737,439	620,150	681,150
Debt Service	140,817	522,622	1,593,006	888,665	743,926	743,926	643,768	1,011,858	--	--
Total Expenditures	32,074,404	30,746,658	33,712,327	33,209,950	43,710,520	43,710,520	45,638,981	42,077,913	46,515,445	48,400,343
Excess (Deficiency) of Revenues Over Expenditures	387,457	1,074,373	3,309,953	3,802,995	1,793,426	1,793,426	(110,729)	4,830,950	3,719,110	643,441
Other Financing Sources (Uses)										
Transfers In	200,000	(181,000)	362,000	362,000	462,000	462,000	362,000	3,373,065[6]	--	--
Transfers Out	--	331,000	--	(502,391)	(762,000)[4]	(762,000)[4]	(662,000)	(700,611)[7]	(900,000)	(700,000)
Other sources	176,443	134,208	118,676	118,676	102,819	102,819	92,005	92,005	75,316	75,316
Total Financing Sources (Uses)	376,443	284,208	480,676	(21,715)	(197,181)	(197,181)	(207,995)	2,764,459	(824,684)	(624,684)
Net Change in Fund Balance	763,900	1,358,581	3,790,629	3,781,280	1,596,245	1,596,245	(318,724)	7,595,409	2,894,426	18,757
Fund Balance, July 1[3]	2,027,965	5,473,224	6,831,805	6,831,805	10,613,085	10,613,085	11,846,815[5]	11,846,815[5]	13,860,514	17,100,943
Fund Balance, June 30	$2,791,865	$6,831,805	$10,622,434	$10,613,085	$12,209,330	$12,209,330	$11,528,091	$19,442,224	$16,754,940	$17,119,700

(1) From the District's comprehensive audited financial statements for fiscal years 2019-20 through 2022,23, respectively. Reflects unrestricted and restricted general fund activity.

(2) From the District's First Interim Report for fiscal year 2023-24, approved by the Board on December 14, 2023.

(3) Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 14 (Deferred Maintenance Fund), Fund 15 (Pupil Transportation Fund), Fund 17 (Special Revenue Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve for Postemployment Benefits) and merged with the general fund for fiscal years 2019-20 through 2022-23. Fund 14, Fund 17 and Fund 20 are not included in the figures presented for fiscal year 2023-24.

(4) Includes transfers out of $300,000 to the Deferred Maintenance Fund, $162,000 to the Special Reserve Fund for Postemployment Benefits, and $300,000 to the Special Reserve Fund for Capital Outlay Projects.

(5) Excludes the beginning fund balance of the Deferred Maintenance Fund ($362,515), which was previously merged with the general fund for purposes of presentation in prior audit reports.

(6) Includes transfers in of $200,000 from the general fund to the Special Reserve Fund for Postemployment Benefits, $3,159,799 from the County School Facilities Fund to the general fund, $38 from the Special Reserve Fund for Capital Outlay Projects to the general fund, $12,495 from the Tax Override Fund to the general fund, and $733 from the Building Fund to the general fund.

(7) Includes transfers out of $200,000 to the Special Reserve Fund for Postemployment Benefits, $592 to the Building Fund for capital outlay expenditures and $500,019 to the Special Reserve Fund for Capital Outlay Projects.

Source: Firebaugh-Las Deltas Unified School District.

District Debt Structure

Short-Term Debt. The District currently has no outstanding short-term debt obligations.

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
General obligation bonds	$15,131,894	--	$230,546	$14,901,348
Accreted interest	623,384	$45,916	339,454	329,846
Qualified school construction bonds	2,255,000	--	375,000	1,880,000
Other post-employment benefits payable	2,732,334	--	--	2,732,334
Net pension liability	17,147,033	10,036,967	--	27,184,000
Compensated absences	98,318	23,710	--	122,028
Certificates of participation	--	3,900,000	200,000	3,700,000
Notes payable	1,834,308	--	211,609	1,622,699
Total	$39,822,271	$14,006,593	$1,356,609	$52,472,255

Source: Firebaugh-Las Deltas Unified School District.

General Obligation Bonds. On November 4, 1997, the voters of the District approved the issuance of not-to-exceed $8,500,000 of general obligation bonds (the “1997 Authorization”). On August 11, 1998, the District issued its General Obligation Bonds, Election of 1997, Series 1998 in the aggregate principal amount of $4,995,635.95 (the “Series 1998 Bonds”) pursuant to the 1997 Authorization. On November 26, 2002, the District issued its General Obligation Bonds, Election of 1997, Series 2002, in the aggregate principal amount of $3,503,205 (the “Series 2002 Bonds”) pursuant to the 1997 Authorization. On June 7, 2006, the District issued its 2006 General Obligation Refunding Bonds to refund portions of the Series 1998 Bonds and Series 2002 Bonds (the “2006 Refunding Bonds”).

On November 8, 2016, the voters of the District approved the issuance of not-to-exceed $15,000,000 of general obligation bonds (the “2016 Authorization”). On April 6, 2017, the District issued its General Obligation Bonds, Election of 2016, Series A in the aggregate principal amount of $15,000,000 (the “2016 Series A Bonds”) pursuant to the 2016 Authorization. Concurrently on April 6, 2017, the District issued its 2017 General Obligation Refunding Bonds to refund the remaining outstanding portion of the 2006 Refunding Bonds.

The table on the following page shows future debt service payments on all of the District’s outstanding general obligation bonds (assuming no optional redemptions).

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GENERAL OBLIGATION BONDED INDEBTEDNESS
Firebaugh-Las Deltas Unified School District

Year Ending (August 1)	2016 Series A Bonds
2024	$755,862.50
2025	783,362.50
2026	807,812.50
2027	839,212.50
2028	864,012.50
2029	897,412.50
2030	927,362.50
2031	961,112.50
2032	992,987.50
2033	1,027,875.00
2034	1,065,493.76
2035	1,100,543.76
2036	1,142,887.50
2037	1,177,875.00
2038	1,223,500.00
2039	1,264,662.50
2040	1,306,362.50
2041	1,353,337.50
2042	1,400,062.50
2043	1,449,500.00
2044	1,500,375.00
2045	1,037,500.00
Total	$23,879,112.52

Source: Firebaugh-Las Deltas Unified School District.

Lease Financings. On December 22, 2011, the District entered into a private placement lease financing to issue Qualified School Construction Bonds (the "2011 QSCB") evidencing principal in the amount of $6,000,000. The 2011 QSCB are designated as "Qualified School Construction Bonds" pursuant to an irrevocable election by the District to have Section 54F and Section 6431(f)(3)(B) of the Internal Revenue Code apply thereto. As a result, the District is eligible to receive a subsidy payment from the United States Department of the Treasury equal to 100% of the interest payable on the 2011 QSCB on or about each semi-annual interest payment date (each a "Subsidy Payment"). The Subsidy Payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The Subsidy Payments are subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended. The rate of the Sequestration Reduction is subject to change each federal year pursuant to legislation by the United States Congress. In addition, the Statutory Pay-As-You-Go Act of 2010 could result in further sequestration ("PAYGO Sequestration") of subsidy payments under rules that provide for an across-the-board sequester of non-exempt mandatory spending programs if lawmakers enact net deficit-increasing legislation. Due to the federal deficit increase resulting from the American Rescue Plan Act of 2021, the Congressional Budget Office estimated that, without action by Congress to waive or postpone such reductions, these interest subsidy payments could be subject to elimination entirely for a period. A provision in the Consolidated Appropriations Act, 2023, which was signed into law on December 29, 2022, temporarily avoided PAYGO Sequestration by shifting certain sequestration totals from the federal fiscal year 2023 and 2024 scorecards to the federal fiscal year 2025 scorecard. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt.

The table on the following page reflects gross lease payments with respect to the 2011 QSCB, which does not reflect anticipated receipt of the Subsidy Payments (and assuming no optional redemptions).

LEASE PAYMENTS
Firebaugh-Las Deltas Unified School District
2011 Lease Agreement

Period Ending November 1,	Principal Portion	Interest Portion	Total Lease Payment
2024	$375,000.00	$66,972.50	$441,972.50
2025	375,000.00	50,285.00	425,285.00
2026	375,000.00	33,597.50	408,597.50
2027	380,000.00	16,910.00	396,910.00
Total	$1,505,000.00	$167,765.00	$1,672,765.00

Source: Keygent LLC.

On December 7, 2022, the District entered into a private placement lease financing (the "2022 Lease Agreement") with Citizens Business Bank evidencing principal in the amount of $3,900,000. The following table displays the total lease payments of the District for its outstanding debt due to the 2022 Lease Agreement (and assuming no optional redemptions):

LEASE PAYMENTS
Firebaugh-Las Deltas Unified School District
2022 Lease Agreement

Period Ending June 1,	Principal Portion	Interest Portion	Total Lease Payment
2024	$115,000.00	$179,450.00	$294,450.00
2025	120,000.00	173,872.50	293,872.50
2026	125,000.00	168,052.50	293,052.50
2027	130,000.00	161,990.00	291,990.00
2028	135,000.00	155,685.00	290,685.00
2029	145,000.00	149,137.50	294,137.50
2030	150,000.00	142,105.00	292,105.00
2031	160,000.00	134,830.00	294,830.00
2032	165,000.00	127,070.00	292,070.00
2033	175,000.00	119,067.50	294,067.50
2034	185,000.00	110,580.00	295,580.00
2035	190,000.00	101,607.50	291,607.50
2036	200,000.00	92,392.50	292,392.50
2037	210,000.00	82,692.50	292,692.50
2038	220,000.00	72,507.50	292,507.50
2039	230,000.00	61,837.50	291,837.50
2040	245,000.00	50,682.50	295,682.50
2041	255,000.00	38,800.00	293,800.00
2042	265,000.00	26,432.50	291,432.50
2043	280,000.00	13,580.00	293,580.00
Total	$3,700,000.00	$2,162,372.50	$5,862,372.50

Source: Keygent LLC.

Notes Payable. On September 25, 2019, the District entered into a $1,096,916 agreement and a $1,146,564 agreement (together, the "Agreements") in accordance with the requirements of the Career Technical Education Facilities Program (CTEFP) in accordance with the School Facility Program Regulation Section 1859.194. Both Agreements are to be repaid over a period of ten years, at a 2.280% interest rate. Future commitments for the Agreements as of June 30, 2023, are as follows:

NOTE PAYMENTS
Firebaugh-Las Deltas Unified School District
2019 Agreements

Year Ending June 30,	Principal Portion	Interest Portion	Total Lease Payment
2024	$216,434	$36,997	$253,431
2025	221,369	32,063	253,432
2026	226,416	27,016	253,432
2027	231,579	21,853	253,432
2028	236,858	16,573	253,431
2029	242,259	11,173	253,432
2030	247,784	5,649	253,433
Total	$1,622,699	$151,324	$1,774,023

Source: Keygent LLC.

Ad Valorem Property Taxation

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an obligation of the District for which the District is obligated to levy or pledge, or for which the District has levied or pledged, any form of* ad valorem *property or other taxation. Each Certificate represents a fractional and undivided interest in the Lease Payments and prepayments to be made by the District under the Lease. The District is obligated to pay Lease Payments from any source of legally available funds, and has covenanted in the Lease to include all Lease Payments coming due in its annual budgets and to make the necessary annual appropriations therefor.*

District property taxes are assessed and collected by the Counties at the same time and on the same tax rolls as Counties, city and special district property taxes. Assessed valuations are the same for both District and Counties' taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." Unsecured property comprises certain property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within the Counties' taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 respectively and become delinquent on December 10 and April 10 respectively. A 10% penalty attaches to any delinquent installment, plus a minimum $10 cost on the second installment, plus any additional amount determined by the county treasurer-tax collector. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% 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 tax-collecting authority of the relevant county.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the local superior court clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Secured Tax Charges and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the Counties' assessor, except for public utility property which is assessed by the State Board of Equalization ("SBE"). Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIIIA of the State Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING TAXES AND APPROPRIATIONS" herein.

Property within the District has a total assessed valuation for fiscal year 2023-24 of $1,399,505,914. The table on the following page represents a 10-year history of assessed valuations in the District as of the date the equalized assessment tax roll is established in August of each year, excluding exemptions granted after such date in each year.

ASSESSED VALUATIONS
Fiscal Years 2014-15 through 2023-24
Firebaugh-Las Deltas Unified School District

Fresno County Portion

	Local Secured	Utility	Unsecured	Total	% Change
2014-15	$$459,565,211	$274,979	$24,562,588	$484,402,778	--
2015-16	472,174,854	301,279	22,236,850	494,712,983	2.13%
2016-17	514,305,176	301,279	20,918,059	535,524,514	8.25
2017-18	547,733,235	301,279	28,284,486	576,319,000	7.62
2018-19	567,992,930	301,279	30,671,790	598,965,999	3.93
2019-20	624,406,433	96,640	28,483,330	652,986,403	9.02
2020-21	638,801,244	96,640	33,150,427	672,048,311	2.92
2021-22	678,132,167	96,640	46,411,463	724,640,270	7.83
2022-23	751,421,575	96,640	50,915,772	802,433,987	10.74
2023-24	811,935,336	138,840	63,248,979	875,323,155	9.08

Madera County Portion

	Local Secured	Utility	Unsecured	Total	% Change
2014-15	$356,991,677	$6,300	$8,256,338	$365,254,315	--
2015-16	436,317,533	6,300	9,236,217	445,560,050	21.99%
2016-17	483,436,007	6,300	9,048,086	492,490,393	10.53
2017-18	497,767,956	6,300	9,524,856	507,299,112	3.01
2018-19	514,888,381	6,300	10,315,551	525,210,232	3.53
2019-20	526,545,202	6,300	11,479,343	538,030,845	2.44
2020-21	548,857,283	6,300	11,439,828	560,303,411	4.14
2021-22	552,600,799	6,300	11,758,186	564,365,285	0.72
2022-23	454,572,902	6,930	78,483,963	533,063,795	(5.55)
2023-24	443,890,608	6,930	80,285,221	524,182,759	(1.66)

Total District

	Local Secured	Utility	Unsecured	Total	% Change
2014-15	$816,556,888	$281,279	$32,818,926	$849,657,093	--
2015-16	908,492,387	307,579	31,473,067	940,273,033	10.66%
2016-17	997,741,183	307,579	29,966,145	1,028,014,907	9.33
2017-18	1,045,501,191	307,579	37,809,342	1,083,618,112	5.41
2018-19	1,082,881,311	307,579	40,987,341	1,124,176,231	3.74
2019-20	1,150,951,635	102,940	39,962,673	1,191,017,248	5.95
2020-21	1,187,658,527	102,940	44,590,255	1,232,351,722	3.47
2021-22	1,230,732,966	102,940	58,169,649	1,289,005,555	4.60
2022-23	1,205,994,477	103,570	129,399,735	1,335,497,782	3.61
2023-24	1,255,825,944	145,770	143,534,200	1,399,505,914	4.80

Source: California Municipal Statistics, Inc.; % Change column provided by Stifel, Nicolaus & Company, Incorporated.

Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, outbreak of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought, climate change or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. See "RISK FACTORS – Outbreak of Disease; COVID-19" herein.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Boards of Supervisors of the Counties have approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Revenue and Taxation Code Section 4701 *et seq.* Under the Teeter Plan, the Counties apportion the secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the Counties act as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the Counties act as the tax-levying or tax-collecting agency, or for which the Counties' treasury is the legal depository of the tax collections. As adopted by the Counties, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The Teeter Plan is to remain in effect unless the Boards of Supervisors of the Counties order its discontinuance or unless, prior to the commencement of any fiscal year of the Counties (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the Counties. In the event the Board of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the Counties act as the tax-levying or tax-collecting agencies.

There can be no assurance that the Counties will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the Counties 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 Counties' 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 "RISK FACTORS – Outbreak of Disease; COVID-19" herein.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. dated as of November 13, 2023, for debt issued as of December 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.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

2023-24 Assessed Valuation: $1,399,505,914

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 12/1/23**
West Hills Community College District	9.598%	$1,231,903
West Hills Community College District School Facilities Improvement District No. 1	26.348	3,678,600
Firebaugh-Las Deltas Joint Unified School District	**100.000**	**14,650,000**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$19,560,503
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Fresno County General Fund Obligations	0.829%	$177,199
Fresno County Pension Obligation Bonds	0.829	1,486,018
Madera County Certificates of Participation	2.649	1,777,856
Madera County Board of Education Certificates of Participation	2.649	483,536
West Hills Community College District General Fund Obligations	9.598	1,118,167
Firebaugh-Las Deltas Joint Unified School District Certificates of Participation	**100.000**	**5,205,000**(1)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$10,247,776
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$4,335,191
COMBINED TOTAL DEBT		$34,143,470(2)

Ratios to 2023-24 Assessed Valuation:
Direct Debt ($14,650,000).. 1.05%
Total Direct and Overlapping Tax and Assessment Debt...... 1.40%
Combined Direct Debt ($19,855,000) 1.42%
Combined Total Debt 2.44%

Ratios to Redevelopment Successor Agency Incremental Valuation ($202,436,289):
Total Overlapping Tax Increment Debt................................. 2.14%

(1) Excludes the Certificates.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

Introduction

The District was established on July 1, 1976 and covers approximately 98 square miles in Fresno County and Madera County. The District operates one preschool, one primary school (grades TK-2), one elementary school (grades 3-5), one middle school (grades 6-8), one comprehensive high school (grades 9-12), one alternative education school (grades 9-12), one community day school (grades 7-12), and one adult school. For fiscal year 2023-24, the District has a projected ADA of 2,093 students and an enrollment of 2,194. The fiscal year 2023-24 assessed valuation of the area served by the District is $1,399,505,914.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Firebaugh-Las Deltas Unified School District, Attention: Business Manager, 1976 Morris Kyle Drive, Firebaugh, California 93622.

Administration

The District is governed by a five-member Board, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The following table shows the current members and terms of the Board.

BOARD OF TRUSTEES
Firebaugh-Las Deltas Unified School District

Name	Office	Term Expires
Fernando Campa	President	December 2026
Abel Serrano	Clerk	December 2024
Eliseo V. Gamino	Member	December 2026
Deanne Crockett	Member	December 2024
Ronnie Parker	Member	December 2024

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Roy Mendiola, Ed.D. is currently the District's Superintendent. Brief biographies of the Superintendent and the Business Manager follow:

Roy Mendiola, Ed.D., Superintendent. Dr. Mendiola joined the District in 2007 as a high school administrator before being promoted to Assistant Superintendent the following year, and now serves as the Superintendent of the District. He has 30 years of experience in education. His previous experience includes working for the Fresno County Department of Social Services before transitioning into education. He taught at the elementary and middle school level, served as a Program Coordinator with the Fresno County Office of Education, was the Program Manager for the University of California, and the Executive Director for an educationally based non-profit organization. Dr. Mendiola earned his degree in Educational Leadership from the CSU Fresno and UC Davis Joint Doctoral Program.

Maria Calderon, Business Manager. Ms. Calderon joined the District in 1989. Ms. Calderon has over 27 years of experience in education/finance, having started her career at the District. Ms. Calderon earned her Business Administration Degree from Heald 4-C's Business College, and earned her CBO Certification from California Association of School Business Officials (CASBO).

Average Daily Attendance and Enrollment

On average throughout the District, the regular education pupil-teacher ratio is approximately 20:1 for grades K-3, 21:1 in grades 4-6, 20:1 in grades 7-8, and 20:1 in grades 9-12. The following table shows a six-year approximate ADA and enrollment history for the District, and a projected amount for the current fiscal year.

AVERAGE DAILY ATTENDANCE AND ENROLLMENT
Fiscal Years 2017-18 through 2023-24
Firebaugh-Las Deltas Unified School District

Fiscal Year	Average Daily Attendance[1]	Enrollment[2]
2017-18	2,176	2,260
2018-19	2,155	2,240
2019-20	2,140	2,234
2020-21	1,965	2,178
2021-22	1,965	2,164
2022-23	2,034	2,192
2023-24[3]	2,093	2,194

Note: Rounded to the nearest whole number.
(1) Except for fiscal years 2023-24, reflects P-2 ADA, ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. For fiscal year 2019-20, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See "– Considerations Regarding COVID-19" herein. In addition, due to the hold harmless provision provided for in the 2020-21 State Budget, the District was funded based on its 2019-20 ADA through fiscal year 2021-22.
(2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. CALPADS figures exclude preschool students.
(3) Projected.
Source: Firebaugh-Las Deltas Unified School District.

Labor Relations

The District currently employs 163 full-time certificated employees and 105 full-time classified employees. In addition, the District employs 67 part-time faculty and staff. District employees, except for management and some part-time employees, are represented by two employee bargaining units as shown below.

BARGAINING UNITS
Firebaugh-Las Deltas Unified School District

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
California Teachers Association	95	June 30, 2023[1]
California School Employees Association	118	June 30, 2022[1]

(1) Employees continue to work under the terms of the respective expired contracts while new contracts are negotiated.
Source: Firebaugh-Las Deltas Unified School District.

District Retirement Systems

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, the Municipal Advisor or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. Previously, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program increased significantly prior to the implementation of AB 1469 (defined below). In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members ("PEPRA Members") hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees ("Classic Members") hired before the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

Pursuant to AB 1469, K-14 school districts' contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
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	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of $1.117 billion to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State's 2020-21 Budget redirected $2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and 16.92% in fiscal year 2021-22. The employer contribution rate was 19.1% in fiscal year 2022-23 and is 19.1% in fiscal year 2023-24.

The District's contributions to STRS were $3,699,350 in fiscal year 2018-19, $3,265,226 in fiscal year 2019-20, $3,043,027 in fiscal year 2020-21, $3,546,433 in fiscal year 2021-22, and $3,750,568 in fiscal year 2022-23. The District has projected a contribution of $4,560,058 to STRS for fiscal year 2023-24.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2023-24. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2022 included 1,601 public agencies and 1,335 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated $904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, $144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, $430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and $330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. The employer contribution rate was 25.37% in fiscal year 2022-23 and is

26.68% in fiscal year 2023-24. Classic Members contribute at a rate established by statute, which is 7% in fiscal year 2023-24, while PEPRA Members contribute at an actuarially determined rate, which was 8% in fiscal year 2023-24. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $1,252,551 in fiscal year 2018-19, $1,036,970 in fiscal year 2019-20, $1,108,410 in fiscal year 2020-21, $1,279,757 in fiscal year 2021-22, and $1,264,838 in fiscal year 2022-23. The District has projected a contribution of $1,724,850 to PERS for fiscal year 2023-24.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) (1)
Fiscal Years 2012-13 through 2021-22

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2012-13	$222,281	$157,176	$74,374	$148,614	$73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719
2021-22	346,089	283,340	85,803	257,537	88,552

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2012-13	$61,487	$49,482	$12,005	$56,250	$5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16	77,544	55,785	21,759	--(4)	--(4)
2016-17	84,416	60,865	23,551	--(4)	--(4)
2017-18	92,071	64,846	27,225	--(4)	--(4)
2018-19(5)	99,528	68,177	31,351	--(4)	--(4)
2019-20(6)	104,062	71,400	32,662	--(4)	--(4)
2020-21	110,507	86,519	23,988	--(4)	--(4)
2021-22	116,982	79,386	37,596	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) For the fiscal year 2020-21 actuarially determined contribution, the additional $430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.
(6) For the fiscal year 2021-22 actuarially required contribution, the impact of the additional $330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the "2017 Experience Analysis"), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both Classic Members and PEPRA Members to better reflect the anticipated impact of years of service on retirements. The 2022 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2022 (the "2022 STRS Actuarial Valuation") reports that, based on an actuarial value of assets, the unfunded actuarial obligation decreased by approximately $1.17 billion since the 2021 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 74.4% over such time period, despite a negative investment return in 2021-22. The main reason for the increase in the funded ratio was the recognition of the deferred investment gains from prior years, primarily an investment gain of 27.2% in 2020-21, which has been partially offset by the impact of the less-than-assumed investment return for the most recently completed fiscal year (2021-22). For actuarial purposes, the STRS Board has approved the use of an actuarial value of assets, which smooths the volatility of investment returns by reflecting only one-third of the net accumulated investment gains or losses in a year. The investment gains that were set aside in the 2021 STRS Actuarial Valuation were more than sufficient to cover the full impact of the negative investment return in 2021-22. Another reason for the improved funding levels and decrease in unfunded actuarial obligation were the additional supplemental payments made by the State in 2021-22 ($584 million in 2021-22 above what was required by the contribution rate adopted by the STRS Board). Using the Fair Market Value of Assets, the funded ratio has decreased by 6.7% since 2021 Actuarial Valuation from 81.9% to 75.2%, primarily due to the actual market returns for the 2021-22 fiscal year being less than the assumed investment return of 7%. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the "Unallocated UAO"). There was a decrease in the surplus (a negative unfunded actuarial obligation) for the Unallocated UAO from $469 million as of June 30, 2021 to $359 million as of June 30, 2022.

According to the 2022 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 100.3%. This finding assumes adjustments to contribution rates in line with the funding plan and STRS Board policies, the future recognition of the currently deferred asset gains, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In its Annual Comprehensive Financial Report for fiscal year ending June 30, 2022, STRS reported a money weighted net return on investment of negative 2.4% and time-weighted net return on investments of negative 1.3% for fiscal year 2021-22, ending with the total fund value of $301.6 billion as of June 30, 2022. When STRS released the preliminary investment return for fiscal year 2021-22 on July 29, 2022, STRS noted that it is the first negative return since 2009, reflecting the ongoing volatility in the global financial markets impacted by inflation, rising interest rates, COVID-19 and the war in Ukraine. Due in part to the 27.2% return in fiscal year 2020-21, STRS projected in the Annual Comprehensive Financial Report that it remains in position to be fully funded by 2046.

On November 2, 2022, STRS released its 2022 Review of Funding Levels and Risks (the STRS 2022 Review of Funding Levels and Risks"), which is based on the 2021 STRS Actuarial Valuation and reflects all relevant changes that have occurred since 2021 STRS Actuarial Valuation, including the negative 2.4% money-weighted investment loss reported for the 2021-22 fiscal year. The key results and findings noted in the STRS 2022 Review of Funding Levels and Risks were that (i) the State's share of the STRS unfunded actuarial obligation is still projected to be eliminated prior to 2046 (currently projected to be eliminated by fiscal year 2029-30), but not as early as projected in the June 30, 2021 valuation, (ii) the current contribution rates for the State and employers are projected to be sufficient to eliminate their share of the STRS unfunded actuarial obligation by 2046 and contribution rate increases are not expected to be needed for fiscal year 2023-24, (iii) the largest risk facing STRS' ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system's sensitivity to investment experience, and the State's share of the unfunded actuarial obligation could quickly increase if STRS were to experience another year in which the investment return is significantly below the assumed rate of return, (iv) anticipated continued decreases in enrollment in K-12 public schools could lead to future declines in the size of the active membership, resulting in lower than anticipated payroll growth, which could negatively impact STRS' ability to achieve full funding, requiring contribution rate increases, especially among employers, (v) a recession resulting in a period of low investment returns and a decline in the size of the active membership could hurt STRS ability to reach full funding, and (vi) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term, while uncertainty around inflation, investment markets and payroll growth could put pressure on STRS' ability to meet some of its long-term actuarial assumptions. In addition, with respect to investment related risks, the STRS 2022 Review of Funding Levels and Risks notes that once the State's supplemental contribution rate is reduced to zero (as discussed above), if it were ever needed to be increased again, the STRS Board will be limited to increases of only 0.5% of payroll each year, which could take the STRS Board years before it is able to increase the rate to the levels necessary to reduce any newly realized unfunded actuarial obligation.

Between 2019 and 2020, the number of teachers actively working dropped from 451,000, to about 448,000. Between 2020 and 2021, the number of active teachers continued to drop to about 429,000, which resulted in a payroll that remained flat, below the 3.5% annual payroll growth assumption. In 2022, the total number of active members was back to the levels last seen prior to the start of the COVID-19 pandemic, increasing by approximately 20,000 over the last fiscal year. The total payroll increased by more than 6% over the last fiscal year, resulting in STRS collecting more contributions from employers than expected. The STRS 2022 Review of Funding Levels and Risks notes that, a likely contributor to the decline in active membership in 2020-21 was the higher than expected retirements STRS experienced that fiscal year and the uncertainties related to the COVID-19 pandemic. Although an increase in retirements would normally not impact long-term funding, decisions made by employers about whether to replace the teachers who have retired can impact STRS ability to reach full funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll. The STRS 2022 Review of Funding Levels and Risks, also notes that another area of particular concern related to payroll growth and the number of teachers in the State is the decreasing population of children enrolled in K-12 schools in the State. Total enrollment in public schools in the State dropped 271,000, or 4.4% reduction, between 2019-20 and 2021-22. Several factors contributed to the drop of enrollment during that time period, including the increase in the number of homeschool students and students enrolled in private schools during the COVID-19 pandemic. The STRS 2022 Review of Funding Levels and Risks notes that it is unclear whether the decrease in overall enrollment is permanent or simply a temporary effect of the COVID-19 pandemic. See "RISK FACTORS – Outbreak of Disease; COVID-19" herein. In September 2022, the State updated its projection of K-12 enrollment for the State, which assumes the number of children enrolled in K-12 schools will decline approximately 9% over the next 10 years.

On July 27, 2023, STRS reported a net return on investments of 6.3% for fiscal year 2022-23, ending with the total fund value of $315.6 billion as of June 30, 2023. The 2022-23 return keeps STRS on track long term, as the 3-,5-,10-, 20-, and 30-year returns, including the 10.1% 3-year return, all surpass the actuarial assumption of 7.0%, despite inflation, rising interest rates and global uncertainty. Due in part to the 27.2% return in fiscal year 2020-21, STRS remains in position to be fully funded by 2046.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the "2021 Experience Study"), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund's investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and PEPRA employees beginning in fiscal year 2022-23.

In November 2022, PERS released its 2022 Annual Review of Funding Levels and Risk (the "2022 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The results presented in the 2022 PERS Funding Levels and Risk Report are based on the June 30, 2021 annual valuations, which have been projected forward to June 30, 2022 based on preliminary investment performance for the year ending June 30, 2022. The unfavorable investment returns during the year ending June 30, 2022 resulted in decreases to the funded ratios for PERS plans. The funded status of the Schools Pool decreased from 78.3% as of June 30, 2021 to a projected 69% as of June 30, 2022. The 2022 PERS Funding Levels and Risk Report notes that the pandemic has potential to alter the experience of the retirement in several different areas, including investment returns, inflation, deaths, retirements, terminations, disability retirements, and pay increases. See "RISK FACTORS – Outbreak of Disease; COVID-19" herein. The 2022 PERS Funding Levels and Risk Report notes that over the next several years, inflation and near-term economic decline, also have the potential to either increase required contributions or add additional financial strain on employers and their ability to make required contributions. PERS and its members are potentially impacted by high inflation because wages generally keep pace with inflation over the long-term, many retirees are likely to receive higher cost-of-living adjustments but will likely still lose purchasing power, and increases in wages exceeding the assumed increases and higher COLAs result in higher contributions for employers. In addition, many forecasters are predicting an economic slowdown in the near future, which could lead to lower investment returns, increased investment volatility, and higher unemployment. If the system experiences lower than expected investment returns, the potential impact on required contributions, combined with the impacts of high inflation, could push contribution rates to levels that would prove challenging for some employers.

The Schools Pool Actuarial Valuation as of June 30, 2022 (the "2022 PERS Actuarial Valuation"), reported that from June 30, 2021 to June 30, 2022 the funded ratio of the Schools Pool decreased by 10.4% (from 78.3% to 67.9%), which was primarily due to investment return in 2021-22 being lower than expected. The investment return for the year ending June 30, 2022 was approximately -6.1% reduced for administrative expenses, lower than the assumed return of 6.8%, leading to an investment experience loss. This loss will be amortized over 20 years with a five-year ramp (phase-in). When PERS released the preliminary investment returns for fiscal year 2021-22 on July 20, 2022, PERS noted that volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all had an impact on the investment return. Non-investment experience produced a net loss of approximately $1.6 billion, driven by annuitant cost-of-living adjustments greater than assumed and salary increases greater than assumed. These experience losses generated new unfunded liability, increasing the unfunded liability component of the required employer contribution rate for the next 20 years in accordance with the actuarial amortization policy. The 2022 PERS Actuarial Valuation reports that the contribution rate for fiscal year 2024-25 is projected to be 27.8%, the contribution rate for fiscal year 2025-26 is projected to be 28.5%, the contribution rate for fiscal year 2026-27 is projected to be 28.9%, the contribution rate for fiscal year 2027-28 is projected to be 30.3%, and the contribution rate for fiscal year 2028-29 is projected to be 30.1%. The projected contribution rates in the 2022 PERS Actuarial Valuation reflect an investment loss for fiscal year 2022-23 based on preliminary investment return information released by the PERS Investment Office. Further, projected rates reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period. Future contribution requirements may differ significantly. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund. The PERS actuary noted in the 2022 PERS Actuarial Valuation that, during the period between the valuation date and the publication of the 2022 PERS Actuarial Valuation, inflation has been higher than the expected inflation rate of 2.3% per annum. Since Inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2023 valuation.

On July 19, 2023, PERS reported a preliminary net return on investment of 5.8% for fiscal year 2022-23. When factoring in PERS' discount rate of 6.8% — comparable to an assumed annual rate of return – and the 2022-23 preliminary return of 5.8%, the estimated funded status now stands at 72%. As of June 30, 2023, assets were valued at $462.8 billion. The final investment return for fiscal year 2022-23 will be calculated based on audited figures and will be reflected in contribution levels for the State and school district employers in fiscal year 2024-25.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

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 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

For fiscal year ending June 30, 2023, the District's proportionate share of the net STRS pension liability was $14,789,000. As of such date, the District's proportionate share of the net PERS pension liability was $12,395,000. See also APPENDIX C – "2022-23 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8" attached hereto for more information.

Other Post-Employment Benefits

Benefits Plan. The District provides medical benefits (the "Benefits") to eligible retirees and their covered eligible dependents through a postemployment benefits plan (the "Plan"). All active employees who retire directly from the District and meet eligibility criteria may participate in the Plan. As of January 10, 2024, membership in the Plan consisted of 6 employees currently receiving the Benefits and 279 active Plan members.

Funding Policy. The contribution requirements of Plan members and the District are established and may be amended by the Board. Expenditures for the Benefits are recognized on a "pay-as-you-go basis" covering the cost of premiums paid for current retirees. During fiscal years 2018-19 through 2022-23, the District recognized $54,615, $78,777, $104,873, $110,279, and $81,280 of expenditures for the Benefits, respectively, all of which were used to pay current premiums. For fiscal year 2023-24, the District has projected a contribution of $12,464 towards its Plan, for current insurance premiums.

The District has segregated funds in an internal service fund ("Internal Service Fund") to begin funding its accrued liability with respect to the Post-Employment Benefits (discussed below). The District had $2,262,248 in the Internal Service Fund as of June 30, 2023. The District projects a contribution of approximately $200,000 into the Internal Service Fund for fiscal year 2023-24. These funds, however, will not be deposited into an irrevocable trust and are available for general fund purposes upon formal action of the Board.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved *GASB Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post-employment benefits to plan members, and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the NOL, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability (the "TOL"), if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (the "FNP") is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB Statement No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 is effective for employer fiscal years beginning after June 15, 2017. The District has recognized GASB Statement No. 74 and GASB Statement No. 75 in their financial statements for fiscal year 2019-20. See APPENDIX C – "2022-23 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto. The full extent of the effect of the new standards on the District is not known at this time.

Actuarial Study. The District has implemented GASB 74 and GASB 75, pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB 74 and GASB 75 (discussed above) require biennial actuarial valuations for all plans. The most recent actuarial study for the Plan was dated October 12, 2022 (the "Study"), and had a valuation date of July 1, 2021. The Study concluded that, as of a June 30, 2022 measurement date, the Total OPEB Liability (the "TOL") with respect to such Benefits was $2,732,334. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. Because the District did not maintain a qualifying irrevocable trust as of the measurement date, the District's Net OPEB Liability (the "NOL") is equal to the TOL.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2023, the District contracted with Organization of Self-Insured Schools ("OSIS") for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

For fiscal year 2022-23, the District participated in the Fresno County Self-Insurance Group ("FCSIG"), an insurance purchasing pool. The intent of the FCSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the FCSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the FCSIG. Participation in the FCSIG is limited to districts that can meet the FCSIG selection criteria.

The District has contracted with the California's Valued Trust ("CVT") to provide employee health benefits. CVT is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution that 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.

The District has contracted with Northern California Regional Liability Excess Fund ("Nor Cal ReLiEF") for its excess liability and excess workers' compensation insurance. The District has contracted with Schools Excess Liability Fund ("SELF") for its excess liability and excess workers' compensation insurance. The District has contracted with Self-Insured Schools of California III ("SISC III") for its health insurance.

The relationships between the District and OSIS, FCSIG, Nor Cal ReLiEF, SELF, SISC III and CVT 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 the District's financial statements.

Joint Powers Agreements

The District participates in seven joint ventures under joint powers agreements ("JPAs") as follows: California's Valued Trust (CVT); Fresno County Self-Insurance Group (FCSIG); Kennan Associates, Central Valley Schools; Northern California Regional Liability Excess Fund (Nor Cal Relief); Organization of Self-Insured Schools (OSS); Schools Excess Liability Fund (SELF); Self-Insured Schools of California III (SISC III).

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes. The JPAs provide insurance and services as noted for member school districts. Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board. Each district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA. Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records. The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on 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% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State legislature to change any State taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIIIA to: (i) expand special rules that give property tax savings to 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; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. 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 Counties 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.

All taxable property value included in this Official Statement is shown at 100% of taxable value and all tax rates reflect the $1 per $100 of taxable value (unless noted differently).

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIIIA.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged

Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

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 SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the 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.

So long as the District is not a community funded district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), 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. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

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 pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB 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 certain debt service authorized as of January 1, 1979, or on bonded indebtedness approved after January 1, 1979, by a vote of the electors of the issuing entity, (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 State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB 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.

Article XIIIB 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 pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), 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 State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC 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 XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or Article XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the Counties pursuant to Article XIIIA. 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.

Proposition 26

On November 2, 2010, voters of the State approved Proposition 26. Proposition 26 amends Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) 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; (2) 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; (3) 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; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) 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; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. 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.

Propositions 98 and 111

On November 8, 1988, voters of the State 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 changed 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 State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, is transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys 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 XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB 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:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB 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 State 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.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB 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 minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the K-14 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.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) 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 State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB 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.

e. 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 (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts 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 Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. Proposition 39 is an initiated amendment that (1) 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 (2) 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 State 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, including the District, community college districts, and county offices of education. As noted above, the State 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 (1) any local government debts approved by the voters prior to July 1, 1978 or (2) 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: (1) 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; (2) 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 (3) 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 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate projected to be levied as the result of any single election would not exceed $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district) per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See "– Article XIIIA of the California Constitution" herein.

Jarvis v. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as State Controller). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease vehicle license fee revenues without providing local governments with equal replacement funding. 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 amends 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, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Propositions 30 and 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "– Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being 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 board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as "Proposition 58").

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions community funded school districts (previously known as basic aid districts) and small school districts having fewer than 2,501 units of ADA.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and Propositions 22, 26, 30, 39, 98 and 55 were each adopted as measures that qualified for the ballot pursuant to 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.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Special Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Certificates might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Special Counsel, the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is exempt from State personal income tax.

The excess of the stated redemption price at maturity of a Certificate over the issue price of a Certificate (the first price at which a substantial amount of the Certificates of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Certificate owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Certificate owner will increase the Certificate owner’s basis in the applicable Certificate.

Special Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the execution and delivery of the Certificates to assure that the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. The District has covenanted to comply with all such requirements.

The amount by which a Certificate owner’s original basis for determining loss on sale or exchange in the applicable Certificate (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Certificate premium, which must be amortized under Section 171 of the Code; such amortizable Certificate premium reduces the Certificate owner’s basis in the applicable Certificate (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Certificate premium may result in a Certificate owner realizing a taxable gain when a Certificate is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Certificate to the Owner. Purchasers of the Certificates should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Certificate premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Certificates will be selected for audit by the IRS. It is also possible that the market value of the Certificates might be affected as a result of such an audit of the Certificates (or by an audit of similar certificates). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Certificates to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) with respect to the Certificates or their market value.

SUBSEQUENT TO THE DELIVERY OF THE CERTIFICATES, THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE CERTIFICATES INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF

TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE CERTIFICATES. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE CERTIFICATES. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE DELIVERY OF THE CERTIFICATES, STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE CERTIFICATES, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE CERTIFICATES.

Special Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Special Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Trust Agreement and the Tax Certificate relating to the Certificates permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. Special Counsel expresses no opinion as to the effect on the exclusion from gross income of the portion of each Lease Payment constituting interest (and original issue discount) for federal income tax purposes with respect to any Certificate if any such action is taken or omitted based upon the advice of counsel other than Special Counsel.

Although Special Counsel has rendered an opinion that the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Certificates and the accrual or receipt of interest with respect to the Certificates may otherwise affect the tax liability of certain persons. Special Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Certificates, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Certificates.

A copy of the proposed form of opinion of Special Counsel is attached hereto as APPENDIX B.

CERTAIN LEGAL MATTERS

Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Special Counsel, will render an opinion with respect to the Certificates substantially in the form attached hereto as APPENDIX B. A copy of such approving opinion will be available at the time of delivery of the Certificates. The payment of fees of Special Counsel is contingent upon the closing of the Certificates transaction. Certain matters will be passed on for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, for the Underwriter by Kutak Rock LLP, and for the Trustee and the Corporation by their respective counsels.

ENHANCED REPORTING REQUIREMENTS

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

FINANCIAL STATEMENTS

The financial statements with supplemental information for the year ended June 30, 2023, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report of Linger, Peterson & Shrum LLP (the "Auditor") dated December 11, 2023, are attached to this Official Statement as APPENDIX C. In connection with the inclusion of the financial statements and the report of the Auditor thereon in this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

CONTINUING DISCLOSURE

Current Undertaking. The District will covenant in a Continuing Disclosure Certificate for the benefit of the holders and Beneficial Owners of the Certificates to provide certain financial information and operating data relating to the District by not later than nine months following the end of the District's Fiscal Year (presently ending June 30) (the "Annual Report"), commencing with the report of Fiscal Year ending June 30, 2024, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Market Municipal Access, located at www.emma.msrb.com. The information on such website is not incorporated herein by any reference. The specific nature of the information to be contained in the Annual Report and the notice of listed events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

Prior Undertakings. Within the past five years, the District has not failed to file in a timely manner the annual reports and notices of listed events required in connection with its prior continuing disclosure undertakings.

ABSENCE OF MATERIAL LITIGATION

At the time of delivery of and payment for the Certificates, the District and the Corporation will each certify that there is no action, suit, litigation, inquiry or investigation before or by any court, governmental agency, public board or body served, or to the best knowledge of the District or the Corporation threatened, against the District or the Corporation in any material respect affecting the existence of the District or the Corporation or the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Certificates or the payment of Lease Payments or challenging, directly or indirectly, the validity or enforceability of the proceedings to lease the Property back from the Corporation, the Trust Agreement, the Lease, the Assignment Agreement or the Site Lease.

There is no action, suit, or proceeding known to be pending or threatened, to restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity of the

Certificates or any proceedings of the District taken with respect thereto. The District is not aware of any litigation, pending or threatened, questioning the political existence of the District.

RATING

The Certificates have been assigned a rating of "A" by S&P. The rating reflects only the view of S&P, and any explanation of the significance of such rating should be obtained from the following address: 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any rating changes on the Certificates. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Certificates may be publicly available from S&P prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Certificates are directed to S&P, its website and official media outlets for the most current rating changes with respect to the Certificates after the initial execution and delivery thereof.

UNDERWRITING

Purchase of Certificates. The Certificates are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed, pursuant to a purchase contract (the "Purchase Contract") by and between the District and the Underwriter, to purchase the Certificates at the purchase price of $11,880,888.35 (representing the aggregate principal amount evidenced by the Certificates of $12,000,000.00, less a net original issue discount of $59,111.65, and less an Underwriter's discount of $60,000.00). The Purchase Contract provides that the Underwriter will purchase all of the Certificates, if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such Contract of Purchase.

The Underwriter may offer and sell the Certificates to dealers and others at a price lower than the offering price stated on the cover page hereof. The offering price may be changed from time to time by the Underwriter.

MISCELLANEOUS

The references herein to the Lease, the Site Lease, the Trust Agreement, and the Assignment Agreement 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 said documents. Copies of the documents mentioned under this heading are available for inspection at the District and following delivery of the Certificates will be on file at the designated office of the Trustee.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive. Reference is made to such documents and reports for full and complete statements of the content thereof.

Any statement 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 Certificates.

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

FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

By: /s/ Maria Calderon
Business Manager

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APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the legal documents related to the Certificates which are not described in the Official Statement to which this Appendix is attached. This summary is not intended to be definitive and is qualified in its entirety by reference to fully-executed Site Lease, Lease, Assignment Agreement and Trust Agreement for the complete terms thereof. Copies of the Site Lease, the Lease, the Assignment Agreement and the Trust Agreement are available upon request from the District.

DEFINITIONS

The following are summaries of definitions of certain terms used in this Summary of Principal Legal Documents. All capitalized terms not defined therein or elsewhere in the Official Statement have the meanings set forth in the Lease or the Trust Agreement.

"Additional Certificates" means certificates of participation authorized by a supplemental Trust Agreement that are executed and delivered by the Trustee under and pursuant to the Trust Agreement.

"Additional Payments" means all amounts payable by the District as Additional Payments as defined in the Lease.

"Asbestos Containing Materials" means material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Assignment Agreement" means the Assignment Agreement related to the Certificates, dated as of the date thereof, by and between the Trustee and the Corporation, and any duly authorized and executed amendments thereto.

"Available Coverage" means the coverage then available for disbursement pursuant to the terms of any applicable Reserve Facility without regard to the legal or financial ability or willingness of the provider of such Reserve Facility to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Business Day" means any day other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of New York or the State of California or the state in which the Principal Office of the Trustee is located are authorized or required by law or executive order to remain closed.

"Certificate" or "Certificates" means Firebaugh-Las Deltas Unified School District, Certificates of Participation (2024 School Financing Project), and any Additional Certificates executed and delivered by the Trustee pursuant to the Trust Agreement.

"Certificate of Completion" means a certificate of the District Representative stating that all components of the Project have been completed or concluded in conformity with the requirements of the Lease.

"Certificate Payment Date" means June 1 and December 1 of each year commencing June 1, 2024 with respect to the interest payments evidenced by the Certificates and June 1 of each year commencing June 1, 2031 with respect to the principal payments evidenced by the Certificates.

"Certificate Year" will have the meaning assigned to such term in the Tax Certificate.

"Claim" means any claim or enforcement proceeding in connection with an Insolvency Proceeding.

"Closing Date" means the date on which the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser thereof.

"Code" means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code will be deemed to be a reference to any successor to any such section.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate dated as of the Closing Date, executed by the District as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means the Public Property Financing Corporation of California, a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

"Corporation Representative" means the President, Vice President, Secretary and Treasurer of the Corporation, or any other person authorized to act on behalf of the Corporation under or with respect to the Lease and the Trust Agreement.

"Defeasance Securities" means (i) Government Obligations, and (ii) evidences of ownership of proportionate interests in future interest and principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Delivery Costs" means and further includes all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the Project, including but not limited to costs provided in the Purchase Contract with the Original Purchaser, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, initial fees and charges of the Trustee, including its first annual administration fee and the fees of its counsel, legal and municipal advisory fees and charges, financing and other professional consultant fees, costs of rating agencies and costs of providing information to such rating agencies, any computer and other expenses incurred in connection with the Certificates, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

"Delivery Costs Requisition" means a written requisition for the payment of Delivery Costs substantially in the form attached as an exhibit to the Trust Agreement.

"Depository" means DTC; or, such other securities depositories or to such depositories as the District may designate in writing to the Trustee, or any other securities depository acting as Depository pursuant to the Trust Agreement.

"District" means the Firebaugh-Las Deltas Unified School District, a unified school district organized and existing under the laws and Constitution of the State, and its successors and assigns.

"District Representative" means the Superintendent of the District, the Business Manager of the District, or any other person authorized by the Superintendent or the Business Manager of the District to act on behalf of the District with respect to the Lease or the Trust Agreement.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as initial Depository for the Certificates.

"Environmental Regulations" means all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Event of Default" means an event of default under the Lease, as defined in the Lease.

"Fiscal Year" means the fiscal year of the District commencing July 1 and ending June 30 of the next year.

"Government Obligations" means non-callable (i) United States Treasury Obligations, (ii) obligations fully and unconditionally guaranteed as to payment of principal and interest by the United States of America, or (iii) obligations fully and unconditionally guaranteed as to payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the District.

"Independent Insurance Consultant" means a nationally recognized independent actuary, insurance company or broker that has actuarial personnel experienced in the area of insurance for which the District is to be self-insured, as may from time to time be designated by the District.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in a certificate to the Trustee or as the District may select.

"Insolvency Proceeding" means, for purposes of the Trust Agreement, any proceeding by or against the Corporation or the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

"Late Payment Rate" means the lesser of (a) the then applicable highest rate of interest with respect to the Certificates and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates.

"Laws and Regulations" means any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.

"Lease" means the Lease/Purchase Agreement related to the Certificates, dated as of February 1, 2024, by and between the District and the Corporation, and any duly authorized and executed amendments thereto.

"Lease Payment" means any payment required to be paid by the District to the Corporation pursuant to the Lease.

"Lease Payment Date" means the Lease Payment Date defined in the Lease.

"Lease Payment Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Lease Proceeds" means any proceeds of re-letting or any other disposition of the Property pursuant to the Lease.

"Lease Year" means the period extending from June 1 of each calendar year to May 31 of the subsequent calendar year (as applicable), provided that the first Lease Year will commence on the Closing Date and end on May 31, 2022.

"Lessor" means the Public Property Financing Corporation of California, a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

"Letter of Representations" means the letter of the District delivered to and accepted by the Depository on or prior to delivery of the Certificates as book-entry certificates making reference to the DTC Operational Arrangements, as it may be amended from time to time setting forth the basis on which the Depository serves as depository for such book-entry certificates, as such letters were originally executed or as they may be supplemented or revised or replaced by letters from the District and the Trustee delivered to and accepted by the Depository.

"Moody's" means Moody's Investors Service, or any successors or assigns thereto.

"Net Proceeds" means any proceeds of any insurance, performance bonds or taking by eminent domain or condemnation paid with respect to the Property remaining after payment therefrom of any expenses (including attorneys' fees) incurred in the collection thereof.

"Net Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Trust Agreement.

"Opinion of Counsel" means a legal opinion issued by Special Counsel addressed to the District, the Corporation and the Trustee.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Certificates on the Closing Date.

"Outstanding" when used as of any particular time with respect to Certificates, means (subject to the provisions of the Lease) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for the payment or prepayment of which funds or Defeasance Securities, together with interest earned thereon, in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates), provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Trust Agreement.

"Owner" or "Certificate Owner" or "Owner of a Certificate," or any similar term, when used with respect to a Certificate means the person in whose name such Certificate is registered on the registration books maintained by the Trustee.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Encumbrances" means, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, which are not then delinquent, or which the District may, pursuant to provisions of the Lease, permit to remain unpaid; (ii) the Assignment Agreement; (iii) the Lease; (iv) the Site Lease; (v) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under the Lease; (vi) easements, rights of way, mineral rights, cell tower leases, the subordinated lease-lease back agreements by and between the District and the developer in connection with the construction and delivery of those portions of the Project undertaken on the Property, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the District certifies will not materially impair the use of the Property by the District; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease and to which the Lessor and the District consent in writing.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for moneys proposed to be invested therein:

(a) For all purposes, including investments to accomplish a defeasance pursuant to the Trust Agreement, Defeasance Securities.

(b) For all purposes other than investments to accomplish a defeasance pursuant to the Trust Agreement, any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(i) Federal Housing Administration debentures.

(ii) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (but not including stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (but not including stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

(iii) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P or "Prime-1" by Moody's, which may include the Trustee and its affiliates.

(iv) Deposits in banks which have capital and surplus of at least $15 million.

(v) Commercial paper (having original maturities of not more than 30 days) rated at the time of purchase "A-1+" or better by S&P and "Prime-1" by Moody's.

(vi) Money market funds rated in the highest rating category by S&P and Moody's, including funds for which the Trustee, its parent company, if any, or affiliates or subsidiaries thereof receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(vii) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(viii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (vii) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(ix) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (vii) above and rated "AA'"or better by S&P and "Aa" or better by Moody's.

(x) Pre-refunded municipal obligations rated by S&P and Moody's at least as high as direct and general obligations of the United States of America, meeting the following requirements:

1. such municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for such municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of such municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

2. such municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

3. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on such municipal obligations ("Verification");

4. the cash or United States Treasury Obligations serving as security for such municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

5. no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

6. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(xi) Repurchase agreements entered into with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA" by S&P or "Aa" by Moody's (each an "Eligible Provider"), provided that:

1. the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

2. the Trustee or a third party acting solely as agent therefor or for the District (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance

with applicable state and federal laws (other than by means of entries on the transferor's books) and the collateral is marked to market;

3. the collateral will be marked to market on a daily basis and the provider or Custodian will send monthly reports to the Trustee and the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

4. the repurchase agreement will state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Custodian is in possession);

5. all other requirements of each Rating Agency in respect of repurchase agreements are met;

6. the repurchase agreement will provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the District or Trustee.

Notwithstanding the above, if the repurchase agreement has a term of 270 days or less (with no evergreen provisions), collateral levels need not be as specified in (1) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

(xii) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or in the case of a guaranteed corporation the long-term debt is rated at least "AA" (stable) by S&P and "Aa" (stable) by Moody's; or in the case of a monoline financial guaranty insurance company, claims paying ability of the guarantor is rated at least as high as direct and general obligations of the United States of America by S&P and Moody's; provided that, by the terms of the investment agreement:

1. interest payments are to be made to the Trustee at times and in amounts as necessary to pay Lease Payments (or, if the investment agreement is for the construction fund, construction draws) with respect to the Certificates;

2. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the District and the Trustee have agreed to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

3. the provider will send monthly reports to the Trustee and the District setting forth the balance the District or Trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

4. the investment agreement will state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel will state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

5. the District and the Trustee will receive an opinion of domestic counsel (which will be addressed to the District), to the effect that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

6. the District and the Trustee will receive an opinion of foreign counsel to the provider (if applicable) (in a form and substance acceptable to, and addressed to the District and the Trustee), to the effect that (a) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

7. the investment agreement will provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider will, at its option, within ten (10) days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, the Trustee or a third party acting solely as an agent therefor (a "Custodian") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", the provider must, at the direction of the District or the Trustee, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or Trustee;

8. in the event the provider is required to collateralize, permitted collateral will include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations will be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral will be marked to market on a daily basis and the provider or Custodian will send monthly reports to the Trustee and the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

9. the investment agreement will state and an opinion of counsel will be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Custodian in possession) and;

10. the investment agreement must provide that if during its term: (i) the provider will default in its payment obligations, the provider's obligations under the investment agreement will, at the direction of the District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon will be repaid to the District or Trustee, as appropriate, and (ii) the provider will become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations will automatically be accelerated and amounts invested and accrued but unpaid interest thereon will be repaid to the District or Trustee, as appropriate; and

(xiii) Deposits in the Local Agency Investment Fund of the California State Treasurer, to the extent the Trustee is authorized to register such investments in its name.

"Prepayment" means any payment made by the District pursuant to the Lease as a prepayment of Lease Payments.

"Prepayment Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Prime Rate" means the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in the City of New York, New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such changed is announced by JP Morgan Chase Bank).

"Principal Office" means the principal corporate trust operations office of the Trustee, or such other office as the Trustee may inform the District of, provided that for transfer, exchange, registration, surrender and payment of Certificates, such term means the office or agency of the Trustee, or such other address as the Trustee may inform the District, or the principal office of any successor trustee pursuant hereto.

"Project" means the project described in the Lease and any and all substitutions thereto, as provided in the Lease.

"Project Cost Requisition" means a written requisition for the payment of Project Costs substantially in the form attached as an exhibit to the Trust Agreement.

"Project Costs" means, with respect to any item or portion of the Project, the contract price paid or to be paid therefor upon acquisition, construction, procurement or improvement thereof, in accordance with a purchase order or contract therefor. Project Costs include, but are not limited to, the administrative, engineering, legal, financial and other costs incurred by the District and the Corporation in connection with the acquisition, construction, procurement, remodeling or improvement of the Project, all applicable sales taxes and other charges resulting from such construction, procurement, remodeling or improvement of the Project and the costs associated with making rebate calculations required by the Code.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Property" means the site or sites described in the Lease, and the school facilities located thereon.

"Purchase Contract" means that certain contract for the purchase of the Certificates dated as of January 30, 2024 by and between the District and the Original Purchaser, relating to the sale and delivery of the Certificates.

"Rating Agency" means any nationally-recognized credit rating agency that maintains a current credit rating with respect to the Certificates.

"Record Date" means the close of business on the fifteenth day of the month preceding each Certificate Payment Date, whether or not such fifteenth day is a Business Day.

"Related Document" means each of the Trust Agreement, the Lease, the Site Lease and the Assignment Agreement.

"Reserve Facility" means any line of credit, letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee, pursuant to the provisions of the Trust Agreement summarized under "THE TRUST AGREEMENT – Reserve Fund" herein..

"Reserve Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Reserve Replenishment Rent" means Reserve Replenishment Rent payable pursuant to the Lease.

"Reserve Requirement" means, as of any calculation date, the lesser of (1) the maximum aggregate annual Lease Payments (in any Fiscal Year) then payable under the Lease, (2) 125% of the average annual aggregate Lease Payments (in any Fiscal Year) then payable under the Lease, or (3) 10% of the original face amount of the

Certificates and/or the Additional Certificates, as applicable (less original issue discount if in excess of two percent (2%) of the stated prepayment amount at maturity).

"Responsible Officer" means, with respect to the Trustee, the president, every vice president, every assistant vice president, every trust officer and every officer and assistant officer of the Trustee, other than those specifically above mentioned, to whom any corporate trust matter relating to the Trust Agreement is referred because of his or her knowledge of and familiarity with, a particular subject.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, or any successors or assigns thereto.

"Site Lease" means the Site Lease related to the Certificates, dated as of February 1, 2024, by and between the Corporation and the District.

"Special Counsel" means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and acceptable to the District.

"State" means the State of California.

"Tax Certificate" means the Tax Certificate of the District, dated as of the Closing Date, concerning matters pertaining to the use and investment of proceeds of the Certificates executed and delivered to the District on the date of execution and delivery of the Certificates, including any and all exhibits attached thereto.

"Term" means the time during which the Lease is in effect, as provided in the Lease.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, and any successor trustee.

"Trust Agreement" or "Agreement" means the Trust Agreement, together with any amendments thereof or supplements thereto permitted to be made thereunder.

"United States Treasury Obligations" means non-callable direct obligations of the United States of America (other than obligations subject to variation in principal repayment).

THE LEASE AGREEMENT

THE PROJECT

Deposit of Certificate Proceeds. On the Closing Date, the Lessor has agreed to pay or cause to be paid to the District the proceeds of the sale of the Certificates, which moneys to be deposited with the Trustee as provided in the Trust Agreement.

Completion of the Project. The District will arrange for, supervise and provide for, or cause to be supervised and provided for, the construction and completion of the Project. The District will enter into one or more contracts or purchase orders providing for completion of the Project.

Payment of Project and Delivery Costs. Payment of the Project Costs and Delivery Costs will be made from the moneys deposited with the Trustee in the Project Fund as provided in the Trust Agreement, which will be disbursed in accordance and upon compliance with the Trust Agreement.

Completion Certification. Upon completion of all portions of the Project to be financed with the Certificates, satisfactory to the District, the District will deliver to the Trustee a Certificate of Completion with respect thereto. On the date of filing the Certificate of Completion, as indicated therein, all excess moneys remaining in the Project Fund will be transferred by the Trustee in accordance with the Trust Agreement.

Substitution of or Addition to the Project. The District will have the right to substitute alternate items for any portion of the Project listed in the Lease or provide for additional components of the Project by providing the Trustee with a written certificate in the form contained in the Lease as an exhibit and so long as such substitution or addition does not cause, in and of itself, the interest represented by the Certificates to be included in gross income for federal income tax purposes.

Compliance with Law.

Public Bidding. The District will comply with all applicable provisions for bids and contracts prescribed by law, including, without limitation, the Public Contract Code, the Education Code, and the Government Code of the State.

Wage Rates and Working Hours. The District will comply with all applicable provisions relating to prevailing wage rates and working hours, as applicable, required by the Education Code of the State.

Field Act Compliance. If applicable, the District will acquire, construct and install the Project in such manner as to comply with the Field Act.

Plans and Specifications. If applicable, the District will prepare and adopt plans and specifications for the acquisition, construction and installation of the Project or portions thereof pursuant to the Education Code of the State.

Further Assurances and Corrective Instruments. The Lessor and the District have agreed that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to the Lease and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property leased or intended so to be or for carrying out the expressed intention of the Lease.

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

Lease. The Lessor has leased the Property to the District, and the District has leased the Property from the Lessor, upon the terms and conditions set forth in the Lease. The Lease will not operate as a merger of the District's leasehold estate in the Property pursuant to the Lease and its fee estate in the Property and will not cause the extinguishment of the leasehold interest granted to the Lessor under the Site Lease.

Term. The Term of the Lease will commence on the date of execution thereof and will end on June 1, 2048, unless extended pursuant to the Lease, or unless terminated prior thereto upon the earliest of any of the following events:

(a) Default and Termination. A default by the District and the election of the Lessor (or its assignees) to terminate the Lease;

(b) Payment of All Lease Payments. The payment by the District of all Lease Payments and Reserve Replenishment Rent required under the Lease and any Additional Payments required under the Lease;

(c) Prepayment. The deposit of funds or Government Obligations with the Trustee in amounts sufficient to pay all Lease Payments as the same will become due, as provided by the Lease and as provided by the Trust Agreement; or

(d) Purchase. Upon the exercise by the District of its option to purchase all of the Lessor's interest in the Property as provided in the Lease; provided, however, that upon exercise by the District of its option to purchase the Lessor's interest in a portion of the Property, as provided in the Lease, the Lease will be terminated only with respect to that portion of the Property.

Extension of Lease Term. If (i) on June 1, 2048, the Certificates have not been fully paid, or (ii) if the Lease Payments thereunder shall have been abated at any time and for any reason not paid from the proceeds of rental interruption insurance pursuant to the Lease, then the Term will be extended until such Certificates, Lease Payments or amounts shall be fully paid, except that the Term will in no event be extended beyond June 1, 2058.

Lease Payments.

(a) Time and Amount. Subject to the provisions of the Lease regarding abatement in event of loss of use of any portion of the Property, regarding option to purchase and regarding prepayment of Lease Payments, the District has agreed to pay to the Lessor, its successors and assigns, as annual rental for the use and possession of the Property, the Lease Payments (denominated into components of principal and interest, the interest component being paid semiannually) in the amounts specified in the Lease, to be due and payable on the fifteenth (15th) day of the month (or if such day is not a Business Day, the next succeeding Business Day) immediately preceding the respective Certificate Payment Dates as specified in the Lease (the "Lease Payment Date") which are sufficient in both time and amount to pay when due the annual principal and semiannual interest represented by the Certificates.

In the event the District does not pay a Lease Payment due on the respective Lease Payment Date, the Trustee will provide prompt written notice to the District of such failure to pay; provided, however, that failure to give such notice will not excuse any event of default under the Lease.

(b) Credits. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than accrued or capitalized interest, which will be credited as provided in the Trust Agreement, and other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to the Lease and other amounts required for payment of principal with respect to any Certificates not presented for payment or interest) will be credited towards the Lease Payment then due and payable. No Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the Lease Payments required in the Lease, the Lease Payment in default will continue as an obligation of the District until the amount in default will have been fully paid, and the District has agreed to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to each Certificate then Outstanding.

(d) Reserve Replenishment Rent. In the event that:

(i) funds have been withdrawn from the Reserve Fund in order to pay interest or principal represented by the Certificates or if there shall be a deficiency in the Reserve Fund resulting from a decrease of 10% or more in the market value of the Permitted Investments in the Reserve Fund or the Lease Payment Fund determined as provided in the Trust Agreement, and

(ii) Lease Payments are not then in abatement pursuant to the Lease, and

(iii) the amount of such Lease Payments is less than the fair rental value of the Property, and

(iv) the amount on deposit in the Reserve Fund is less than the Reserve Requirement, or the amount on deposit in the Lease Payment Fund is less than the amount required to be on deposit therein corresponding to the cumulative gross Lease Payments,

then the District will pay from its first legally available moneys after payment of Lease Payments, to the Trustee, Reserve Replenishment Rent in the amount of the deficiency.

(A) (1) over a period of not more than four months, in four (4) substantially equal payments, in the event of a deficiency from a decrease in the market value of Permitted Investments on deposit in the Reserve Fund or the Lease Payment Fund; or (2) over a period of not more than twelve months, in twelve substantially equal monthly payments in the event of either a deficiency from a withdrawal of amounts in the Reserve Fund; and

(B) from the first moneys legally available therefor provided that such payment is consistent with the fair market rental value of the Property, or

(C) if such payments summarized in clause (A) or (B) are inconsistent with fair market rental value, in such maximum amounts as shall be consistent with fair rental value on each Lease Payment Date until the amount of such Reserve Replenishment Rent paid equals the amount of funds withdrawn from the Reserve Fund or drawn upon any other Reserve Facility to pay interest or principal represented by the Certificates or the decrease in value of Permitted Investments in the Reserve Fund or the Lease Payment Fund.

No Withholding. Notwithstanding any dispute between the Lessor and the District, including a dispute as to the failure of any portion of the Property in use by or possession of the District to perform the task for which it is leased, the District will make all Lease Payments, Reserve Replenishment Rent, and Additional Payments when due and will not withhold any Lease Payments, Reserve Replenishment Rent, or Additional Payments pending the final resolution of such dispute.

Fair Rental Value. The Lease Payments will be paid by the District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Property during each such period for which said Lease Payments are to be paid. The parties thereto have agreed and determined that such total rental represents the fair rental value of the Property. In making such determination, consideration has been given to the insured replacement value of the Property, other obligation of the parties under the Lease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public, and the transfer of the Lessor's leasehold interest in the Property at the end of the Term. In the event that the District and the Trustee, as assignee of the Lessor, agree subsequent to the date thereof that Lease Payments thereunder are less than the fair rental value of the Property, the District and the Trustee may mutually agree that the District will increase the Lease Payments payable thereunder to reflect such fair rental value.

Budget and Appropriation. The District has covenanted to take such action as may be necessary to include in its annual budget and make all necessary annual appropriations for all Lease Payments, Reserve Replenishment Rent, and Additional Payments (to the extent the amounts of such Reserve Replenishment Rent and Additional Payments are known to the District at the time its annual budget is proposed), and to maintain such items to the extent unpaid for that Fiscal Year in its budget throughout such Fiscal Year. To the extent the amount of such payments becomes known after the adoption of the annual budget, such amounts will be included and maintained in such budget as amended. During the Term of the Lease, the District will furnish annually, on or before June 30 of each year, to the Trustee a certificate of the District Representative stating that all Lease Payments, Reserve Replenishment Rent, and Additional Payments due thereunder for the applicable Fiscal Year have been included in its annual budget and the amount so included. The covenants on the part of the District contained in the Trust Agreement will be deemed to be and will be construed to be duties imposed by law and it will be the ministerial duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the District.

Assignment of Lease Payments. Certain of the Lessor's rights under the Lease, including the right to receive and enforce payment of the Lease Payments, Reserve Replenishment Rent, Additional Payments, and Prepayments, to be made by the District thereunder, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the District thereby consents. The Lessor thereby directs the District, and the District has agreed, to pay to the Trustee at the Trustee's corporate trust office in St. Paul, Minnesota, or to the Trustee at such other place as the Trustee will direct in writing, all Lease Payments, Additional Payments, Reserve Replenishment Rent, or Prepayments thereof payable by the District thereunder. The Lessor will not assign or pledge the Lease Payments, Additional Payments, Reserve Replenishment Rent, or other amounts derived from the Property and from its other rights under the Lease except as provided under the terms of the Lease, the Assignment Agreement and the Trust Agreement, or its duties and obligations except as provided under the Lease, and any assignments in contravention thereof will be void.

Use and Possession. The total Lease Payments due in any Fiscal Year will be for the District's right to use and possession of the Property for such Fiscal Year.

Abatement of Lease Payments in Event of Loss of Use.

(a) Period. The obligation of the District to pay Lease Payments, Reserve Replenishment Rent, and Additional Payments will be abated during any period in which by reason of damage, destruction or taking by eminent domain or condemnation with respect to any portion of the Property there is substantial interference with the District's right to use and possession of such portion of the Property.

(b) Amount. The amount of such abatement will be determined by the District such that the resulting Lease Payments and Reserve Replenishment Rent represent fair consideration for the District's right to use and possession of the portion of the Property not damaged, destroyed or taken. The District will calculate such abatement and will provide the Trustee with a certificate setting forth such calculations and the basis therefor. Such abatement will commence with such damage, destruction or taking and end with the substantial completion of the replacement or work or repair; provided, however, that during abatement, available moneys on deposit in the Reserve Fund or the Lease Payment Fund, and other special sources of money, including without limitation proceeds of rental interruption insurance, will be applied to pay the Lease Payments.

(c) Repair or Replacement. In the event of such abatement, the District will use its best efforts to repair or replace the damaged or destroyed or taken portion of the Property, as the case may be, from Net Proceeds, subject to the requirements of the Lease, or special funds of the District or other moneys the application of which would, in the opinion of Special Counsel addressed to the Trustee, the District, and the Lessor, not result in the obligations of the District thereunder constituting indebtedness of the District in contravention of the Constitution and laws of the State.

Additional Payments. In addition to the Lease Payments, the District will also pay such amounts ("Additional Payments") as will be required for the payment of all Administrative Costs of the Lessor relating to the Property or the Certificates, including without limitation, all expenses, compensation and indemnification of the Trustee payable by the District under the Trust Agreement, all fees and expenses owed to the Lessor under the Lease, taxes of any sort whatsoever payable by the Lessor as a result of its interest in the Property or undertaking of the transactions contemplated therein or in the Trust Agreement, fees of auditors, accountants, attorneys or engineers, all other necessary Administrative Costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement including premiums or insurance maintained pursuant to the Lease or to indemnify the Lessor and its employees, officers and directors, the Corporation and its agents, successors and assigns and the Trustee.

Net-Net-Net Lease. The Lease will be deemed and construed to be a "net-net-net lease" and the District has agreed that the Lease Payments will be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided therein.

INSURANCE

Public Liability and Property Damage.

(a) Coverage. The District will maintain or cause to be maintained, throughout the Term thereof, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the District, the Lessor and their officers, agents and employees. Said policy or policies will provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of any District property or portion thereof.

(b) Limits. Said policy or policies will provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$150,000 (subject to such deductibles as the District deems adequate and prudent) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy covering all such risks in an amount equal to the liability limits set forth therein.

(c) Joint or Self-Insurance. Such liability insurance, including the deductible, may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and, subject to compliance with the Lease, may be maintained in the form of self-insurance by the District.

(d) Payment of Net Proceeds. The Net Proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds will have been paid.

Workers' Compensation. The District will also maintain workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in the State, or any act hereafter enacted as an amendment or supplement thereto.

Casualty and Theft Insurance.

(a) Coverage. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, insurance against loss or damage to any portion of the Property caused by fire and lightning, with extended coverage and theft, vandalism and malicious mischief insurance, but excluding earthquake and flood insurance to the extent not commercially available at a reasonable cost in the judgment of the District. Said extended coverage insurance will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

(b) Amount. Such insurance will be in an amount (except that such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss) not less than the greater of (i) replacement cost of the Property and (ii) the aggregate principal amount of the Certificates at the time Outstanding.

(c) Joint or Self-Insurance. Such insurance may be maintained as part of or in conjunction with any other insurance carried or required to be carried by the District, and, subject to compliance with the Lease thereof, may be maintained in the form of self-insurance by the District.

(d) Payment of Net Proceeds. The Net Proceeds of such insurance will be paid to the Trustee and deposited in the Net Proceeds Fund and applied as provided in the Lease.

Rental Interruption Insurance.

(a) Coverage and Amount. The District will maintain or cause to be maintained rental income or use and occupancy insurance in an amount not less than the maximum remaining scheduled Lease Payments in any future 24-month period, to insure against loss of rental income from the Property caused by perils covered by the insurance required to be maintained as provided in the Lease. Notwithstanding the foregoing, rental interruption insurance will not be provided in connection with earthquake or flood events unless commercially available at a reasonable cost in the judgment of the District. Such rental interruption insurance will name the Trustee and the Lessor as additionally secured parties and may not be provided in the form of self-insurance.

(b) Joint Insurance. Such insurance may be maintained as part of or in conjunction with any other rental income insurance carried by the District.

(c) Payment of Net Proceeds. The Net Proceeds of such rental interruption insurance will be paid to the Trustee and deposited (1) in the Reserve Fund to make up any deficiencies therein, and thereafter (2) in the

Lease Payment Fund, to be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

Title Insurance. The District will obtain and, throughout the Term of the Lease, maintain or cause to be maintained title insurance on the Property, in the form of a CLTA title policy, in an amount equal to the aggregate principal amount of the Certificates Outstanding, issued by a company of recognized standing, duly authorized to issue the same, payable to the Trustee for the benefit of the Owners, subject only to Permitted Encumbrances. Said policy or policies will insure (a) the fee interest of the District in the Property, (b) the Lessor's ground leasehold estate in the Property under the Site Lease, and (c) the District's leasehold estate thereunder in the Property, subject only to Permitted Encumbrances. All Net Proceeds received under said policy or policies will be deposited with the Trustee and applied as provided in the Trust Agreement. So long as any of the Certificates remain Outstanding, each policy of the title insurance obtained pursuant thereto or required thereby will provide that all proceeds thereunder will be payable to the Trustee for the benefit of the Certificate Owners.

General Insurance Provisions.

(a) Form of Policies. All policies of insurance required to be procured and maintained pursuant to the Lease and any statements of self-insurance will be in a form certified by an insurance agent, broker or consultant to the District to comply with the provisions thereof. All such policies will provide that the District will give the Trustee thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby, and will be provided by carriers rated in the two highest rating categories without regard to modifiers by S&P or Moody's or at least "A" by A.M. Best Company, Inc. Each policy of insurance required to be procured and maintained pursuant to provisions of the Lease regarding casualty and theft insurance, regarding rental interruption insurance and regarding title insurance will provide that the Trustee and the Corporation is an additional insured and all proceeds thereunder will be payable to the Trustee for the benefit of the Owners.

(b) Payment of Premiums. The District will pay or cause to be paid when due the premiums for all insurance policies required by the Lease, and will promptly furnish or cause to be furnished to the Trustee a certificate to such effect, as described in paragraph (d) below.

(c) Protection of the Trustee. The Trustee will not be responsible for the sufficiency or adequacy of any insurance therein required and will be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the District.

(d) Evidence of Insurance. The District will cause to be delivered to the Trustee annually on or before July 1 a certificate stating that the insurance policies required by the Lease are in full force and effect.

(e) Self Insurance. The District may only elect to self-insure pursuant to the Lease if and to the extent such self-insurance method or plan of protection will afford reasonable protection to the Lessor and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by other school districts in the State other than the District. Any self-insurance maintained by the District pursuant to the Lease will comply with the following terms:

(i) The self-insurance program will be approved in writing by an Independent Insurance Consultant;

(ii) The self-insurance program will include an actuarially sound claims reserve fund out of which each self-insured claim will be paid; the adequacy of such fund will be evaluated on an annual basis by an Independent Insurance Consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of such Independent Insurance Consultant;

(iii) The self-insured claims reserve fund will be held in a separate trust fund by an independent trustee, which may be the Trustee; and

(iv) In the event the self-insurance program will be discontinued, the actuarial soundness of its claims reserve fund, as determined by an Independent Insurance Consultant, will be maintained.

Cooperation. The Lessor will cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy maintained pursuant to the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof.

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Application of Net Proceeds.

(a) Deposit in Net Proceeds Fund. The District will remit promptly to the Trustee any Net Proceeds received by the District and the Trustee, pursuant to the Trust Agreement, will deposit such Net Proceeds of insurance which it receives in the Net Proceeds Fund as provided in sections the Lease regarding casualty and theft insurance or regarding title insurance, promptly upon receipt thereof. The District and/or the Lessor will transfer to the Trustee any other Net Proceeds received by the District and/or Lessor in the event of any accident, destruction, theft or taking by eminent domain or condemnation with respect to the Property, for deposit in the Net Proceeds Fund.

(b) Disbursement for Replacement or Repair of the Property. Upon receipt of the certification described in paragraph (i) below and the requisition described in paragraph (ii) below, the Trustee will disburse moneys in the Net Proceeds Fund to the person, firm or corporation named in the requisition as provided in the Trust Agreement.

(i) Certification. The District Representative must certify to the Lessor and the Trustee that:

(A) Sufficiency of Net Proceeds. The Net Proceeds available for such purpose, together with any other funds supplied by the District to the Trustee in a subaccount of the Net Proceeds Fund for such purpose, are expected to equal at least 110% of the projected costs of replacement or repair as demonstrated in an attached reconstruction budget, and

(B) Timely Completion. In the event that damage, destruction or taking results or is expected to result in an abatement of Lease Payments, such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds, as described in the Lease together with other identified available moneys, will be available to pay in full all Lease Payments coming due during such period as demonstrated in an attached reconstruction schedule.

(ii) Requisition. The District Representative must state with respect to each payment to be made (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid and (4) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Each such requisition signed by the District Representative will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Any balance of the Net Proceeds remaining after such replacement or repair has been completed and after payment or provision for payment of all Certificates as provided in the Trust Agreement will be paid to the District after payment of amounts due the Trustee pursuant to the Trust Agreement.

(c) Disbursement for Prepayment. If the District Representative notifies the Trustee in writing of the District's determination that the certification provided in the Lease cannot be made or that replacement or repair of any portion of the Property is not economically feasible or in the best interest of the District, then the Trustee will promptly transfer the Net Proceeds to the Prepayment Fund as provided in the Trust Agreement and apply them to prepayment of the Certificates as provided in the Trust Agreement and prepayment of Lease Payments as provided in the Lease; provided that in the event of damage or destruction in whole of the Property and in the event such Net Proceeds, together with funds then on hand in the Lease Payment Fund and the Reserve Fund are not sufficient to prepay all the Certificates then Outstanding, then the District will not be permitted to certify that repair, replacement or improvement of all of the Property is not economically feasible or in the best interest of the District. In such event, the District will proceed to repair, replace or improve the Property as described therein from legally available funds in the then-current Fiscal Year and will make the required notification to the Trustee pursuant to the Trust Agreement and the Trustee will disburse moneys in the Net Proceeds Fund to the person, firm, or corporation named in the requisition as provided therein.

COVENANTS WITH RESPECT TO THE PROPERTY

Use of the Property. The District represents and warrants that it has an immediate need for, and expects to make immediate use of, all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Interest in the Property and the Lease.

(a) Lessor Holds Leasehold Interest During Term. During the Term of the Lease, the Lessor does and will hold a leasehold interest in the Property pursuant to the Site Lease. The District will take any and all actions reasonably required, including but not limited to executing and filing any and all documents reasonably required, to maintain and evidence such title and interest at all times during the Term of the Lease.

(b) Title Transferred to the District at End of Term. Upon expiration of the Term as provided in the Lease thereof, all right, title and interest of the Lessor in and to all of the Property will be transferred to and vest in the District, without the necessity of any additional document of transfer.

Option to Purchase. The District may exercise an option to purchase the Lessor's interest under the Site Lease and the Lease in the Property by depositing with the Trustee cash and/or Government Obligations as provided in the Trust Agreement. In such event, all or a portion of the obligations of the District under the Lease, and the security provided by the Lease for said obligations or said portion of the obligations, will cease and terminate as provided in the Lease, excepting in the case all of the Lessor's interest has been purchased, only the obligation of the District to make, or cause to be made, such Lease Payments from such deposit. In the event Lease Payments, Reserve Replenishment Rent, and Additional Payments under the Lease have been paid in full, on the date of said deposit, the Lessor's interest in the Property will revert and transfer to the District automatically and without further action by the District or the Lessor, and the Lessor will execute and deliver such further instruments and take such further action as may reasonably be requested by the District for carrying out the reversion and transfer of the Lessor's interests in the Property. In the event Lease Payments under the Lease have been paid in part only, on the date of said deposit, the District may specify a discrete portion of the Lessor's interest in the Property for reversion and transfer to the District and the Lessor will execute and deliver such further instruments and take such further action as may reasonably be requested by the District for carrying out the reversion and transfer of such portion of the Lessor's interest in the Property; provided, that such portion will revert and transfer to the District only if the reduction in the fair rental value of the Property effected by such reversion and transfer at the time of such reversion and transfer is proportionately less than or equal to the reduction in the maximum annual Lease Payments under the Lease effected by such purchase. Any such deposit will be deemed to be and will constitute a special fund for the payment of Lease Payments in accordance with the Lease.

Quiet Enjoyment. During the Term, the Lessor will provide the District with quiet use and enjoyment of the Property, and the District will during such Term peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Lessor, or any person or entity claiming under or through the Lessor except as expressly set forth in the Lease. The Lessor will, at the request of the District, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor will have the right to inspect the Property as provided in the Lease.

Installation of the District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon any portion of the Property. All such items will remain the sole personal property of the District, regardless of the manner in which the same may be affixed to such portion of the Property, in which neither the Lessor nor the Trustee will have any interest, and may be modified or removed by the District at any time; provided that the District will repair and restore any and all damage to such portion of the Property resulting from the installation, modification or removal of any such items of equipment. Nothing in the Lease will prevent the District from purchasing items to be installed pursuant to the Lease, provided that no lien or security interest will attach to any part of the Property.

Access to the Property. The District has agreed that the Lessor, any Corporation Representative and the Lessor's successors, assigns or designees will have the right at all reasonable times to enter upon the Property or any portion thereof to examine and inspect the Property. The District has further agreed that the Lessor, any such Corporation Representative, and the Lessor's successors, assigns or designees will have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the District to perform its obligations thereunder.

Maintenance, Utilities, Taxes and Assessments.

(a) Maintenance; Repair and Replacement. Throughout the Term of the Lease, as part of the consideration for the rental of the Property, all repair and maintenance of the Property will be the responsibility of the District, and the District will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any sublessee thereof. In exchange for the Lease Payments therein provided, the Lessor has agreed to provide only the Property, as thereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Civil Code Section 1932, but such waiver will not limit any of the rights of the District under the terms of the Lease.

(b) Tax and Assessments; Utility Charges. The District will also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessor or the District or levied, assessed or charged against any portion of the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District will be obligated to pay only such installments as are required to be paid during the Term of the Lease as and when the same become due.

(c) Contests. The District may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it will furnish the Lessor and the Trustee with the opinion of an Independent Counsel acceptable to the Lessor and the Trustee, to the effect that, by nonpayment of any such items, the interest of the Lessor in such portion of the Property will not be materially endangered and that the Property will not be subject to loss or forfeiture. Otherwise, the District will promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Lessor. The Lessor will cooperate fully in such contest, upon the request and at the expense of the District.

Modification of the Property.

(a) Additions, Modifications and Improvements. Following the completion of the Project, the District will, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Property if such improvements are necessary or beneficial for the use of such portion of the Property. Unless otherwise specifically contracted for, all such additions, modifications and improvements will thereafter comprise part of the Property and be subject to the provisions of the Lease. Such additions, modifications and improvements will not in any way damage any portion of the Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the State tax-exempt status or the exclusion from gross income for federal income tax purposes of the interest components of Lease Payments; and the Property, upon completion of any additions, modifications and improvements made pursuant to the Lease, will be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the District will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any additions, modifications or improvements made by the District pursuant to the Lease; provided that if any such lien is established and the District will first notify or cause to be notified the Lessor of the District's intention to do so, the District may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and will provide the Lessor with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee (as assignee of the Lessor). The Lessor will cooperate fully in any such contest, upon the request and at the expense of the District.

(c) Replacements, Redevelopment and Renovation. Following completion of the Project, the District will, at its own expense, have the right to make replacements, or make additional redevelopments or renovations to all or a portion of the Property if the following conditions precedent are satisfied:

(i) If the replacement, redevelopment or renovation should reasonably be expected to materially affect the District's use of the Property, the District receives an opinion of Special Counsel, a copy of which the District will furnish to the Lessor and the Trustee, that (1) such replacement does not adversely affect the federal income tax exclusion of the interest component of Lease Payments attributable to the Certificates or the State tax-exempt status of the interest components of the Lease Payments, and (2) the Lease will remain the legal, valid, binding and enforceable obligation of the District;

(ii) In the event such replacement, redevelopment or renovation would result in the temporary abatement of Lease Payments as provided in Lease, the District will deposit moneys with the Trustee in advance for payment of Lease Payments from special funds of the District or other moneys, the application of which would not, in the opinion of Special Counsel (a copy of which shall have been delivered to the Trustee), result in such Lease Payments constituting indebtedness of the District in contravention of the Constitution and laws of the State;

(iii) The District will certify to the Trustee that it has sufficient funds to complete such replacement, redevelopment or renovation; and

(iv) In the case of replacement or redevelopment, the District certifies to the Trustee that the annual fair rental value of the replacements will be at least equal to the lesser of (1) the annual fair rental value of the Property immediately prior to such replacement or redevelopment, or (2) 150% of the maximum annual Lease Payments under the Lease.

Encumbrances; Alternative Financing Methods.

(a) Encumbrances. Except as provided in the Lease, the District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Property, other than Permitted Encumbrances and other than the respective rights of the Lessor and the District as therein provided. Except as expressly provided in the Lease, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time; provided that the District may contest such liens if it desires to do so. The District will reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

(b) Alternative Financing Methods. Notwithstanding the foregoing, the District may create or suffer to create any mortgage, pledge, liens, charges, encumbrances or claims upon the Property or any improvements thereto, provided that (1) any such mortgage, pledge, liens, charges, encumbrances or claims will at any time while any of the Certificates remain Outstanding be and remain subordinate in all respects to the Site Lease and Lease and any security interest given to the Trustee for the benefit of the Owners and (2) the District will have first delivered to the Trustee an opinion of Special Counsel substantially to the effect that such mortgage, pledge, liens, charges, encumbrances or claims would not, in and of themselves, result in the inclusion of the interest portion of Lease Payments in the gross income of the owners of the Certificates for purposes of federal income taxation or impair the State tax-exempt status of the interest portion of such payments.

Lessor's Disclaimer of Warranties. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY, OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE LESSOR IS NOT A MANUFACTURER OF PORTIONS OF THE PROPERTY, AND THAT THE DISTRICT IS LEASING THE PROPERTY AS IS. In no event will the Lessor be liable for incidental, indirect, special or consequential damages, in connection with or arising out of the Lease, the Site Lease, the Assignment Agreement or the Trust Agreement for the existence, furnishing, functioning or the District's use and possession of the Property.

District's Right to Enforce Warranties of Vendors or Contractors. The Lessor has irrevocably appointed the District its agent and attorney-in-fact during the Term of the Lease, so long as the District will not be in default thereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Property which the Lessor may have against any vendor or contractor. The District's sole remedy for the breach of any such warranty, indemnification or representation will be against the vendor or contractor with respect thereto, and not against the Lessor, nor will such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to the Lease, including the right to receive full and timely Lease Payments and all other payments due thereunder. The District will be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Lessor will, upon the District's request and at the District's expense, do all things and take all such actions as the District may request in connection with the assertion of any such claims and rights.

Substitution or Release of the Property. The District will have the right to substitute alternate real property for any portion of the Property described in the Lease thereto or to release a portion of the Property from the lien of the Lease by providing the Trustee with a supplement to the Lease substantially in the form attached thereto. All costs and expenses incurred in connection with such substitution or release will be borne by the District. Notwithstanding any substitution or release pursuant to the Lease, there will be no reduction in or abatement of the Lease Payments due from the District thereunder as a result of such substitution. No substitution or release will be permitted thereunder unless:

(a) the District finds that the substituted real property (i) has a fair rental value greater than or equal to the fair rental value of the Property to be released so that the Lease Payments secured by the Property to be released being payable by the District pursuant to the Lease will not be reduced and (ii) has an equivalent or greater useful life as the Property to be released and that the useful life of the substituted real property exceeds the remaining term of the Lease Payments thereunder;

(b) the District obtains or causes to be obtained a CLTA title insurance policy with endorsement so as to be payable to the Trustee for the benefit of the Owners. Such policy will comply with the Lease, will be in a form satisfactory to the Trustee and the Lessor, will be in the amount equal to the principal component of Lease Payments attributable to the substituted real property, and will insure the leasehold interest or the fee simple interest of the Lessor or the District, as applicable, to the substituted real property;

(c) the District provides the Lessor and the Trustee with an opinion of Special Counsel that such substitution or release does not cause, in and of itself, the interest evidenced and represented by the Certificates to be included in gross income for federal income tax purposes;

(d) the District will give, or cause to be given, any notice of the occurrence of such substitution or release required to be given pursuant to the Continuing Disclosure Certificate;

(e) upon the substitution of any real property and improvements thereon for all or a portion of the Property then existing, the District, the Lessor and the Trustee will execute and the District will record with the office of the County Recorder, Fresno County, California, any document necessary to reconvey to the District the portion of the Property being substituted and to include the substituted real property and/or improvements thereon as all or a portion of the Property;

(f) the District will certify to the Trustee that the substituted real property is of approximately the same degree of essentiality to the District as the portion of the Property being replaced; and

(g) if the District releases a portion of the Property, the District will certify that the remaining portion of the Property has a sufficient fair rental value so that Lease Payments payable by the District pursuant to the Lease will not be reduced.

Compliance with Law, Regulations, Etc.

(a) The District has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any Laws and Regulations. Without limiting the generality of the foregoing, neither the District nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of the Property has, other than as set forth in the Lease or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the District, the Property or the business operations conducted by the District thereon (collectively, "Hazardous Materials") on, from or beneath the Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath the Property, or (iii) stored any material amount of petroleum products at the Property in underground storage tanks.

(b) Excluded from the representations and warranties in the Lease with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of, or used in the maintenance of school and school related buildings, the use, treatment, storage, transportation and disposal of which has been and will be in compliance with all Laws and Regulations.

(c) No portion of the Property located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to the Property.

Environmental Compliance.

(a) The District will not use or permit the Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor will it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of a school district, the use, storage, treatment, transportation and disposal of which will be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the District will promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Property or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained therein, underground storage tanks will only be permitted subject to compliance with the Lease and only to the extent necessary to maintain the improvements on the Property.

(b) The District will comply with, and will cause all tenants, subtenants, licensees, guests, invitees, contractors, employees and agents on the Property to comply with, all Environmental Regulations, and will keep the Property free and clear of any liens imposed pursuant thereto; provided, however, that notwithstanding that a portion of the covenant summarized in this subsection is limited to the District's use of its best efforts, the District will remain solely responsible for ensuring such compliance and such limitation will not diminish or affect in any way the District's obligations contained in the Lease. Upon receipt of any notice from any person with regard to the Release of Hazardous Materials on, from or beneath the Property, the District will give prompt written notice thereof to the Trustee prior to the expiration of any period in which to respond to such notice under any Environmental Regulation.

(c) Irrespective of whether any representation or warranty contained in the Lease is not true or correct, the District will, to the extent permitted by law, defend, indemnify and hold harmless, the Lessor, the Trustee, the Owners, their partners, depositors and each of their respective employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in the Lease, consultants' fees, investigation and laboratory fees, liabilities, settlements (five Business Days' prior notice of which the Trustee shall have delivered to the District), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, release, threat of release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Property, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five Business Days' prior notice of which the Corporation or the Trustee, as appropriate, shall have delivered to the District), or governmental order relating to Hazardous Materials on, from or beneath the Property, (iv) any violation of Environmental Regulations or the Lease by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the District is strictly liable under any Environmental Regulation, its obligation to the Owners and the other indemnitees under the foregoing indemnification will likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. The obligations and liabilities under the Lease will survive the payment and satisfaction of all Certificates and the resignation and removal of the Trustee.

(d) The District will conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and will maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

Condemnation of Property. The District has covenanted and agreed, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the District will not exercise the power of condemnation with respect to the Property. The District has further covenanted and agreed, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the District will fail or refuse to abide by such covenant and condemns the Property, then the appraised value of the Property will not be less than the greater of: (i) if the Certificates are then subject to prepayment, the principal and interest components of the Certificates outstanding through the date of their prepayment, or (ii) if the Certificates are not then subject to prepayment, the amount necessary to defease the Certificates to the first available prepayment date in accordance with the Trust Agreement.

ASSIGNMENT, SUBLEASING AND AMENDMENT

Assignment by the Lessor. Except as provided therein, in the Trust Agreement and the Assignment Agreement, the Lessor will not assign the Lease to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in the Lease.

Assignment and Subleasing by the District.

(a) Assignment. The Lease may be assigned by the District, so long as such assignment does not, in the opinion of Special Counsel, in and of itself, adversely affect the State tax-exempt status or the exclusion from gross income for federal income tax purposes of the interest component of the Lease Payments or affect the validity of the Lease. In the event that the Lease is assigned by the District, the obligation to make Lease Payments under the Lease will remain the obligation of the District.

(b) Sublease. The District may sublease all or any portion of the Property, with the consent of the Trustee (as assignee of the Lessor), subject to all of the following conditions:

(i) The Lease and the obligation of the District to make Lease Payments thereunder will remain obligations of the District; and

(ii) The District will, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor, the Rating Agency, and the Trustee a true and complete copy of such sublease;

(iii) No sublease by the District will cause the Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the laws of the State; and

(iv) No sublease shall cause the interest component of the Lease Payments due with respect to the Property to become includable in gross income for federal income tax purposes or subject to State personal income taxes.

Amendments and Modifications. The Lease may be amended or any of its terms modified in accordance with the Trust Agreement.

EVENTS OF DEFAULT AND REMEDIES

Events of Default Defined. The following will be "events of default" under the Lease and the terms "events of default" and "default" means, whenever they are used in the Lease, any one or more of the following events:

(a) Payment Default.

(i) Lease Payments. Failure by the District to pay any Lease Payment (other than Reserve Replenishment Rent) required to be paid thereunder by the corresponding Lease Payment Date; and

(ii) Reserve Replenishment Rent: Failure by the District to timely pay any Reserve Replenishment Rent if and when required by the Trust Agreement.

(b) Covenant Default. Failure by the District to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed therein or otherwise with respect thereto or in the Trust Agreement or in the Site Lease, other than as described in clause (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lessor, the Trustee, or the Owners of not less than twenty percent (20%) in aggregate principal amount of Certificates then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor, the Trustee, or such Owners, as the case may be, will not unreasonably withhold their consent to an extension of such time, if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the District of a case in bankruptcy, or the subjection of any right or interest of the District under the Lease to any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

Remedies on Default. Whenever any event of default referred to in the Lease shall have happened and be continuing, it will be lawful for the Lessor to exercise any and all remedies available pursuant to law or granted pursuant to the Lease, including writs of mandamus. Notwithstanding anything therein or in the Trust Agreement to the contrary, THERE WILL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE LEASE PAYMENTS OR OTHERWISE DECLARE ANY LEASE PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE. After the occurrence of an event of default thereunder, the District will surrender possession of the Property to the Lessor, if requested to do so by the Lessor, the Trustee or the Owners, in accordance with the provisions of the Trust Agreement. The Owners and Lessor will control all remedies upon an event of default under the Trust Agreement.

(a) No Termination: Repossession and Re-Lease on Behalf of the District. In the event the Lessor does not elect to terminate the Lease in the manner provided for in the Lease and summarized in subparagraph (b) below, the Lessor may, with the consent of the District, which consent is thereby irrevocably given, repossess the Property and re-lease it for the account of the District, in which event the District's obligation will accrue from year to year in accordance with the Lease and the District will continue to receive the value of the use of the Property from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the District will remain the same as prior to such default, to pay Lease Payments, Reserve Replenishment Rent, and Additional Payments whether the Lessor re-enters or not. The District has agreed to and will remain liable for the payment of all Lease Payments, Reserve Replenishment Rent, and Additional Payments and the performance of all conditions contained therein and will reimburse the Lessor for any deficiency arising out of the re-leasing of the Property, or, in the event the Lessor is unable to re-lease the Property, then for the full amount of all Lease Payments, Reserve Replenishment Rent, and Additional Payments to the end of the Term of the Lease, but said Lease Payments, Reserve Replenishment Rent, and Additional Payments and/or deficiency will be payable only at the same time and in the same manner as provided above for the payment of Lease Payments, Reserve Replenishment Rent, and Additional Payments thereunder, notwithstanding such repossession by the Lessor or any suit brought by the Lessor for the purpose of effecting such repossession of the Property or the exercise of any other remedy by the Lessor.

The District has irrevocably appointed the Lessor as the agent and attorney-in-fact of the District to repossess and re-lease the Property in the event of default by the District in the performance of any covenants contained therein to be performed by the District and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in Fresno County, for the account of and at the expense of the District, and the District has agreed to exempt and to save harmless the Lessor from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-leasing of the Property. The District has waived any and all claims for damage caused or which may be caused by the Lessor in repossessing the Property as provided therein and all claims for damages that may result from the destruction of or the injury to the Property and all claims for damages to or loss of any property belonging to the District that may be in or upon the Property.

The District has agreed that the terms of the Lease constitute full and sufficient notice of the right of the Lessor to re-lease the Property in the event of such repossession without effecting a surrender of the Lease, and has further agreed that no acts of the Lessor in effecting such re-leasing will constitute a surrender or termination of the Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate the Lease will vest in the Lessor to be effected in the sole and exclusive manner provided for in subparagraph (b) below.

The District will retain the portion of rental obtained by the Trustee, as assignee of the Lessor, that is in excess of the Lease Payments, Reserve Replenishment Rent, and Additional Payments, the fees, expenses and costs of the Trustee of re-leasing the Property, and all amounts payable by the District under the Lease and the Trust Agreement.

In the event that the liability of the District under the Lease is held to constitute indebtedness or liability in any year exceeding in any year the income and revenue provided for such year, the Lessor, or the Trustee or the Owners, as assignees of the Lessor, will not exercise the remedies provided in the Lease.

(b) <u>Termination: Repossession and Re-Lease</u>. In the event of the termination of the Lease by the Lessor at its option and in the manner thereinafter provided on account of default by the District (and notwithstanding any repossession of the Property by the Lessor in any manner whatsoever or the re-leasing of the Property), the District nevertheless has agreed to pay to the Lessor all costs, losses or damages howsoever arising or occurring payable at the same time and in the same manner as is provided therein in the case of payment of Lease Payments, Reserve Replenishment Rent, and Additional Payments. Any proceeds of the re-lease or other disposition of the Property by the Lessor will be deposited into the Lease Payment Fund and be applied in accordance with the provisions of the Trust Agreement. Any surplus received by the Trustee, as assignee of the Lessor, from such re-leasing over total Lease Payments, Reserve Replenishment Rent, and Additional Payments that would have been due thereunder and the fees, expenses and costs of the Trustee as assignee of the Lessor on re-leasing the Property will be remitted to the District. Neither notice to pay rent or to deliver up possession of the Property given pursuant to law nor any proceeding taken by the Lessor to recover possession of the Property will of itself operate to terminate the Lease, and no termination of the Lease on account of default by the District will be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the District of the election on the part of the Lessor to terminate the Lease. The District has covenanted and agreed that no surrender of the Property for the remainder of the Term thereof or any termination of the Lease will be valid in any manner or for any purpose whatsoever unless stated or accepted by the Lessor by such written notice. No such termination will be effected either by operation of law or act of the parties thereto, except only in the manner therein expressly provided.

(c) The re-leasing of the Property as provided in the Lease will be subject to the opinion of Special Counsel that such re-leasing will not, in and of itself, cause the interest component of the Lease Payments to be subject to State personal income tax or adversely affect the exclusion from gross income for federal income tax purposes.

No Remedy Exclusive. No remedy conferred in the Lease upon or reserved to the Lessor is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under the Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in the Lease it will not be necessary to give any notice, other than such notice as may be required in the Lease or by law.

Agreement to Pay Attorneys' Fees and Expenses. In the event either party to the Lease should default under any of the provisions thereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained therein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

No Additional Waiver Implied by One Waiver. In the event any agreement contained in the Lease should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach thereunder.

Application of the Proceeds from the Re-Lease of the Property. All amounts received by the Lessor under the Lease will, subject to the Trust Agreement, be deposited by the Trustee in the Lease Payment Fund and credited towards the Lease Payments in order of Lease Payment Dates.

Trustee and Owners to Exercise Rights. Such rights and remedies as are given to the Lessor under the Lease have been assigned by the Lessor to the Trustee under the Assignment Agreement, to which assignment the District consents. Such rights and remedies will be exercised by the Trustee and the Owners as provided in the Trust Agreement. To the extent that the Lease confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of the Lease, the Trustee has been explicitly recognized as being a third-party beneficiary under the Lease and may enforce any such right, remedy or claim conferred, given or granted under the Lease.

MISCELLANEOUS

Binding Effect. The Lease will inure to the benefit of and will be binding upon the Lessor and the District and their respective successors and assigns.

Severability. In the event any provision of the Lease will be held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision thereof.

Applicable Law. The Lease will be governed by and construed in accordance with the laws of the State.

Execution in Counterparts. The Lease may be executed in any number of counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

THE TRUST AGREEMENT

Transfer and Exchange.

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of the Trust Agreement by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Office accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee will execute and deliver a new Certificate or Certificates of the same maturity and interest rate, for like aggregate principal amount in authorized denominations. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer will be paid by the District. The Trustee will require the payment by the Certificate Owner requesting such transfer of any tax or governmental charge required to be paid with respect to such transfer, and there will be no other charge to any Certificate Owner for any such transfer.

Prior to any transfer of the Certificates outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor will provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee will conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity and interest rate. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing the Certificates and any services rendered or expenses incurred by Trustee in connection with any transfer or exchange will be paid by the District. All Certificates surrendered pursuant to the provisions of the Trust Agreement summarized in this subsection will be cancelled and destroyed by the Trustee and will not be redelivered.

(c) Time for Transfer or Exchange. The Trustee will not be obligated to transfer or exchange any Certificate after a Record Date and before the following Certificate Payment Date, or during the period in which it is selecting Certificates for prepayment, or after notice of prepayment has been given as provided in the Trust Agreement.

Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, will execute and deliver a new Certificate of like tenor and maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee will be cancelled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity, satisfactory to the Trustee indemnifying the

Trustee, the Corporation and the District, will be given, the Trustee, at the expense of the Certificate Owner, will execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee will determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under the provisions of the Trust Agreement summarized in this subsection and of the expenses which may be incurred by the Trustee in carrying out the duties under the Trust Agreement. Any Certificate executed under the provisions of the Trust Agreement summarized by this paragraph in lieu of any Certificate alleged to be lost, destroyed or stolen will be equally and proportionately entitled to the benefits of the Trust Agreement with all other Certificates secured by the Trust Agreement. The Trustee will not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered under or for the purpose of determining any percentage of Certificates Outstanding under the Trust Agreement, but both the original and replacement Certificate will be treated as one and the same. Notwithstanding any other provision of the Trust Agreement summarized in this paragraph, in lieu of delivering a new Certificate in place of one which has been mutilated, lost, destroyed or stolen, and which has matured, or has been called for prepayment, the Trustee may make payment with respect to such Certificate upon receipt of the above-mentioned indemnity.

Payment. Subject to the provisions of the Letter of Representation, payment of interest with respect to any Certificate on any Certificate Payment Date or prepayment date will be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Certificate Payment Date or prepayment date, as the case may be, such interest to be paid to such Owner on the Certificate Payment Date by wire transfer to the bank and account number within the United States of America on file with the Trustee as of the Record Date. Payments of defaulted interest will be paid by wire transfer to the registered Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which will be given to the Owners not less than 15 days prior to such special record date. Subject to the provisions of the Letter of Representation, the principal payable upon maturity or prepayment with respect to the Certificates will be payable upon surrender at the Principal Office. Said amounts will be payable in lawful money of the United States of America. The Trustee has been authorized to pay or prepay the Certificates when duly presented for payment at maturity or on prepayment and to cancel all Certificates upon payment thereof.

Additional Certificates. Subsequent to the execution and delivery by the Trustee of the Certificates, the Trustee will, upon written request or requests of the District Representative and the Corporation Representative, execute and deliver from time to time one or more series of Additional Certificates in such aggregate principal amount as may be set forth in such written request or requests, provided that there will have been compliance with all of the following conditions, which are made conditions precedent to the preparation, execution and delivery of such Additional Certificates:

(a) The parties to the Trust Agreement will have executed a supplemental agreement setting forth the terms and provisions of such Additional Certificates, including the establishment of such funds and accounts, separate and apart from the funds and accounts established thereunder for the Certificates executed and delivered on the Closing Date, as will be necessary or appropriate, which supplemental agreement will require that prior to the delivery of such Additional Certificates the Reserve Requirement with respect to such Additional Certificates will be on deposit in the Reserve Fund established under the Trust Agreement, including amounts under any Reserve Facilities or in a reserve fund established under such supplemental agreement;

(b) The principal and interest payable with respect to such Additional Certificates and any premium payable upon prepayment of such Additional Certificates will be payable only on Certificate Payment Dates applicable to the Certificates;

(c) The Lease shall have been amended by the parties thereto if necessary to (i) increase or adjust the Lease Payments due and payable on each Lease Payment Date to an amount sufficient to pay the principal, premium (if any) and interest payable with respect to all Outstanding Certificates, including all Additional Certificates as and when the same mature or become due and payable (except to the extent such principal, premium, and interest may be payable out of moneys then in the Reserve Fund or otherwise on deposit with the Trustee in accordance with the Trust Agreement), (ii) if appropriate, amend the definition of "Property" to include as part of the Property all or any portion of additions, betterments, extensions, improvements or replacements, or such other real or personal property (whether or not located upon the Property as such Property is constituted as of the date of the Trust Agreement), to be financed, acquired or constructed by the preparation, execution and delivery of such Additional Certificates, and (iii) make such other revisions to the Lease as are necessitated by the execution and delivery of such Additional Certificates (provided, however, that such other revisions will not prejudice the rights of the Owners of Outstanding Certificates as granted them under the terms of the Trust Agreement);

(d) There shall have been delivered to the Trustee a counterpart of the amendments required by the Trust Agreement;

(e) The Trustee shall have received a certificate of the Corporation Representative that there exists on the part of the Corporation no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default);

(f) The Trustee shall have received a certificate of the District Representative that (i) there exists on the part of the District no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) and (ii) the Lease Payments as increased or adjusted do not exceed in any year the fair rental value of the Property (as such term is defined in the amended Lease);

(g) The Trustee will have received an opinion of Special Counsel substantially to the effect that (i) said supplemental agreement and said amendments to the Lease comply in all respects with the requirements of the Trust Agreement, (ii) said supplemental agreement and said amendments to the Lease have been duly authorized, executed and delivered by each of the respective parties thereto (provided that said opinion of Special Counsel, in rendering the opinions set forth in the Trust Agreement and summarized in this clause (ii), will be entitled to rely upon one or more other opinions of counsel, including counsel to any of the respective parties to said supplemental agreement or said amendments to the Lease), (iii) assuming that no Event of Default has occurred and is continuing, the Trust Agreement, as amended by said supplemental agreement, and the Lease, as amended by the respective amendments thereto, constitute the legal, valid and binding obligations of the respective parties thereto, enforceable against said parties in accordance with their respective terms (except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, debt adjustment or other laws affecting creditors' rights generally, and except to the extent that enforcement thereof may be limited by general principles of equity, regardless of whether enforcement is sought in a legal or equitable proceeding, and by the limitations on legal remedies against public agencies in the State of California) and (iv) the execution of such supplemental agreement and said amendments to the Lease, and performance by the parties thereunder, will not, in and of itself, result in the inclusion of the interest portion of any Lease Payments payable with respect to the Certificates, including Additional Certificates, theretofore prepared, executed and delivered, in the gross income of the Owners of the Certificates for purposes of federal income taxation;

(h) The District shall have provided the Rating Agency written notice of the proposed execution and delivery of such Additional Certificates;

(i) There shall have been delivered to the Trustee an endorsement to or reissuance of the title insurance policy delivered under the Lease providing that the insured amount is at least equal to the aggregate principal amount of all of the Certificates and Additional Certificates outstanding upon the execution and delivery of such Additional Certificates;

(j) Upon the execution and delivery of such Additional Certificates, the amount in deposit in the Reserve Fund, together with amounts available under any Reserve Facilities on deposit therein, will be equal to the Reserve Requirement, taking into account the execution and delivery of the Additional Certificates; and

(k) Such other conditions shall have been satisfied, and such other instruments shall have been duly executed and delivered to the Trustee (with a copy to the Rating Agency), as the District or the Corporation shall have reasonably requested.

Upon delivery to the Trustee of the foregoing instruments, the Trustee will cause to be executed and delivered Additional Certificates representing the aggregate principal amount specified in such supplemental agreement, and such Additional Certificates will be equally and ratably secured with all Certificates, including any

Additional Certificates, theretofore prepared, executed and delivered, all without preference, priority or distinction (other than with respect to maturity, payment, prepayment or sinking fund payment (if any)) of any one Certificate, including Additional Certificates, over any other; provided, however, that no provision of the Trust Agreement will require the District to consent to or otherwise permit the preparation, execution and delivery of Additional Certificates, it being understood and agreed that any such consent or other action of the District to permit the preparation, execution and delivery of Additional Certificates, or lack thereof, will be in the sole discretion of the District.

PROJECT FUND

Establishment of Project Fund. The Trustee will establish a special fund designated as the "Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) Project Fund," referred to in the Trust Agreement as the "Project Fund"; will keep the Project Fund separate and apart from all other funds and moneys held by it; and will administer such fund as provided in the Trust Agreement. The Project Fund will be held and applied by the Trustee in accordance therewith.

Purpose of Project Fund. Moneys in the Project Fund will be expended for Project Costs and Delivery Costs.

Deposit of Moneys; Payment of Project Costs and Delivery Costs.

(a) Deposits. There will be credited to the Project Fund the following amounts: (1) the proceeds of sale of the Certificates required to be deposited therein pursuant to the Trust Agreement; (2) all investment earnings on moneys held in the various accounts of the Project Fund, which will remain in the account of the Project Fund which generated such earnings until expended or applied to the prepayment of Certificates, as described in the Trust Agreement; and (3) any other deposits made to the Project Fund by the District.

(b) Disbursements. The Trustee will disburse moneys in the Project Fund from time to time to pay Project Costs directly, to provide funds to the District from time to time so that the District may pay Project Costs directly, or to reimburse the District for payment of Project Costs, upon receipt (either by mail, by facsimile transmission or electronic delivery) by the Trustee of a Project Cost Requisition signed by the District Representative. The Trustee will disburse moneys from the Project Fund to pay Delivery Costs or to reimburse the District for payment of such Delivery Costs upon receipt by the Trustee of a Delivery Cost Requisition signed by the District Representative. The Trustee will be absolutely protected in making any such disbursements in reliance upon a Project Cost Requisition or Delivery Cost Requisition, as applicable, signed by the District Representative. Each such Project Cost or Delivery Cost Requisition signed by the District Representative will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Transfers of Unexpended Proceeds. Upon the filing with the Trustee of the Certificate of Completion pursuant to the Lease, the Trustee will withdraw all remaining moneys in the Project Fund (other than any moneys retained therein to pay Project Costs not then due and payable and certified by the District Representative) and will either transfer such moneys to the Lease Payment Fund to be applied to the payment of principal and interest evidenced by the Certificates as prescribed in the Trust Agreement, or at the written election of the District, will transfer such moneys to the Prepayment Fund to be applied to the prepayment of Certificates as described in the Trust Agreement or to the District for the purpose of capital expenditures of the District and, following final disbursement of any moneys retained in the Project Fund as described above, will close the Project Fund.

LEASE PAYMENTS; LEASE PAYMENT FUND

Security Provisions.

(a) Assignment of Rights in Lease and Site Lease. The Corporation has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Lease and Site Lease, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments, Reserve Replenishment Rent, Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease and the Site Lease or pursuant to the Trust Agreement. All such Lease Payments, Reserve Replenishment Rent, Prepayments and such other amounts to which the Corporation may at any time be entitled (other than amounts due to the Corporation under the Lease) will be paid directly to the Trustee, and all of the Lease Payments, Reserve Replenishment Rent, and Prepayments collected or received by the Corporation will be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee and if received by the Corporation at any time will be deposited by the Corporation with the Trustee within five Business Days after the receipt thereof, and all such Lease Payments will be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund, and all such Prepayments will be forthwith deposited by the Trustee upon the receipt thereof in the Prepayment Fund, and all such Reserve Replenishment Rent will be forthwith deposited by the Trustee upon receipt thereof in the Reserve Fund.

(b) Security Interest in Moneys and Funds. The Corporation and the District, as their interests may appear, have granted to the Trustee for the benefit of the Owners a lien on and a security interest in all moneys in the funds held by the Trustee under the Trust Agreement (excepting only the Project Fund and Rebate Fund), including without limitation, the Lease Payment Fund, the Reserve Fund (including payments of Reserve Replenishment Rent pursuant to the Trust Agreement), the Prepayment Fund and the Net Proceeds Fund, and all such moneys will be held by the Trustee in trust and applied to the respective purposes specified therein and in the Lease.

(c) Pledge of Lease Payments and Lease Proceeds. The Lease Payments and any Lease Proceeds have been irrevocably pledged pursuant to the Trust Agreement to and will be used for the punctual payment of the interest and principal represented by the Certificates and the Lease Payments and Lease Proceeds will not be used for any other purpose while any of the Certificates remain Outstanding. The pledge contained in the Trust Agreement and summarized in this subsection will constitute a first lien on the Lease Payments and Lease Proceeds in accordance with the terms thereof, subject to the Lease.

Establishment of Lease Payment Fund. The Trustee will establish a special fund designated as the "Little Lake City School District Certificates of Participation (2022 School Financing Project) Lease Payment Fund." All moneys at any time, from whatever sources deposited by the Trustee in the Lease Payment Fund will be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation will have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in the Trust Agreement, and such moneys will be used and applied by the Trustee as thereinafter set forth.

Deposits. There will be deposited in the Lease Payment Fund all Lease Payments and in the Prepayment Fund all Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to the Lease, and any other moneys required to be deposited therein pursuant to the Lease, including without limitation provisions of the Lease regarding proceeds of rental interruption insurance or pursuant to the Trust Agreement, which moneys will be applied as a credit towards any Lease Payment then due.

Application of Moneys. Except as provided in the Trust Agreement, all amounts in the Lease Payment Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest with respect to the Certificates as the same will become due and payable, in accordance with the provisions of the Trust Agreement, subject to the requirement that certain investment earnings may be transferred to the Rebate Fund, as provided in the Trust Agreement.

On each Certificate Payment Date, the Trustee first will set aside in the Lease Payment Fund an amount sufficient to pay the interest evidenced by the Certificates becoming due and payable on such date, and wire such amount as provided in the Trust Agreement to the Owners; and second will set aside an amount sufficient to pay the principal evidenced by the Certificates becoming due and payable on such Certificate Payment Date.

Surplus. Any funds remaining in the Lease Payment Fund after payment of all Certificates Outstanding, including payment of any applicable fees, expenses or other amounts owed to the Trustee pursuant to the Trust Agreement, and any other Additional Payments due under the Lease, or provision made therefor satisfactory to the Trustee, and provision for any amounts required to be transferred to the Rebate Fund pursuant to the Trust Agreement, will be withdrawn by the Trustee and remitted to the District.

RESERVE FUND

Establishment of Reserve Fund. The Trustee will establish a special fund designated as the "Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) Reserve Fund," referred to therein as the "Reserve Fund." All moneys at any time on deposit in the Reserve Fund (including any Reserve Facility thereafter provided to satisfy the Reserve Requirement in whole or in part) will be held by the Trustee in trust for the benefit of the Owners of the Certificates, as a reserve for the payment when due of all the Lease Payments to be paid pursuant to the Lease and of all payments with respect to the Certificates and applied solely as provided therein.

Funding.

(a) Reserve Requirement. There will be maintained in the Reserve Fund an amount equal to the Reserve Requirement. Notwithstanding the foregoing, in the event of a partial prepayment or defeasance of the Certificates, the Reserve Requirement will thereafter be determined by the District and communicated to the Trustee in writing and any funds in excess of such redetermined Reserve Requirement shall be utilized as set forth in the Trust Agreement. On the Closing Date, there will be deposited in the Reserve Fund an amount equal to the Reserve Requirement. The Reserve Requirement may thereafter be satisfied by the District crediting to the Reserve Fund moneys or, with notice to the Rating Agency, another Reserve Facility or Facilities, or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement; provided, however, the long-term unsecured debt or claim-paying ability or financial strength, as the case may be, of the provider of any such Reserve Facility, must be rated by the Rating Agency, at the time of deposit, no lower than that of the District.

The term of any Reserve Facility will either be equal to the term of the Lease or a rollover of the Reserve Facility or other equivalent replacement will be required such that the aggregate term of all Reserve Facilities will equal the term of the Lease.

(b) Reserve Facility. Any amounts paid pursuant to any Reserve Facility will be deposited in the Reserve Fund. The District may substitute moneys for all or part of the amount available to be drawn under a Reserve Facility so long as, at the time of such substitution, the amount on deposit in the Reserve Fund, together with the amount available under all Reserve Facilities (taking into account any reduction in the amount available under such Reserve Facility to be made in connection with said substitution) will be at least equal to the Reserve Requirement.

Amounts on deposit in the Reserve Fund which are not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Requirement will be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under the Reserve Facility, the Trustee will, as and to the extent necessary, liquidate any investments purchased with such amounts.

(c) Delinquent Lease Payments. If the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, shall be reduced below the Reserve Requirement, the first payments of Lease Payments thereafter payable by the District and not needed to pay interest and principal components of Lease Payments payable to the Certificate Owners on the next Certificate Payment Date will be used to first, reimburse the any Reserve Facility for any repayment or payment obligation owing thereto for any draw on such other Reserve Facility to the Reserve Fund and second, to increase the balance in the Reserve Fund to an amount which, when added to the amount available under any Reserve Facilities, is equal to the Reserve Requirement.

(d) Certain Net Proceeds. Net Proceeds of rental interruption insurance will be deposited as provided in the Lease and the Trust Agreement.

(e) Reserve Replenishment Rent. Any Reserve Replenishment Rent payable pursuant to the Lease will be deposited in the Reserve Fund, or paid to a provider of a Reserve Facility, as applicable.

Transfers of Excess. The Trustee will, on or before May 15 and November 15 of each year, provide written notice to the District of any moneys which are estimated to be on hand in the Reserve Fund (including investment earnings) in excess of the Reserve Requirement on the next succeeding June 1 or December 1, as the case may be, and no later than three (3) Business Days immediately preceding any Lease Payment Date, the Trustee will transfer such excess moneys to the Lease Payment Fund to be applied to the Lease Payment then due from the District. In the event of such a partial prepayment or defeasance of Certificates, a proportionate amount in the Reserve Fund (determined on the basis of the principal evidenced by Certificates to be prepaid or redeemed, and the original aggregate principal evidenced by the Certificates, but not in excess of the amount of funds available as a result of the re-determination of the Reserve Requirement as summarized in "– Reserve Requirement" above) will, at the direction of the District, be applied to the prepayment or defeasance of Certificates as provided in the Trust Agreement.

The transfers described above are in each case subject to the requirement that if the Certificate proceeds will have become subject to the arbitrage rebate provisions of Section 148(f) of the Code as described in the Trust Agreement then certain investment earnings are to be transferred to the Rebate Fund at the direction of the District as provided in the Trust Agreement.

Application of Reserve Fund in the Event of Delinquency in Lease Payment Fund.

(a) Whether or not Lease Payments are then in abatement, if three (3) Business Days immediately preceding any Certificate Payment Date, the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest with respect to the Certificates then coming due and payable, the Trustee first will apply the moneys available in the Reserve Fund to make delinquent Lease Payments on behalf of the District by transferring the amount necessary for such purpose to the Lease Payment Fund. All cash and investments in the Reserve Fund will be transferred to the Lease Payment Fund before any drawing will be made on any Reserve Facility. The Trustee will take whatever action is necessary to liquidate or draw upon investments of funds held in the Reserve Fund or draw upon the Reserve Facility securing the Reserve Fund to make such funds available for application as provided thereunder on the Certificate Payment Date.

(c) Draws on all Reserve Facilities on which there is Available Coverage will be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund.

Trustee to Make All Lease Payments. If on any Certificate Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of principal or interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any), the Trustee will, upon the written direction of the District Representative, transfer all amounts in the Reserve Fund to the Lease Payment Fund to be applied to the payment of the Lease Payments or Prepayments on behalf of the District and such moneys will be distributed to the Owners of Certificates in accordance with the Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates and the Trustee's fees and expenses pursuant to the Trust Agreement, and any other Additional Payments due under the Lease, or upon provision for such payments as provided in the Trust Agreement and provisions for any amounts required to be transferred to the Rebate Fund pursuant to the Trust Agreement, will at the written direction of the District, be withdrawn by the Trustee and paid to the District.

NET PROCEEDS FUND

Establishment of Net Proceeds Fund; Deposits. The Trustee will establish when required a special fund designated as the "Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) Net Proceeds Fund," referred to therein as the "Net Proceeds Fund," to be maintained and held in trust for the benefit of the Owners, subject to disbursement therefrom as provided therein. The Trustee will deposit Net Proceeds in the Net Proceeds Fund as provided in the Lease.

Disbursements.

(a) Casualty Insurance. The Trustee will disburse Net Proceeds for replacement or repair of the Property as provided in the Lease, or transfer such proceeds to the Prepayment Fund upon notification of the District Representative as provided in the Lease. Pending such application, such Net Proceeds may be invested by the Trustee as directed by the District in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement. After all of the Certificates have been paid and the entire amount of principal and interest with respect to the Certificates has been paid in full, or provision made for payment satisfactory to the Trustee, including provision for all amounts required to be transferred to the Rebate Fund pursuant to the Trust Agreement, the Trustee will pay any remaining moneys in the Net Proceeds Fund to the District after payment of any amounts due to the Trustee pursuant to the Trust Agreement and any other Additional Payments due under the Lease.

(b) Title Insurance. Proceeds of any policy of title insurance received by the Trustee with respect to the Property will be applied and disbursed by the Trustee upon the written request of the District as follows:

> (i) If the District determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Lease Payments and Additional Payments payable by the District under the Lease (such determination to be certified by the District in writing), such proceeds will be remitted to the District and used for any lawful purpose thereof; or
>
> (ii) If the District determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement of Lease Payments and Additional Payments payable by the District under the Lease, then the Trustee will immediately deposit such proceeds in the Prepayment Fund and such proceeds will be applied to the prepayment of Certificates in the manner provided in the Trust Agreement.

Cooperation. The Corporation and the Trustee will cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy maintained pursuant to the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any item or portion thereof; provided, however, the Trustee will not be obligated to take any action thereunder if it is not indemnified to its satisfaction from and against any liability or expense arising therefrom.

MONEYS IN FUNDS; INVESTMENT

Held in Trust. The moneys and investments held by the Trustee under the Trust Agreement (other than the Project Fund and the Rebate Fund) are irrevocably held in trust for the benefit of the Owners and, in the case of the Rebate Fund, for payment as required to the United States Treasury, and for the purposes therein specified, and such moneys, and any income or interest earned thereon, will be expended only as provided in the Trust Agreement, and will not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee or the District, or any of them.

Investments Authorized.

(a) By Trustee. Subject to the further provisions of the Trust Agreement, moneys held by the Trustee thereunder will be invested and reinvested on maturity by the Trustee pursuant to the Trust Agreement. The Trustee will report any such investments to the District on a monthly basis in its regular statements. Such investments and reinvestments will be made giving full consideration for the time at which funds are required to be available based upon information supplied by the District.

Investments purchased with funds on deposit in the Lease Payment Fund and Prepayment Fund will mature not later than the Certificate Payment Date or prepayment date, as appropriate, immediately succeeding the investment. Investments purchased with funds on deposit in the Project Fund will not mature later than the dates upon which such funds will be needed to be expended for the payment of Delivery Costs or Project Costs.

(b) Upon Direction of the District. The District Representative will direct by facsimile or electronic mail such investment in specific Permitted Investments not less than two Business Days prior to the date that such Permitted Investment is to take effect, confirmed by written order filed with the Trustee. In the event that the District Representative does not so direct the Trustee, the Trustee will invest in the Permitted Investments described in paragraph (b)(iv) of the definition thereof contained in Section 1.01 of the Trust Agreement.

(c) Registration. Such investments, if registerable, will be registered in the name of the Trustee for the benefit of the Owners and held by the Trustee or its nominee.

(d) Trustee as Purchaser or Agent. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee or any of its affiliates may act as a sponsor of, or as an advisor to any provider of, Permitted Investments thereunder. The District has acknowledged that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee thereunder.

(e) Trustee Standard of Care. Except as otherwise provided in the Trust Agreement, the Trustee will not be responsible or liable for any loss suffered in connection with any investment of funds or sale of such investment made by it in accordance with the Trust Agreement or disposition made by it in accordance with the Trust Agreement.

Disposition of Investments. Any income, profit or loss on the investment of moneys held by the Trustee thereunder will be credited to the respective fund for which it is held, except as otherwise provided in the Trust Agreement.

Accounting. The Trustee will furnish to the District, not less than monthly, an accounting (which may be in the form of its regular statements) of all investments made by the Trustee and all funds and amounts held by the Trustee; provided, that the Trustee will not be obligated to deliver an accounting for any fund or account that (i) has a balance of zero and (ii) has not had any activity since the last reporting date. The Trustee will keep accurate records of all funds administered by it and of all Certificates paid and discharged.

Valuation and Disposition of Investments.

(a) Valuation. For the purpose of determining the amount in any fund, all Permitted Investments (except investment agreements) credited to such fund will be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to all funds and accounts, investments will be valued by the Trustee (i) not less often than annually, and as otherwise directed by the District, and (ii) upon any draw upon the Reserve Fund. In making any such valuations, the Trustee may utilize, and conclusively rely upon, such valuation services as may be available to the Trustee, including those within its regular accounting system.

(b) Disposition. Subject to the provisions of the Trust Agreement, the Trustee will sell, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it will be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited.

Commingling of Moneys in Funds. The Trustee may, and upon the written request of the District Representative will, commingle any of the funds held by it pursuant to the Trust Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee thereunder will be accounted for separately notwithstanding such commingling by the Trustee. The District will ensure that any such commingling complies with Section 1.148-4 of the Treasury Regulations, and will provide direction to the Trustee accordingly.

THE TRUSTEE

Appointment of Trustee.

(a) Appointment. U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States of America, has been appointed as Trustee by the Corporation and the District.

(b) Qualifications. The Corporation and the District have agreed that they will maintain a Trustee having a corporate trust office in New York, New York, San Francisco, California or Los Angeles, California capable of exercising trust powers in the State of California, with a combined capital (exclusive of borrowed capital) and a surplus of at least Seventy-Five Million Dollars ($75,000,000), or be a member of a bank holding company system, which will have a combined capital and surplus of at least Seventy-Five Million Dollars ($75,000,000), and subject to supervision or examination by federal or state authority, so long as any Certificates are Outstanding. If such bank, national banking association or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of the Trust Agreement the combined capital and surplus of such bank, national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(c) Removal. So long as there is no Event of Default then in effect, the District may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto.

(d) Resignation. The Trustee may, upon prior written notice to the District and the Corporation, resign; provided that such resignation will not take effect until the successor Trustee is appointed as provided in the Trust Agreement. Upon receiving such notice of resignation, the District will promptly appoint a successor Trustee. In the event the District does not name a successor Trustee within thirty (30) days of receipt of notice of the Trustee's resignation, then the Trustee may petition a court of suitable jurisdiction to seek the immediate appointment of a successor Trustee.

(e) Successor. Any successor Trustee will be a bank, national banking association or trust company meeting the qualifications as set forth in the Trust Agreement. Any resignation or removal of the Trustee and appointment of a successor Trustee will become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the successor Trustee will mail notice thereof to (i) the District and the Corporation, and (ii) the Owners at their respective addresses set forth on the Certificate registration books maintained pursuant to the Trust Agreement.

Merger or Consolidation. Any company or banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it will be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company will be eligible under the Trust Agreement, will be the successor to the Trustee without the execution or filing of any paper or further act, anything therein to the contrary notwithstanding.

Protection of the Trustee.

(a) Reliance Upon Papers or Documents. The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, facsimile transmission, electronic mail, request, consent, direction, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it will in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee will be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may, in the absence of bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee has agreed to accept and act upon instructions or directions pursuant to the Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District has agreed to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(b) Reliance Upon Opinions of Counsel. The Trustee may consult with counsel, who may be counsel to the District, with regard to legal questions and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it thereunder in good faith in accordance therewith. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee which opinion will be made available to the other parties thereto upon request, which counsel may be counsel to any of the parties thereto, or a verified certificate of any party thereto, or both, concerning the proposed action. If it does so in good faith, Trustee will be absolutely protected in relying thereon.

(c) Reliance Upon Requested Certificates. Whenever in the administration of its duties under the Trust Agreement, the Trustee will deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action thereunder, such matter (unless other evidence in respect thereof be therein specifically prescribed), in the absence of bad faith on its part, will be deemed to be conclusively proved and established by the certificate of the District Representative or the Corporation Representative and such certificate will be full warranty to the Trustee, in the absence of bad faith on its part, for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Rights of the Trustee.

(a) Ownership of Certificates. The Trustee may become the Owner with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the District with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee will represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(b) Attorneys, Agents, Receivers. The Trustee may execute any of the trusts or powers thereof and perform the duties required of it thereunder by or through attorneys, agents, or receivers, will not be responsible for the actions or omissions of such attorneys, agents or receivers if appointed by it with reasonable care, and will be entitled to advice of counsel concerning all matters of trust and its duty thereunder; provided that the Trustee will not assign any of its trust responsibilities without the prior written consent of the District.

(c) Funds and Accounts. In addition to the funds and accounts established or required to be established pursuant to the Trust Agreement, the Trustee may establish such additional funds and accounts as it deems necessary or appropriate to perform its duties thereunder.

Standard of Care. So long as there is no Event of Default, (a) the Trustee will not be liable in connection with the performance of its duties thereunder, except for its own negligence or willful misconduct, and (b) the Trustee will only perform those duties specifically set forth therein and no implied duties, covenants or obligations will be read into the Trust Agreement. In the event of and during the continuance of an Event of Default, the

Trustee will exercise such care in performing its duties thereunder as a prudent person would exercise in the conduct of his or her affairs.

Compensation of the Trustee. As an Additional Payment under the Lease, the District will from time to time on demand, pay to the Trustee reasonable compensation for its services and the services of any accountants, consultants, attorneys and other experts as may be engaged by the Trustee to provide services under the Trust Agreement pursuant to a written agreement between the District and the Trustee, and the reimbursement for all expenses incurred in and about the performance of its powers and duties under the Trust Agreement. The District's obligation thereunder will remain valid and binding notwithstanding maturity and payment of the Certificates and resignation or removal of the Trustee.

Indemnification of Trustee. The District will, to the extent permitted by law, indemnify and save the Trustee and its officers, directors, agents, and employees harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition, construction or management of, or from any work or thing done on the Property or the Project by the District, (ii) any breach or default on the part of the District in the performance of any of its obligations under the Trust Agreement and any other agreement made and entered into for purposes of the Property or the Project, (iii) any act of negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property or the Project, (iv) any act of negligence of any assignee of, or purchaser from, the District or of any of its or their agents, contractors, servants, employees or licensees with respect to the Property or the Project, (v) the expenditure of Delivery Costs, or (vi) the exercise and performance by the Trustee of its powers and duties thereunder or any related document, (vii) the sale of the Certificates and the carrying out of any of the transactions contemplated by the Certificates or the Trust Agreement or (viii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made in light of the circumstances in which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale of the Certificates. The indemnification set forth in the Trust Agreement will extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under the Trust Agreement or elsewhere in the Trust Agreement or other agreements for willful misconduct or negligence by the Trustee, its officers, directors, agents, employees, successors or assigns. The District's obligations thereunder will remain valid and binding notwithstanding maturity and payment of the Certificates, or the resignation or removal of the Trustee.

In accepting the trust created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners, Corporation and the District, having any claim against the Trustee arising from the Trust Agreement will look only to the funds and accounts held by the Trustee thereunder for payment, except as otherwise provided therein or where the Trustee has breached its standard of care as described in the Trust Agreement. Under no circumstances will the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

No provision of the Trust Agreement will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder or in the exercise of any of its rights or powers.

The Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or in the exercise of any right thereunder.

The Trustee is authorized and directed to execute in its capacity as Trustee the Assignment Agreement.

Every provision of the Trust Agreement, the Lease, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee will be subject to the provisions of the Trust Agreement.

The Trustee will have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

The Trustee will not to be deemed to have knowledge of any Event of Default thereunder or under the Lease unless a Responsible Officer of the Trustee has actual knowledge thereof at its Principal Office.

The Trustee will not be considered in breach of or in default in its obligations under the Trust Agreement or progress in respect thereto in the event of an unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of the Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein.

The Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it under the Trust Agreement in good faith and in accordance with the Trust Agreement.

MODIFICATION OR AMENDMENT OF AGREEMENTS

Amendments Permitted.

(a) With Consent. The Trust Agreement, the Lease and the Site Lease, and the rights and obligations of the Corporation, the District, and the Owners thereunder, may be modified or amended at any time, by a supplemental agreement or amendment thereto which will become effective, with the prior written consent of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and with notice to the Rating Agency, exclusive of Certificates disqualified as provided in the Trust Agreement. No such modification or amendment will:

(i) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, or

(ii) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement, the Lease, or the Site Lease, or

(iii) modify any of the rights or obligations of the Trustee without its written assent thereto, or

(iv) amend the provisions summarized under the subheading "MODIFICATION OR AMENDMENT OF AGREEMENTS – Amendments Permitted" above, without the prior written consent of the Owners of all Certificates then outstanding.

The Trustee will be furnished such Opinions of Counsel as it deems necessary concerning (i) the lack of material adverse effect of the amendment on Owners and (ii) that the amendment will not, in and of itself, affect the tax status of interest with respect to the Certificates. Any such supplemental agreement or amendments thereto shall become effective as provided in the Trust Agreement. The Trustee may rely on an Opinion of Counsel that each such amendment is authorized or permitted pursuant thereto.

(b) Without Consent. The Trust Agreement, the Lease and the Site Lease, and the rights and obligations of the Corporation, the District and the Owners thereunder, may be modified or amended at any time by a supplemental agreement or amendments thereto, with notice to the Rating Agency, and without the consent of any such Owners, only to the extent permitted by law, and only:

(i) to add to the covenants and agreements of the District and the Corporation thereunder,

(ii) to cure, correct or supplement any ambiguous or defective provision contained therein,

(iii) in regard to matters arising thereunder, as the parties thereto may deem necessary or desirable (which may be based upon opinions as provided in the Trust Agreement), will not adversely affect the interest of the Owners,

(iv) to substitute the Property, or a portion thereof, in accordance with the Lease,

(v) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest component of Lease Payments and the interest payable with respect to the Certificates,

(vi) to add to the rights of the Trustee,

(vii) to maintain the rating or ratings assigned to the Certificates, or

(viii) to provide for the execution and delivery of Additional Certificates in accordance with the provisions of the Trust Agreement.

No such modification or amendment, however, will modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement will become effective upon execution and delivery by the parties thereto as the case may be. The Trustee may rely upon an opinion of counsel that each amendment is authorized or permitted by the Trust Agreement.

Procedure for Amendment with Written Consent of the Owners. The Trust Agreement, the Site Lease or the Lease may be amended by supplemental agreement as provided in the Trust Agreement in the event the consent of the Owners is required pursuant to the Trust Agreement. Such supplemental agreement, together with a request to the Owners for their consent thereto, will be mailed by the Trustee to each Owner of a Certificate at his or her address as set forth in the Certificate registration books maintained pursuant to the Trust Agreement, but failure to receive copies of such supplemental agreement and request so mailed will not affect the validity of the supplemental agreement when assented to as in the Trust Agreement provided.

Such supplemental agreement will not become effective unless there will be filed with the Trustee the written consents of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in the Trust Agreement) and notices will have been mailed as thereinafter in the Trust Agreement provided. Any such consent will be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice thereinafter in the Trust Agreement provided for has been mailed.

After the Owners of the required percentage of Certificates shall have filed their consent to such supplemental agreement, the Trustee will mail a notice to the Owners of the Certificates in the manner provided in the Trust Agreement for the mailing of such supplemental agreement, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in the Trust Agreement (but failure to mail copies of said notice will not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by the Trust Agreement to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved. The Trustee may obtain and conclusively rely on an opinion of counsel with regard to such matters.

Disqualified Certificates. Certificates owned or held by or for the account of the District or the Corporation or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the District or the Corporation (except any Certificates held in any pension or retirement fund) will not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in the Trust Agreement, and will not be entitled to vote upon, consent to, or take any other action provided for in the Trust Agreement. Upon request of the Trustee, the District and the Corporation will specify in a certificate to the Trustee those Certificates disqualified pursuant to the Trust Agreement and the Trustee may conclusively rely on such certificate.

The District or the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for in the Trust Agreement will be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in the Trust Agreement.

Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to the Trust Agreement, the Site Lease or the Lease, as the case may be, will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties thereto and all Owners of Certificates Outstanding, as the case may be, will thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement will be deemed to be part of the terms and conditions of the Trust Agreement or the Lease, as the case may be, for any and all purposes.

Endorsement or Replacement of Certificates Delivered After Amendments. The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in the Trust Agreement will bear a notation, by endorsement, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Outstanding Certificate at such effective date and presentation of his or her Certificate for such purpose at the Principal Office, a suitable notation will be made on such Certificate. The District may determine that new Certificates, so modified as in the opinion of the District, are necessary to conform to such Owner’s action, will be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate will be exchanged in the Principal Office without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

Amendatory Endorsement of Certificates. Subject to the Trust Agreement, the provisions of the Trust Agreement will not prevent an Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made on such Certificates.

Copies of Amendments Delivered to the Rating Agency. Copies of any modifications or amendments to the Trust Agreement, the Lease, the Site Lease or the Assignment Agreement will be delivered by the District to the Rating Agency at least 10 days prior to the effective date thereof.

COVENANTS; NOTICES

Compliance With and Enforcement of the Lease. The District has covenanted and agreed with the Owners to perform all obligations and duties imposed on it under the Lease. The Corporation has covenanted and agreed with the Owners to perform all obligations and duties imposed on it under the Lease. The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Corporation thereunder. The Corporation and the District, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Property, which may or can in any manner affect such estate of the District, will deliver the same, or a copy thereof, to the Trustee.

Payment of Taxes. The District will pay all taxes as provided in the Lease.

Observance of Laws and Regulations. The District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, including its right to exist and carry on business as a school district, to the end that such rights, privileges and franchises will be maintained and preserved, and will not become abandoned, forfeited or in any manner impaired.

Prosecution and Defense of Suits. The District will promptly, and also upon request of the Trustee or any Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Property, whether now existing or hereafter developing and will prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee, and every Owner harmless from all loss, cost, damage and expense including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

District Budgets. In accordance with the Lease, the District Representative will certify to the Trustee on or before July 1 of each year that the District has included all Lease Payments (other than Lease Payments of advance rental), Reserve Replenishment Rent, and Additional Payments due under the Lease in the Fiscal Year covered by its annual budget and the amount so included. If the District fails to certify that it has included all such Lease Payments, Reserve Replenishment Rent, and Additional Payments in such annual budget, the Trustee will promptly provide the District written notice specifying that the District has failed to observe and perform its covenant and agreement in the Lease and requesting that such failure be remedied within 30 days, or such failure will constitute an Event of Default under the Lease. The Trustee will forward a copy of such notice to the Corporation. Upon receipt of such notice, the District will notify the Trustee of the proceedings proposed to be taken by the District, and will keep the Trustee advised of all proceedings thereafter taken by the District.

Further Assurances. The Corporation and the District will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Trust Agreement, and for the better assuring and confirming unto the Owners the rights and benefits provided therein.

Continuing Disclosure. The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Trust Agreement, failure of the District to comply with the Continuing Disclosure Certificate will not be considered an Event of Default or an event of default thereunder; however, any Owner or Beneficial Owner 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 the Trust Agreement and the Continuing Disclosure Certificate.

LIMITATION OF LIABILITY

Limited Liability of the District. Except for the payment of Lease Payments, Reserve Replenishment Rent, Additional Payments and Prepayments when due in accordance with the Lease and the performance of the other covenants and agreements of the District contained therein and in the Lease, the District will have no obligation or liability to any of the other parties or to the Owners with respect to the Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

No Liability of the District or Corporation for Trustee Performance. Except as expressly provided therein, neither the District nor the Corporation will have any obligation or liability to any other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under the Trust Agreement.

Limited Liability of Trustee.

(a) No Investment Advice. The Trustee will have no obligation or responsibility for providing information to the Owners concerning the investment character of the Certificates.

(b) Sufficiency of the Trust Agreement or Lease Payments. The Trustee makes no representations as to the validity or sufficiency of the Certificates, will incur no responsibility in respect thereof, other than in connection with the duties or obligations therein or in the Certificates assigned to or imposed upon it. The Trustee will not be responsible for the sufficiency or enforceability of the Lease, the Site Lease or the Assignment Agreement. The Trustee will not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease (except as provided in the Trust Agreement), its right to receive moneys pursuant to said Lease, or the value of or title to the Property.

(c) Actions of Corporation and the District. The Trustee will have no obligation or liability to any of the other parties or the Owners with respect to the Trust Agreement or failure or refusal of any other party to perform any covenant or agreement made by any of them under the Trust Agreement or the Lease, but will be responsible solely for the performance of the duties and obligations expressly imposed upon it thereunder as provided in the Trust Agreement.

(d) Recitals and Agreements of Corporation and the District. The recitals of facts, covenants and agreements therein and in the Certificates contained will be taken as statements, covenants and agreements of the District or the Corporation (as the case may be), and the Trustee assumes no responsibility for the correctness of the same.

Limitation of Rights to Parties and Certificate Owners. Nothing in the Trust Agreement or in the Certificates expressed or implied is intended or will be construed to give any person other than the District, the Corporation, the Trustee, and the Owners, any legal or equitable right, remedy or claim under or in respect of the Trust Agreement or any covenant, condition or provision thereof; and all such covenants, conditions and provisions are and will be for the sole and exclusive benefit of the District, the Corporation, the Trustee, and the Owners.

No Liability of the Corporation to the Owners. Except as expressly provided therein, the Corporation will not have any obligation or liability to the Owners with respect to the payment when due of the Lease Payments by the District or with respect to the observance or performance by the District of the other agreements, conditions, and covenants imposed upon the District by the Lease or by the Trust Agreement.

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Assignment of Rights. The parties thereto acknowledge that pursuant to the Assignment Agreement the Corporation has transferred, assigned and set over to the Trustee for the benefit of the Owners, certain of the Corporation's rights under the Lease and the Site Lease.

Events of Default.

(a) Remedies. If an Event of Default will happen, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease, including writs of mandamus; provided, however, that notwithstanding anything therein or in the Lease to the contrary, THERE WILL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE MATURITIES OF THE CERTIFICATES OR OTHERWISE TO DECLARE ANY LEASE PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE;.

(b) Actual Knowledge. The Trustee will not be deemed to have knowledge of any Event of Default unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof at its Principal Office.

(c) Action on Default. If an Event of Default (within the meaning of the Lease) will happen, then such Event of Default will constitute an Event of Default thereunder. The Trustee may give notice, as assignee of the Corporation, of an Event of Default under the Lease or under the Trust Agreement to the District, and will do so if directed to do so by the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding. In each and every case during the continuance of an Event of Default, the Trustee (a) may, at the direction of the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding, and (b) will, upon notice in writing to the District and the Corporation, exercise any of the remedies granted to the Corporation under the Lease and may, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by the Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the Trust Agreement.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Trust Agreement or of the Lease, will be deposited into the Lease Payment Fund and be applied by the Trustee after payment of all amounts due and payable under the Trust Agreement and the Lease in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, Costs and Expenses: to the payment of the costs, fees and expenses of the Trustee and then of the Owners in declaring such Event of Default and in performing its duties thereunder, including reasonable compensation to its or their agents, attorneys and counsel;

Second, Interest: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installment, and, if the amount available will not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Third, Principal: to the payment to the persons entitled thereto of the unpaid principal with respect to any Certificates which will have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest at a rate equal to the rate paid with respect to the Certificates and, if the amount available will not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Institution of Legal Proceedings. If one or more Events of Default will happen and be continuing, the Trustee may, and, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, will, proceed to protect or enforce its rights or the rights of the Owners by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Trust Agreement or the Lease, or in aid of the execution of any power therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee will deem most effectual in support of any of its rights or duties thereunder; provided that such written request will not be otherwise than in accordance with provisions of law and the Trust Agreement and that the Trustee will have the right to decline to follow any such written request if the Trustee will be advised by counsel that the action or proceeding so requested may not be taken lawfully or if the Trustee in good faith will determine that the action or proceeding so requested would be unjustly prejudicial to the Certificate Owners not a party to such written request or expose the Trustee to liability.

Non Waiver. Nothing in the Trust Agreement or in the Certificates will affect or impair the obligation of the District which is absolute and unconditional, to pay or prepay the Lease Payments or Additional Payments as provided in the Lease. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default will impair any such right or power or will be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by the Trust Agreement to the Trustee or to the Owners may be exercised from time to time and as often as will be deemed expedient by the Trustee or the Owners.

Remedies Not Exclusive. No remedy therein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, and every such remedy will be cumulative and will be in addition to every other remedy given thereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, will have taken any action, by judicial proceedings or otherwise, pursuant to its duties thereunder, whether upon its own discretion, or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it will have full power, in the exercise of its discretion for the best interest of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee will not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Outstanding Certificates thereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed thereunder will have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Lease; (b) the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers thereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) there shall have been a default in the payment of such Owner's proportionate interest in the Lease Payments as the same become due.

Such notification, request, tender of indemnity, refusal or omission, and default are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy thereunder; it being understood and intended that no one or more Owners will have any right in any manner whatever by his or her or their action to enforce any right under the Trust Agreement, except in the manner therein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, will not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of the Trust Agreement or any other provision of the Trust Agreement.

Agreement to Pay Attorneys' Fees and Expenses. In the event any party to the Trust Agreement should default under any of the provisions thereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained therein, the defaulting party has agreed that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

MISCELLANEOUS

Defeasance.

(a) <u>Methods</u>. If and when any Outstanding Certificates will be paid and discharged in any one or more of the following ways:

(i) <u>Payment or Prepayment</u>: by well and truly paying or causing to be paid the principal, interest and prepayment premiums (if any) with respect to such Certificates Outstanding, as and when the same become due and payable;

(ii) Cash: prior to maturity, by depositing with the Trustee (or such other independent escrow agent as the District shall select), in trust, an amount of cash which (including cash then on deposit in the Lease Payment Fund in the event of prepayment or provision for payment of all Outstanding Certificates, and cash then on deposit in the Reserve Fund (in the event of prepayment or provision for payment of all Outstanding Certificates or as otherwise provided in the Trust Agreement) is fully sufficient to pay and discharge such Certificates (including all principal and interest represented thereby and prepayment premiums if any) at or before their maturity date; or

(iii) Defeasance Securities: prior to maturity, by irrevocably depositing with the Trustee (or such other independent escrow agent as the District shall select), in trust, Defeasance Securities together with cash, if required (including cash then on deposit in the Lease Payment Fund in the event of prepayment or provision for payment of all Outstanding Certificates, and cash then on deposit in the Reserve Fund (in the event of prepayment or provision for payment of all Outstanding Certificates or as otherwise provided in the Trust Agreement), in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge such Certificates (including all principal and interest represented thereby and prepayment premiums if any) at or before their maturity date;

and all other amounts due thereunder have been paid in full, then, notwithstanding that any Certificates will not have been surrendered for payment, all obligations of the Corporation, the Trustee and the District with respect to such Certificates will cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited pursuant to provisions of the Trust Agreement summarized in (i) and (iii) above, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to the provisions of the Trust Agreement summarized in (ii) and (iii) above, the Certificates will continue to represent direct and proportionate interests of the Owners thereof in Lease Payments under the Lease.

(b) Surplus Moneys. Any funds held by the Trustee, at the time of payment or provision for payment of all Outstanding Certificates pursuant to the one of the procedures of the Trust Agreement described in paragraphs (a)(i) through (a)(iii) above, which are not required for the payment to be made to Owners, will be paid over to the District, after the payment of any amounts due to the Trustee pursuant to the Trust Agreement, and any other Additional Payments due under the Lease.

(c) Surviving Provisions. Notwithstanding the satisfaction and discharge thereof, the Trustee will retain such rights, powers and privileges thereunder as may be necessary or convenient for the payment of the principal, interest and prepayment premium, if any, with respect to the Certificates and for the registration, transfer and exchange of the Certificates.

(d) Opinions and Reports. Prior to any defeasance becoming effective under the Trust Agreement, the District will cause to be delivered (i) an executed copy of a report, addressed to the Trustee and the District, in a form and substance acceptable to the Trustee and the District, of a nationally recognized firm of certified public accountants, verifying that the Defeasance Securities and cash, if any, satisfy the requirements of the Trust Agreement, (ii) a copy of the escrow deposit agreement entered into in connection with such defeasance acceptable to the Trustee and the District, (iii) a copy of an Opinion of Counsel, dated the date of such defeasance and addressed to the Trustee and the District, in form and substance acceptable to the District, covering the validity and enforceability of the escrow agreement and substantially to the effect that such Certificates are no longer Outstanding under the Trust Agreement, and (iv) a certificate of discharge of the Certificates from the Trustee.

Non-Presentment of Certificates. In the event any Certificate will not be presented for payment when the principal with respect thereto becomes due, either at maturity, or at the date fixed for prepayment thereof, if moneys sufficient to pay such Certificate shall have been deposited in the Prepayment Fund or Lease Payment Fund, as applicable, all liability of the District to the Owner thereof for payment of such Certificate will forthwith cease, terminate and be completely discharged, and thereupon it will be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Certificate who will thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under the Trust Agreement or on, or with respect to, said Certificate.

Any moneys so deposited with and held by the Trustee not so applied to the payment of interest or principal with respect to Certificates within two (2) years after the date on which the same shall have become due will be paid by the Trustee to the District, free from the trusts created by the Trust Agreement. In addition, Trustee will be indemnified from and against any and all liabilities to third parties resulting from its actions under the Trust Agreement. Thereafter, Owners will be entitled to look only to the District for payment, and then only to the extent of the amount so repaid by the Trustee. The District will not be liable for any interest on the sums paid to it pursuant to the provisions of the Trust Agreement summarized in this paragraph and will not be regarded as a trustee or trustees of such money.

Acquisition of Certificates by District. All Certificates acquired by the District, whether by purchase, gift or otherwise, will be surrendered by the District to the Trustee for cancellation.

Records. The Trustee will keep complete and accurate records of all moneys received and disbursed by it under the Trust Agreement, which will be available for inspection by the District, the Corporation and any Owner, or the agent of any of them, at any time during regular business hours upon reasonable prior notice.

Waiver of Notice. Whenever in the Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice will not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Separability of Invalid Provisions. In case any one or more of the provisions contained in the Trust Agreement or in the Certificates will for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision of the Trust Agreement, and the Trust Agreement will be construed as if such invalid or illegal or unenforceable provision had never been contained therein. The parties thereto declare that they would have entered into the Trust Agreement and each and every other section, paragraph, sentence, clause or phrase thereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of the Trust Agreement may be held illegal, invalid or unenforceable.

Interested Parties. Nothing in the Trust Agreement expressed or implied is intended or will be construed to confer upon, or to give grant to any person or entity, other than the District, the Corporation, the Trustee, and the Owners of the Certificates, any right, remedy or claim under or by reason of the Trust Agreement or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in the Trust Agreement contained by and on behalf of the District will be for the sole and exclusive benefit of the District, the Corporation, the Trustee, and the registered owners of the Certificates.

THE ASSIGNMENT AGREEMENT

The Assignment Agreement provides for the transfer, assignment and setting over by the Corporation to the Trustee, for the benefit of the Owners of Certificates, all of the Corporation's rights under the Lease (excepting only the Corporation's rights to recover attorneys' fees and expenses in the event the Corporation is a non-defaulting party to the Lease after a default), including, without limitation, (1) the right to receive and collect all of the Lease Payments, Additional Payments and Prepayments from the District under the Lease; (2) the right to receive and collect any proceeds of any insurance maintained pursuant to the Lease, or any condemnation award rendered with respect to the Property or any lease of the Property in the event of a default by the District under the Lease; (3) the right to take all actions and give all consents under the Lease; (4) the right to exercise such rights and remedies conferred on the Corporation under the Lease as may be necessary or convenient (a) to enforce payment of the Lease Payments, Additional Payments, Prepayments and any other amounts required to be deposited in the Lease Payment Fund, the Prepayment Fund, the Net Proceeds Fund or any other fund established under the Trust Agreement, or (b) otherwise to protect the interests of the Corporation in the event of a default by the District under the Lease; and (5) the right of the Corporation to receive rentals in excess of Lease Payments as compensation for re-letting the Property upon events of default under the Lease. The Trustee accepts such assignment for the benefit of the Owners of the Certificates, subject to the provisions of the Trust Agreement.

THE SITE LEASE

Pursuant to the Site Lease, the District, as lessor, leases to the Corporation, as lessee, all of its right, title and interest in the Property. The term of the Site Lease will commence as of the date of the Lease and will remain in effect until the expiration of the term of such Lease. The Property will be simultaneously leased back to the District under the Lease, and title will remain in the District.

APPENDIX B

PROPOSED FORM OF OPINION OF SPECIAL COUNSEL FOR THE CERTIFICATES

February 21, 2024

Board of Trustees
Firebaugh-Las Deltas Unified School District

$12,000,000
FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT
Certificates of Participation
(2024 School Financing Project)
Evidencing the Fractional Interests of the Owners Thereof in Lease Payments to be Made by the
FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the execution and delivery of $12,000,000 principal amount of Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project) and dated the Date of Delivery (the "Certificates"), evidencing the fractional and undivided interests of the registered owners thereof in the right to receive certain Lease Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Lease/Purchase Agreement (the "Lease"), dated as of February 1, 2024, between the Firebaugh-Las Deltas Unified School District (the "District") and the Public Property Financing Corporation of California, a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), all of which right to receive such Lease Payments has been assigned without recourse by the Corporation to U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee"), pursuant to the Trust Agreement, dated as of February 1, 2024, by and among the District, the Corporation and the Trustee (the "Trust Agreement"), which Certificates have been executed by the Trustee pursuant to the terms of the Trust Agreement.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to certify the same by independent investigation.

In our opinion, such proceedings show lawful authority for the execution and delivery by the District of the Trust Agreement and the Lease under the laws of the State of California now in force, and the Lease and the Trust Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Trustee and the Corporation as appropriate, are valid and binding obligations of the District, enforceable against the District in accordance with their respective terms. The Certificates, assuming due execution and delivery by the Trustee, are entitled to the benefits of the Trust Agreement. The obligation of the District to make the Lease Payments under the Lease does not constitute a debt of the District or the State of California, or of any political subdivision thereof, within the meaning of any constitutional debt limit or restriction, does not violate any statutory debt limitation, and does not constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

We are further of the opinion that under existing statutes, regulations, rulings and judicial decisions, the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Certificates might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

We are further of the opinion that the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates is exempt from State of California personal income tax.

We are further of the opinion that the difference between the issue price of a Certificate (the first price at which a substantial amount of the Certificates of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Certificates (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Certificate owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Certificate owner will increase the Certificate owner's basis in the applicable Certificate.

We are further of the opinion that the amount by which a Certificate owner's original basis for determining gain or loss on sale or exchange of the applicable Certificate (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Certificate premium, which may be amortized under the Section 171 of the Code; such amortizable Certificate premium reduces the Certificate owner's basis in the applicable Certificate (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Certificate premium may result in a Certificate owner realizing a taxable gain when a Certificate is sold by the Certificate owner for an amount equal to or less (under certain circumstances) than the original cost of the Certificate to the Certificate owner. Purchasers of the Certificates should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Certificate premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Trust Agreement and the Tax Certificate relating to the Certificates permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Certificate if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Certificates.

The opinions expressed herein as to the exclusion from gross income of the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the execution and delivery of the Certificates to assure that such portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the portion of each Lease Payment constituting interest (and original issue discount) with respect to the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the delivery of the Certificates there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Certificates or the market value of the Certificates. No assurance can be given that subsequent to the delivery of the Certificates such changes or interpretations will not occur.

With respect to the opinions expressed herein, the rights and obligations under the Certificates, the Lease and the Trust Agreement are subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

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APPENDIX C

2022-23 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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Firebaugh-Las Deltas Unified School District
County of Fresno
Firebaugh, California
June 30, 2023

Independent Auditor's Report
and Financial Statements

LPS
Certified Public Accountants

Firebaugh-Las Deltas Unified School District
Table of Contents
June 30, 2023

Independent Auditor's Report

To the Board of Trustees
Firebaugh-Las Deltas Unified School District
Firebaugh, California 93622

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 Firebaugh-Las Deltas Unified School District ("the District") as of and for the year ended June 30, 2023, 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 Firebaugh-Las Deltas Unified School District as of June 30, 2023, and the respective changes in financial position, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 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.

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 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 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 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, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of changes in the District's OPEB liability and related ratios, identified as Required Supplementary Information in the table of contents 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 Firebaugh-Las Deltas Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also 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 combining financial statements and other supplementary information and the schedule of expenditures of federal awards 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 December 11, 2023 on our consideration of Firebaugh-Las Deltas 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 the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Firebaugh-Las Deltas Unified School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 11, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

The discussion and analysis of Firebaugh-Las Deltas Unified School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- General revenues accounted for $32,218,309 in revenue, or 57% of all revenues. Program specific revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions, accounted for $24,441,945 or 43% of total revenues of $56,660,254.

- The School District had $38,972,139 in expenses; only $24,441,945 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily Local Control Funding Formula sources) of $32,218,309 were adequate to provide for these programs.

- Among major funds, the General Fund had $46,908,863 in revenues and $42,077,913 in expendituress.

Using This Generally Accepted Accounting Principles Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Firebaugh-Las Deltas Unified School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities as a whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other nonmajor funds presented in total in a single column. For the District, the General Fund is the only major fund.

Reporting the School District as a Whole

The full annual financial report is a product of three separate parts: The basic financial statements, supplementary information, and this section, Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, District-wide and funds.

- District-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

    - Basic services funding (i.e., regular and special education) is described in the governmental funds statements. These statements include short-term financing and the balance remaining for future spending.

    - Financial relationships, for which the District acts solely as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary fund statements.

Notes to the financials, which are included in the financial statements, provide more detailed data, and explain some of the information in the statements. The required supplementary information section provides further explanations, and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Statement of Net Position and Statement of Activities

While this document contains a large, number of Funds used by the School District to provide a look at programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question: "How did we do financially during 2023?" The Statement of Net Position and Statement of Activities answer this question. These statements include all assets and liabilities, using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

In the Statement of Net Position and Statement of Activities, the School District reports governmental activities. Governmental activities are activities where most of the School District's programs and services are reported, including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities. The School District does not have any business-like activities.

Governmental Funds

Most of the School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances at year-end that are available for spending in future periods. 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and government funds is reconciled in the financial statements.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. The following is the summary of the School District's net position for 2023 and 2022.

	Governmental Activities	
	2023	2022
Assets		
Cash	$ 36,158,036	$ 23,103,761
Cash on hand and in banks	198,047	218,489
Cash revolving	5,300	5,300
Investments with fiscal agent	324	114,061
Receivables	3,646,756	7,966,718
Inventories/stores	91,819	91,819
Prepaid expenditures	225,734	225,734
Capital assets	58,175,864	55,392,971
TOTAL ASSETS	98,501,880	87,118,853
Deferred Outflows of Resources	8,654,986	7,895,137
Liabilities		
Long-term debt outstanding	52,472,255	39,822,271
Accounts payable	8,323,508	9,904,092
Unearned revenue	1,363,208	1,055,750
TOTAL LIABILITIES	62,158,971	50,782,113
Deferred Inflows of Resources	2,537,406	19,468,794
Net Position		
Net investment in capital assets	35,718,911	36,111,158
Restricted	15,531,939	12,031,843
Unrestricted	(8,790,361)	(23,379,918)
TOTAL NET POSITION	$ 42,460,489	$ 24,763,083

The following shows the changes in net position for fiscal years 2023 and 2022.

	2023		2022	
	Governmental Activities	Percent of Total	Governmental Activities	Percent of Total
REVENUES				
Program revenues:				
Charges for services	$ 126,709	0.22%	$ 763,390	1.45%
Operating and capital grants and contributions	22,815,236	40.27%	21,209,082	40.41%
Capital grants and contributions contributions	1,500,000	2.65%	560,164	1.07%
General revenues				
LCFF sources	31,128,063	54.94%	27,919,228	53.20%
Other state revenue	(1,099,300)	-1.94%	(848,384)	-1.62%
Other local revenue	2,189,546	3.86%	2,879,554	5.49%
TOTAL REVENUES	56,660,254	100.00%	52,483,034	100.00%
EXPENSES				
Program expenses:				
Instruction	16,455,216	42.22%	22,430,857	53.17%
Instruction-related services	4,411,195	11.32%	5,017,208	11.89%
Pupil services	5,637,814	14.47%	5,185,597	12.29%
Ancillary services	876,468	2.25%	824,496	1.95%
Community services	50,221	0.13%	38,884	0.09%
General administration	2,657,844	6.82%	2,295,088	5.44%
Plant services	7,850,831	20.14%	5,094,520	12.08%
Interest on long-term debt	880,812	2.26%	836,655	1.98%
Other outgo	151,738	0.39%	462,980	1.10%
TOTAL EXPENSES	38,972,139	100.00%	42,186,285	100.00%
CHANGES IN NET POSITION	$ 17,688,115		$ 10,296,749	

The Statement of Activities shows the cost of program services, and the charges for services and the grants and contributions offsetting those services.

The follwing table shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	Governmental Activities			
	2023		2022	
Program Expenses	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 16,455,216	$ (3,302,545)	$ 22,430,857	$ 13,655,237
Instruction-related services	4,411,195	(2,081,413)	5,017,208	2,793,445
Pupil services	5,637,814	(1,394,954)	5,185,597	1,433,911
Ancillary services	876,468	(315,001)	824,496	202,377
Community services	50,221	(33,737)	38,884	24,145
General Administration	2,657,844	(2,530,253)	2,295,088	710,460
Plant services	7,850,831	(5,356,212)	5,094,520	(465,561)
Interest on long-term debt	880,812	(880,812)	836,655	836,655
Other outgo	151,738	1,364,733	462,980	462,980
Total	$ 38,972,139	$ (14,530,194)	$ 42,186,285	$ 19,653,649

Instructional expenses include activities dealing directly with the teaching and interaction between teacher and pupil.

Instruction-related services include the activities involved with assisting staff with the content and process of teaching to pupils.

Pupil services include food services; pupil transportation, which includes activities involved with transportation to and from school as well as to and from school activities as provided by state law; and other pupil services.

Plant services include operation and maintenance of plant. These activities involve keeping the school grounds, building, and equipment in an effective working condition.

All other general administration includes expenses associated with administrative and financial supervision of the District.

General Fund Budgeting Highlights

The School District's budget is prepared according to California law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted Fund is the General Fund.

During the course of the 2022-23 school year, the School District amended its General Fund budget several times. The School District uses site-based budgeting, and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Capital Assets, Net of Accumulated Depreciation

At the end of the fiscal years 2023 and 2022, the School District had the following capital assets:

	2023	2022	Change
Land	$ 174,250	$ 174,250	$ -
Land improvements	1,949,660	2,159,647	(209,987)
Buildings	43,478,980	24,027,872	19,451,108
Equipment	1,150,027	1,182,563	(32,536)
Work in progress	11,422,947	27,848,639	(16,425,692)
Total	$ 58,175,864	$ 55,392,971	$ 2,782,893

Outstanding Debt, at Year End

At the end of the fiscal years 2023 and 2022, the School District had the following outstanding debt:

	2023	2022	Change
Net pension liability	$ 27,184,000	$ 17,147,033	$ 10,036,967
General obligation bonds	14,901,348	15,131,894	(230,546)
Certificates of participation	3,700,000	-	3,700,000
Postemployment health benefits	2,732,334	2,732,334	-
Qualified school construction bonds	1,880,000	2,255,000	(375,000)
Note payable	1,622,699	1,834,308	(211,609)
Accreted interest on bonds	329,846	623,384	(293,538)
Compensated absences	122,028	98,318	23,710
Total	$ 52,472,255	$ 39,822,271	$ 12,649,984

Current Financial Issues and Concerns

The Firebaugh-Las Deltas Unified School District is financially stable. The School District is proud of its community support of the public schools.

In light of the COVID pandemic, the United States Department of Agriculture declared that all K-12 students are eligible to receive free meals, regardless of the students' household incomes. This change increased the District's cafeteria funding to provide meals to students.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This outbreak has continued to spread, and any related adverse public health developments have affected School Districts and Governments globally, resulting in an economic downturn. It has also disrupted the normal operations of the School District, forcing closures and changes needed to operate. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the School District or the results of operations at this time.

In conclusion, Firebaugh-Las Deltas Unified School District has committed itself to financial excellence for many years. In addition, the School District’s system of financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contact Information

This financial report is designed to provide our citizens, taxpayers, parents, 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 regarding this report or need additional financial information, contact Maria Calderon, Business Manager, Firebaugh-Las Deltas Unified School District, 1976 Morris Kyle Drive, Firebaugh, CA 93622.

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Basic Financial Statements

Firebaugh-Las Deltas Unified School District
Statement of Net Position
June 30, 2023

		Governmental Activities
Assets:		
Cash and cash equivalents	$	36,361,383
Investments		324
Accounts receivable		3,646,756
Stores inventories		91,819
Unamortized issuance costs		225,734
Capital assets not depreciated		11,597,197
Capital assets, net of accumulated depreciation and amortization		46,578,667
Total assets		98,501,880
Deferred Outflows of Resources:		
Deferred outflows of resources - Pensions		7,615,270
Deferred outflows of resources - OPEB		1,039,716
Total deferred outflows of resources		8,654,986
Liabilities:		
Accounts payable		8,323,508
Unearned revenue		1,363,208
Long-term liabilities		
Other than pensions and OPEB due within one year		1,287,628
Other than pensions and OPEB due after one year		21,268,293
Net pension liability		27,184,000
Other postemployment benefits liability (OPEB)		2,732,334
Total liabilities		62,158,971
Deferred Inflows of Resources:		
Deferred inflows of resources - Pensions		2,140,428
Deferred inflows of resources - OPEB		396,978
Total deferred inflows of resources		2,537,406
Net Position:		
Net investment in capital assets		35,718,911
Restricted for:		
Debt service		1,363,074
Capital projects		2,658,795
Other purposes		11,510,070
Unrestricted		(8,790,361)
Total net position	$	42,460,489

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	$16,455,216	$ 20,508	$ 13,132,163	$ -	$ (3,302,545)
Instruction-related services	4,411,195	13	2,329,769	-	(2,081,413)
Pupil services	5,637,814	6,921	4,235,939	-	(1,394,954)
Ancillary services	876,468	-	561,467	-	(315,001)
Community services	50,221	3,820	12,664	-	(33,737)
General administration	2,657,844	-	127,591	-	(2,530,253)
Plant services	7,850,831	5,001	989,618	1,500,000	(5,356,212)
Other outgo	151,738	90,446	1,426,025	-	1,364,733
Interest on long-term obligations	880,812	-	-	-	(880,812)
Total governmental activities	38,972,139	126,709	22,815,236	1,500,000	(14,530,194)
Total primary government	$38,972,139	$ 126,709	$ 22,815,236	$ 1,500,000	(14,530,194)

General Revenues:	
LCFF sources	31,128,063
State revenues	(1,099,300)
Local revenues	2,189,546
Total general revenues	32,218,309
Change in Net Position	17,688,115
Net Position - Beginning	24,763,083
Prior period adjustment	9,291
Net Position - Ending	$ 42,460,489

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund (Combined)	Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash in County Treasury	$23,219,458	$ 4,155,634	$ 3,715,360	$ 5,067,584	$ 36,158,036
Cash on hand and in banks	-	-	-	198,047	198,047
Cash in revolving fund	5,000	-	-	300	5,300
Investments	-	-	-	324	324
Accounts receivable	2,506,785	14,149	27,731	1,098,091	3,646,756
Due from other funds	242,392	980,000	350,057	592	1,573,041
Stores inventories	-	-	-	91,819	91,819
Total assets	25,973,635	5,149,783	4,093,148	6,456,757	41,673,323
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 4,505,323	$ -	$ 3,421,641	$ 147,750	$ 8,074,714
Due to other funds	700,592	830,057	-	42,392	1,573,041
Unearned revenue	1,325,496	-	-	37,712	1,363,208
Total liabilities	6,531,411	830,057	3,421,641	227,854	11,010,963
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	5,000	-	-	300	5,300
Stores inventories	-	-	-	91,819	91,819
Restricted fund balances	9,537,745	-	-	5,994,194	15,531,939
Assigned fund balances	2,341,279	4,319,726	671,507	142,590	7,475,102
Other unassigned	7,558,200	-	-	-	7,558,200
Total fund balance	19,442,224	4,319,726	671,507	6,228,903	30,662,360
Total liabilities and fund balances	$25,973,635	$ 5,149,783	$ 4,093,148	$ 6,456,757	$ 41,673,323

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position
June 30, 2023

Total Fund Balances - Balance Sheet, Governmental Funds	$ 30,662,360
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 in the funds:	
Capital assets	86,765,101
Accumulated depreciation/amortization	(28,589,237)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:	
Unamortized prepaid insurance related to debt	225,734
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(248,794)
General obligation bonds payable	(14,901,348)
Accreted interest	(329,846)
Other post-employment benefits payable (OPEB)	(2,732,334)
Net pension liability	(27,184,000)
Compensated absences payable	(122,028)
Certificates of participation payable	(3,700,000)
Note payable	(3,502,699)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	7,615,270
Deferred inflows of resources related to pensions	(2,140,428)
Deferred outflows of resources related to OPEB	1,039,716
Deferred inflows of resources related to OPEB	(396,978)
Total Fund Balance of Governmental Activities - Statement of Net Position	$ 42,460,489

The accompanying notes are an integral part of this statement.

	General Fund (Combined)	Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 24,264,668	$ -	$ -	$ -	$ 24,264,668
Education protection account funds	1,777,573	-	-	-	1,777,573
Local sources	1,926,023	3,159,799	-	-	5,085,822
Federal revenue	3,611,078	-	-	2,629,019	6,240,097
Other State revenue	12,802,368	-	-	3,851,184	16,653,552
Other local revenue	2,527,153	19,510	76,490	1,964,832	4,587,985
Total revenues	46,908,863	3,179,309	76,490	8,445,035	58,609,697
Expenditures:					
Current:					
Instruction	21,149,066	-	-	1,379,338	22,528,404
Instruction-related services	5,511,758	-	-	446,749	5,958,507
Pupil services	3,543,771	-	-	2,611,881	6,155,652
Ancillary services	455,503	-	-	516,041	971,544
Community services	50,764	-	-	-	50,764
General administration	2,838,765	-	-	-	2,838,765
Plant services	5,627,251	-	416,399	153,394	6,197,044
Other outgo	151,738	-	-	-	151,738
Capital outlay	1,737,439	107,070	3,595,232	154,069	5,593,810
Debt service:					
Principal	786,609	-	-	230,546	1,017,155
Interest and other service charges	225,249	-	-	949,877	1,175,126
Total expenditures	42,077,913	107,070	4,011,631	6,441,895	52,638,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,830,950	3,072,239	(3,935,141)	2,003,140	5,971,188
Other Financing Sources (Uses):					
Transfers in	3,373,065	1,715,029	350,076	592	5,438,762
Transfers out	(700,611)	(830,057)	(735,067)	(3,173,027)	(5,438,762)
Other sources	92,005	-	3,800,000	-	3,892,005
Total other financing sources (uses)	2,764,459	884,972	3,415,009	(3,172,435)	3,892,005
Net Change in Fund Balance	7,595,409	3,957,211	(520,132)	(1,169,295)	9,863,193
Fund Balance, July 1	11,846,815	362,515	1,205,375	7,375,171	20,789,876
Prior period adjustment	-	-	(13,736)	23,027	9,291
Fund Balance, June 30	$ 19,442,224	$ 4,319,726	$ 671,507	$ 6,228,903	$ 30,662,360

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, to the Statement of Activities
Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 9,863,193
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	4,668,319
Depreciation expense	(1,885,426)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	1,017,155
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	294,314
Compensated absences	(23,710)
Other post-employment benefits cost in excess of contributions	(30,034)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Amounts recognized in the funds as proceeds from debt were:	(3,900,000)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	7,684,304
Change in Net Position of Governmental Activities - Statement of Activities	$ 17,688,115

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

Firebaugh-Las Deltas Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual." The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes the following Funds maintained by the District:

- Pupil Transportation Fund (Fund 15)
- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)
- Special Reserve Fund for Postemployment Benefits (Fund 20)

Although funds listed above are separate funds authorized in the Education Code, they don't meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes.

Special Reserve Fund for Capital Projects is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

The District reports the following nonmajor governmental funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Adult Education Fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Child Development Fund is used to account for resources committed to child development programs maintained by the District.

Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

Debt Service Fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

Assets, Liabilities, and Equity

Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Fresno County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Fresno County Treasury was not available.

Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation, air conditioning systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical / plumbing		30
Sprinkler / fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating, and printing equipment	10
Copiers		5
Communications equipment	Mobile, portable radios, noncomputerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audiovisual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors' equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the Government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Amounts due to and due from other funds as of June 30, 2023, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 42,392	$ 700,592
Adult Education Fund	-	2,315
Child Development Fund	-	23,339
Cafeteria Special Revenue Fund	-	16,146
Deferred Maintenance Fund	980,000	830,057
Special Reserve Fund for Postemployment Benefits	200,000	-
Building Fund	592	592
Special Reserve Fund for Capital Outlay Projects	350,057	-
Total	$ 1,573,041	$ 1,573,041

Transfers to and from other funds during the year ended June 30, 2023, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Special Reserve Fund for Postemployment Benefits	$ 200,000	Annual contribution to post employment benefits
General Fund	Building Fund	592	For future capital outlay expenditures
General Fund	Special Reserve Fund for Capital Outlay Projects	500,019	For future capital outlay expenditures
Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	830,057	For future capital outlay expenditures
Building Fund	General Fund	733	Reimbursement for modernization expenditures
County Schools Facilities Fund	General Fund	3,159,799	Reimbursement for expenditures
Special Reserve Fund for Capital Outlay Projects	General Fund	38	For future capital outlay expenditures
Special Reserve Fund for Capital Outlay Projects	Deferred Maintenance Fund	1,715,029	Reimbursement for modernization expenditures
Special Reserve Fund for Capital Outlay Projects	Special Reserve Fund for Capital Outlay Projects	(980,000)	Intrafund transfer
Tax Override Fund	General Fund	12,495	To transfer excess taxes collected
	Total	$ 5,438,762	

Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the District.

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed" in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, if applicable.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2022
Valuation Date (VD) (PERS)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

Excess Sick Leave

The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool ($4,621,966,000 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $36,158,036. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks ($198,047 as of June 30, 2023) and in the revolving fund $5,300 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The District's cash and investments balances at June 30, 2023 are as follows:

		Fair Value
Cash in County Treasury	$	36,158,036
Cash on hand and in banks		198,047
Cash in revolving fund		5,300
Total cash and cash equivalents		36,361,383
Investments		324
Total cash and investments	$	36,361,707

Analysis of Specific Deposit and Investment Risks

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2023 consisted of the following:

	General Fund (Combined)	Deferred Maintenance Fund	Special Reserve Fund for Capital Outlay Projects	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ (5,307,650)	$ -	$ -	$ 338,896	$ (4,968,754)
State categorical aid programs	754,554	-	-	(285,701)	468,853
Interest	(50,538)	-	-	10,579	(39,959)
Other local receivables	7,110,419	14,149	27,731	1,034,317	8,186,616
Total	$ 2,506,785	$ 14,149	$ 27,731	$ 1,098,091	$ 3,646,756

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 174,250	$ -	$ -	$ 174,250
Work in progress	27,848,639	4,421,479	(20,847,171)	11,422,947
Total capital assets not being depreciated	28,022,889	4,421,479	(20,847,171)	11,597,197
Capital assets being depreciated:				
Buildings	43,438,026	20,808,171	-	64,246,197
Improvements of sites	6,826,361	39,000	-	6,865,361
Equipment	3,809,506	246,840	-	4,056,346
Total capital assets being depreciated	54,073,893	21,094,011	-	75,167,904
Less: Accumulated depreciation/amortization for:				
Buildings	(19,410,154)	(1,357,063)	-	(20,767,217)
Improvements of sites	(4,666,714)	(248,987)	-	(4,915,701)
Equipment	(2,626,943)	(279,376)	-	(2,906,319)
Total accumulated depreciation/amortization	(26,703,811)	(1,885,426)	-	(28,589,237)
Total capital assets being depreciated/amortized, net	27,370,082	19,208,585	-	46,578,667
Total governmental activities capital assets, net	$ 55,392,971	$23,630,064	$(20,847,171)	$ 58,175,864

Depreciation/amortization was charged to functions as follows:

Instruction	$	901,984
School site administration		907
Home-to-school transportation		122,852
Food services		22,924
All other pupil services		2,160
Plant services		834,599
Total	$	1,885,426

Note 5 - Accounts Payable

Accounts payable at June 30, 2023 consisted of the following:

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 3,718,782	$ 3,421,641	$ 147,001	$ 7,287,424
Salaries and benefits	786,541	-	749	787,290
Total	$ 4,505,323	$ 3,421,641	$ 147,750	$ 8,074,714

Note 6 - Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	$ 550,868	$ -	$ 550,868
Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	4,833	-	4,833
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	40,526	-	40,526
ESSA: Title V, Part B, Rural & Low Income School Program	111,360	-	111,360
ESSA: Title III, English Learner Student Program	26,400	-	26,400
Child Nutrtion: National School Lunch Program (NSLP) Equipment Assistance Grants	65,599	37,712	103,311
American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	4,474	-	4,474
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	155,974	-	155,974
Career Technical Education Incentive Grant Program	199,017	-	199,017
Supplementary Programs-Specialized Secondary	48,703	-	48,703
In-Person Instruction (IPI) Grant	117,742	-	117,742
Total	$ 1,325,496	$ 37,712	$ 1,363,208

Note 7 - Long-term Obligations other than Pension and OPEB

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 15,131,894	$ -	$ 230,546	$ 14,901,348	$ 251,348
Accreted interest	623,384	45,916	339,454	329,846	329,846
Qualified school construction bonds	2,255,000	-	375,000	1,880,000	375,000
Other postemployment benefits payable	2,732,334	-	-	2,732,334	-
Net pension liability	17,147,033	10,036,967	-	27,184,000	-
Compensated absences	98,318	23,710	-	122,028	-
Certificates of participation	-	3,900,000	200,000	3,700,000	115,000
Note payable	1,834,308	-	211,609	1,622,699	216,434
Total governmental activities	$ 39,822,271	$ 14,006,593	$ 1,356,609	$ 52,472,255	$ 1,287,628

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	Bond Interest and Redemption
Qualified school construction bonds	Governmental	General
Other postemployment benefits payable	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Certificates of participation	Governmental	General
Note payable	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2023, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
Election of 1997, Series 1998	7/23/98	8/1/23	4.50 - 5.30
Election of 2016, Series A	4/6/17	8/1/21	2.00 - 5.25

Bond	Original Issue	Bonds Outstanding 07/01/22	Issued During Year	Redeemed During Year	Bonds Outstanding 06/30/23
Election of 1997, Series 1998	$ 4,995,636	$ 266,894	$ -	$ 135,546	$ 131,348
Election of 2016, Series A	15,000,000	14,865,000	-	95,000	14,770,000
Total	$ 19,995,636	$ 15,131,894	$ -	$ 230,546	$ 14,901,348

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2023 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2024	$ 251,348	$ 961,314	$ 1,212,662
2025	150,000	602,112	752,112
2026	185,000	595,587	780,587
2027	215,000	588,512	803,512
2028	255,000	579,112	834,112
2029-2033	1,885,000	2,727,318	4,612,318
2034-2038	3,150,000	2,302,490	5,452,490
2039-2043	5,090,000	1,333,424	6,423,424
2044-2046	3,720,000	197,626	3,917,626
Total	$ 14,901,348	$ 9,887,495	$ 24,788,843

Year Ending June 30,	Accreted Interest
2024	$ 329,846

Qualified School Construction Bonds

Future commitments for qualified school construction bonds as of June 30, 2023 are as follows:

Qualified School Construction Bond	Issue Date	Maturity Date	Interest Rate %
2011	12/1/11	11/1/27	4.00-6.00

Qualified School Construction Bond	Original Issue	Bonds Outstanding 07/01/22	Issued During Year	Redeemed During Year	Bonds Outstanding 06/30/23
2011	$ 6,000,000	$ 2,255,000	$ -	$ 375,000	$ 1,880,000

	Qualified School Construction Bonds		
Year Ending June 30,	Principal	Interest	Total
2024	$ 375,000	$ 75,316	$ 450,316
2025	375,000	58,629	433,629
2026	375,000	41,941	416,941
2027	375,000	25,254	400,254
2028	380,000	8,455	388,455
Total	$ 1,880,000	$ 209,595	$ 2,089,595

Certificates of Participation

Future commitments for certificates of participation as of June 30, 2023 are as follows:

Certificate of Participation	Issue Date	Maturity Date	Interest Rate %
2022	12/1/22	6/1/43	4.850

Certificate of Participation	Original Issue	Bonds Outstanding 07/01/22	Issued During Year	Redeemed During Year	Bonds Outstanding 06/30/23
2022	$ 3,900,000	$ -	$ 3,900,000	$ 200,000	$ 3,700,000

	General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2024	$ 115,000	$ 179,450	$ 294,450
2025	120,000	173,872	293,872
2026	125,000	168,052	293,052
2027	130,000	161,990	291,990
2028	135,000	155,686	290,686
2029-2033	795,000	672,212	1,467,212
2034-2038	1,005,000	459,780	1,464,780
2039-2043	1,275,000	191,330	1,466,330
Total	$ 3,700,000	$ 2,162,372	$ 5,862,372

Note Payable

On September 25, 2019 the District entered into a $1,096,916 agreement in accordance with the requirements of the Career Technical Education Facilities Program (CTEFP) in accordance with the School Facility Program Regulation Section 1859.194. This contract is to be repaid over a period of ten years, at a 2.280% interest rate.

On September 25, 2019 the District entered into a $1,146,564 agreement in accordance with the requirements of the Career Technical Education Facilities Program (CTEFP) in accordance with the School Facility Program Regulation Section 1859.194. This contract is to be repaid over a period of ten years, at a 2.280% interest rate.

Future commitments for the notes payable as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 216,434	$ 36,997	$ 253,431
2025	221,369	32,063	253,432
2026	226,416	27,016	253,432
2027	231,579	21,853	253,432
2028	236,858	16,573	253,431
2029	242,259	11,173	253,432
2030	247,784	5,649	253,433
Total	$ 1,622,699	$ 151,324	$ 1,774,023

Compensated Absences

Compensated absences at June 30, 2023 consisted of:

	Compensated Absences	Benefits	Total
Certificated	$ 11,253	$ 2,553	$ 13,806
Classified	80,070	28,152	108,222
Total	$ 91,323	$ 30,705	$ 122,028

All amounts are due after one year.

Note 8 - Pension

General Information About the Pension Plans

Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	16.92%	16.92%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates	25.37%	25.37%

*Amounts are limited to 120% of Social Security Wage Base.
**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Contributions

CalSTRS

For the fiscal year ended June 30, 2023 (measurement date June 30, 2022), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.92% of creditable compensation for the fiscal year ended June 30, 2022. Beginning in the fiscal year June 30, 2023 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2022-23, the employer rate reflects a 2.18% reduction from the rate that was originally required in the funding plan.

CalPERS

California Public Employees' Retirement Law section 20814(c) 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. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2023 (measurement date June 30, 2022) the employee contribution rate was 7.00% and the employer contribution rate was 22.910% of covered payroll. For 2022-23, the employer rate reflects a 2.16% reduction from the rate originally adopted by the board on April 20, 2022, due to an amendment of Government Code 20825.2(c).

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2023 (measurement date June 30, 2022) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year.

Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

	CalSTRS	
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount
2021	10.33%	$ 1,235,521
2022	10.83%	1,368,858
2023	10.83%	1,188,080

The State contributed an additional $1.1 Billion to CalSTRS during the 2019-20 fiscal year, $297 Million during the 2020-21 and $840 Million during the 2021-22 fiscal year as a continuing settlement associated with SB90.

Contributions Recognized

For the fiscal year ended June 30, 2023 (measurement period June 30, 2022), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 2,633,254	$ 1,800,097	$ 4,433,351
Contributions - State On Behalf Payments	1,188,080	-	1,188,080
Total Contributions	$ 3,821,334	$ 1,800,097	$ 5,621,431

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023 (measured June 30, 2022), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	$ 14,789,000
CalPERS	12,395,000
Total Net Pension Liability	$ 27,184,000

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 (STRS) and June 30, 2021 (PERS) rolled forward to measurement date June 30, 2022 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2023 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2022	0.021%	0.011%	0.032%	0.037%
Proportion June 30, 2023	0.021%	0.011%	0.032%	0.036%
Change in Proportion	0.000%	0.000%	0.000%	-0.001%

*Represents State's Proportionate Share on Behalf of District employees

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 5,102,947	$ 4,933,910	$ 10,036,857
On Behalf Contribution Amount	1,188,080	-	1,188,080
Employer Contributions to Pension Plan	2,357,536	1,264,838	3,622,374
Change in Other Outflows/Inflows of Resources	(12,414,739)	(5,306,532)	(17,721,271)
Total Pension Expense	$ (3,766,176)	$ 892,216	$ (2,873,960)

Deferred Outflows and Inflows of Resources

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 2,633,254	$ 1,800,097	$ 4,433,351
Differences between actual and expected experience	12,131	56,017	68,148
Changes in assumptions	733,408	916,888	1,650,296
Net difference between projected and actual earnings	-	1,463,475	1,463,475
Total Deferred Outflows of Resources	$ 3,378,793	$ 4,236,477	$ 7,615,270

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$(1,108,839)	$ (308,396)	$(1,417,235)
Changes in assumptions	-	-	-
Net difference between projected and actual earnings	(723,193)	-	(723,193)
Total Deferred Inflows of Resources	$(1,832,032)	$ (308,396)	$(2,140,428)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2023. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on
Year Ended June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	Expenses
2024	$3,284,936	$ 2,412,368	$ (772,994)	$ (108,130)	$ 4,816,180
2025	31,286	536,609	(817,399)	(108,130)	(357,634)
2026	31,286	395,125	(1,103,106)	(92,136)	(768,831)
2027	31,285	892,375	1,065,549	-	1,989,209
2028	-	-	(153,322)	-	(153,322)
Thereafter	-	-	(50,760)	-	(50,760)
Total	$3,378,793	$ 4,236,477	$(1,832,032)	$ (308,396)	$ 5,474,842

Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2023 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.00%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.30% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using the 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently, CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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.

In determining the long-term expected rate of return, CalSTRS and 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 10 years) and long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

*20 year average

CalPERS

Asset Class (1)	Assumed Asset Allocation	Real Return
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-59.00%

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(2) An expected inflation of 2.00% used for this period

(3) An expected inflation of 2.92% used for this period

(4) Figures are based on the previous ALM of 2017

Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 25,116,579	$ 17,904,747
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 14,789,000	$ 12,395,000
1% Increase	8.10%	7.90%
Net Pension Liability	$ 6,213,327	$ 7,840,817

Note 9 - Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the OPEB plan

Plan Description

Firebaugh Las-Deltas offers health and welfare benefit plans including medical, dental and vision benefits to all participants. Active and retired Certificated and Confidential/Management members may choose form California's Valued Trust ("CVT") Blue Cross medical/Rx combinations. Classified employees and retirees are covered by the Self-Insured Schools of California ("SISC"). All groups are offered dental, vision and life insurance benefits through either CVT or SISC, as applicable. The Plan is a single employer defined OPEB plan administered by the District.

Benefit provisions and the authority to pay benefits as they come due are established and may be amended by the District, as approved by the Board of Education. The OPEB Plan is administered by the District. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Eligibility for District-Paid Benefits

The amount and duration of District-paid contributions for retiree health insurance varies by employment classification, age and date of hire as follows:

Classified and Classified Management employees are eligible to extend coverage under the District healthcare plans into retirement on a self-paid basis if they have attained age 55 and completed at least 10 years of service. No District-paid retiree health benefits are offered to these groups.

Certificated and Certificated Management employees may retire with District-paid health benefits after the later of age 55 (minimum retirement age under CalSTRS) and completion of at least 25 years of full-time District service. Eligible retirees may receive a District contribution for medical and prescription drug coverage up to a maximum of the District cap in effect at retirement (currently $1,038.66/month). Benefits continue for 5 years or until age 65 if earlier.

Employees Covered by Benefit Terms

At June 30, 2023, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	131
Total number of participants	141

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	3.00%
Salary increases	3.00% per year
Investment return / discount rate	3.69%
Healthcare cost trend rates	4.00% per year
Retirees' share of costs	5.50% of projected health insurance premiums

The discount rate was based on an index of 20-year, tax-exempt general obligation municipal bonds.

Mortality rates were based on the postretirement and preretirement rates from the 2000-2019 CalPERS experience study. The CalSTRS mortality rates used were from the experience analysis 2015-2018.

Changes in OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	$ 2,732,334
Changes for the year:	
None	-
Net changes	-
Balance at June 30, 2023	$ 2,732,334

There were no changes in benefit terms for the fiscal year ended June 30, 2023. There were no changes to any other inputs or assumptions.

As the report date can be within 12 months of the measurement date, the District is reporting the amounts from the 6/30/2022 measurement date as the amounts as of 6/30/2023. Therefore, in the actuary report, the amounts are shown as 7/01/2021 through 6/30/2022, however, the District will present these numbers as 6/30/2022 through 6/30/2023.

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 percentage-point lower or one percentage-point higher than the current discount rate:

	1 % Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	$ 2,980,180	$ 2,732,334	$ 2,507,821

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

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 percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	$ 2,455,330	$ 2,732,334	$ 3,059,984

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of 30,034.

At June 30, 2023 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Assumption changes	$ 396,978	$ 297,310
Difference between expected and actual experience	-	661,126
Contributions made subsequent to mesasaurement date	-	81,280
Total	$ 396,978	$ 1,039,716

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year Ending June 30,	Deferred Inflows of Resources	Deferred Outflows of Resources
2024	$ 40,508	$ 184,351
2025	40,508	103,071
2026	40,508	103,071
2027	40,508	103,071
2028	40,508	103,071
Thereafter	194,438	443,081
Total	$ 396,978	$ 1,039,716

Note 10 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

Construction Commitments

The District has construction contracts-in-progress as follows:

Project	Project Authorization	Expended to June 30, 2023	Remaining Commitment
All weather track and field rennovations	$ 2,538,375	$ 472,050	$ 2,066,325
Firebaugh High School shade structure	72,340	68,723	3,617
Firebaugh High School Tennis Courts	600,262	115,809	484,453
Firebaugh Middle School shade structure	121,630	24,305	97,325
Firebaugh Las-Deltas Unified School District CalShape	984,018	600,873	383,145
Total	$ 4,316,625	$ 1,281,760	$ 3,034,865

Note 11 - Restricted Fund Balances

Restricted fund balances at June 30, 2023 are as follows:

Expanded Learning Opportunities Program	$	1,763,079
ESSA: Title III, Immigrant Student Program		9
After School Education and Safety (ASES)		2
Educator Effectiveness, FY 2021-22		471,613
Lottery: Instructional Materials		183,132
CA Community Schools Partnership Act - Implementation Grant		504,072
CalWORKs for ROCP or Adult Education		2,867
Special Ed: Mental Health Services		104,612
Special Education Early Intervention Preschool Grant		292,365
Arts, Music, and Instructional Materials Discretionary Block Grant		1,040,043
Child Nutrition: Kitchen Infrastructure Upgrade Funds		41,089
Child Nutrition: Kitchen Infrastructure and Training Funds - 2022 KIT Funds		293,851
Learning Communities for School Success Program		58,493
A-G Access/Success Grant		59,235
A-G Learning Loss Mitigation Grant		75,000
Expanded Learning Opportunities (ELO) Grant		172,590
Learning Recovery Emergency Block Grant		3,611,567
Other Restricted State		67,564
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)		112,952
Other Restricted Local		683,610
Student Body Fund		198,047
Child Development Fund		563,336
Cafeteria Special Revenue Fund		1,210,618
Building Fund		29
Capital Facilities Fund		1,618,226
County Schools Facilities Fund		1,040,540
Bond Interest and Redemption Fund		1,363,074
Debt Service Fund		324
Total	$	15,531,939

Note 12 - Joint Power Agreements

The District participates in seven joint ventures under joint powers agreements (JPAs) as follows:

- California's Valued Trust (CVT)
  (health, dental, vision and life insurance)

- Fresno County Self-Insurance Group (FCSIG)
  (workers' compensation insurance)

- Keenan Associates, Central Valley Schools
  (general liability insurance)

- Northern California Regional Liability Excess Fund (Nor Cal Relief)
  (excess liability and excess workers' compensation insurance)

- Organization of Self-Insured Schools (OSS)
  (property and liability insurance)

- Schools Excess Liability Fund (SELF)
  (excess liability and excess workers' compensation insurance)

- Self-Insured Schools of California III (SISC III)
  (health insurance)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member organizations.

Each JPA is governed by a board consisting of a representative from each member organization. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each member organization pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2023 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

CVT	California's Valued Trust 520 E. Herndon Ave. Fresno, CA 93720-2907
FCSIG, OSS	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
General Liability, Nor Cal Relief	Keenan & Associates 2355 Crenshaw Boulevard, Suite 200 Torrance, CA 90501
SELF	Schools Excess Liability Fund 1531 I Street, Suite 300 Sacramento, CA 95814
SISC III	Self-Insured Schools of California Kern County Superintendent of Schools P. O. Box 1847 Bakersfield, CA 93303-1847

Note 13 - Prior Period Adjustments

Adjustments to previously reported amounts relate to the Debt Services for Blended Component Units Fund balance and and Government-Wide Statement of Net Position.

	June 30 2023
Fund balance of the Student Body Fund, as previously reported as a part of the District's governmental funds	$ 218,489
Prior period adjustment related to fiscal year 2023 activity	(53,684)
Fund balance of the Student Body Fund, as restated as a part of the District's governmental funds	$ 164,805

	June 30 2023
Fund balance of the Cafeteria Fund, as previously reported as a part of the District's governmental funds	$ 937,692
Prior period adjustment related to June 2023 accounts receivable for meal reimbursements, which were not recorded	76,711
Fund balance of the Cafeteria Fund, as restated as a part of the District's governmental funds	$ 1,014,403

	June 30 2023
Fund balance of the Special Reserve Fund for Capital Outlay Projects, as previously reported as a part of the District's governmental funds	$ 1,205,375
Prior period adjustment related to payment of capital projects	(13,736)
Fund balance of the Special Reserve Fund for Capital Outlay Projects, as restated as a part of the District's governmental funds	$ 1,191,639

Note 14 - Subsequent Events

Subsequent events have been evaluated through December 11, 2023, the date these financial statements were available to be issued.

Required Supplementary Information

Firebaugh-Las Deltas Unified School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
LCFF sources:				
State apportionment or State aid	$ 19,066,517	$ 24,264,668	$ 24,264,668	$ -
Education protection account funds	5,556,444	1,777,573	1,777,573	-
Local sources	4,748,114	1,926,023	1,926,023	-
Federal revenue	11,386,736	3,611,078	3,611,078	-
Other State revenue	3,226,174	12,802,368	12,802,368	-
Other local revenue	1,544,267	2,527,153	2,527,153	-
Total revenues	45,528,252	46,908,863	46,908,863	-
Expenditures:				
Current:				
Certificated salaries	14,631,507	14,697,607	14,697,607	-
Classified salaries	5,195,873	6,797,095	6,797,095	-
Employee benefits	9,818,431	9,383,620	9,383,620	-
Books and supplies	2,417,214	2,759,691	2,759,691	-
Services and other	4,440,210	5,538,865	5,538,865	-
Other outgo	304,553	151,738	151,738	-
Capital outlay	8,187,425	1,737,439	1,737,439	-
Debt service:				
Principal	504,000	786,609	786,609	-
Interest and other service charges	139,768	225,249	225,249	-
Total expenditures	45,638,981	42,077,913	42,077,913	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,729)	4,830,950	4,830,950	-
Other Financing Sources (Uses):				
Transfers in	362,000	3,373,065	3,373,065	-
Transfers out	(662,000)	(700,611)	(700,611)	-
Other sources	92,005	92,005	92,005	-
Total other financing sources (uses)	(207,995)	2,764,459	2,764,459	-
Net Change in Fund Balance	(318,724)	7,595,409	7,595,409	-
Fund Balance, July 1	11,846,815	11,846,815	11,846,815	-
Fund Balance, June 30	$ 11,528,091	$ 19,442,224	$ 19,442,224	$ -

Firebaugh-Las Deltas Unified School District
Deferred Maintenance Fund
Budgetary Comparison Schedule
June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
LCFF sources:			
Local sources	$ 3,159,799	$ 3,159,799	$ -
Other local revenue	19,510	19,510	-
Total revenues	3,179,309	3,179,309	-
Expenditures:			
Current:			
Capital outlay	107,070	107,070	-
Total expenditures	107,070	107,070	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,072,239	3,072,239	-
Other Financing Sources (Uses):			
Transfers in	1,715,029	1,715,029	-
Transfers out	(830,057)	(830,057)	-
Total other financing sources (uses)	884,972	884,972	-
Net Change in Fund Balance	3,957,211	3,957,211	-
Fund Balance, July 1	362,515	362,515	-
Fund Balance, June 30	$ 4,319,726	$ 4,319,726	$ -

Firebaugh-Las Deltas Unified School District
Special Reserve Fund for Capital Outlay Projects
Budgetary Comparison Schedule
June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other local revenue	$ 76,490	$ 76,490	$ -
Total revenues	76,490	76,490	-
Expenditures:			
Current:			
Books and supplies	1,131	1,131	-
Services and other	415,268	415,268	-
Capital outlay	3,595,232	3,595,232	-
Total expenditures	4,011,631	4,011,631	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,935,141)	(3,935,141)	-
Other Financing Sources (Uses):			
Transfers in	350,076	350,076	-
Transfers out	(735,067)	(735,067)	-
Other sources	3,800,000	3,800,000	-
Total other financing sources (uses)	3,415,009	3,415,009	-
Net Change in Fund Balance	(520,132)	(520,132)	-
Fund Balance, July 1	1,205,375	1,205,375	-
Prior period adjustment	(13,736)	(13,736)	-
Fund Balance, June 30	$ 671,507	$ 671,507	$ -

Firebaugh-Las Deltas Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System
Last Ten Fiscal Years*

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.021%	0.021%	0.022%	0.022%	0.022%	0.021%	0.021%	0.021%	0.016%
District's proportionate share of the net pension liabiliy (asset)	14,789,000	11,061,630	21,733,781	20,126,373	20,407,027	19,354,261	16,603,370	5,565,055	4,532,389
State's proportionate share of the net pension liability (asset) associated with the District	7,406,275	5,565,899	11,203,676	11,433,683	11,726,415	11,494,372	9,497,880	5,754,945	5,106,611
Total	$22,195,275	$16,627,529	$32,937,457	$31,560,056	$32,133,442	$30,848,633	$26,101,250	$11,320,000	$9,639,000
District's covered-employee payroll	16,832,249	15,424,173	13,926,836	12,836,948	12,317,039	11,914,809	11,792,433	10,675,862	9,475,151
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.86%	71.72%	156.06%	156.78%	165.68%	162.44%	140.80%	52.13%	47.83%
Plan fiduciary net position as a percentage of the total pension liability	81.20%	86.46%	71.72%	72.56%	70.99%	69.46%	69.98%	74.02%	74.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Firebaugh-Las Deltas Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California Public Employees' Retirement System
Last Ten Fiscal Years*

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.036%	0.032%	0.033%	0.033%	0.033%	0.032%	0.031%	0.030%	0.025%
District's proportionate share of the net pension liabiliy (asset)	$12,395,000	$6,406,973	$10,059,753	$9,559,606	$8,775,378	$7,686,512	$6,150,000	$3,816,000	$2,802,000
District's covered-employee payroll	$ 7,318,277	$6,625,205	$ 5,731,964	$5,421,241	$5,321,410	$4,478,997	$4,828,840	$4,407,499	$4,012,916
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	169.37%	96.71%	175.50%	176.34%	164.91%	171.61%	127.36%	86.58%	69.82%
Plan fiduciary net position as a percentage of the total pension liability	80.97%	81.18%	70.01%	70.05%	70.85%	71.87%	73.90%	79.40%	83.38%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Firebaugh-Las Deltas Unified School District
Schedule of District Contributions
California State Teachers' Retirement System
Last Ten Fiscal Years*

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	2,357,536	2,436,840	2,175,357	2,135,565	2,034,236	1,719,307	1,433,845	1,111,371	813,777
Contributions in relation to the contractually required contribution	(2,357,536)	(2,436,840)	(2,175,357)	(2,135,565)	(2,034,236)	(1,719,307)	(1,433,845)	(1,111,371)	(813,777)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	16,832,249	15,424,173	13,926,836	12,836,948	12,317,039	11,914,809	11,792,433	10,675,862	9,475,151
Contributions as a percentage of covered-employee payroll	14.01%	15.80%	15.62%	16.64%	16.52%	14.43%	12.16%	10.41%	8.59%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Firebaugh-Las Deltas Unified School District
Schedule of District Contributions
California Public Employee' Retirement System
Last Ten Fiscal Years*

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	1,264,838	1,118,844	936,619	930,479	766,564	695,633	573,674	443,106	389,247
Contributions in relation to the contractually required contribution	(1,264,838)	(1,118,844)	(936,619)	(930,479)	(766,564)	(695,633)	(573,674)	(443,106)	(389,247)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	7,318,277	6,625,205	5,731,964	5,421,241	5,321,410	4,478,997	4,828,840	4,407,499	4,012,916
Contributions as a percentage of covered-employee payroll	17.28%	16.89%	16.34%	17.16%	14.41%	15.53%	11.88%	10.05%	9.70%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Firebaugh-Las Deltas Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Single Employer Plan
Last Ten Fiscal Years*

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	$ -	$ 138,598	$ 123,533	$ 104,676	$ 84,233	$ 81,780
Interest	-	61,283	57,156	67,677	71,465	69,763
Changes of assumptions or other inputs	-	702,747	-	31,824	-	-
Other adjustments	-	(437,486)	105,751	175,877	122,040	-
Benefit payments	-	(131,121)	(193,784)	(98,599)	(79,556)	(69,596)
Net change in total OPEB liability	-	334,021	92,656	281,455	198,182	81,947
Total OPEB liability - beginning	2,732,334	2,398,313	2,305,657	2,024,202	1,826,020	1,744,073
Total OPEB liability - ending	$ 2,732,334	$ 2,732,334	$ 2,398,313	$ 2,305,657	$ 2,024,202	$ 1,826,020
Covered-employee payroll	23,609,823	20,712,146	17,265,139	18,179,279	18,116,977	18,016,808
Total OPEB liability as a percentage of covered-employee payroll	11.57%	13.19%	13.89%	12.68%	11.17%	10.14%

Notes to schedule: There were no changes of benefit terms or assumptions in 2023. The following are the discount rates used in each period.

2023	3.69%
2022	3.69%
2021	1.92%
2020	2.45%
2019	3.13%
2018	4.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

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Supplementary Information

The District was established on July 1, 1976, and is comprised of an area of approximately 98 square miles, located in Fresno and Madera Counties, California. There were no changes in the boundaries of the District during the year ended June 30, 2023. The District is currently operating one elementary school, one intermediate school, one high school, one continuation high school, one middle school, and one community day school.

Governing Board

Name	Office	Term Expiration
Eliseo V. Garmino	President	2026
Fernando Campa	Clerk	2026
Deanne Crockett	Member	2024
Ronald Parker	Member	2024
Abel Serrano	Member	2024

Administration

Roy Mendiola
Superintendent

Sarah Marshall
Assistant Superintendent

Maria M. Calderon
Business Manager

Firebaugh-Las Deltas Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2023

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	635.73	640.49
Extended Year Special Education	1.17	1.17
TK/K-3 Total	636.90	641.66
Grades 4-6:		
Regular ADA	456.33	459.59
Extended Year Special Education	1.26	1.26
Grades 4-6 Total	457.59	460.85
Grades 7 and 8:		
Regular ADA	316.72	317.34
Extended Year Special Education	0.87	0.87
Community Day School	1.53	1.70
Grades 7 and 8 Total	319.12	319.91
Grades 9-12:		
Regular ADA	614.34	613.75
Extended Year Special Education	2.53	2.53
Community Day School	4.00	3.76
Grades 9-12 Total	620.87	620.04
ADA Grand Total	2,034.48	2,042.46

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionment of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Firebaugh-Las Deltas Unified School District
Schedule of Instructional Time
Year Ended June 30, 2023

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2022-23 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Traditional Kindergarten	36,000	N/A	58,690	180	N/A	Complied
Kindergarten	36,000	N/A	58,690	180	N/A	Complied
Grade 1	50,400	N/A	64,745	180	N/A	Complied
Grade 2	50,400	N/A	64,745	180	N/A	Complied
Grade 3	50,400	N/A	64,745	180	N/A	Complied
Grade 4	54,000	N/A	61,245	180	N/A	Complied
Grade 5	54,000	N/A	61,245	180	N/A	Complied
Grade 6	54,000	N/A	61,245	180	N/A	Complied
Grade 7	54,000	N/A	65,450	180	N/A	Complied
Grade 8	54,000	N/A	65,450	180	N/A	Complied
Grade 9	64,800	N/A	69,431	180	N/A	Complied
Grade 10	64,800	N/A	69,431	180	N/A	Complied
Grade 11	64,800	N/A	69,431	180	N/A	Complied
Grade 12	64,800	N/A	69,431	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Firebaugh-Las Deltas Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2023

General Fund (Combined)	Budget 2024 (see note a)	2023	2022	2021
Revenue and other financial sources	$50,260,680	$50,373,933	$46,068,765	$37,493,621
Expenditures	46,629,926	42,077,913	43,710,520	33,209,950
Other uses and transfers out	-	700,611	762,000	502,391
Total outgo	46,629,926	42,778,524	44,472,520	33,712,341
Change in fund balance (deficit)	3,630,754	7,595,409	1,596,245	3,781,280
Ending fund balance	$23,435,493	$19,804,739	$12,209,330	$10,613,085
Available reserves (see note b)	$ 7,065,684	$ 7,558,200	$ 4,369,103	$ 5,646,164
Available reserves as a percentage of total outgo	15.2%	17.7%	9.8%	16.7%
Total long-term debt	$51,184,627	$52,472,255	$39,822,271	$56,544,254
Average daily attendance at P-2	2,078	2,034	1,961	2,140

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.

The fund balance of the General Fund (combined) has increased by $9,191,654 (86.6%) over the past two years. The fiscal year 2023-2024 budget projects an increase of $3,630,754 (18.3%). For an organization of this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out and other uses (total outgo).

The District hasn't incurred an operating deficit in any of the past three years, and projects an increase during the 2023-2024 fiscal year. Total long-term debt has decreased by $4,071,999 over the past two years.

Average daily attendance has decreased by 106 over the past two years. The District anticipates average daily attendance to increase by 44 during fiscal year 2023-2024.

Notes:

a. The budget for 2024 is included for analytical purposes only and has not been subjected to audit.
b. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

	Student Body Fund
June 30, 2023, annual financial and budget report fund balances	$ 254,376
Adjustments and reclassifications:	
To record prior year adjustment	(56,329)
Net adjustments and reclassifications	(56,329)
June 30, 2023, audited financial statement fund balances	$ 198,047

Charter Schools

The following charter schools are chartered by the Firebaugh-Las Deltas Unified School District.

Charter Schools	Included in Audit
None	Not applicable

Firebaugh-Las Deltas Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	$ 1,738,473
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	66,534
Total Child Nutrition Cluster			1,805,007
Child Nutrition: CACFP Claims - Centers and Family Day Care	10.558	13393	350,591
Child Nutrition: NSLP Equipment Assistance Grants	10.579	14906	27,888
Total U.S. Department of Agriculture			2,183,486
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	106,928
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	499,690
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	16,176
Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	12,770
Total Special Education Cluster			635,564
Adult Education: Adult Secondary Education (Section 231)	84.002	13978	21,615
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,032,363
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	187,487
ESSA (ESEA): Title I, Migrant Ed Summer Program	84.011	10005	51,519
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	7,097
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	84.048	14894	24,120
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	400,876
ESEA (ESSA): Title V, Part B, Rural & Low Income School Program (aka REAP)	84.358	14356	131,029
ESEA (ESSA) : Title III, Immigrant Student Program	84.365	15146	23,078
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	168,486
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	209,482
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	72,688
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	4,249

COVID-19: Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	209,367
COVID-19: Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	37,923
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425D	15620	44,757
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425D	15621	120,366
COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	187
Adult Education: Adult Basic Education, English Language Acquisition, and ELCE (Section 231)	84.002A	14508	32,811
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	250,440
Total U.S. Department of Education			3,665,504
U.S. Department of Health and Human Services - passed through California Department of Education			
CCDF Cluster			
Child Dev: Federal General Child Care and Dev (CCTR); Rs 5026, Family Child Care Home (CFCC)	93.596	13609	391,107
Total CCDF Cluster			391,107
Total U.S. Department of Health and Human Services			391,107
Total Federal Programs			$ 6,240,097

The accompanying notes are an integral part of this statement.

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Firebaugh-Las Deltas Unified School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Firebaugh-Las Deltas Unified School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, Code of Federal Regulations, Part 200.502(b) during the year ended June 30, 2023.

Subrecipients

The District did not provide any awards to subrecipients.

Firebaugh-Las Deltas Unified School District
Combining Balance Sheet - All General Funds
June 30, 2023

	General Fund	Pupil Transportation Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Assets:					
Cash in County Treasury	$21,092,203	$ 9,893	$ 82,640	$ 2,034,722	$23,219,458
Cash in revolving fund	5,000	-	-	-	5,000
Accounts receivable	2,492,761	65	545	13,414	2,506,785
Due from other funds	42,392	-	-	200,000	242,392
Total assets	23,632,356	9,958	83,185	2,248,136	25,973,635
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 4,505,323	$ -	$ -	$ -	$ 4,505,323
Due to other funds	700,592	-	-	-	700,592
Unearned revenue	1,325,496	-	-	-	1,325,496
Total liabilities	6,531,411	-	-	-	6,531,411
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	5,000	-	-	-	5,000
Restricted fund balances	9,537,745	-	-	-	9,537,745
Assigned fund balances	-	9,958	83,185	2,248,136	2,341,279
Other unassigned	7,558,200	-	-	-	7,558,200
Total fund balance	17,100,945	9,958	83,185	2,248,136	19,442,224
Total liabilities and fund balances	$23,632,356	$ 9,958	$ 83,185	$ 2,248,136	$25,973,635

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Funds
Year Ended June 30, 2023

	General Fund	Pupil Transportation Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 24,264,668	$ -	$ -	$ -	$ 24,264,668
Education protection account funds	1,777,573	-	-	-	1,777,573
Local sources	1,926,023	-	-	-	1,926,023
Federal revenue	3,611,078	-	-	-	3,611,078
Other State revenue	12,802,368	-	-	-	12,802,368
Other local revenue	2,475,437	242	2,020	49,454	2,527,153
Total revenues	46,857,147	242	2,020	49,454	46,908,863
Expenditures:					
Current:					
Instruction	21,149,066	-	-	-	21,149,066
Instruction-related services	5,511,758	-	-	-	5,511,758
Pupil services	3,543,771	-	-	-	3,543,771
Ancillary services	455,503	-	-	-	455,503
Community services	50,764	-	-	-	50,764
General administration	2,838,765	-	-	-	2,838,765
Plant services	5,627,251	-	-	-	5,627,251
Other outgo	151,738	-	-	-	151,738
Capital outlay	1,737,439	-	-	-	1,737,439
Debt service:					
Principal	786,609	-	-	-	786,609
Interest and other service charges	225,249	-	-	-	225,249
Total expenditures	42,077,913	-	-	-	42,077,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,779,234	242	2,020	49,454	4,830,950
Other Financing Sources (Uses):					
Transfers in	3,173,065	-	-	200,000	3,373,065
Transfers out	(700,611)	-	-	-	(700,611)
Other sources	92,005	-	-	-	92,005
Total other financing sources (uses)	2,564,459	-	-	200,000	2,764,459
Net Change in Fund Balance	7,343,693	242	2,020	249,454	7,595,409
Fund Balance, July 1	9,757,252	9,716	81,165	1,998,682	11,846,815
Fund Balance, June 30	$ 17,100,945	$ 9,958	$ 83,185	$ 2,248,136	$ 19,442,224

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	$ 1,055,750	$ 2,656,152	$ 1,355,682	$ 5,067,584
Cash on hand and in banks	198,047	-	-	198,047
Cash in revolving fund	300	-	-	300
Investments	-	-	324	324
Accounts receivable	1,062,682	28,017	7,392	1,098,091
Due from other funds	-	592	-	592
Stores inventories	91,819	-	-	91,819
Total assets	2,408,598	2,684,761	1,363,398	6,456,757
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ 122,376	$ 25,374	$ -	$ 147,750
Due to other funds	41,800	592	-	42,392
Unearned revenue	37,712	-	-	37,712
Total liabilities	201,888	25,966	-	227,854
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	300	-	-	300
Stores inventories	91,819	-	-	91,819
Restricted fund balances	1,972,001	2,658,795	1,363,398	5,994,194
Assigned fund balances	142,590	-	-	142,590
Total fund balance	2,206,710	2,658,795	1,363,398	6,228,903
Total liabilities and fund balances	$ 2,408,598	$ 2,684,761	$ 1,363,398	$ 6,456,757

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	$ 2,629,019	$ -	$ -	$ 2,629,019
Other State revenue	1,996,366	1,848,000	6,818	3,851,184
Other local revenue	657,252	127,929	1,179,651	1,964,832
Total revenues	5,282,637	1,975,929	1,186,469	8,445,035
Expenditures:				
Current:				
Instruction	1,379,338	-	-	1,379,338
Instruction-related services	446,749	-	-	446,749
Pupil services	2,611,881	-	-	2,611,881
Ancillary services	516,041	-	-	516,041
Plant services	152,906	488	-	153,394
Capital outlay	-	154,069	-	154,069
Debt service:				
Principal	-	-	230,546	230,546
Interest and other service charges	-	-	949,877	949,877
Total expenditures	5,106,915	154,557	1,180,423	6,441,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	175,722	1,821,372	6,046	2,003,140
Other Financing Sources (Uses):				
Transfers in	-	592	-	592
Transfers out	-	(3,160,532)	(12,495)	(3,173,027)
Total other financing sources (uses)	-	(3,159,940)	(12,495)	(3,172,435)
Net Change in Fund Balance	175,722	(1,338,568)	(6,449)	(1,169,295)
Fund Balance, July 1	2,007,961	3,997,363	1,369,847	7,375,171
Prior period adjustment	23,027	-	-	23,027
Fund Balance, June 30	$ 2,206,710	$ 2,658,795	$ 1,363,398	$ 6,228,903

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2023

	Student Body Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:					
Cash in County Treasury	$ -	$ 114,736	$ 503,767	$ 437,247	$ 1,055,750
Cash on hand and in banks	198,047	-	-	-	198,047
Cash in revolving fund	-	-	-	300	300
Accounts receivable	-	31,711	94,393	936,578	1,062,682
Stores inventories	-	-	-	91,819	91,819
Total assets	198,047	146,447	598,160	1,465,944	2,408,598
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ -	$ 1,542	$ 11,485	$ 109,349	$ 122,376
Due to other funds	-	2,315	23,339	16,146	41,800
Unearned revenue	-	-	-	37,712	37,712
Total liabilities	-	3,857	34,824	163,207	201,888
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	-	-	-	300	300
Stores inventories	-	-	-	91,819	91,819
Restricted fund balances	198,047	-	563,336	1,210,618	1,972,001
Assigned fund balances	-	142,590	-	-	142,590
Total fund balance	198,047	142,590	563,336	1,302,737	2,206,710
Total liabilities and fund balances	$ 198,047	$ 146,447	$ 598,160	$ 1,465,944	$ 2,408,598

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2023

	Student Body Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Federal revenue	$ -	$ 54,426	$ 391,107	$ 2,183,486	$ 2,629,019
Other State revenue	-	3,275	1,286,366	706,725	1,996,366
Other local revenue	549,283	129,260	(53,809)	32,518	657,252
Total revenues	549,283	186,961	1,623,664	2,922,729	5,282,637
Expenditures:					
Current:					
Instruction	-	57,492	1,321,846	-	1,379,338
Instruction-related services	-	115,937	330,812	-	446,749
Pupil services	-	-	60,230	2,551,651	2,611,881
Ancillary services	516,041	-	-	-	516,041
Plant services	-	-	70,162	82,744	152,906
Total expenditures	516,041	173,429	1,783,050	2,634,395	5,106,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,242	13,532	(159,386)	288,334	175,722
Net Change in Fund Balance	33,242	13,532	(159,386)	288,334	175,722
Fund Balance, July 1	218,489	129,058	722,722	937,692	2,007,961
Prior period adjustment	(53,684)	-	-	76,711	23,027
Fund Balance, June 30	$ 198,047	$ 142,590	$ 563,336	$ 1,302,737	$ 2,206,710

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2023

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Total Nonmajor Capital Projects Funds
Assets:				
Cash in County Treasury	$ 29	$ 1,607,645	$ 1,048,478	$ 2,656,152
Accounts receivable	-	10,581	17,436	28,017
Due from other funds	592	-	-	592
Total assets	621	1,618,226	1,065,914	2,684,761
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ -	$ 25,374	$ 25,374
Due to other funds	592	-	-	592
Total liabilities	592	-	25,374	25,966
Fund Balance:				
Restricted fund balances	29	1,618,226	1,040,540	2,658,795
Total fund balance	29	1,618,226	1,040,540	2,658,795
Total liabilities and fund balances	$ 621	$ 1,618,226	$ 1,065,914	$ 2,684,761

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2023

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Other State revenue	$ -	$ -	$ 1,848,000	$ 1,848,000
Other local revenue	(554)	55,974	72,509	127,929
Total revenues	(554)	55,974	1,920,509	1,975,929
Expenditures:				
Current:				
Plant services	-	-	488	488
Capital outlay	-	14,459	139,610	154,069
Total expenditures	-	14,459	140,098	154,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(554)	41,515	1,780,411	1,821,372
Other Financing Sources (Uses):				
Transfers in	592	-	-	592
Transfers out	(733)	-	(3,159,799)	(3,160,532)
Total other financing sources (uses)	(141)	-	(3,159,799)	(3,159,940)
Net Change in Fund Balance	(695)	41,515	(1,379,388)	(1,338,568)
Fund Balance, July 1	724	1,576,711	2,419,928	3,997,363
Fund Balance, June 30	$ 29	$ 1,618,226	$ 1,040,540	$ 2,658,795

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Balance Sheet - Nonmajor Debt Service Funds
June 30, 2023

	Bond Interest and Redemption Fund	Tax Override Fund	Debt Service Fund	Total Nonmajor Debt Service Funds
Assets:				
Cash in County Treasury	$ 1,355,682	$ -	$ -	$ 1,355,682
Investments	-	-	324	324
Accounts receivable	7,392	-	-	7,392
Total assets	1,363,074	-	324	1,363,398
Liabilities and Fund Balance:				
Liabilities:				
Total liabilities	-	-	-	-
Fund Balance:				
Restricted fund balances	1,363,074	-	324	1,363,398
Total fund balance	1,363,074	-	324	1,363,398
Total liabilities and fund balances	$ 1,363,074	$ -	$ 324	$ 1,363,398

The accompanying notes are an integral part of this statement.

Firebaugh-Las Deltas Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended June 30, 2023

	Bond Interest and Redemption Fund	Tax Override Fund	Debt Service Fund	Total Nonmajor Debt Service Funds
Revenues:				
Other State revenue	$ 6,818	$ -	$ -	$ 6,818
Other local revenue	1,179,651	-	-	1,179,651
Total revenues	1,186,469	-	-	1,186,469
Expenditures:				
Current:				
Debt service:				
Principal	230,546	-	-	230,546
Interest and other service charges	949,877	-	-	949,877
Total expenditures	1,180,423	-	-	1,180,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,046	-	-	6,046
Other Financing Sources (Uses):				
Transfers out	-	(12,495)	-	(12,495)
Total other financing sources (uses)	-	(12,495)	-	(12,495)
Net Change in Fund Balance	6,046	(12,495)	-	(6,449)
Fund Balance, July 1	1,357,028	12,495	324	1,369,847
Fund Balance, June 30	$ 1,363,074	$ -	$ 324	$ 1,363,398

The accompanying notes are an integral part of this statement.

Other Auditor's Reports

LPS
Certified Public Accountants

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 Board of Trustees
Firebaugh-Las Deltas Unified School District
Firebaugh, California 93622

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 Firebaugh-Las Deltas Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Firebaugh-Las Deltas Unified School District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Firebaugh-Las Deltas 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 Firebaugh-Las Deltas Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Firebaugh-Las Deltas 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Firebaugh-Las Deltas 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.

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.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 11, 2023

LPS
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Firebaugh-Las Deltas Unified School District
Firebaugh, California 93622

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Firebaugh-Las Deltas 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 Firebaugh-Las Deltas Unified School District's major federal programs for the year ended June 30, 2023**.** Firebaugh-Las Deltas 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, Firebaugh-Las Deltas 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, 2023.

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 Firebaugh-Las Deltas 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 Firebaugh-Las Deltas 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 Firebaugh-Las Deltas 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 Firebaugh-Las Deltas 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 Firebaugh-Las Deltas 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 regardingFirebaugh-Las Deltas 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 Firebaugh-Las Deltas 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 Firebaugh-Las Deltas 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.

Purpose of This Report

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.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 11, 2023

Independent Auditor's Report on State Compliance

To the Board of Trustees
Firebaugh-Las Deltas Unified School District
Firebaugh, California 93622

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the 2022-2023 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, 2023.

In our opinion, Firebaugh-Las Deltas Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

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 2022-2023 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 Firebaugh-Las Deltas Unified School District's state programs.

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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 2022-2023 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 2022-2023 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 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 2022-2023 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:

2022-23 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	No
Continuation Education	No
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss and Mitigation	Not applicable
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
After/Before School Education and Safety Program	Not applicable
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	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

The term "Not applicable" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Independent Study and Continuation Education as the District ADA was under the materiality level and deemed not required per state testing guidance.

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.

Purpose of This Report

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 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 11, 2023

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?	No

Identification of major programs:

Name of federal program or cluster	**Assistance Listing Number (ALN)**
COVID-19: ESF Programs	84.425, 84.425C, 84.425D, 84.425U
Title I, Part A Basic Grants Low-Income and Neglected	84.010

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting?	No
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards."

There were no financial statement findings or questioned costs.

Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs.

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented

There were no prior year findings or questioned costs.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Firebaugh-Las Deltas Unified School District (the "District") in connection with the execution and delivery of its $12,000,000 Certificates of Participation (2024 School Financing Project) (the "Certificates"). The Certificates are being executed pursuant to a Trust Agreement, dated as of February 1, 2024, by and among the District, U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and the Public Property Financing Corporation of California (the "Corporation"). The District covenants 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 Certificates and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, 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" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement relating to the Certificates, dated January 30, 2024.

"Participating Underwriter" shall mean Stifel, Nicolaus & Company, Incorporated, or any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean 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.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or, upon delivery of the Annual Report to the Dissemination Agent, shall cause the Dissemination Agent to, not later than nine (9) months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the fiscal year ending June 30, 2024, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are 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).

(b) Not later than 30 days (nor more than 60 days) prior to said date, the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent, no later than the date required by subsection (a). The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall (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, stating the date it was provided to the Repository.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the prior fiscal year, 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 time the Annual Report is required to be filed pursuant to Section 3(a), 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) Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(i) State funding received by the District for the last completed fiscal year;

(ii) average daily attendance of the District for the last completed fiscal year;

(iii) outstanding District indebtedness; and

(iv) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.

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 have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(c) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, as prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. 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.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District.

For the purposes of the event identified in Section 5(a)(10), the event 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 U.S. 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 governmental 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.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. non-payment related defaults.

2. modifications to rights of Certificate holders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates.

5. release, substitution or sale of property securing repayment of the Certificates.

6. 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.

7. appointment of a successor or additional Trustee with respect to the Certificates or the change of name of such a Trustee.

8. incurrence of a Financial Obligation of the District, 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 owners of the Certificates.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. 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 such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The Dissemination Agent may resign by providing thirty days written notice to the District and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the District and shall have no duty to review any information provided to it by the District. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the District in a timely manner and in a form suitable for filing.

SECTION 8. 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, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule; provided, the Dissemination Agent shall have first consented to any amendment that modifies or increases its duties or obligations hereunder. In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. 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 Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Certificates 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 Trust Agreement, 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.

No Certificate holder or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's 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 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 all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. In performing its duties hereunder, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Certificate holders, 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 Certificates.

The Dissemination Agent may conclusively rely upon the Annual Report provided to it by the District as constituting the Annual Report required of the District in accordance with this Disclosure Certificate and shall have no duty or obligation to review such Annual Report. The Dissemination Agent shall have no duty to prepare the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing with the Repository. No provision of this Disclosure Certificate shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

SECTION 12. Beneficiaries. This Disclosure Certificate solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 13. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the District to the undertaking herein provided.

Dated: February 21, 2024

FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

By: ____

Business Manager

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District:	Firebaugh-Las Deltas Unified School District
Name of Certificate Issue:	$12,000,000 Firebaugh-Las Deltas Unified School District Certificates of Participation (2024 School Financing Project)
Date of Delivery:	February 21, 2024

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Certificate executed by the District on the date of delivery of the Certificates. The District anticipates that the Annual Report will be filed by ______________.

Dated: __________________

FIREBAUGH-LAS DELTAS UNIFIED SCHOOL DISTRICT

By: [form only; no signature required]________________

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances 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 Certificates, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, 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 Official Statement. 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.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The Certificates 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 Certificate will be issued for each of maturity of the Certificates, each in the aggregate principal amount of such Certificate, and will be deposited with DTC.

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 3.6 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. However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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

Certificates 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 certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates 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 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates 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.

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 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates 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 notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Certificates 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 the District or the Paying Agent, on the 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, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the 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.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical Certificates are required to be printed and delivered. 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, Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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APPENDIX F

ECONOMIC AND DEMOGRAPHIC PROFILE OF THE CITY OF FIREBAUGH AND FRESNO COUNTY

The following information regarding the City of Firebaugh (the "City"), and Fresno County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, Special Counsel, the Underwriter or the Municipal Advisor.

General

City of Firebaugh. Incorporated in 1914, Firebaugh is a general law city. It is located on the west side of the San Joaquin River, approximately 43 miles west of the City of Fresno. With an area of 3.5 square miles, the City is governed under a Council-Manager system, with five Council Members elected to four-year staggered terms. It is primarily agricultural, and hosts an annual Cantaloupe Roundup Festival.

Fresno County. Located in central California (the "State"), Fresno is the sixth largest county in the State in terms of area, with over 6,000 square miles. Incorporated in 1885, it is governed by a Board of Supervisors, each elected from five districts. One of eight counties in the San Joaquin Valley that account for half of the State's agricultural production, the County is also a retail trade, manufacturing and education center for the valley.

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Population

The following table shows historical population figures for the City, the County and the State of California (the "State") for the past 10 years.

POPULATION ESTIMATES
2014 through 2023
City of Firebaugh, Fresno County and the State of California

Year[(1)]	City of Firebaugh	Fresno County	State of California
2014	7,798	964,929	38,556,731
2015	7,827	975,108	38,865,532
2016	7,814	983,722	39,103,587
2017	7,866	992,951	39,352,398
2018	7,947	1,003,012	38,519,535
2019	8,025	1,013,007	39,605,361
2020	8,093	1,008,654	39,538,223
2021	8,141	1,007,359	39,286,510
2022	8,420	1,009,790	39,078,674
2023	8,495	1,011,499	38,940,231

(1) As of January 1.
Source: 2014-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1. 2020-23 (2020 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Income

The following table summarizes per capita personal income for the County, the State and the United States for the past 10 years that statistics are currently available.

PER CAPITAL PERSONAL INCOME
2013 through 2022
Fresno County, State of California, and United States

Year	Fresno County	State of California	United States
2013	$34,426	$48,076	$44,401
2014	36,385	50,619	46,287
2015	38,296	53,817	48,060
2016	39,072	55,863	48,971
2017	39,600	58,214	51,004
2018	40,606	60,984	53,309
2019	42,622	64,174	55,547
2020	48,095	70,061	59,153
2021	51,692	76,991	64,430
2022	50,549	77,036	65,470

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: November 16, 2023 – new statistics for 2022; revised statistics for 1979-2021. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables list the principal employers located in the County.

PRINCIPAL EMPLOYERS
2022
Fresno County

Employer Name	Industry	Number of Employees
Fresno Unified School District	Services: Education	13,511
Community Medical Centers	Services: Health	9,000
County of Fresno	Public Administration	8,870
Clovis Unified School District	Services: Education	7,652
California State University Fresno	Services: Education	4,657
City of Fresno	Public Administration	4,605
State Center Community College District	Services: Education	4,367
Children’s Hospital of Central CA	Services: Health	4,170
Saint Agnes Medical	Services: Health	2,867
Kaiser Permanente Medical	Services: Health	2,800

Source: County of Fresno Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2022.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2018 through 2022 for the City, the County, the State and the United States.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2018 through 2022[(1)]
City of Firebaugh, Fresno County, State of California, and United States

Year and Area	Labor Force	Employment[(2)]	Unemployment	Unemployment Rate (%)[(3)]
2018				
City of Firebaugh	3,700	3,300	500	12.8
Fresno County	446,200	412,300	34,000	7.6
State of California	19,280,800	18,460,700	820,100	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
City of Firebaugh	3,600	2,800	700	20.6
Fresno County	451,300	418,100	33,200	7.4
State of California	19,411,600	18,627,400	784,200	4.0
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
City of Firebaugh	3,400	2,500	900	26.6
Fresno County	445,000	392,700	52,300	11.7
State of California	18,821,200	16,923,100	1,908,100	10.0
United States	160,742,000	147,795,000	12,947,000	8.1
2021				
City of Firebaugh	3,300	2,600	700	21.6
Fresno County	443,400	402,600	40,700	9.2
State of California	19,041,000	18,127,700	913,300	4.8
United States	161,204,000	152,581,000	8,623,000	5.3
2022				
City of Firebaugh	3,000	2,500	600	18.4
Fresno County	444,500	403,900	40,600	9.1
State of California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2022 Benchmark.

Industry

The County is included in the Fresno Metropolitan Statistical Area. The distribution of employment is presented in the following table for the past five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2018 through 2022
Fresno County (Fresno Metropolitan Statistical Area)

Category	2018	2019	2020	2021	2022
Total Farm	44,200	44,100	40,300	40,300	40,200
Total Nonfarm	354,100	363,400	347,200	357,800	379,400
Total Private	279,600	288,200	274,700	287,000	305,700
Goods Producing	44,900	45,500	44,900	46,400	49,500
Mining, Logging and Construction	19,000	19,300	19,100	20,100	22,500
Manufacturing	25,900	26,200	25,800	26,300	27,000
Nondurable Goods	16,800	17,000	16,900	17,100	17,400
Service Providing	309,300	317,900	302,300	311,400	329,800
Private Service Providing	234,700	242,700	229,800	240,600	256,200
Trade, Transportation and Utilities	68,800	70,000	69,600	73,100	76,600
Wholesale Trade	14,400	14,700	14,400	14,800	16,000
Retail Trade	39,100	38,700	36,900	39,000	40,000
Transportation, Warehousing and Utilities	15,400	16,600	18,300	19,400	20,600
Information	3,600	3,400	3,000	3,000	3,200
Financial Activities	14,100	14,300	13,500	13,100	13,000
Professional and Business Services	32,500	34,600	32,100	32,100	34,200
Private Education and Health Services	69,300	72,500	71,700	75,100	79,400
Leisure and Hospitality	34,500	35,700	28,800	32,500	37,000
Other Services	11,900	12,100	11,100	11,700	12,800
Government	74,500	75,200	72,500	70,800	73,700
Total, All Industries	398,300	407,500	387,400	398,100	419,600

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2022 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2018 through 2022 are shown in the following tables.

ANNUAL TAXABLE SALES
2018 through 2022
City of Firebaugh
(Dollars in Thousands)

Year	Total Retail and Food Services: Permits	Total Retail and Food Services: Taxable Transactions	Total All Outlets: Permits	Total All Outlets: Taxable Transactions
2018	71	$22,834	117	$76,705
2019	84	24,829	132	90,396
2020	88	25,484	143	84,832
2021	83	31,131	138	98,894
2022	85	33,821	147	93,044

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2018 through 2022
Fresno County
(Dollars in Thousands)

Year	Total Retail and Food Services: Permits	Total Retail and Food Services: Taxable Transactions	Total All Outlets: Permits	Total All Outlets: Taxable Transactions
2018	13,041	$10,566,360	21,036	$15,386,255
2019	13,516	11,083,053	22,082	16,218,883
2020	14,811	11,671,337	24,307	17,078,806
2021	14,162	16,672,884	23,521	22,960,963
2022	14,654	17,230,232	24,512	24,307,052

Source: "Taxable Sales in California" California Department of Tax and Fee Administration.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
City of Firebaugh
(Dollars in Thousands)

	2018	2019	2020	2021	2022
Valuation					
Residential	$1,121	$621	$11,915	$22,211	$9,559
Non-Residential	1,797	1,339	4,466	13,769	344
Total	$2,918	$1,960	$16,381	$35,980	$9,903
Units					
Single Family	0	2	55	109	9
Multiple Family	0	0	0	0	0
Total	0	2	55	109	9

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2018 through 2022
Fresno County
(Dollars in Thousands)

	2018	2019	2020	2021	2022
Valuation					
Residential	$818,012	$899,276	$983,560	$1,000,273	$753,488
Non-Residential	497,052	499,337	577,313	398,033	473,835
Total	$1,315,064	$1,398,613	$1,560,873	$1,398,306	$1,227,323
Units					
Single Family	2,560	2,732	2,747	3,337	1,865
Multiple Family	290	689	653	398	1,235
Total	2,850	3,421	3,400	3,735	3,100

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

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APPENDIX G

FRESNO COUNTY TREASURY POOL

The following information concerning the Fresno County Treasury Pool (the "Treasury Pool") has been provided by the Treasurer and Tax Collector (the "Treasurer") of Fresno County (the "County"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. The District, the Municipal Advisor and the Underwriter have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Treasurer at https://www.fresnocountyca.gov/Departments/Auditor-Controller-Treasurer-Tax-Collector/Auditor-ControllerTreasurer-Tax-Collectors-Publications; however, the information presented on such website is not incorporated herein by any reference.

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Quarterly Investment Report

As of September 30, 2023

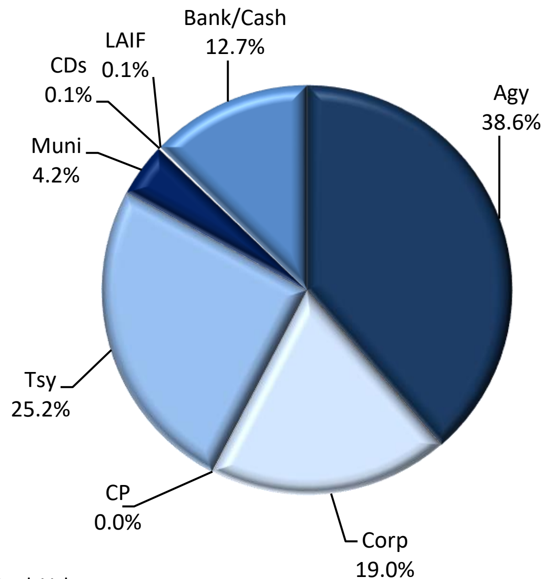
P.O. Box 1247 | Fresno, CA 93715 | Telephone 559.600.3487 | investments@FresnoCountyCA.gov

Table of Contents

Portfolio Summary

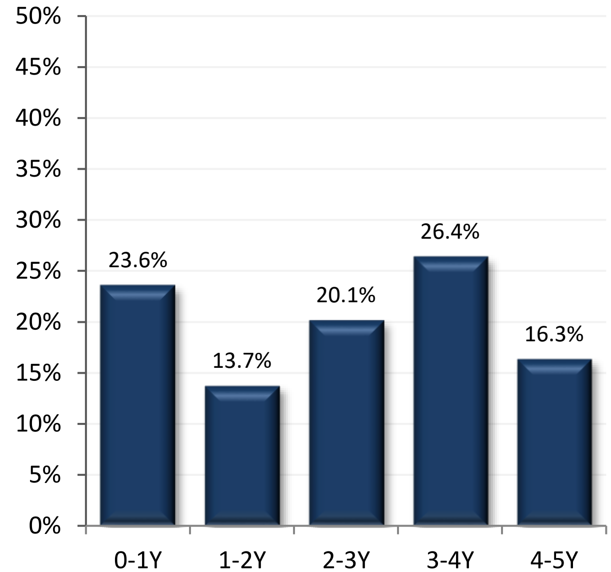
County of Fresno | **9/30/2023**

SECTOR ALLOCATION



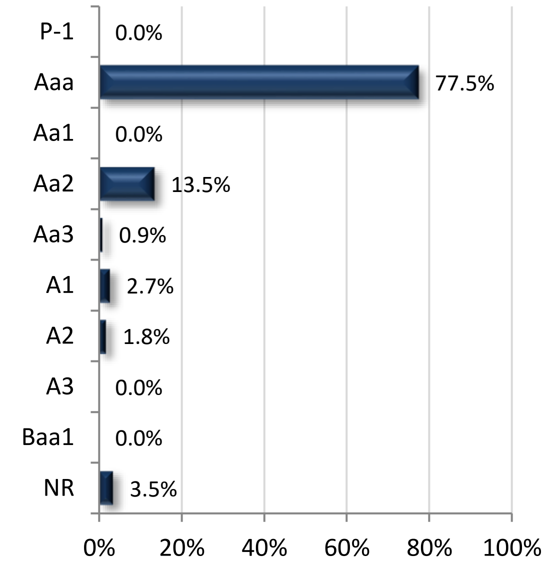
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



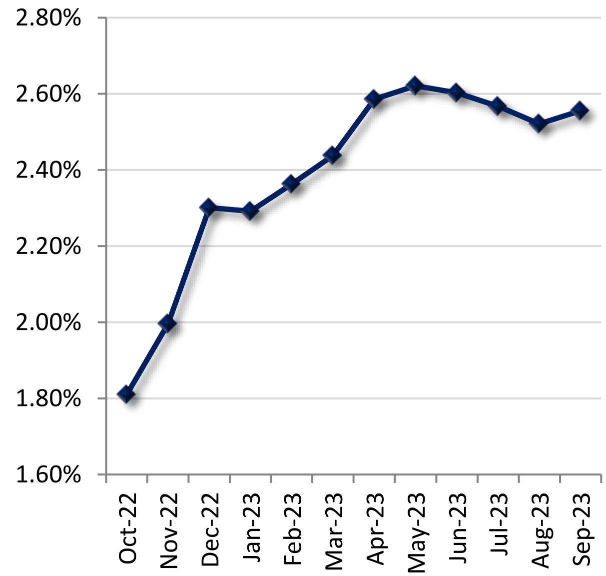
NR: Not Rated

ACCOUNT SUMMARY

	9/30/23	6/30/23
Market Value	$6,677,659,136	$7,221,872,874
Book Value*	$7,048,952,402	$7,565,068,380
Unrealized G/L	-$371,293,266	-$343,195,506
Par Value	$7,090,818,798	$7,607,674,750
Net Asset Value	$94.733	$95.463
Book Yield	2.56%	2.60%
Years to Maturity	2.48	2.36
Effective Duration	2.31	2.19

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
US TREASURY NOTE	25.2%
FEDERAL FARM CREDIT BANK	15.0%
FEDERAL HOME LOAN BANK	11.0%
FEDERAL NATIONAL MORTGAGE	9.7%
FIDELITY 2642	9.3%
STATE OF CALIFORNIA	4.2%
APPLE INC	3.1%
JP MORGAN	3.0%
TOYOTA MOTOR CREDIT	2.7%
CHEVRON CORP	2.3%
WALMART	2.2%
BANK OF THE WEST MM	2.1%
FEDERAL HOME MORTGAGE CO	2.1%
JOHN DEERE	1.6%
BERKSHIRE HATHAWAY	1.0%

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	2.48 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	25.2%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	38.6%
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.	Yes	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	19.0%
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

Item / Sector	Parameters	In Compliance	
8.10 Mutual Funds/ 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	9.4%
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	4.2%
Cash & Bank Account	NA	NA	3.3%

Compliance

The Treasury Investment Pool is in compliance with the County of Fresno Treasury Investment Pool Investment Policy.
The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

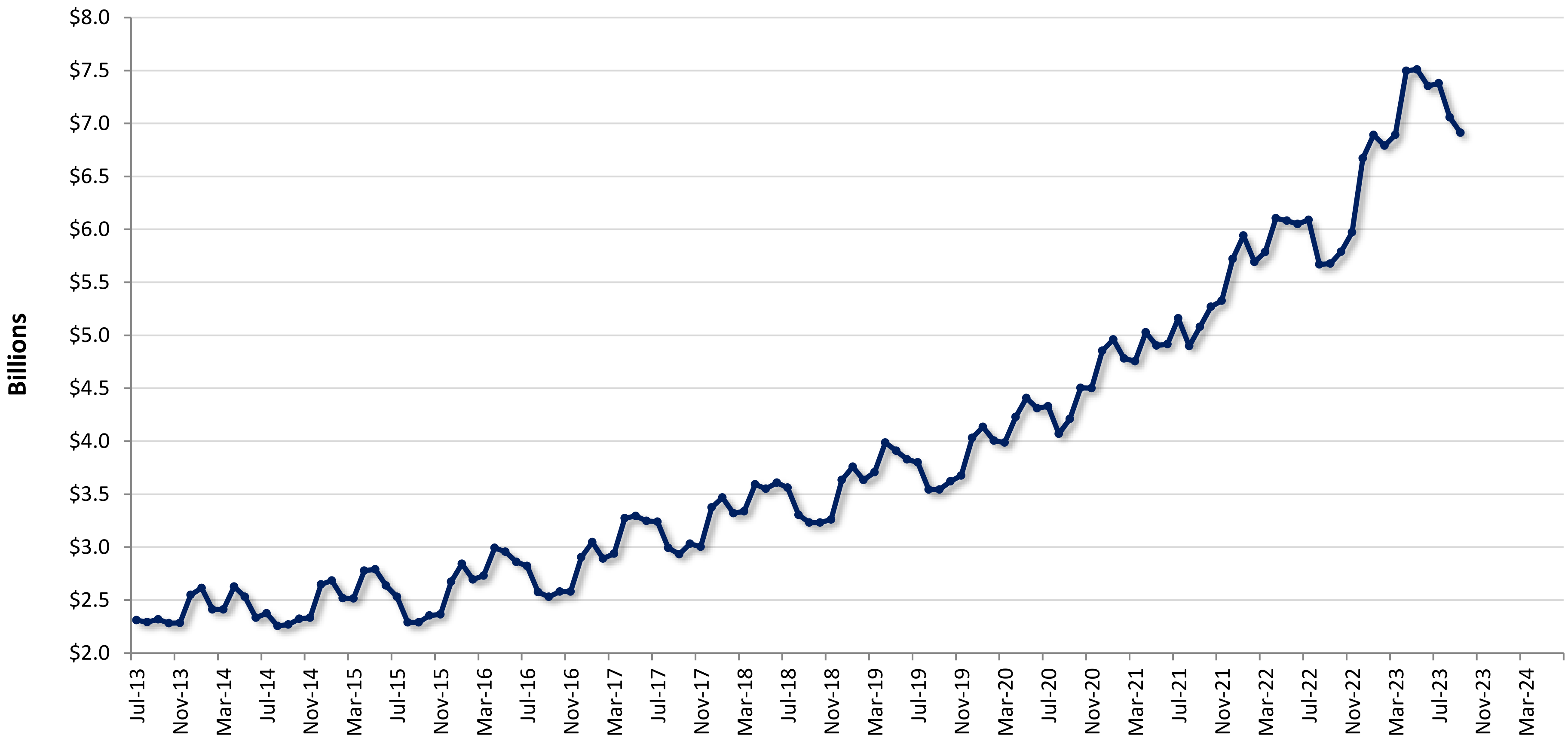
Review and Monitoring

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.

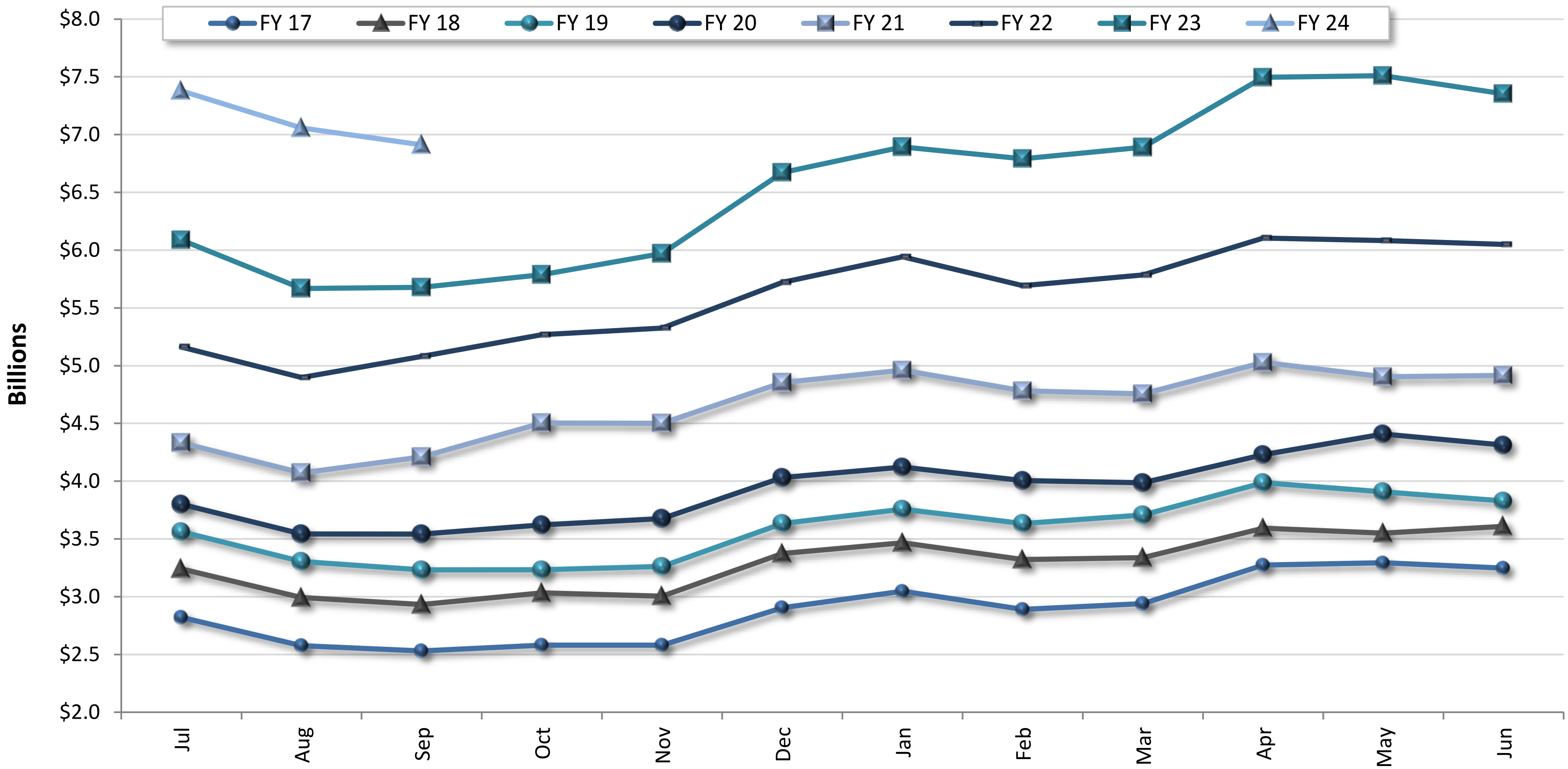
The market values of securities were taken from pricing services provided by Ice Data Services.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2017	$2.822	$2.576	$2.530	$2.581	$2.580	$2.905	$3.048	$2.891	$2.940	$3.274	$3.294	$3.247
Fiscal Year 2018	$3.240	$2.992	$2.932	$3.032	$3.004	$3.374	$3.468	$3.321	$3.337	$3.593	$3.550	$3.609
Fiscal Year 2019	$3.562	$3.305	$3.232	$3.233	$3.262	$3.634	$3.759	$3.634	$3.707	$3.987	$3.909	$3.830
Fiscal Year 2020	$3.800	$3.544	$3.542	$3.622	$3.676	$4.031	$4.123	$4.006	$3.986	$4.229	$4.408	$4.312
Fiscal Year 2021	$4.331	$4.071	$4.210	$4.503	$4.501	$4.854	$4.962	$4.781	$4.755	$5.028	$4.903	$4.915
Fiscal Year 2022	$5.161	$4.897	$5.079	$5.269	$5.326	$5.721	$5.942	$5.693	$5.786	$6.105	$6.083	$6.051
Fiscal Year 2023	$6.088	$5.668	$5.677	$5.788	$5.972	$6.671	$6.892	$6.790	$6.892	$7.496	$7.510	$7.354
Fiscal Year 2024	$7.379	$7.059	$6.912									

Figures in Billions, Average Daily Balance

Historical Book Values Per Fiscal Year



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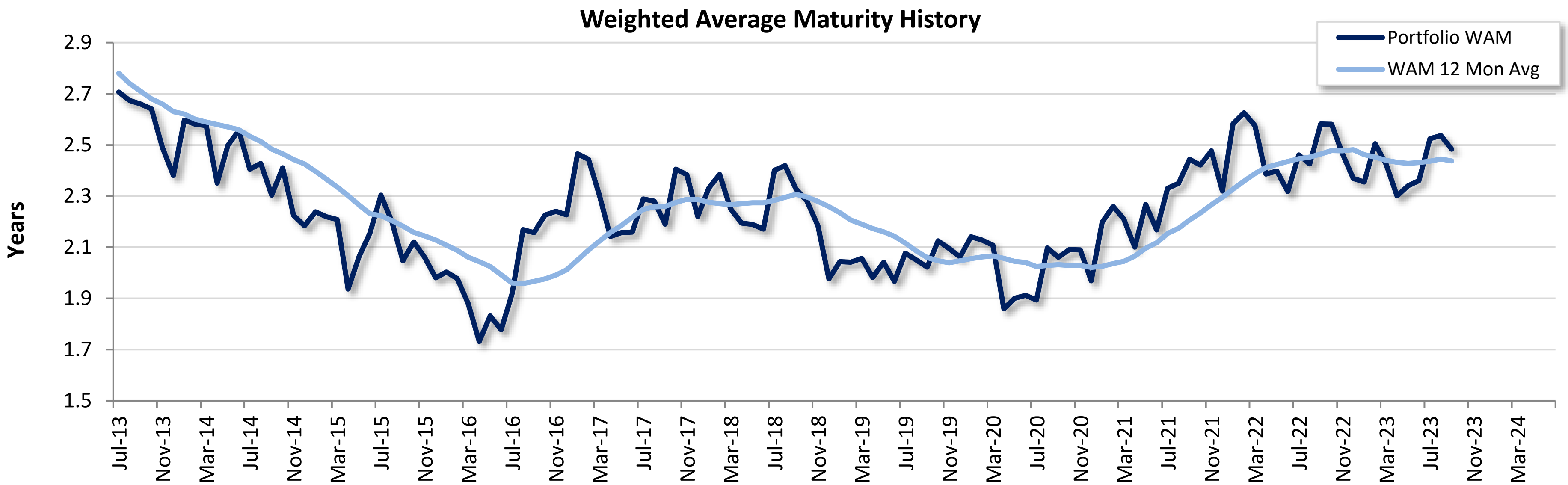
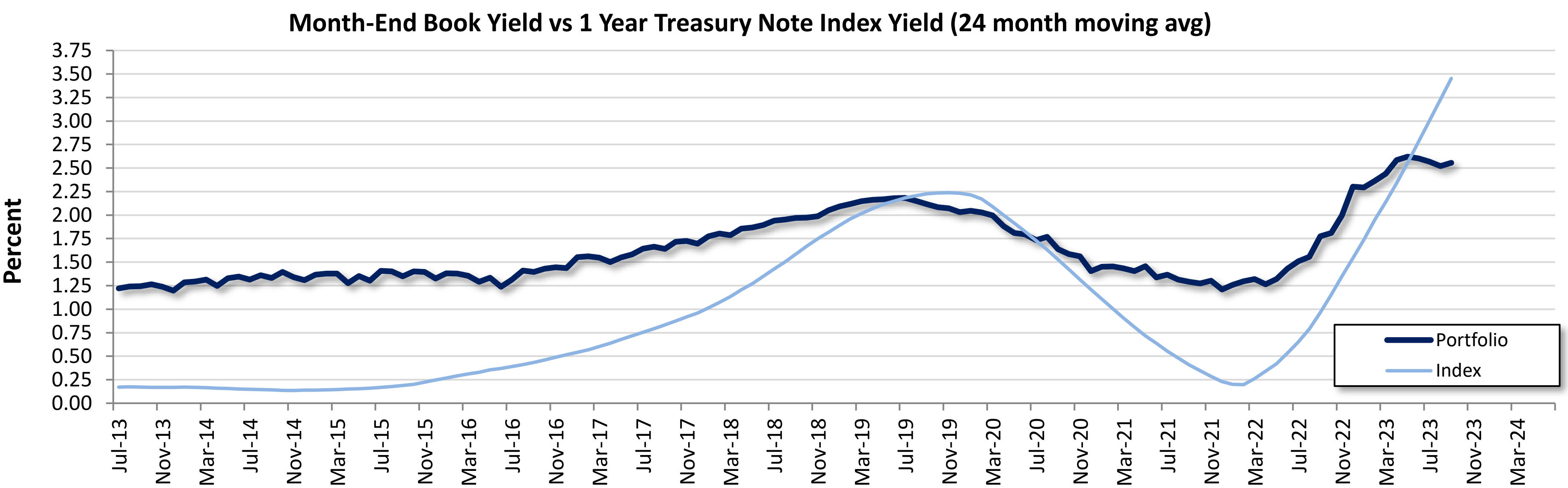
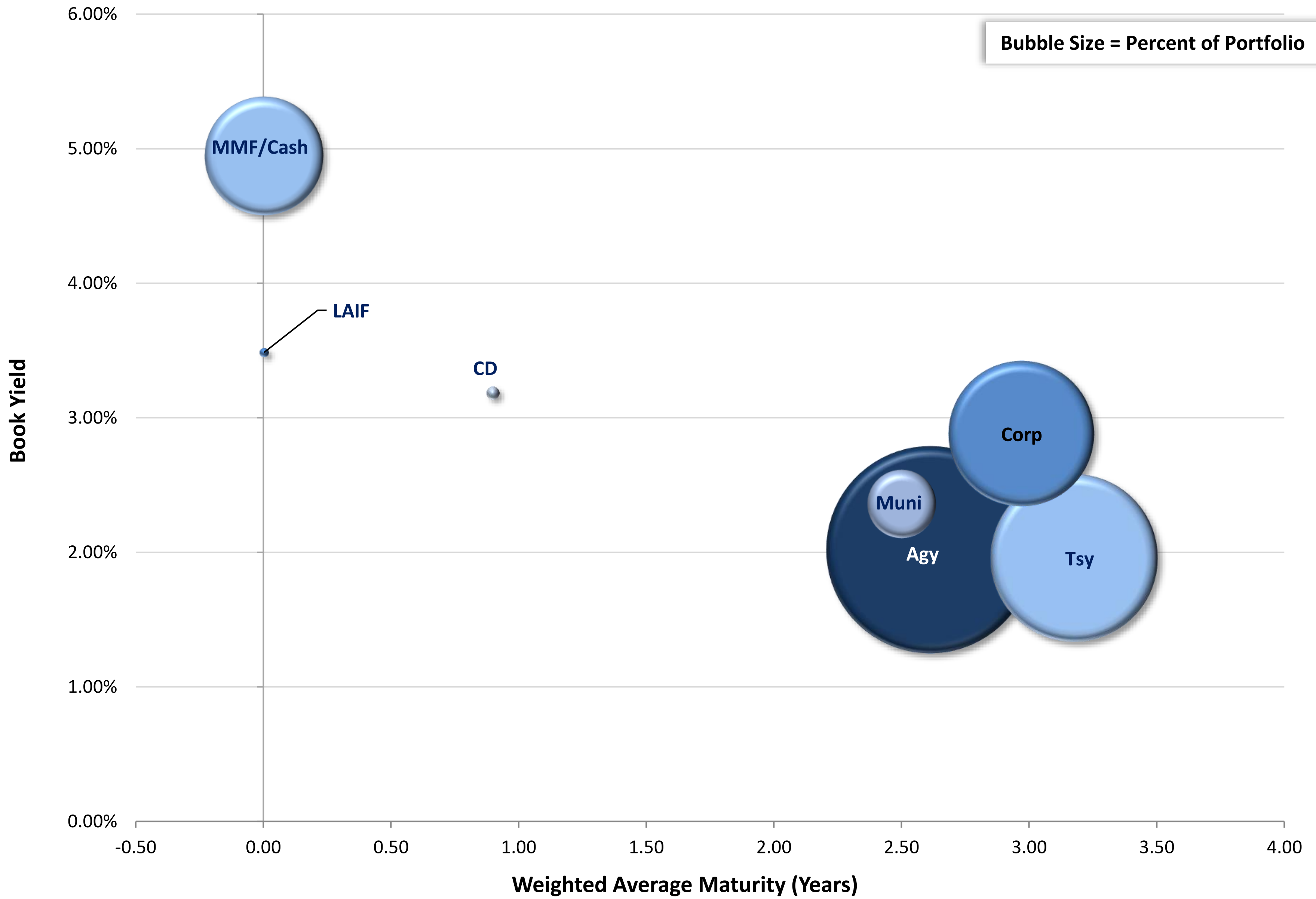
Figures in Billions, Average Daily Balance





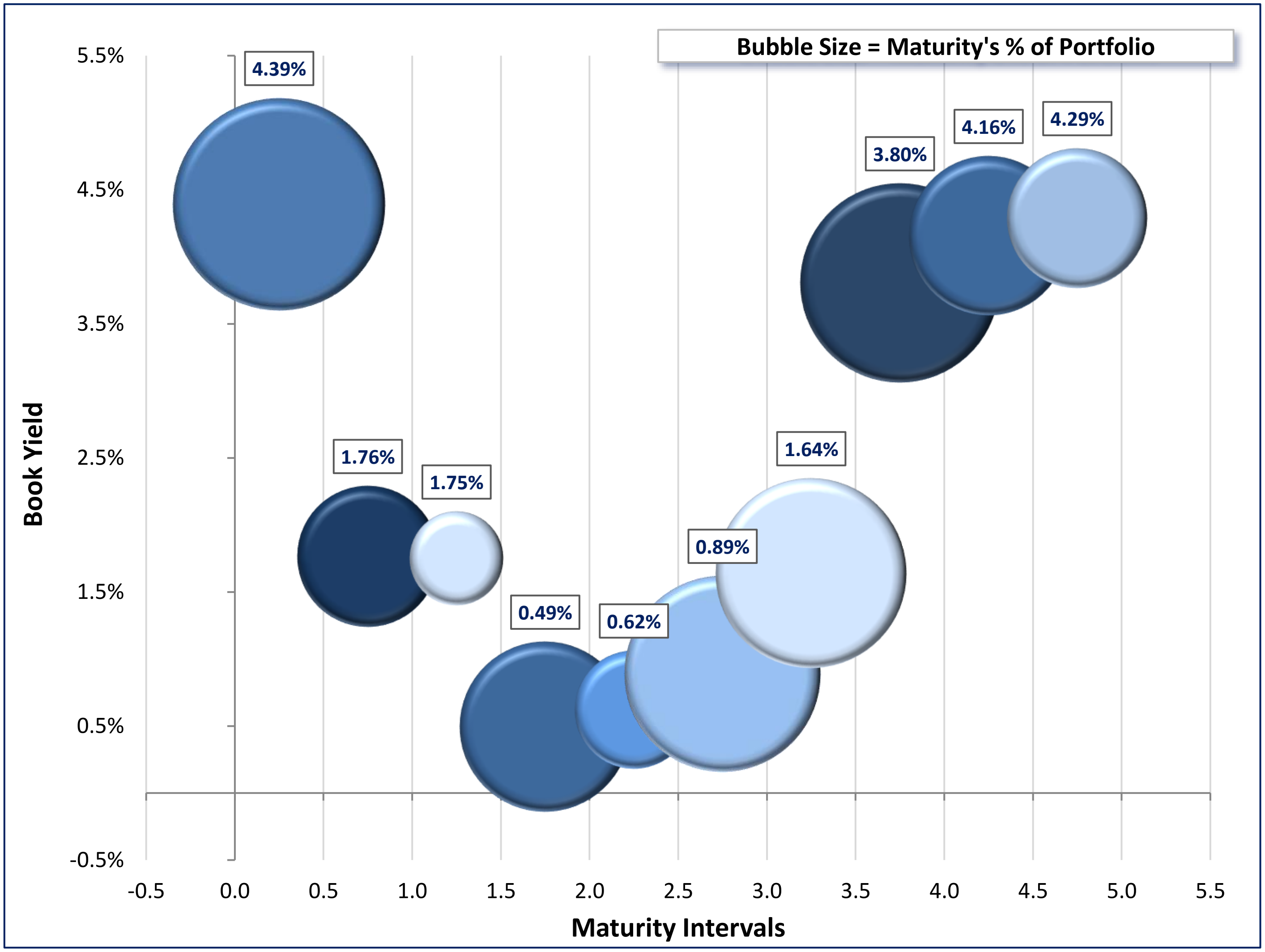
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index

Book Yield per WAM per Percent of Portfolio

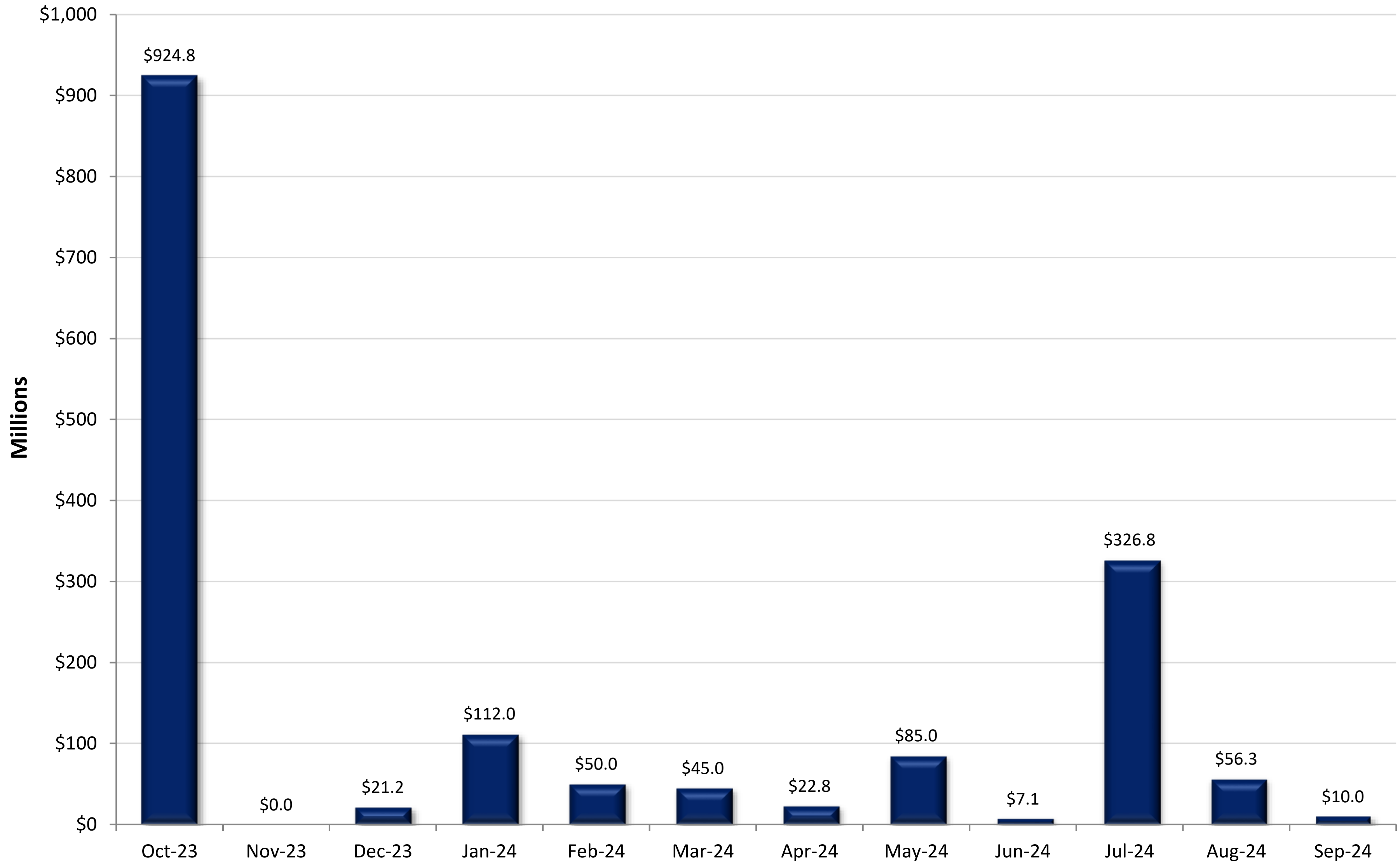


Years	Book Yield	% of Portfolio*
0 to .5	4.39%	16.36%
.5 to 1.0	1.76%	7.22%
1.0 to 1.5	1.75%	3.17%
1.5 to 2.0	0.49%	10.49%
2.0 to 2.5	0.62%	5.07%
2.5 to 3.0	0.89%	13.91%
3.0 to 3.5	1.64%	13.11%
3.5 to 4.0	3.80%	14.38%
4.0 to 4.5	4.16%	9.21%
4.5 to 5.0+	4.29%	7.09%
Total	**2.56%**	**100.0%**

*Based on Book Value



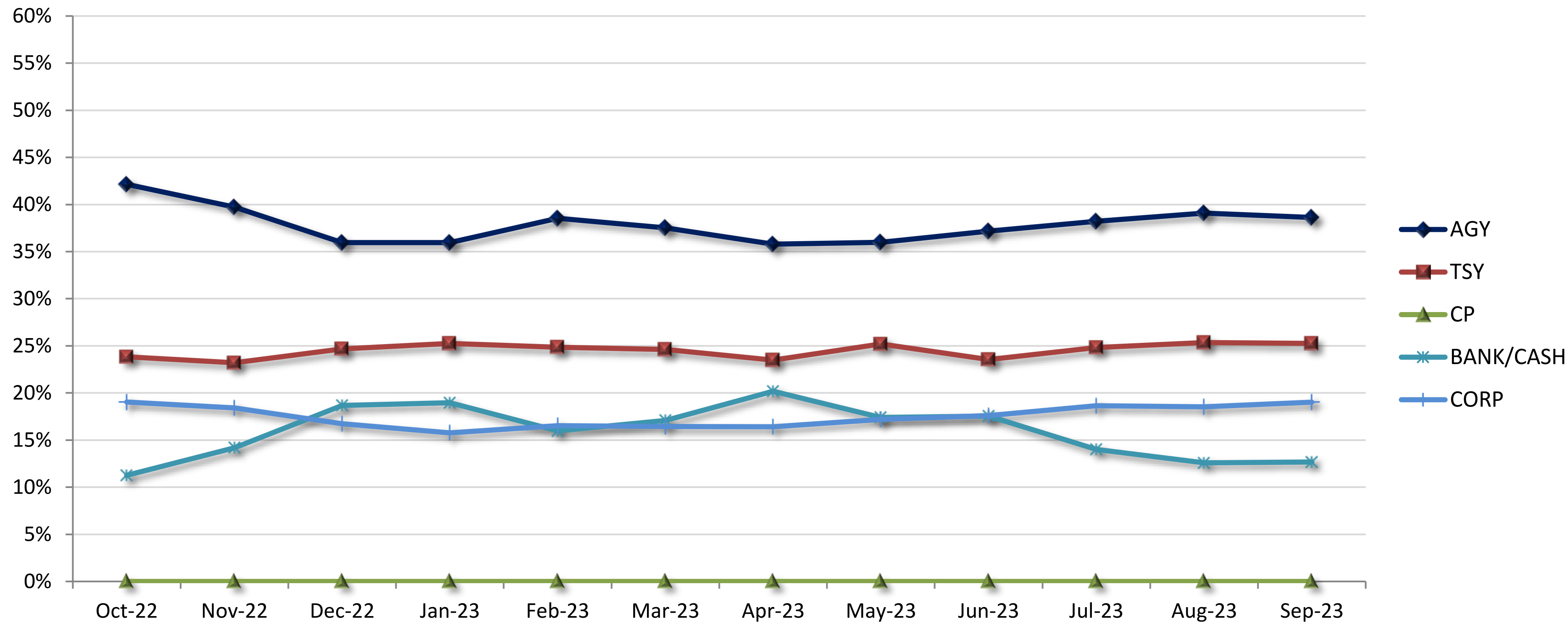
Next Twelve Months Maturities



	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Maturities	$924.8	$0.0	$21.2	$112.0	$50.0	$45.0	$22.8	$85.0	$7.1	$326.8	$56.3	$10.0

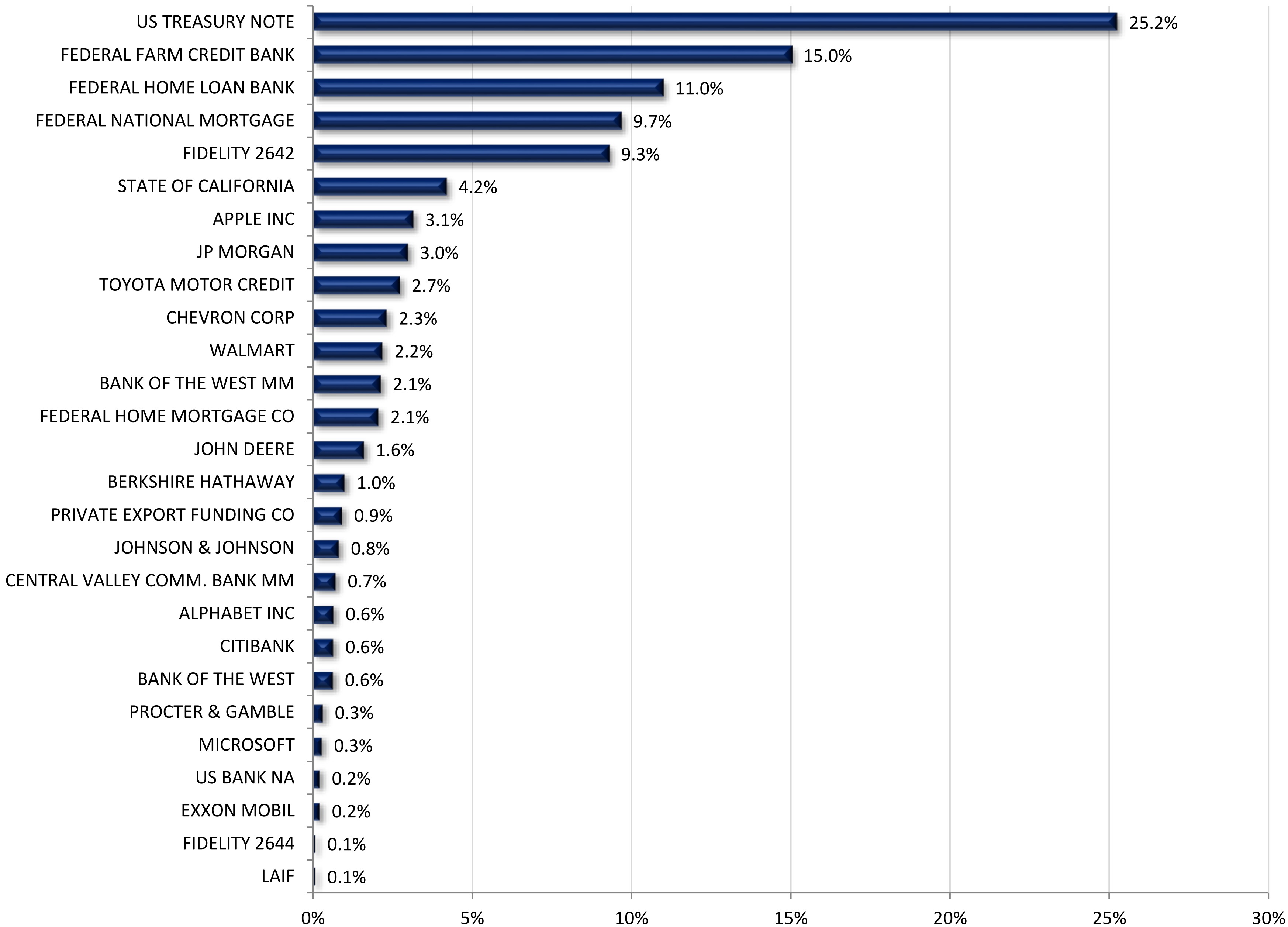
Par Value in Millions

Historical Sector Allocation



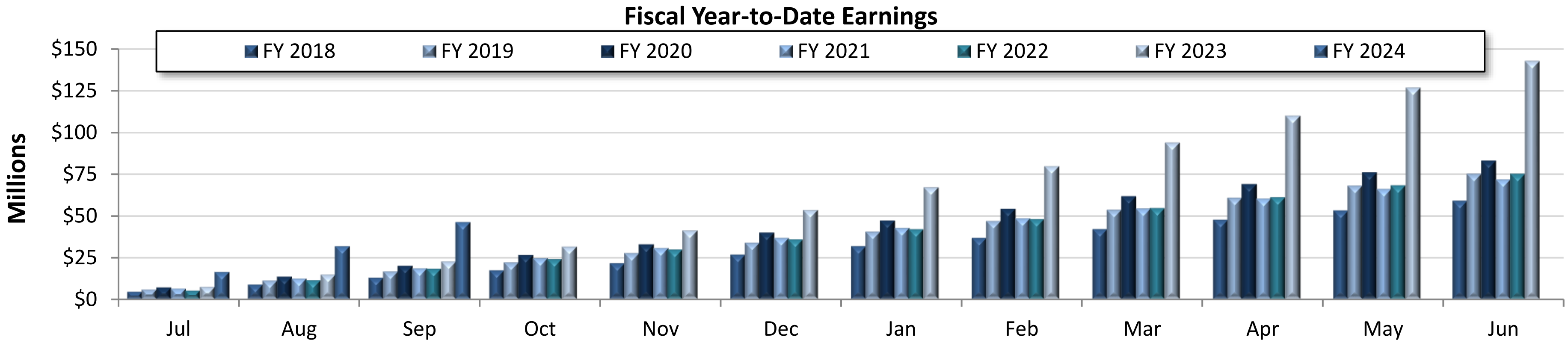
Sector	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Agency	42.1%	39.7%	36.0%	36.0%	38.5%	37.5%	35.8%	36.0%	37.2%	38.2%	39.1%	38.6%
Treasury	23.8%	23.2%	24.7%	25.3%	24.9%	24.6%	23.5%	25.2%	23.6%	24.8%	25.3%	25.2%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LAIF	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Muni	3.5%	4.2%	3.7%	3.8%	3.9%	4.1%	3.9%	4.0%	3.9%	4.1%	4.2%	4.2%
Corporates	19.0%	18.4%	16.7%	15.8%	16.5%	16.5%	16.4%	17.2%	17.6%	18.6%	18.5%	19.0%
CDs	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Bank/Cash	11.3%	14.2%	18.7%	19.0%	16.0%	17.1%	20.2%	17.4%	17.6%	14.0%	12.6%	12.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Holdings Allocation by Issuer

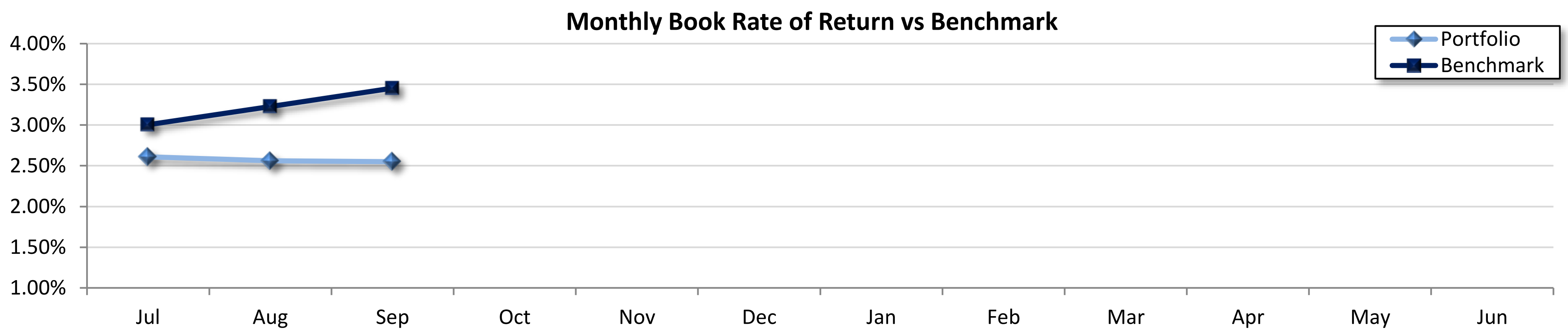


Historical Earnings and Book Rate of Return Performance

County of Fresno **9/30/2023**

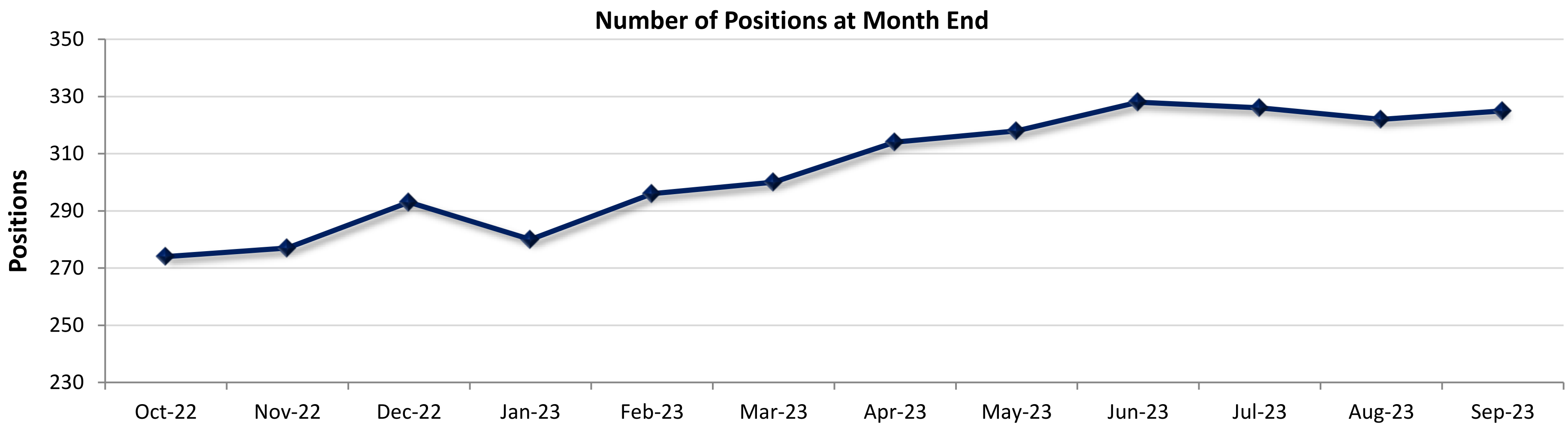


FYTD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Return
FY 2018	$4.5	$8.7	$12.9	$17.3	$21.6	$26.7	$31.7	$36.7	$41.9	$47.4	$53.0	$58.8	1.79%
FY 2019	$5.8	$11.3	$16.7	$22.1	$27.5	$33.8	$40.4	$46.7	$53.5	$60.7	$68.0	$75.1	2.09%
FY 2020	$7.1	$13.5	$20.0	$26.4	$32.9	$39.9	$47.1	$54.2	$61.8	$68.9	$76.1	$83.1	2.10%
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	1.54%
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	1.34%
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	2.53%
FY 2024	$16.3	$31.7	$46.2										

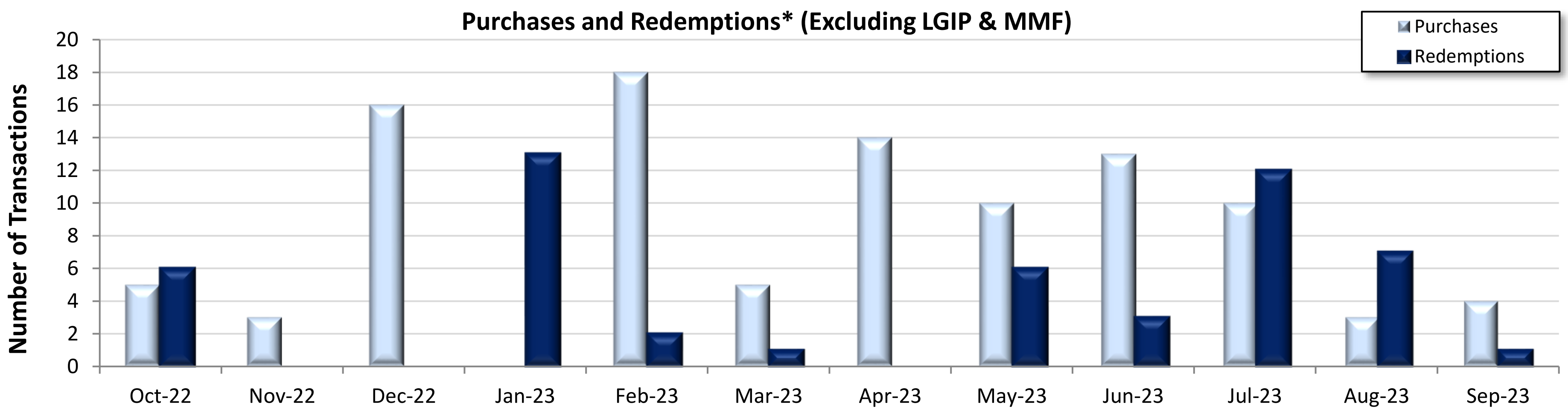


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	2.61%	2.56%	2.55%									
Benchmark*	3.00%	3.23%	3.45%									
Variance	-0.39%	-0.67%	-0.90%									

*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)



	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Positions	274	277	293	280	296	300	314	318	328	326	322	325



*Redemptions include maturities, calls, and sells

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Purchases	5	3	16	0	18	5	14	10	13	10	3	4
Redemptions	6	0	0	13	2	1	0	6	3	12	7	1
Total Transactions	11	3	16	13	20	6	14	16	16	22	10	5

Summary of Portfolio

	September 2023	June 2023	March 2023	December 2022	September 2022
Market Value	$6,677,659,136	$7,221,872,874	$6,874,891,359	$6,672,011,496	$5,500,287,958
Amortize Cost Value	$7,048,952,402	$7,565,068,380	$7,151,730,923	$7,021,822,855	$5,876,834,741
Unrealized Gain/Loss % on cost	-5.27%	-4.54%	-3.87%	-4.98%	-6.41%
Yield (weighted on cost value)	2.56%	2.60%	2.44%	2.30%	1.78%
Years to Maturity (weighted on cost value)	2.48	2.36	2.42	2.37	2.58
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

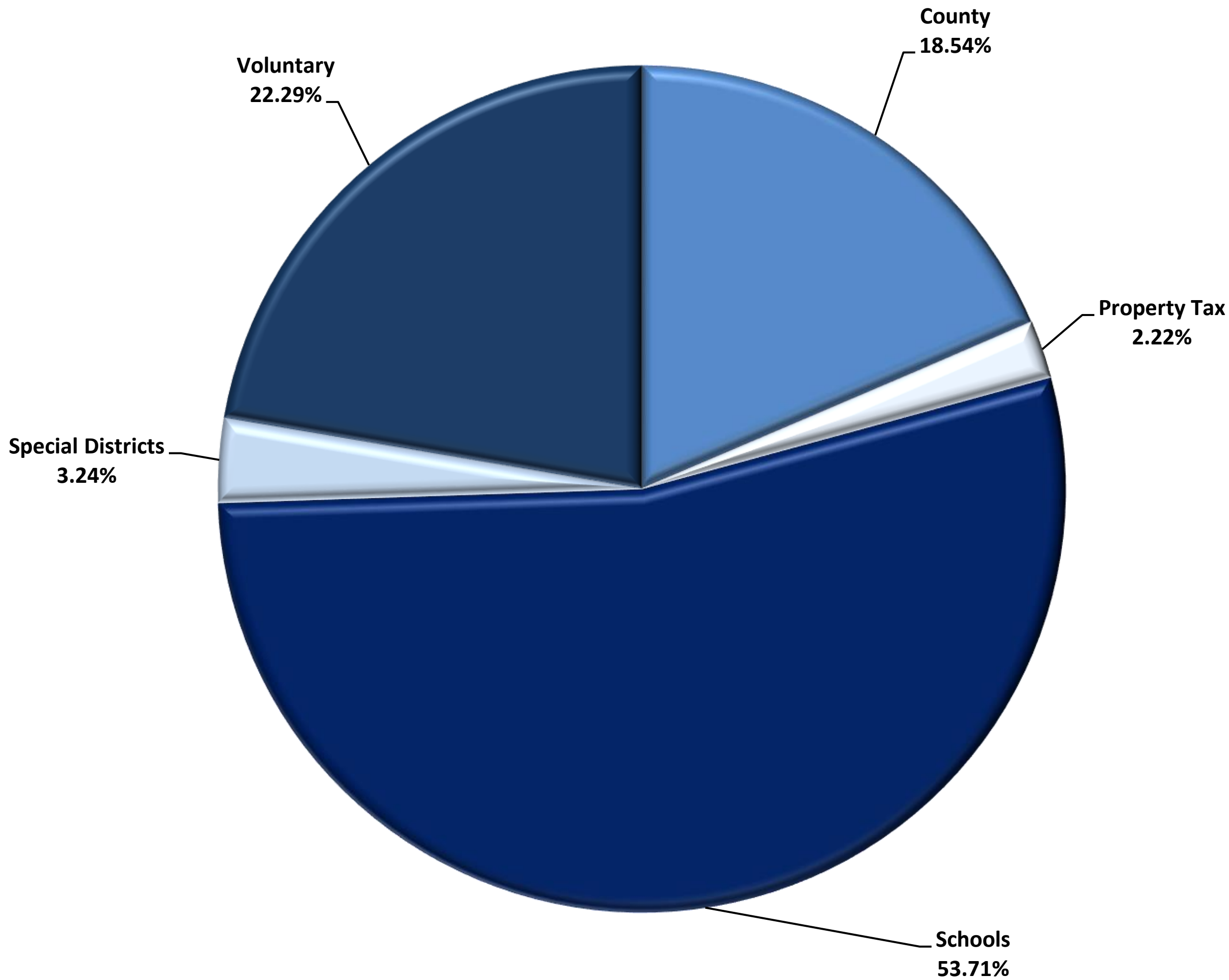
Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					698.0
10/23	719.0	752.3	-33.3	25.9	690.6
11/23	668.0	602.6	65.4	0.0	756.0
12/23	994.0	629.9	364.1	21.2	1,141.3
1/24	610.0	702.2	-92.2	112.0	1,161.1
2/24	469.0	541.6	-72.6	50.0	1,138.5
3/24	636.0	517.3	118.7	45.0	1,302.2
Totals	**4,096.0**	**3,745.9**	**350.1**	**254.1**	

(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.

Pool Participant Breakdown



Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

Month End Reporting
Portfolio Management
Portfolio Summary
September 30, 2023

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Bank Accounts	33,931,798.10	33,931,798.10	33,931,798.10	0.48	1	1	1.460
Federal Agency Coupons	2,725,435,000.00	2,568,174,899.48	2,723,179,545.30	38.63	1,772	954	2.019
Medium Term Notes	1,366,002,000.00	1,276,379,572.50	1,341,690,028.01	19.03	1,768	1,084	2.881
Treasury Notes	1,800,000,000.00	1,643,430,468.70	1,779,501,779.41	25.24	1,772	1,160	1.957
Certificates of Deposit	10,000,000.00	10,000,000.00	10,000,000.00	0.14	731	328	3.186
Mutual Funds	660,000,000.00	660,000,000.00	660,000,000.00	9.36	1	1	5.208
Local Agency Investment Funds	5,000,000.00	5,000,000.00	5,000,000.00	0.07	1	1	3.486
Bank Money Market Accounts	200,000,000.00	200,000,000.00	200,000,000.00	2.84	1	1	4.673
Municipal Bonds	290,450,000.00	280,742,397.40	295,649,250.91	4.19	1,688	913	2.358
Investments	**7,090,818,798.10**	**6,677,659,136.18**	**7,048,952,401.73**	**100.00%**	**1,540**	**906**	**2.556**

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	14,476,388.19	46,181,588.50
Average Daily Balance	**6,911,639,712.49**	**7,118,841,413.27**
Effective Rate of Return	**2.55%**	**2.57%**

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Bank Accounts												
SYS03400A	03400A	BANK OF THE WEST		07/01/2023	33,931,798.10	33,931,798.10	33,931,798.10	1.480	1.480			
		Subtotal and Average	**18,431,394.51**		**33,931,798.10**	**33,931,798.10**	**33,931,798.10**		**1.480**			
Federal Agency Coupons												
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	2,940,185.93	2,945,113.35	2.650	2.583	AA+	Aaa	10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	19,770,694.80	20,001,496.52	2.610	2.590	AA+	Aaa	02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	19,770,694.80	19,998,699.33	2.610	2.627	AA+	Aaa	02/27/2024
3133EKWV4	17647	FEDERAL FARM CREDIT BANK		08/28/2019	4,950,000.00	4,807,783.23	4,965,422.65	1.850	1.455	AA+	Aaa	07/26/2024
3133EKWV4	17648	FEDERAL FARM CREDIT BANK		08/28/2019	15,000,000.00	14,569,040.10	15,045,579.00	1.850	1.464	AA+	Aaa	07/26/2024
3133EKWV4	17649	FEDERAL FARM CREDIT BANK		09/13/2019	17,941,000.00	17,425,543.23	17,961,325.01	1.850	1.705	AA+	Aaa	07/26/2024
3133EKHV1	17655	FEDERAL FARM CREDIT BANK		10/16/2019	2,292,000.00	2,238,769.84	2,306,264.49	2.450	1.646	AA+	Aaa	07/22/2024
3133ELCS1	17666	FEDERAL FARM CREDIT BANK		12/11/2019	20,000,000.00	19,649,202.60	19,993,600.00	1.550	1.625	AA+	Aaa	03/11/2024
3133ELCS1	17667	FEDERAL FARM CREDIT BANK		12/11/2019	25,000,000.00	24,561,503.25	24,991,633.99	1.550	1.628	AA+	Aaa	03/11/2024
3133ELEM2	17674	FEDERAL FARM CREDIT BANK		12/17/2019	25,000,000.00	24,423,300.00	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	42,266,458.36	45,501,631.42	0.500	0.579	AA+	Aaa	05/14/2025
3133ELJM7	17712	FEDERAL FARM CREDIT BANK		05/19/2020	10,000,000.00	9,526,412.20	10,140,787.17	1.650	0.561	AA+	Aaa	01/23/2025
3133EMPC0	17783	FEDERAL FARM CREDIT BANK		01/29/2021	125,000,000.00	112,676,593.75	124,988,535.69	0.460	0.464	AA+	Aaa	01/29/2026
3133EMP48	17825	FEDERAL FARM CREDIT BANK		07/01/2021	30,000,000.00	26,894,176.80	29,983,665.00	0.900	0.920	AA+	Aaa	07/01/2026
3133EMP48	17826	FEDERAL FARM CREDIT BANK		07/01/2021	20,000,000.00	17,929,451.20	19,988,230.00	0.900	0.922	AA+	Aaa	07/01/2026
3133EM4A7	17837	FEDERAL FARM CREDIT BANK		08/27/2021	50,000,000.00	44,433,560.00	49,992,881.39	0.800	0.805	AA+	Aaa	08/27/2026
3133ENKV1	17879	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	44,939,096.00	49,741,892.50	1.500	1.664	AA+	Aaa	01/13/2027
3133ENKV1	17880	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	44,939,096.00	49,756,584.77	1.500	1.655	AA+	Aaa	01/13/2027
3133ENNS5	17882	FEDERAL FARM CREDIT BANK		02/28/2022	50,000,000.00	45,280,978.00	49,783,705.54	1.800	1.935	AA+	Aaa	02/16/2027
3133ENRD4	17893	FEDERAL FARM CREDIT BANK		03/15/2022	10,000,000.00	9,003,027.30	9,836,686.69	1.680	2.183	AA+	Aaa	03/10/2027
3133ENJ50	17906	FEDERAL FARM CREDIT BANK		08/26/2022	13,000,000.00	12,222,407.60	12,953,018.36	3.125	3.226	AA+	Aaa	08/26/2027
3133EHYG2	17917	FEDERAL FARM CREDIT BANK		09/13/2022	19,500,000.00	17,841,287.49	18,830,498.70	2.430	3.382	AA+	Aaa	09/13/2027
3133ENP53	17932	FEDERAL FARM CREDIT BANK		09/27/2022	25,000,000.00	24,066,592.50	24,973,053.33	3.750	3.782	AA+	Aaa	07/27/2027
3133ENP53	17938	FEDERAL FARM CREDIT BANK		09/28/2022	50,000,000.00	48,133,185.00	49,403,746.52	3.750	4.098	AA+	Aaa	07/27/2027
3133ENR36	17943	FEDERAL FARM CREDIT BANK		10/06/2022	25,000,000.00	24,325,523.50	24,975,079.38	4.050	4.080	AA+	Aaa	07/27/2027
3133ENW22	17947	FEDERAL FARM CREDIT BANK		10/28/2022	25,000,000.00	24,654,695.50	24,998,556.79	4.430	4.433	AA+	Aaa	06/28/2027
3133EN5N6	17977	FEDERAL FARM CREDIT BANK		02/07/2023	30,000,000.00	29,094,214.80	30,133,177.95	4.000	3.884	AA+	Aaa	01/06/2028
3133EPAU9	17978	FEDERAL FARM CREDIT BANK		02/14/2023	20,000,000.00	19,343,291.80	19,936,429.86	3.875	3.968	AA+	Aaa	07/14/2027
3133EPAV7	17984	FEDERAL FARM CREDIT BANK		02/15/2023	20,000,000.00	19,289,568.60	19,895,599.67	3.875	4.008	AA+	Aaa	02/14/2028
3133EPAV7	17985	FEDERAL FARM CREDIT BANK		02/15/2023	47,000,000.00	45,330,486.21	46,756,467.42	3.875	4.007	AA+	Aaa	02/14/2028
3133EPAV7	17989	FEDERAL FARM CREDIT BANK		02/16/2023	5,000,000.00	4,822,392.15	4,953,221.18	3.875	4.114	AA+	Aaa	02/14/2028
3133EPME2	18033	FEDERAL FARM CREDIT BANK		06/08/2023	20,850,000.00	20,056,310.14	20,774,454.17	3.875	3.961	AA+	Aaa	06/08/2028
3133EKQG4	18037	FEDERAL FARM CREDIT BANK		06/13/2023	8,916,000.00	8,028,013.74	8,310,247.67	2.400	4.012	AA+	Aaa	06/12/2028
3133EPNH4	18044	FEDERAL FARM CREDIT BANK		06/30/2023	10,000,000.00	9,616,402.50	9,880,028.09	3.875	4.182	AA+	Aaa	06/21/2028

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Federal Agency Coupons												
3133EPQD0	18047	FEDERAL FARM CREDIT BANK		07/26/2023	9,800,000.00	9,574,288.56	9,793,223.81	4.250	4.291	AA+	Aaa	07/17/2028
3133EPQD0	18048	FEDERAL FARM CREDIT BANK		07/26/2023	55,000,000.00	53,733,252.10	54,987,253.25	4.250	4.280	AA+	Aaa	07/17/2028
3133EPQD0	18049	FEDERAL FARM CREDIT BANK		07/28/2023	15,790,000.00	15,426,328.19	15,778,970.79	4.250	4.296	AA+	Aaa	07/17/2028
3133EPQD0	18050	FEDERAL FARM CREDIT BANK		07/28/2023	28,300,000.00	27,648,200.63	28,273,461.39	4.250	4.302	AA+	Aaa	07/17/2028
3133EPSK2	18051	FEDERAL FARM CREDIT BANK		08/07/2023	20,000,000.00	19,533,708.60	19,914,522.44	4.250	4.349	AA+	Aaa	08/07/2028
3133EPSK2	18052	FEDERAL FARM CREDIT BANK		08/07/2023	10,000,000.00	9,766,854.30	9,957,417.00	4.250	4.349	AA+	Aaa	08/07/2028
3133EPSK2	18053	FEDERAL FARM CREDIT BANK		08/07/2023	10,000,000.00	9,766,854.30	9,957,417.00	4.250	4.349	AA+	Aaa	08/07/2028
3130A0F70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	9,964,182.40	10,011,161.59	3.375	2.730	AA+	Aaa	12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	9,979,298.30	9,999,606.29	2.640	2.699	AA+	Aaa	10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	4,894,845.82	4,905,189.66	2.640	2.583	AA+	Aaa	10/27/2023
3130A0F70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,159,884.29	11,219,640.07	3.375	2.373	AA+	Aaa	12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	49,490,924.00	49,997,431.08	2.320	2.337	AA+	Aaa	01/29/2024
3133X8EW8	17651	FEDERAL HOME LOAN BANK		09/26/2019	3,760,000.00	3,756,636.49	3,876,795.43	5.375	1.653	AA+	Aaa	08/15/2024
3130A2UW4	17654	FEDERAL HOME LOAN BANK		10/15/2019	10,000,000.00	9,756,471.50	10,109,621.83	2.875	1.668	AA+	Aaa	09/13/2024
3130AGWK7	17658	FEDERAL HOME LOAN BANK		10/23/2019	10,000,000.00	9,660,107.90	9,986,432.01	1.500	1.662	AA+	Aaa	08/15/2024
3130AGWK7	17662	FEDERAL HOME LOAN BANK		11/05/2019	12,500,000.00	12,075,134.88	12,484,215.57	1.500	1.651	AA+	Aaa	08/15/2024
3130AGWK7	17676	FEDERAL HOME LOAN BANK		12/18/2019	10,000,000.00	9,660,107.90	9,980,714.37	1.500	1.731	AA+	Aaa	08/15/2024
3130A3GE8	17693	FEDERAL HOME LOAN BANK		02/05/2020	5,000,000.00	4,845,642.40	5,071,941.10	2.750	1.502	AA+	Aaa	12/13/2024
3130AN6L9	17828	FEDERAL HOME LOAN BANK		07/14/2021	10,750,000.00	9,614,200.15	10,742,436.64	0.820	0.846	AA+	Aaa	07/08/2026
3133XG6E9	17829	FEDERAL HOME LOAN BANK		07/14/2021	15,000,000.00	15,303,938.10	16,938,438.39	5.750	0.848	AA+	Aaa	06/12/2026
3130AN4T4	17830	FEDERAL HOME LOAN BANK		07/14/2021	22,000,000.00	19,773,972.24	22,014,342.02	0.875	0.850	AA+	Aaa	06/12/2026
3130AN4T4	17831	FEDERAL HOME LOAN BANK		08/09/2021	9,250,000.00	8,314,056.51	9,272,982.56	0.875	0.781	AA+	Aaa	06/12/2026
3130AN4T4	17832	FEDERAL HOME LOAN BANK		08/09/2021	12,000,000.00	10,785,803.04	12,028,745.61	0.875	0.784	AA+	Aaa	06/12/2026
3130AN4T4	17833	FEDERAL HOME LOAN BANK		08/11/2021	50,000,000.00	44,940,846.00	50,075,209.28	0.875	0.818	AA+	Aaa	06/12/2026
3130A8XY4	17845	FEDERAL HOME LOAN BANK		09/20/2021	6,515,000.00	5,975,293.30	6,699,234.45	1.875	0.891	AA+	Aaa	09/11/2026
3130A8XY4	17848	FEDERAL HOME LOAN BANK		09/23/2021	13,980,000.00	12,821,887.99	14,380,555.15	1.875	0.878	AA+	Aaa	09/11/2026
3130AQF65	17868	FEDERAL HOME LOAN BANK		12/22/2021	100,000,000.00	89,310,020.00	99,825,838.80	1.250	1.305	AA+	Aaa	12/21/2026
3130AQF65	17869	FEDERAL HOME LOAN BANK		12/22/2021	24,860,000.00	22,202,470.97	24,817,472.96	1.250	1.304	AA+	Aaa	12/21/2026
3130AQF65	17872	FEDERAL HOME LOAN BANK		01/06/2022	24,300,000.00	21,702,334.86	24,165,881.97	1.250	1.428	AA+	Aaa	12/21/2026
3130ASVS5	17918	FEDERAL HOME LOAN BANK		09/12/2022	15,650,000.00	14,703,891.46	15,433,237.49	3.000	3.384	AA+	Aaa	09/10/2027
3130AU2B9	17955	FEDERAL HOME LOAN BANK		12/05/2022	50,000,000.00	48,640,789.00	49,951,746.05	4.000	4.029	AA+	Aaa	06/04/2027
3130AU2J2	17956	FEDERAL HOME LOAN BANK		12/06/2022	15,000,000.00	14,589,000.30	14,956,984.91	4.000	4.085	AA+	Aaa	07/06/2027
3130AUTA2	17971	FEDERAL HOME LOAN BANK		02/07/2023	50,000,000.00	47,926,218.00	49,471,858.98	3.625	3.900	AA+	Aaa	01/07/2028
3130AUSN5	17982	FEDERAL HOME LOAN BANK		02/14/2023	12,940,000.00	12,381,170.31	12,695,572.33	3.500	4.023	AA+	Aaa	10/01/2027
3130AUZK3	17990	FEDERAL HOME LOAN BANK		02/17/2023	60,000,000.00	58,491,438.60	59,848,405.28	4.050	4.117	AA+	Aaa	01/03/2028
3130AUZK3	17993	FEDERAL HOME LOAN BANK		02/22/2023	26,875,000.00	26,199,290.21	26,728,180.42	4.050	4.194	AA+	Aaa	01/03/2028
3130AVPH9	18006	FEDERAL HOME LOAN BANK		04/13/2023	20,000,000.00	19,158,571.20	19,981,045.22	3.625	3.650	AA+	Aaa	01/28/2028
3130AVPZ9	18010	FEDERAL HOME LOAN BANK		04/18/2023	10,000,000.00	9,572,492.50	9,942,824.33	3.600	3.747	AA+	Aaa	01/18/2028

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Federal Agency Coupons												
3130AWC24	18034	FEDERAL HOME LOAN BANK		06/09/2023	8,800,000.00	8,549,670.71	8,812,130.00	4.000	3.988	AA+	Aaa	06/09/2028
3130AWC24	18039	FEDERAL HOME LOAN BANK		06/14/2023	18,025,000.00	17,512,251.66	18,002,133.84	4.000	4.064	AA+	Aaa	06/09/2028
3130AWC24	18040	FEDERAL HOME LOAN BANK		06/22/2023	30,000,000.00	29,146,604.70	30,066,032.68	4.000	4.002	AA+	Aaa	06/09/2028
3130AWC24	18042	FEDERAL HOME LOAN BANK		06/22/2023	15,000,000.00	14,573,302.35	15,035,283.38	4.000	3.999	AA+	Aaa	06/09/2028
3130AWC24	18045	FEDERAL HOME LOAN BANK		06/30/2023	14,650,000.00	14,233,258.63	14,580,704.48	4.000	4.189	AA+	Aaa	06/09/2028
3137EAEU9	17724	FEDERAL HOME MORTGAGE CO		07/23/2020	65,000,000.00	59,746,089.65	64,882,978.31	0.375	0.476	AA+	Aaa	07/21/2025
3137EAEU9	17731	FEDERAL HOME MORTGAGE CO		09/10/2020	30,000,000.00	27,575,118.30	29,970,599.66	0.375	0.430	AA+	Aaa	07/21/2025
3137EAEX3	17741	FEDERAL HOME MORTGAGE CO		10/08/2020	50,000,000.00	45,589,833.00	49,894,576.13	0.375	0.483	AA+	Aaa	09/23/2025
3135G0V75	17652	FEDERAL NATIONAL MORTGAGE		09/26/2019	35,000,000.00	34,034,024.85	35,030,074.53	1.750	1.631	AA+	Aaa	07/02/2024
3135G0V75	17656	FEDERAL NATIONAL MORTGAGE		10/16/2019	10,000,000.00	9,724,007.10	10,007,989.39	1.750	1.639	AA+	Aaa	07/02/2024
3135G0V75	17659	FEDERAL NATIONAL MORTGAGE		10/23/2019	10,000,000.00	9,724,007.10	10,005,877.28	1.750	1.668	AA+	Aaa	07/02/2024
3135G0V75	17660	FEDERAL NATIONAL MORTGAGE		10/28/2019	8,632,000.00	8,393,762.93	8,636,070.11	1.750	1.684	AA+	Aaa	07/02/2024
3135G0V75	17661	FEDERAL NATIONAL MORTGAGE		11/05/2019	23,000,000.00	22,365,216.33	23,014,941.36	1.750	1.660	AA+	Aaa	07/02/2024
3135G0V75	17663	FEDERAL NATIONAL MORTGAGE		11/08/2019	25,000,000.00	24,310,017.75	24,984,742.08	1.750	1.835	AA+	Aaa	07/02/2024
3135G0V75	17668	FEDERAL NATIONAL MORTGAGE		12/06/2019	25,000,000.00	24,310,017.75	25,013,871.05	1.750	1.673	AA+	Aaa	07/02/2024
3135G0V75	17669	FEDERAL NATIONAL MORTGAGE		12/06/2019	15,000,000.00	14,586,010.65	15,008,868.42	1.750	1.668	AA+	Aaa	07/02/2024
3135G0V75	17670	FEDERAL NATIONAL MORTGAGE		12/09/2019	15,000,000.00	14,586,010.65	15,003,686.46	1.750	1.716	AA+	Aaa	07/02/2024
3135G0V75	17671	FEDERAL NATIONAL MORTGAGE		12/09/2019	25,000,000.00	24,310,017.75	25,006,432.74	1.750	1.714	AA+	Aaa	07/02/2024
3135G0V75	17673	FEDERAL NATIONAL MORTGAGE		12/12/2019	25,000,000.00	24,310,017.75	25,005,411.74	1.750	1.720	AA+	Aaa	07/02/2024
3135G0V75	17675	FEDERAL NATIONAL MORTGAGE		12/13/2019	20,000,000.00	19,448,014.20	19,997,222.21	1.750	1.769	AA+	Aaa	07/02/2024
3135G0X24	17680	FEDERAL NATIONAL MORTGAGE		01/10/2020	50,000,000.00	47,718,699.50	49,946,203.67	1.625	1.714	AA+	Aaa	01/07/2025
3135G05X7	17730	FEDERAL NATIONAL MORTGAGE		08/27/2020	125,000,000.00	114,344,490.00	124,777,452.73	0.375	0.470	AA+	Aaa	08/25/2025
3135G04Z3	17732	FEDERAL NATIONAL MORTGAGE		09/11/2020	20,000,000.00	18,496,477.80	20,021,983.59	0.500	0.435	AA+	Aaa	06/17/2025
3135G04Z3	17733	FEDERAL NATIONAL MORTGAGE		09/24/2020	50,000,000.00	46,241,194.50	50,062,594.72	0.500	0.426	AA+	Aaa	06/17/2025
3135G04Z3	17734	FEDERAL NATIONAL MORTGAGE		09/28/2020	20,000,000.00	18,496,477.80	20,032,630.96	0.500	0.404	AA+	Aaa	06/17/2025
3135G04Z3	17735	FEDERAL NATIONAL MORTGAGE		09/28/2020	50,000,000.00	46,241,194.50	50,081,269.22	0.500	0.404	AA+	Aaa	06/17/2025
3135G04Z3	17736	FEDERAL NATIONAL MORTGAGE		10/01/2020	75,000,000.00	69,361,791.75	75,116,807.55	0.500	0.408	AA+	Aaa	06/17/2025
3135G04Z3	17746	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,248,238.90	10,008,285.82	0.500	0.451	AA+	Aaa	06/17/2025
3135G05X7	17747	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,147,559.20	9,979,931.74	0.375	0.482	AA+	Aaa	08/25/2025
3135G05X7	17748	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,147,559.20	9,979,891.76	0.375	0.482	AA+	Aaa	08/25/2025
3135G06G3	17754	FEDERAL NATIONAL MORTGAGE		12/07/2020	25,000,000.00	22,736,405.50	24,991,190.68	0.500	0.517	AA+	Aaa	11/07/2025
742651DP4	17643	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,769,775.80	10,033,543.56	2.450	2.001		Aaa	07/15/2024
742651DP4	17644	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,769,775.80	10,032,866.69	2.450	2.010		Aaa	07/15/2024
742651DZ2	18025	PRIVATE EXPORT FUNDING CO		05/18/2023	35,000,000.00	33,773,138.00	35,205,376.32	3.900	3.785		Aaa	10/15/2027
742651DZ2	18030	PRIVATE EXPORT FUNDING CO		05/23/2023	9,000,000.00	8,684,521.20	8,976,569.32	3.900	4.030		Aaa	10/15/2027
		Subtotal and Average	**2,730,520,422.85**		**2,725,435,000.00**	**2,568,174,899.48**	**2,723,179,545.30**		**2.047**			

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Medium Term Notes												
02079KAH0	17773	ALPHABET INC		01/19/2021	20,000,000.00	18,320,282.80	19,955,702.72	0.450	0.570	AA+	Aa2	08/15/2025
02079KAH0	17776	ALPHABET INC		01/20/2021	5,000,000.00	4,580,070.70	4,991,688.70	0.450	0.540	AA+	Aa2	08/15/2025
02079KAH0	17777	ALPHABET INC		01/20/2021	5,000,000.00	4,580,070.70	4,991,682.55	0.450	0.540	AA+	Aa2	08/15/2025
02079KAJ6	17927	ALPHABET INC		09/12/2022	5,000,000.00	4,290,122.35	4,502,193.40	0.800	3.631	AA+	Aa2	08/15/2027
02079KAJ6	17929	ALPHABET INC		09/15/2022	5,000,000.00	4,290,122.35	4,470,181.55	0.800	3.828	AA+	Aa2	08/15/2027
02079KAJ6	17945	ALPHABET INC		10/14/2022	7,500,000.00	6,435,183.53	6,558,887.86	0.800	4.436	AA+	Aa2	08/15/2027
037833DX5	17729	APPLE INC		08/20/2020	10,000,000.00	9,172,641.70	9,991,097.56	0.550	0.598	AA+	Aaa	08/20/2025
037833DX5	17772	APPLE INC		01/19/2021	15,000,000.00	13,758,962.55	14,984,114.85	0.550	0.607	AA+	Aaa	08/20/2025
037833DX5	17782	APPLE INC		01/25/2021	10,000,000.00	9,172,641.70	9,994,423.53	0.550	0.580	AA+	Aaa	08/20/2025
037833EB2	17785	APPLE INC		02/08/2021	10,000,000.00	9,017,649.90	9,989,412.50	0.700	0.746	AA+	Aaa	02/08/2026
037833EB2	17787	APPLE INC		02/08/2021	20,000,000.00	18,035,299.80	19,980,142.56	0.700	0.743	AA+	Aaa	02/08/2026
037833CR9	17895	APPLE INC		06/13/2022	10,000,000.00	9,389,471.90	9,928,235.29	3.200	3.417	AA+	Aaa	05/11/2027
037833CR9	17899	APPLE INC		07/01/2022	5,000,000.00	4,694,735.95	4,924,117.14	3.200	3.662	AA+	Aaa	05/11/2027
037833CR9	17902	APPLE INC		07/27/2022	10,000,000.00	9,389,471.90	9,981,827.15	3.200	3.254	AA+	Aaa	05/11/2027
037833CR9	17903	APPLE INC		07/27/2022	5,000,000.00	4,694,735.95	4,994,005.22	3.200	3.235	AA+	Aaa	05/11/2027
037833CR9	17905	APPLE INC		08/23/2022	10,000,000.00	9,389,471.90	9,917,414.02	3.200	3.449	AA+	Aaa	05/11/2027
037833CX6	17921	APPLE INC		09/02/2022	10,000,000.00	9,316,806.80	9,799,808.65	3.000	3.590	AA+	Aaa	06/20/2027
037833DB3	17925	APPLE INC		09/12/2022	25,000,000.00	23,088,004.50	24,139,900.28	2.900	3.867	AA+	Aaa	09/12/2027
037833DB3	17962	APPLE INC		12/20/2022	10,000,000.00	9,235,201.80	9,560,308.20	2.900	4.137	AA+	Aaa	09/12/2027
037833EC0	17979	APPLE INC		02/10/2023	10,000,000.00	8,532,219.70	8,810,448.29	1.200	4.263	AA+	Aaa	02/08/2028
037833EC0	17983	APPLE INC		02/15/2023	5,000,000.00	4,266,109.85	4,379,579.87	1.200	4.406	AA+	Aaa	02/08/2028
037833EC0	17986	APPLE INC		02/16/2023	10,000,000.00	8,532,219.70	8,743,846.63	1.200	4.449	AA+	Aaa	02/08/2028
037833EC0	17996	APPLE INC		03/02/2023	15,000,000.00	12,798,329.55	12,987,516.72	1.200	4.688	AA+	Aaa	02/08/2028
037833EC0	18003	APPLE INC		04/12/2023	10,000,000.00	8,532,219.70	8,934,602.48	1.200	3.909	AA+	Aaa	02/08/2028
037833ET3	18035	APPLE INC		06/09/2023	10,000,000.00	9,603,408.00	9,941,637.64	4.000	4.219	AA+	Aaa	05/10/2028
037833ET3	18036	APPLE INC		06/14/2023	10,000,000.00	9,603,408.00	9,931,599.43	4.000	4.257	AA+	Aaa	05/10/2028
037833ET3	18038	APPLE INC		06/14/2023	10,000,000.00	9,603,408.00	9,928,336.39	4.000	4.265	AA+	Aaa	05/10/2028
084664CZ2	17890	BERKSHIRE HATHAWAY		03/15/2022	60,000,000.00	55,046,146.20	59,992,121.33	2.300	2.304	AA	Aa2	03/15/2027
084664CZ2	17891	BERKSHIRE HATHAWAY		03/15/2022	10,000,000.00	9,174,357.70	9,948,235.78	2.300	2.460	AA	Aa2	03/15/2027
166764BW9	17710	CHEVRON CORP		05/11/2020	5,000,000.00	4,704,643.40	5,000,000.00	1.554	1.554	AA-	Aa2	05/11/2025
166756AE6	17725	CHEVRON CORP		08/12/2020	3,000,000.00	2,754,933.60	3,000,000.00	0.687	0.687	AA-	Aa2	08/12/2025
166756AE6	17726	CHEVRON CORP		08/13/2020	4,500,000.00	4,132,400.40	4,498,929.16	0.687	0.700	AA-	Aa2	08/12/2025
166756AE6	17727	CHEVRON CORP		08/13/2020	9,000,000.00	8,264,800.80	8,997,851.61	0.687	0.700	AA-	Aa2	08/12/2025
166756AE6	17728	CHEVRON CORP		08/13/2020	5,000,000.00	4,591,556.00	4,998,806.45	0.687	0.700	AA-	Aa2	08/12/2025
166756AE6	17745	CHEVRON CORP		11/05/2020	10,000,000.00	9,183,112.00	9,987,017.69	0.687	0.758	AA-	Aa2	08/12/2025
166756AL0	17904	CHEVRON CORP		08/23/2022	5,000,000.00	4,297,612.50	4,556,454.50	1.018	3.542	AA-	Aa2	08/12/2027
166756AL0	17915	CHEVRON CORP		08/31/2022	10,000,000.00	8,595,225.00	9,070,583.94	1.018	3.670	AA-	Aa2	08/12/2027
166764BX7	17919	CHEVRON CORP		09/02/2022	10,000,000.00	8,962,649.90	9,434,942.57	1.995	3.714	AA-	Aa2	05/11/2027

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Medium Term Notes												
166756AL0	17920	CHEVRON CORP		09/02/2022	15,000,000.00	12,892,837.50	13,557,091.47	1.018	3.770	AA-	Aa2	08/12/2027
166756AL0	17930	CHEVRON CORP		09/16/2022	8,823,000.00	7,583,567.02	7,884,402.37	1.018	4.084	AA-	Aa2	08/12/2027
166756AL0	17933	CHEVRON CORP		09/23/2022	5,000,000.00	4,297,612.50	4,433,517.42	1.018	4.300	AA-	Aa2	08/12/2027
166756AL0	17946	CHEVRON CORP		10/14/2022	5,000,000.00	4,297,612.50	4,357,706.95	1.018	4.780	AA-	Aa2	08/12/2027
166764BX7	17957	CHEVRON CORP		12/02/2022	5,000,000.00	4,481,324.95	4,598,073.17	1.995	4.474	AA-	Aa2	05/11/2027
166756AL0	17958	CHEVRON CORP		12/08/2022	5,000,000.00	4,297,612.50	4,447,060.98	1.018	4.200	AA-	Aa2	08/12/2027
166764BX7	17959	CHEVRON CORP		12/08/2022	5,000,000.00	4,481,324.95	4,628,773.70	1.995	4.273	AA-	Aa2	05/11/2027
166756AR7	17987	CHEVRON CORP		02/16/2023	17,000,000.00	16,159,663.99	16,561,395.77	3.850	4.527	AA-	Aa2	01/15/2028
166764BX7	17995	CHEVRON CORP		03/02/2023	20,000,000.00	17,925,299.80	18,222,213.39	1.995	4.737	AA-	Aa2	05/11/2027
166756AR7	18001	CHEVRON CORP		04/12/2023	5,000,000.00	4,752,842.35	4,976,353.27	3.850	3.971	AA-	Aa2	01/15/2028
166756AR7	18026	CHEVRON CORP		05/19/2023	10,000,000.00	9,505,684.70	9,929,801.43	3.850	4.030	AA-	Aa2	01/15/2028
166756AR7	18032	CHEVRON CORP		06/05/2023	10,000,000.00	9,505,684.70	9,884,386.02	3.850	4.148	AA-	Aa2	01/15/2028
17325FAS7	17702	CITIBANK		03/24/2020	5,000,000.00	4,965,658.10	4,989,841.22	3.650	4.365	A+	Aa3	01/23/2024
17325FBB3	18055	CITIBANK		09/29/2023	10,000,000.00	10,004,574.10	9,975,627.11	5.803	5.860	A+	Aa3	09/29/2028
17325FBB3	18056	CITIBANK		09/29/2023	10,000,000.00	10,004,574.10	9,999,600.44	5.803	5.804	A+	Aa3	09/29/2028
17325FBB3	18057	CITIBANK		09/29/2023	10,000,000.00	10,004,574.10	10,005,094.33	5.803	5.791	A+	Aa3	09/29/2028
17325FBB3	18058	CITIBANK		09/29/2023	10,000,000.00	10,004,574.10	9,992,708.11	5.803	5.820	A+	Aa3	09/29/2028
30231GBC5	17695	EXXON MOBIL		03/17/2020	5,000,000.00	4,856,345.85	4,995,589.21	2.019	2.125	AA-	Aa2	08/16/2024
30231GBC5	17696	EXXON MOBIL		03/17/2020	5,000,000.00	4,856,345.85	4,994,964.76	2.019	2.140	AA-	Aa2	08/16/2024
30231GBH4	17699	EXXON MOBIL		03/19/2020	5,000,000.00	4,828,454.85	5,000,000.00	2.992	2.992	AA-	Aa2	03/19/2025
24422ETT6	17650	JOHN DEERE		09/19/2019	7,059,000.00	6,907,095.97	7,079,129.41	2.650	2.236	A	A2	06/24/2024
24422EUR8	17665	JOHN DEERE		11/26/2019	5,000,000.00	4,965,832.70	5,018,715.94	3.450	2.024	A	A2	01/10/2024
24422EUR8	17672	JOHN DEERE		12/12/2019	3,306,000.00	3,283,408.58	3,318,371.62	3.450	2.025	A	A2	01/10/2024
24422EUR8	17678	JOHN DEERE		12/27/2019	6,413,000.00	6,369,177.02	6,436,280.65	3.450	2.067	A	A2	01/10/2024
24422EVC0	17681	JOHN DEERE		01/10/2020	3,925,000.00	3,758,324.84	3,924,000.75	2.050	2.071	A	A2	01/09/2025
24422EVC0	17683	JOHN DEERE		01/13/2020	10,000,000.00	9,575,349.90	9,996,508.90	2.050	2.079	A	A2	01/09/2025
24422EVC0	17686	JOHN DEERE		02/10/2020	10,000,000.00	9,575,349.90	10,026,877.51	2.050	1.828	A	A2	01/09/2025
24422EVC0	17688	JOHN DEERE		02/28/2020	5,000,000.00	4,787,674.95	5,028,226.77	2.050	1.587	A	A2	01/09/2025
24422EVC0	17689	JOHN DEERE		02/28/2020	10,000,000.00	9,575,349.90	10,057,068.21	2.050	1.582	A	A2	01/09/2025
24422EVC0	17697	JOHN DEERE		03/17/2020	5,000,000.00	4,787,674.95	5,014,906.15	2.050	1.804	A	A2	01/09/2025
24422EVC0	17701	JOHN DEERE		03/24/2020	4,500,000.00	4,308,907.46	4,449,663.81	2.050	3.000	A	A2	01/09/2025
24422EVC0	17755	JOHN DEERE		12/10/2020	8,210,000.00	7,861,362.27	8,361,515.54	2.050	0.580	A	A2	01/09/2025
24422EVK2	17774	JOHN DEERE		01/20/2021	9,200,000.00	8,294,318.88	9,186,612.18	0.700	0.765	A	A2	01/15/2026
24422EVK2	17775	JOHN DEERE		01/20/2021	4,510,000.00	4,066,019.36	4,505,041.56	0.700	0.749	A	A2	01/15/2026
24422EVK2	17778	JOHN DEERE		01/21/2021	10,000,000.00	9,015,564.00	9,995,498.77	0.700	0.720	A	A2	01/15/2026
24422EVK2	17779	JOHN DEERE		01/21/2021	5,000,000.00	4,507,782.00	4,997,749.39	0.700	0.720	A	A2	01/15/2026
24422EVK2	17781	JOHN DEERE		01/22/2021	5,000,000.00	4,507,782.00	4,996,070.72	0.700	0.735	A	A2	01/15/2026
478160CN2	17784	JOHNSON & JOHNSON		02/02/2021	5,000,000.00	4,574,042.95	5,000,000.00	0.550	0.550	AAA	Aaa	09/01/2025

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Medium Term Notes												
478160CN2	17786	JOHNSON & JOHNSON		02/04/2021	5,000,000.00	4,574,042.95	5,000,000.00	0.550	0.550	AAA	Aaa	09/01/2025
478160CP7	17926	JOHNSON & JOHNSON		09/12/2022	5,000,000.00	4,296,813.95	4,522,877.75	0.950	3.635	AAA	Aaa	09/01/2027
478160CP7	17941	JOHNSON & JOHNSON		09/28/2022	5,000,000.00	4,296,813.95	4,389,397.63	0.950	4.457	AAA	Aaa	09/01/2027
478160CK8	17988	JOHNSON & JOHNSON		02/16/2023	5,000,000.00	4,614,727.95	4,729,455.24	2.900	4.313	AAA	Aaa	01/15/2028
478160CK8	17994	JOHNSON & JOHNSON		03/02/2023	5,000,000.00	4,614,727.95	4,688,403.54	2.900	4.535	AAA	Aaa	01/15/2028
478160CK8	18002	JOHNSON & JOHNSON		04/12/2023	5,000,000.00	4,614,727.95	4,825,950.73	2.900	3.794	AAA	Aaa	01/15/2028
478160CK8	18004	JOHNSON & JOHNSON		04/12/2023	5,000,000.00	4,614,727.95	4,828,294.22	2.900	3.782	AAA	Aaa	01/15/2028
478160CK8	18028	JOHNSON & JOHNSON		05/22/2023	10,000,000.00	9,229,455.90	9,598,403.11	2.900	3.933	AAA	Aaa	01/15/2028
478160CK8	18029	JOHNSON & JOHNSON		05/22/2023	10,000,000.00	9,229,455.90	9,594,997.63	2.900	3.942	AAA	Aaa	01/15/2028
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	29,700,900.00	30,000,000.00	3.050	3.050	A+	Aa2	01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	39,181,200.00	40,000,000.00	2.775	2.775	A+	Aa2	05/15/2024
46632FRT4	17756	JP MORGAN		12/14/2020	60,000,000.00	55,028,914.80	60,000,000.00	0.580	0.580	A+	Aa2	05/29/2025
46632FSV8	18027	JP MORGAN		05/25/2023	30,000,000.00	27,692,914.50	30,000,000.00	4.000	4.000	A+	Aa2	05/25/2028
46632FTC9	18046	JP MORGAN		07/28/2023	50,000,000.00	48,450,500.00	50,000,000.00	4.650	4.650	A+	Aa2	07/28/2028
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	9,905,232.50	10,000,000.00	2.875	2.875	AAA	Aaa	02/06/2024
594918BY9	17961	MICROSOFT		12/19/2022	10,000,000.00	9,489,378.50	9,762,889.71	3.300	4.076	AAA	Aaa	02/06/2027
742718FL8	17780	PROCTER & GAMBLE		01/22/2021	12,200,000.00	11,094,968.29	12,200,000.00	0.550	0.550	AA-	Aa3	10/29/2025
742718EV7	17942	PROCTER & GAMBLE		10/05/2022	10,000,000.00	9,257,058.70	9,468,997.71	2.850	4.391	AA-	Aa3	08/11/2027
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,180,428.94	12,246,327.59	3.350	3.472	A+	A1	01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	2,995,591.20	2,998,933.08	2.250	3.063	A+	A1	10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	4,992,652.00	4,999,163.63	2.250	2.627	A+	A1	10/18/2023
89236TGM1	17653	TOYOTA MOTOR CREDIT		10/15/2019	30,000,000.00	28,996,282.80	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	9,635,712.50	9,994,981.76	2.000	2.052	A+	A1	10/07/2024
89236TGL3	17682	TOYOTA MOTOR CREDIT		01/13/2020	21,410,000.00	20,630,060.46	21,400,756.76	2.000	2.044	A+	A1	10/07/2024
89236THP3	17743	TOYOTA MOTOR CREDIT		10/16/2020	7,000,000.00	6,370,409.15	6,995,255.17	0.800	0.834	A+	A1	10/16/2025
89236THW8	17767	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,511,385.45	4,997,338.54	0.800	0.824	A+	A1	01/09/2026
89236THW8	17768	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,511,385.45	4,998,430.42	0.800	0.814	A+	A1	01/09/2026
89236THW8	17769	TOYOTA MOTOR CREDIT		01/11/2021	5,500,000.00	4,962,524.00	5,498,043.26	0.800	0.816	A+	A1	01/09/2026
89236THW8	17770	TOYOTA MOTOR CREDIT		01/11/2021	5,270,000.00	4,755,000.26	5,268,242.57	0.800	0.815	A+	A1	01/09/2026
89236TJV8	17884	TOYOTA MOTOR CREDIT		03/07/2022	11,581,000.00	10,384,133.30	11,451,952.64	1.900	2.260	A+	A1	01/13/2027
89236THG3	17940	TOYOTA MOTOR CREDIT		09/28/2022	5,000,000.00	4,285,062.80	4,351,629.40	1.150	4.967	A+	A1	08/13/2027
89236TKL8	17950	TOYOTA MOTOR CREDIT		11/10/2022	30,000,000.00	30,107,311.80	29,969,187.50	5.450	5.479	A+	A1	11/10/2027
89236TKQ7	17981	TOYOTA MOTOR CREDIT		02/14/2023	20,000,000.00	19,538,065.80	19,966,704.64	4.625	4.668	A+	A1	01/12/2028
89236TKQ7	17991	TOYOTA MOTOR CREDIT		02/17/2023	11,860,000.00	11,586,073.02	11,799,424.29	4.625	4.759	A+	A1	01/12/2028
89236TKQ7	17992	TOYOTA MOTOR CREDIT		02/17/2023	5,000,000.00	4,884,516.45	4,976,950.48	4.625	4.746	A+	A1	01/12/2028
90331HPL1	17690	US BANK NA		02/28/2020	5,000,000.00	4,749,584.50	5,025,446.11	2.050	1.636	AA-	A1	01/21/2025
90331HPL1	17691	US BANK NA		03/12/2020	5,000,000.00	4,749,584.50	5,029,786.82	2.050	1.574	AA-	A1	01/21/2025
90331HPL1	17692	US BANK NA		03/12/2020	5,000,000.00	4,749,584.50	5,027,665.24	2.050	1.608	AA-	A1	01/21/2025

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Medium Term Notes												
931142ER0	17842	WALMART		09/17/2021	20,000,000.00	17,836,490.80	19,977,614.00	1.050	1.089	AA	Aa2	09/17/2026
931142ER0	17846	WALMART		09/21/2021	10,000,000.00	8,918,245.40	10,000,000.00	1.050	1.050	AA	Aa2	09/17/2026
931142ER0	17847	WALMART		09/21/2021	10,000,000.00	8,918,245.40	10,000,000.00	1.050	1.050	AA	Aa2	09/17/2026
931142ER0	17849	WALMART		09/27/2021	10,000,000.00	8,918,245.40	10,000,000.00	1.050	1.050	AA	Aa2	09/17/2026
931142CH4	17901	WALMART		07/18/2022	5,125,000.00	5,303,912.83	5,525,731.30	5.875	3.442	AA	Aa2	04/05/2027
931142EX7	17923	WALMART		09/09/2022	7,000,000.00	6,755,566.58	6,988,088.80	3.950	3.998	AA	Aa2	09/09/2027
931142EX7	17924	WALMART		09/09/2022	10,000,000.00	9,650,809.40	9,997,479.11	3.950	3.957	AA	Aa2	09/09/2027
931142EX7	17931	WALMART		09/22/2022	10,000,000.00	9,650,809.40	9,897,502.48	3.950	4.241	AA	Aa2	09/09/2027
931142FB4	18008	WALMART		04/18/2023	10,000,000.00	9,548,008.30	9,947,079.13	3.900	4.030	AA	Aa2	04/15/2028
931142FB4	18011	WALMART		04/19/2023	10,000,000.00	9,548,008.30	9,925,024.09	3.900	4.087	AA	Aa2	04/15/2028
931142FB4	18012	WALMART		04/19/2023	5,000,000.00	4,774,004.15	4,962,507.50	3.900	4.087	AA	Aa2	04/15/2028
931142FB4	18013	WALMART		04/19/2023	5,000,000.00	4,774,004.15	4,960,283.04	3.900	4.098	AA	Aa2	04/15/2028
931142FB4	18014	WALMART		04/19/2023	10,000,000.00	9,548,008.30	9,920,566.07	3.900	4.098	AA	Aa2	04/15/2028
931142FB4	18015	WALMART		04/19/2023	5,000,000.00	4,774,004.15	4,959,873.63	3.900	4.100	AA	Aa2	04/15/2028
931142FB4	18023	WALMART		05/17/2023	4,660,000.00	4,449,371.87	4,667,490.87	3.900	3.937	AA	Aa2	04/15/2028
931142FB4	18024	WALMART		05/18/2023	5,000,000.00	4,774,004.15	4,999,974.73	3.900	3.979	AA	Aa2	04/15/2028
931142EE9	18043	WALMART		06/26/2023	17,200,000.00	16,319,028.38	16,730,832.88	3.700	4.347	AA	Aa2	06/26/2028
		Subtotal and Average	**1,304,145,555.87**		**1,366,002,000.00**	**1,276,379,572.50**	**1,341,690,028.01**		**2.921**			
Treasury Notes												
912828XT2	17677	US TREASURY NOTE		12/18/2019	20,000,000.00	19,544,531.20	20,036,894.60	2.000	1.711	AA+	Aaa	05/31/2024
912828P46	17791	US TREASURY NOTE		02/26/2021	30,000,000.00	27,789,843.60	30,588,455.58	1.625	0.782	AA+	Aaa	02/15/2026
91282CBH3	17795	US TREASURY NOTE		03/08/2021	20,000,000.00	18,005,468.80	19,802,684.18	0.375	0.807	AA+	Aaa	01/31/2026
91282CBW0	17798	US TREASURY NOTE		05/03/2021	20,000,000.00	18,017,187.60	19,939,041.93	0.750	0.871	AA+	Aaa	04/30/2026
91282CBW0	17800	US TREASURY NOTE		05/12/2021	30,000,000.00	27,025,781.40	29,926,974.23	0.750	0.847	AA+	Aaa	04/30/2026
912828R36	17801	US TREASURY NOTE		05/18/2021	30,000,000.00	27,616,406.40	30,609,034.30	1.625	0.832	AA+	Aaa	05/15/2026
912828R36	17802	US TREASURY NOTE		05/19/2021	20,000,000.00	18,410,937.60	20,410,349.20	1.625	0.824	AA+	Aaa	05/15/2026
912828R36	17803	US TREASURY NOTE		05/20/2021	20,000,000.00	18,410,937.60	20,387,582.37	1.625	0.868	AA+	Aaa	05/15/2026
91282CCF6	17805	US TREASURY NOTE		06/16/2021	20,000,000.00	17,962,500.00	19,981,521.06	0.750	0.785	AA+	Aaa	05/31/2026
91282CCF6	17808	US TREASURY NOTE		06/17/2021	40,000,000.00	35,925,000.00	39,910,915.91	0.750	0.835	AA+	Aaa	05/31/2026
91282CCF6	17809	US TREASURY NOTE		06/17/2021	40,000,000.00	35,925,000.00	39,895,788.42	0.750	0.850	AA+	Aaa	05/31/2026
91282CCF6	17810	US TREASURY NOTE		06/17/2021	20,000,000.00	17,962,500.00	19,922,681.73	0.750	0.899	AA+	Aaa	05/31/2026
91282CCJ8	17823	US TREASURY NOTE		06/30/2021	30,000,000.00	26,995,312.50	29,931,778.42	0.875	0.960	AA+	Aaa	06/30/2026
91282CCJ8	17824	US TREASURY NOTE		06/30/2021	30,000,000.00	26,995,312.50	29,979,902.48	0.875	0.900	AA+	Aaa	06/30/2026
91282CCJ8	17827	US TREASURY NOTE		06/30/2021	30,000,000.00	26,995,312.50	29,952,366.43	0.875	0.934	AA+	Aaa	06/30/2026
91282CCW9	17836	US TREASURY NOTE		08/31/2021	50,000,000.00	44,529,297.00	49,942,923.06	0.750	0.790	AA+	Aaa	08/31/2026
91282CCP4	17838	US TREASURY NOTE		08/26/2021	50,000,000.00	44,501,953.00	49,726,241.32	0.625	0.823	AA+	Aaa	07/31/2026
91282CCP4	17839	US TREASURY NOTE		09/07/2021	50,000,000.00	44,501,953.00	49,787,655.55	0.625	0.778	AA+	Aaa	07/31/2026

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Treasury Notes												
91282CCP4	17840	US TREASURY NOTE		09/08/2021	25,000,000.00	22,250,976.50	24,875,686.38	0.625	0.804	AA+	Aaa	07/31/2026
91282CCW9	17843	US TREASURY NOTE		09/13/2021	20,000,000.00	17,811,718.80	19,961,450.29	0.750	0.818	AA+	Aaa	08/31/2026
91282CCW9	17844	US TREASURY NOTE		09/17/2021	20,000,000.00	17,811,718.80	19,953,086.13	0.750	0.832	AA+	Aaa	08/31/2026
91282CCZ2	17850	US TREASURY NOTE		09/30/2021	20,000,000.00	17,848,437.60	19,967,845.62	0.875	0.930	AA+	Aaa	09/30/2026
91282CCZ2	17851	US TREASURY NOTE		09/30/2021	30,000,000.00	26,772,656.40	29,858,046.53	0.875	1.037	AA+	Aaa	09/30/2026
91282CCZ2	17852	US TREASURY NOTE		09/30/2021	30,000,000.00	26,772,656.40	29,890,372.57	0.875	1.000	AA+	Aaa	09/30/2026
91282CCW9	17853	US TREASURY NOTE		10/12/2021	20,000,000.00	17,811,718.80	19,842,828.18	0.750	1.027	AA+	Aaa	08/31/2026
91282CCP4	17854	US TREASURY NOTE		10/19/2021	20,000,000.00	17,800,781.20	19,712,685.24	0.625	1.148	AA+	Aaa	07/31/2026
91282CCP4	17855	US TREASURY NOTE		10/25/2021	20,000,000.00	17,800,781.20	19,677,803.52	0.625	1.212	AA+	Aaa	07/31/2026
91282CCP4	17856	US TREASURY NOTE		10/28/2021	5,000,000.00	4,450,195.30	4,930,705.78	0.625	1.129	AA+	Aaa	07/31/2026
91282CDG3	17859	US TREASURY NOTE		11/01/2021	30,000,000.00	26,882,812.50	29,921,248.55	1.125	1.213	AA+	Aaa	10/31/2026
91282CDG3	17860	US TREASURY NOTE		11/01/2021	20,000,000.00	17,921,875.00	19,940,954.16	1.125	1.224	AA+	Aaa	10/31/2026
91282CDG3	17861	US TREASURY NOTE		11/01/2021	50,000,000.00	44,804,687.50	49,880,699.92	1.125	1.205	AA+	Aaa	10/31/2026
91282CCP4	17862	US TREASURY NOTE		11/01/2021	20,000,000.00	17,800,781.20	19,694,215.23	0.625	1.182	AA+	Aaa	07/31/2026
91282CDG3	17864	US TREASURY NOTE		11/23/2021	20,000,000.00	17,921,875.00	19,889,734.12	1.125	1.310	AA+	Aaa	10/31/2026
91282CCP4	17867	US TREASURY NOTE		12/21/2021	50,000,000.00	44,501,953.00	49,282,424.43	0.625	1.146	AA+	Aaa	07/31/2026
91282CDQ1	17870	US TREASURY NOTE		12/31/2021	50,000,000.00	44,792,969.00	49,984,297.93	1.250	1.260	AA+	Aaa	12/31/2026
91282CDQ1	17873	US TREASURY NOTE		01/06/2022	30,000,000.00	26,875,781.40	29,865,484.20	1.250	1.393	AA+	Aaa	12/31/2026
91282CDQ1	17874	US TREASURY NOTE		01/07/2022	30,000,000.00	26,875,781.40	29,791,997.66	1.250	1.472	AA+	Aaa	12/31/2026
91282CDG3	17875	US TREASURY NOTE		01/10/2022	30,000,000.00	26,882,812.50	29,661,658.65	1.125	1.506	AA+	Aaa	10/31/2026
91282CDG3	17877	US TREASURY NOTE		01/19/2022	30,000,000.00	26,882,812.50	29,548,064.33	1.125	1.635	AA+	Aaa	10/31/2026
912828Z78	17878	US TREASURY NOTE		01/31/2022	50,000,000.00	45,023,437.50	49,794,213.03	1.500	1.629	AA+	Aaa	01/31/2027
912828Z78	17883	US TREASURY NOTE		02/28/2022	20,000,000.00	18,009,375.00	19,736,441.53	1.500	1.916	AA+	Aaa	01/31/2027
912828X88	17897	US TREASURY NOTE		06/22/2022	50,000,000.00	46,113,281.00	48,290,198.55	2.375	3.408	AA+	Aaa	05/15/2027
912828X88	17898	US TREASURY NOTE		06/22/2022	50,000,000.00	46,113,281.00	48,290,198.55	2.375	3.408	AA+	Aaa	05/15/2027
91282CFB2	17922	US TREASURY NOTE		09/07/2022	50,000,000.00	46,582,031.00	48,746,875.87	2.750	3.466	AA+	Aaa	07/31/2027
91282CFB2	17928	US TREASURY NOTE		09/14/2022	30,000,000.00	27,949,218.60	29,086,840.26	2.750	3.623	AA+	Aaa	07/31/2027
91282CFB2	17934	US TREASURY NOTE		09/26/2022	30,000,000.00	27,949,218.60	28,678,428.40	2.750	4.026	AA+	Aaa	07/31/2027
912828X88	17954	US TREASURY NOTE		11/22/2022	50,000,000.00	46,113,281.00	47,245,833.33	2.375	4.053	AA+	Aaa	05/15/2027
912828ZV5	17960	US TREASURY NOTE		12/13/2022	30,000,000.00	25,705,078.20	26,552,315.51	0.500	3.873	AA+	Aaa	06/30/2027
91282CEW7	17963	US TREASURY NOTE		12/23/2022	30,000,000.00	28,508,203.20	29,401,500.00	3.250	3.835	AA+	Aaa	06/30/2027
912810FA1	17964	US TREASURY NOTE		12/23/2022	25,000,000.00	26,443,359.50	27,234,126.25	6.375	3.833	AA+	Aaa	08/15/2027
912810FA1	17965	US TREASURY NOTE		12/23/2022	25,000,000.00	26,443,359.50	27,234,126.25	6.375	3.833	AA+	Aaa	08/15/2027
912810FA1	17966	US TREASURY NOTE		12/23/2022	30,000,000.00	31,732,031.40	32,692,675.78	6.375	3.823	AA+	Aaa	08/15/2027
91282CFB2	17967	US TREASURY NOTE		12/27/2022	30,000,000.00	27,949,218.60	28,791,673.19	2.750	3.908	AA+	Aaa	07/31/2027
91282CFB2	17968	US TREASURY NOTE		12/28/2022	50,000,000.00	46,582,031.00	47,877,319.04	2.750	3.972	AA+	Aaa	07/31/2027
91282CFB2	17969	US TREASURY NOTE		12/28/2022	50,000,000.00	46,582,031.00	47,831,669.99	2.750	3.999	AA+	Aaa	07/31/2027
91282CAU5	17970	US TREASURY NOTE		12/29/2022	30,000,000.00	25,381,640.70	26,139,601.02	0.500	3.999	AA+	Aaa	10/31/2027

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Treasury Notes												
91282CFU0	17997	US TREASURY NOTE		03/03/2023	30,000,000.00	29,360,156.40	29,698,358.14	4.125	4.399	AA+	Aaa	10/31/2027
9128283W8	18009	US TREASURY NOTE		04/17/2023	20,000,000.00	18,499,218.80	19,315,304.53	2.750	3.609	AA+	Aaa	02/15/2028
		Subtotal and Average	**1,779,281,293.29**		**1,800,000,000.00**	**1,643,430,468.70**	**1,779,501,779.41**		**1.984**			
Certificates of Deposit												
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
		Subtotal and Average	**10,000,000.00**		**10,000,000.00**	**10,000,000.00**	**10,000,000.00**		**3.230**			
Mutual Funds												
SYS16455	16455	BLACKROCK T-FUND INST		07/01/2023	0.00	0.00	0.00	2.858	2.858	AAA	Aaa	
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2023	0.00	0.00	0.00	0.040	0.040	AAA	Aaa	
SYS02642	02642	FIDELITY 2642			655,000,000.00	655,000,000.00	655,000,000.00	5.280	5.280	AAA	Aaa	
SYS15497	15497	FIDELITY 2644			5,000,000.00	5,000,000.00	5,000,000.00	5.270	5.270	AAA	Aaa	
		Subtotal and Average	**565,833,333.33**		**660,000,000.00**	**660,000,000.00**	**660,000,000.00**		**5.280**			
Local Agency Investment Funds												
SYS05291	05291	LAIF			5,000,000.00	5,000,000.00	5,000,000.00	3.534	3.534			
		Subtotal and Average	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**5,000,000.00**		**3.534**			
Bank Money Market Accounts												
SYS16800	16800	BANK OF THE WEST MM			150,000,000.00	150,000,000.00	150,000,000.00	4.700	4.700			
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		07/01/2023	0.00	0.00	0.00	0.030	0.030			
SYS16950	16950	UNITED SECURITY BANK MM		07/01/2023	0.00	0.00	0.00		0.000			
		Subtotal and Average	**202,666,666.67**		**200,000,000.00**	**200,000,000.00**	**200,000,000.00**		**4.738**			
Municipal Bonds												
13063DRK6	17657	STATE OF CALIFORNIA		10/24/2019	50,000,000.00	48,459,500.00	50,232,673.04	2.400	1.910	AA-	Aa2	10/01/2024
13063DLZ9	17742	STATE OF CALIFORNIA		10/15/2020	22,790,000.00	22,501,478.60	23,074,783.55	3.000	0.477	AA-	Aa2	04/01/2024
13063DYW2	17744	STATE OF CALIFORNIA		11/03/2020	50,685,000.00	48,323,585.85	53,067,519.18	3.000	0.700	AA-	Aa2	11/01/2025
13063DGB8	17766	STATE OF CALIFORNIA		01/11/2021	7,500,000.00	7,282,425.00	7,802,471.05	3.375	0.645	AA-	Aa2	04/01/2025
13063DK31	17863	STATE OF CALIFORNIA		11/17/2021	16,635,000.00	14,822,117.70	16,654,256.39	1.250	1.210	AA-	Aa2	10/01/2026
13063DMA3	17866	STATE OF CALIFORNIA		12/17/2021	10,000,000.00	9,405,700.00	10,329,164.51	2.650	1.292	AA-	Aa2	04/01/2026
13063DRD2	17871	STATE OF CALIFORNIA		01/05/2022	7,840,000.00	7,247,609.60	8,043,639.63	2.375	1.475	AA-	Aa2	10/01/2026
13063DRD2	17881	STATE OF CALIFORNIA		02/01/2022	16,175,000.00	14,952,817.00	16,460,638.95	2.375	1.759	AA-	Aa2	10/01/2026
13063DRD2	17892	STATE OF CALIFORNIA		03/11/2022	15,000,000.00	13,866,600.00	15,105,300.00	2.375	2.128	AA-	Aa2	10/01/2026
13063D2U1	17953	STATE OF CALIFORNIA		11/17/2022	58,115,000.00	58,572,365.05	58,993,364.82	5.250	4.823	AA-	Aa2	10/01/2027
13063D3A4	17980	STATE OF CALIFORNIA		02/14/2023	8,710,000.00	8,846,398.60	9,032,580.55	5.700	4.350	AA-	Aa2	10/01/2026

Month End Reporting
Portfolio Management
Portfolio Details - Investments
September 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
Municipal Bonds												
13063D3N6	18000	STATE OF CALIFORNIA		03/15/2023	22,000,000.00	21,766,800.00	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	4,695,000.00	4,852,859.24	3.500	4.290	AA-	Aa2	04/01/2028
		Subtotal and Average	**295,761,045.98**		**290,450,000.00**	**280,742,397.40**	**295,649,250.91**		**2.391**			
		Total and Average	**6,911,639,712.49**		**7,090,818,798.10**	**6,677,659,136.18**	**7,048,952,401.73**		**2.591**			

County of Fresno
Inventory by Maturity Report
September 30, 2023

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
SYS02642	02642	TREAS	LA1	FIDELITY 2642	07/01/2023	655,000,000.00	5.280		655,000,000.00	1	655,000,000.00	5.208	5.280	1
SYS03400A	03400A	TREAS	PA1	BANK OF THE WEST	07/01/2023	33,931,798.10	1.480		33,931,798.10	1	33,931,798.10	1.460	1.480	1
SYS05291	05291	TREAS	LA5	LAIF	07/01/2023	5,000,000.00	3.534		5,000,000.00	1	5,000,000.00	3.486	3.534	1
SYS15497	15497	TREAS	LA1	FIDELITY 2644	07/01/2023	5,000,000.00	5.270		5,000,000.00	1	5,000,000.00	5.198	5.270	1
SYS16450	16450	TREAS	LA1	BLACKROCK LIQUIDITY	07/01/2023	0.00	0.040		0.00	1	0.00	0.039	0.040	1
SYS16455	16455	TREAS	LA1	BLACKROCK T-FUND INST	07/01/2023	0.00	2.858		0.00	1	0.00	2.819	2.858	1
SYS16500	16500	TREAS	LA3	UNION BANK MM	07/01/2023	0.00	0.030		0.00	1	0.00	0.030	0.030	1
SYS16800	16800	TREAS	LA3	BANK OF THE WEST MM	07/01/2023	150,000,000.00	4.700		150,000,000.00	1	150,000,000.00	4.636	4.700	1
SYS16900	16900	TREAS	LA3	CENTRAL VALLEY COMM.	07/01/2023	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	07/01/2023	0.00			0.00	1	0.00			1
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,998,933.08	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	17
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,999,163.63	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	17
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,945,113.35	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	22
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,999,606.29	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	26
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,905,189.66	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	26
3130A0F70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,011,161.59	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	68
3130A0F70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,219,640.07	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	68
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,246,327.59	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	99
24422EUR8	17665	TREAS	MTN	JOHN DEERE	11/26/2019	5,018,715.94	3.450	01/10/2024	5,000,000.00	1,506	5,000,000.00	1.996	2.024	101
24422EUR8	17672	TREAS	MTN	JOHN DEERE	12/12/2019	3,318,371.62	3.450	01/10/2024	3,306,000.00	1,490	3,306,000.00	1.997	2.025	101
24422EUR8	17678	TREAS	MTN	JOHN DEERE	12/27/2019	6,436,280.65	3.450	01/10/2024	6,413,000.00	1,475	6,413,000.00	2.039	2.067	101
17325FAS7	17702	TREAS	MTN	CITIBANK	03/24/2020	4,989,841.22	3.650	01/23/2024	5,000,000.00	1,400	5,000,000.00	4.305	4.365	114
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	117
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,997,431.08	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	120
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	128
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,001,496.52	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	149
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,998,699.33	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	149
3133ELCS1	17666	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	19,993,600.00	1.550	03/11/2024	20,000,000.00	1,552	20,000,000.00	1.603	1.625	162
3133ELCS1	17667	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	24,991,633.99	1.550	03/11/2024	25,000,000.00	1,552	25,000,000.00	1.606	1.628	162
13063DLZ9	17742	TREAS	MUN	STATE OF CALIFORNIA	10/15/2020	23,074,783.55	3.000	04/01/2024	22,790,000.00	1,264	22,790,000.00	0.470	0.477	183
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	227
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	229
912828XT2	17677	TREAS	TRC	US TREASURY NOTE	12/18/2019	20,036,894.60	2.000	05/31/2024	20,000,000.00	1,626	20,000,000.00	1.688	1.711	243
24422ETT6	17650	TREAS	MTN	JOHN DEERE	09/19/2019	7,079,129.41	2.650	06/24/2024	7,059,000.00	1,740	7,059,000.00	2.205	2.236	267
3135G0V75	17652	TREAS	FAC	FEDERAL NATIONAL	09/26/2019	35,030,074.53	1.750	07/02/2024	35,000,000.00	1,741	35,000,000.00	1.608	1.631	275
3135G0V75	17656	TREAS	FAC	FEDERAL NATIONAL	10/16/2019	10,007,989.39	1.750	07/02/2024	10,000,000.00	1,721	10,000,000.00	1.617	1.639	275

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3135G0V75	17659	TREAS	FAC	FEDERAL NATIONAL	10/23/2019	10,005,877.28	1.750	07/02/2024	10,000,000.00	1,714	10,000,000.00	1.645	1.668	275
3135G0V75	17660	TREAS	FAC	FEDERAL NATIONAL	10/28/2019	8,636,070.11	1.750	07/02/2024	8,632,000.00	1,709	8,632,000.00	1.661	1.684	275
3135G0V75	17661	TREAS	FAC	FEDERAL NATIONAL	11/05/2019	23,014,941.36	1.750	07/02/2024	23,000,000.00	1,701	23,000,000.00	1.637	1.660	275
3135G0V75	17663	TREAS	FAC	FEDERAL NATIONAL	11/08/2019	24,984,742.08	1.750	07/02/2024	25,000,000.00	1,698	25,000,000.00	1.810	1.835	275
3135G0V75	17668	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	25,013,871.05	1.750	07/02/2024	25,000,000.00	1,670	25,000,000.00	1.650	1.673	275
3135G0V75	17669	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	15,008,868.42	1.750	07/02/2024	15,000,000.00	1,670	15,000,000.00	1.645	1.668	275
3135G0V75	17670	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	15,003,686.46	1.750	07/02/2024	15,000,000.00	1,667	15,000,000.00	1.692	1.716	275
3135G0V75	17671	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	25,006,432.74	1.750	07/02/2024	25,000,000.00	1,667	25,000,000.00	1.691	1.714	275
3135G0V75	17673	TREAS	FAC	FEDERAL NATIONAL	12/12/2019	25,005,411.74	1.750	07/02/2024	25,000,000.00	1,664	25,000,000.00	1.696	1.720	275
3135G0V75	17675	TREAS	FAC	FEDERAL NATIONAL	12/13/2019	19,997,222.21	1.750	07/02/2024	20,000,000.00	1,663	20,000,000.00	1.745	1.769	275
742651DP4	17643	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,033,543.56	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.974	2.001	288
742651DP4	17644	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,032,866.69	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.982	2.010	288
3133EKHV1	17655	TREAS	FAC	FEDERAL FARM CREDIT	10/16/2019	2,306,264.49	2.450	07/22/2024	2,292,000.00	1,741	2,292,000.00	1.623	1.646	295
3133EKWV4	17647	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	4,965,422.65	1.850	07/26/2024	4,950,000.00	1,794	4,950,000.00	1.435	1.455	299
3133EKWV4	17648	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	15,045,579.00	1.850	07/26/2024	15,000,000.00	1,794	15,000,000.00	1.444	1.464	299
3133EKWV4	17649	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2019	17,961,325.01	1.850	07/26/2024	17,941,000.00	1,778	17,941,000.00	1.682	1.705	299
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	304
3133X8EW8	17651	TREAS	FAC	FEDERAL HOME LOAN	09/26/2019	3,876,795.43	5.375	08/15/2024	3,760,000.00	1,785	3,760,000.00	1.630	1.653	319
3130AGWK7	17658	TREAS	FAC	FEDERAL HOME LOAN	10/23/2019	9,986,432.01	1.500	08/15/2024	10,000,000.00	1,758	10,000,000.00	1.640	1.662	319
3130AGWK7	17662	TREAS	FAC	FEDERAL HOME LOAN	11/05/2019	12,484,215.57	1.500	08/15/2024	12,500,000.00	1,745	12,500,000.00	1.628	1.651	319
3130AGWK7	17676	TREAS	FAC	FEDERAL HOME LOAN	12/18/2019	9,980,714.37	1.500	08/15/2024	10,000,000.00	1,702	10,000,000.00	1.707	1.731	319
30231GBC5	17695	TREAS	MTN	EXXON MOBIL	03/17/2020	4,995,589.21	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.096	2.125	320
30231GBC5	17696	TREAS	MTN	EXXON MOBIL	03/17/2020	4,994,964.76	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.111	2.140	320
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	328
3130A2UW4	17654	TREAS	FAC	FEDERAL HOME LOAN	10/15/2019	10,109,621.83	2.875	09/13/2024	10,000,000.00	1,795	10,000,000.00	1.645	1.668	348
13063DRK6	17657	TREAS	MUN	STATE OF CALIFORNIA	10/24/2019	50,232,673.04	2.400	10/01/2024	50,000,000.00	1,804	50,000,000.00	1.884	1.910	366
89236TGL3	17664	TREAS	MTN	TOYOTA MOTOR CREDIT	11/12/2019	9,994,981.76	2.000	10/07/2024	10,000,000.00	1,791	10,000,000.00	2.024	2.052	372
89236TGL3	17682	TREAS	MTN	TOYOTA MOTOR CREDIT	01/13/2020	21,400,756.76	2.000	10/07/2024	21,410,000.00	1,729	21,410,000.00	2.016	2.044	372
3130A3GE8	17693	TREAS	FAC	FEDERAL HOME LOAN	02/05/2020	5,071,941.10	2.750	12/13/2024	5,000,000.00	1,773	5,000,000.00	1.481	1.502	439
3135G0X24	17680	TREAS	FAC	FEDERAL NATIONAL	01/10/2020	49,946,203.67	1.625	01/07/2025	50,000,000.00	1,824	50,000,000.00	1.691	1.714	464
24422EVC0	17681	TREAS	MTN	JOHN DEERE	01/10/2020	3,924,000.75	2.050	01/09/2025	3,925,000.00	1,826	3,925,000.00	2.043	2.071	466
24422EVC0	17683	TREAS	MTN	JOHN DEERE	01/13/2020	9,996,508.90	2.050	01/09/2025	10,000,000.00	1,823	10,000,000.00	2.051	2.079	466
24422EVC0	17686	TREAS	MTN	JOHN DEERE	02/10/2020	10,026,877.51	2.050	01/09/2025	10,000,000.00	1,795	10,000,000.00	1.803	1.828	466
24422EVC0	17688	TREAS	MTN	JOHN DEERE	02/28/2020	5,028,226.77	2.050	01/09/2025	5,000,000.00	1,777	5,000,000.00	1.565	1.587	466
24422EVC0	17689	TREAS	MTN	JOHN DEERE	02/28/2020	10,057,068.21	2.050	01/09/2025	10,000,000.00	1,777	10,000,000.00	1.560	1.582	466
24422EVC0	17697	TREAS	MTN	JOHN DEERE	03/17/2020	5,014,906.15	2.050	01/09/2025	5,000,000.00	1,759	5,000,000.00	1.779	1.804	466
24422EVC0	17701	TREAS	MTN	JOHN DEERE	03/24/2020	4,449,663.81	2.050	01/09/2025	4,500,000.00	1,752	4,500,000.00	2.959	3.000	466
24422EVC0	17755	TREAS	MTN	JOHN DEERE	12/10/2020	8,361,515.54	2.050	01/09/2025	8,210,000.00	1,491	8,210,000.00	0.572	0.580	466
90331HPL1	17690	TREAS	MTN	US BANK NA	02/28/2020	5,025,446.11	2.050	01/21/2025	5,000,000.00	1,789	5,000,000.00	1.613	1.636	478
90331HPL1	17691	TREAS	MTN	US BANK NA	03/12/2020	5,029,786.82	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.552	1.574	478
90331HPL1	17692	TREAS	MTN	US BANK NA	03/12/2020	5,027,665.24	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.586	1.608	478

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3133ELJM7	17712	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	10,140,787.17	1.650	01/23/2025	10,000,000.00	1,710	10,000,000.00	0.553	0.561	480
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	535
13063DGB8	17766	TREAS	MUN	STATE OF CALIFORNIA	01/11/2021	7,802,471.05	3.375	04/01/2025	7,500,000.00	1,541	7,500,000.00	0.636	0.645	548
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	588
3133ELZM9	17711	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	45,501,631.42	0.500	05/14/2025	45,559,000.00	1,821	45,559,000.00	0.571	0.579	591
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	606
3135G04Z3	17732	TREAS	FAC	FEDERAL NATIONAL	09/11/2020	20,021,983.59	0.500	06/17/2025	20,000,000.00	1,740	20,000,000.00	0.429	0.435	625
3135G04Z3	17733	TREAS	FAC	FEDERAL NATIONAL	09/24/2020	50,062,594.72	0.500	06/17/2025	50,000,000.00	1,727	50,000,000.00	0.420	0.426	625
3135G04Z3	17734	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	20,032,630.96	0.500	06/17/2025	20,000,000.00	1,723	20,000,000.00	0.398	0.404	625
3135G04Z3	17735	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	50,081,269.22	0.500	06/17/2025	50,000,000.00	1,723	50,000,000.00	0.398	0.404	625
3135G04Z3	17736	TREAS	FAC	FEDERAL NATIONAL	10/01/2020	75,116,807.55	0.500	06/17/2025	75,000,000.00	1,720	75,000,000.00	0.402	0.408	625
3135G04Z3	17746	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	10,008,285.82	0.500	06/17/2025	10,000,000.00	1,666	10,000,000.00	0.445	0.451	625
3137EAEU9	17724	TREAS	FAC	FEDERAL HOME	07/23/2020	64,882,978.31	0.375	07/21/2025	65,000,000.00	1,824	65,000,000.00	0.469	0.476	659
3137EAEU9	17731	TREAS	FAC	FEDERAL HOME	09/10/2020	29,970,599.66	0.375	07/21/2025	30,000,000.00	1,775	30,000,000.00	0.424	0.430	659
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	681
166756AE6	17726	TREAS	MTN	CHEVRON CORP	08/13/2020	4,498,929.16	0.687	08/12/2025	4,500,000.00	1,825	4,500,000.00	0.690	0.700	681
166756AE6	17727	TREAS	MTN	CHEVRON CORP	08/13/2020	8,997,851.61	0.687	08/12/2025	9,000,000.00	1,825	9,000,000.00	0.690	0.700	681
166756AE6	17728	TREAS	MTN	CHEVRON CORP	08/13/2020	4,998,806.45	0.687	08/12/2025	5,000,000.00	1,825	5,000,000.00	0.690	0.700	681
166756AE6	17745	TREAS	MTN	CHEVRON CORP	11/05/2020	9,987,017.69	0.687	08/12/2025	10,000,000.00	1,741	10,000,000.00	0.748	0.758	681
02079KAH0	17773	TREAS	MTN	ALPHABET INC	01/19/2021	19,955,702.72	0.450	08/15/2025	20,000,000.00	1,669	20,000,000.00	0.562	0.570	684
02079KAH0	17776	TREAS	MTN	ALPHABET INC	01/20/2021	4,991,688.70	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	684
02079KAH0	17777	TREAS	MTN	ALPHABET INC	01/20/2021	4,991,682.55	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	684
037833DX5	17729	TREAS	MTN	APPLE INC	08/20/2020	9,991,097.56	0.550	08/20/2025	10,000,000.00	1,826	10,000,000.00	0.590	0.598	689
037833DX5	17772	TREAS	MTN	APPLE INC	01/19/2021	14,984,114.85	0.550	08/20/2025	15,000,000.00	1,674	15,000,000.00	0.599	0.607	689
037833DX5	17782	TREAS	MTN	APPLE INC	01/25/2021	9,994,423.53	0.550	08/20/2025	10,000,000.00	1,668	10,000,000.00	0.572	0.580	689
3135G05X7	17730	TREAS	FAC	FEDERAL NATIONAL	08/27/2020	124,777,452.73	0.375	08/25/2025	125,000,000.00	1,824	125,000,000.00	0.463	0.470	694
3135G05X7	17747	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,979,931.74	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.475	0.482	694
3135G05X7	17748	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,979,891.76	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.476	0.482	694
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	701
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	701
3137EAEX3	17741	TREAS	FAC	FEDERAL HOME	10/08/2020	49,894,576.13	0.375	09/23/2025	50,000,000.00	1,811	50,000,000.00	0.476	0.483	723
89236THP3	17743	TREAS	MTN	TOYOTA MOTOR CREDIT	10/16/2020	6,995,255.17	0.800	10/16/2025	7,000,000.00	1,826	7,000,000.00	0.823	0.834	746
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	759
13063DYW2	17744	TREAS	MUN	STATE OF CALIFORNIA	11/03/2020	53,067,519.18	3.000	11/01/2025	50,685,000.00	1,824	50,685,000.00	0.690	0.700	762
3135G06G3	17754	TREAS	FAC	FEDERAL NATIONAL	12/07/2020	24,991,190.68	0.500	11/07/2025	25,000,000.00	1,796	25,000,000.00	0.510	0.517	768
89236THW8	17767	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,997,338.54	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.813	0.824	831
89236THW8	17768	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,998,430.42	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.803	0.814	831
89236THW8	17769	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,498,043.26	0.800	01/09/2026	5,500,000.00	1,824	5,500,000.00	0.805	0.816	831
89236THW8	17770	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,268,242.57	0.800	01/09/2026	5,270,000.00	1,824	5,270,000.00	0.804	0.815	831
24422EVK2	17774	TREAS	MTN	JOHN DEERE	01/20/2021	9,186,612.18	0.700	01/15/2026	9,200,000.00	1,821	9,200,000.00	0.754	0.765	837
24422EVK2	17775	TREAS	MTN	JOHN DEERE	01/20/2021	4,505,041.56	0.700	01/15/2026	4,510,000.00	1,821	4,510,000.00	0.739	0.749	837

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
24422EVK2	17778	TREAS	MTN	JOHN DEERE	01/21/2021	9,995,498.77	0.700	01/15/2026	10,000,000.00	1,820	10,000,000.00	0.710	0.720	837
24422EVK2	17779	TREAS	MTN	JOHN DEERE	01/21/2021	4,997,749.39	0.700	01/15/2026	5,000,000.00	1,820	5,000,000.00	0.710	0.720	837
24422EVK2	17781	TREAS	MTN	JOHN DEERE	01/22/2021	4,996,070.72	0.700	01/15/2026	5,000,000.00	1,819	5,000,000.00	0.725	0.735	837
3133EMPC0	17783	TREAS	FAC	FEDERAL FARM CREDIT	01/29/2021	124,988,535.69	0.460	01/29/2026	125,000,000.00	1,826	125,000,000.00	0.458	0.464	851
91282CBH3	17795	TREAS	TRC	US TREASURY NOTE	03/08/2021	19,802,684.18	0.375	01/31/2026	20,000,000.00	1,790	20,000,000.00	0.796	0.807	853
037833EB2	17785	TREAS	MTN	APPLE INC	02/08/2021	9,989,412.50	0.700	02/08/2026	10,000,000.00	1,826	10,000,000.00	0.736	0.746	861
037833EB2	17787	TREAS	MTN	APPLE INC	02/08/2021	19,980,142.56	0.700	02/08/2026	20,000,000.00	1,826	20,000,000.00	0.733	0.743	861
912828P46	17791	TREAS	TRC	US TREASURY NOTE	02/26/2021	30,588,455.58	1.625	02/15/2026	30,000,000.00	1,815	30,000,000.00	0.771	0.782	868
13063DMA3	17866	TREAS	MUN	STATE OF CALIFORNIA	12/17/2021	10,329,164.51	2.650	04/01/2026	10,000,000.00	1,566	10,000,000.00	1.274	1.292	913
91282CBW0	17798	TREAS	TRC	US TREASURY NOTE	05/03/2021	19,939,041.93	0.750	04/30/2026	20,000,000.00	1,823	20,000,000.00	0.859	0.871	942
91282CBW0	17800	TREAS	TRC	US TREASURY NOTE	05/12/2021	29,926,974.23	0.750	04/30/2026	30,000,000.00	1,814	30,000,000.00	0.835	0.847	942
912828R36	17801	TREAS	TRC	US TREASURY NOTE	05/18/2021	30,609,034.30	1.625	05/15/2026	30,000,000.00	1,823	30,000,000.00	0.821	0.832	957
912828R36	17802	TREAS	TRC	US TREASURY NOTE	05/19/2021	20,410,349.20	1.625	05/15/2026	20,000,000.00	1,822	20,000,000.00	0.813	0.824	957
912828R36	17803	TREAS	TRC	US TREASURY NOTE	05/20/2021	20,387,582.37	1.625	05/15/2026	20,000,000.00	1,821	20,000,000.00	0.856	0.868	957
91282CCF6	17805	TREAS	TRC	US TREASURY NOTE	06/16/2021	19,981,521.06	0.750	05/31/2026	20,000,000.00	1,810	20,000,000.00	0.775	0.785	973
91282CCF6	17808	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,910,915.91	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.824	0.835	973
91282CCF6	17809	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,895,788.42	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.838	0.850	973
91282CCF6	17810	TREAS	TRC	US TREASURY NOTE	06/17/2021	19,922,681.73	0.750	05/31/2026	20,000,000.00	1,809	20,000,000.00	0.886	0.899	973
3133XG6E9	17829	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	16,938,438.39	5.750	06/12/2026	15,000,000.00	1,794	15,000,000.00	0.836	0.848	985
3130AN4T4	17830	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	22,014,342.02	0.875	06/12/2026	22,000,000.00	1,794	22,000,000.00	0.839	0.850	985
3130AN4T4	17831	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	9,272,982.56	0.875	06/12/2026	9,250,000.00	1,768	9,250,000.00	0.770	0.781	985
3130AN4T4	17832	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	12,028,745.61	0.875	06/12/2026	12,000,000.00	1,768	12,000,000.00	0.774	0.784	985
3130AN4T4	17833	TREAS	FAC	FEDERAL HOME LOAN	08/11/2021	50,075,209.28	0.875	06/12/2026	50,000,000.00	1,766	50,000,000.00	0.807	0.818	985
91282CCJ8	17823	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,931,778.42	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.947	0.960	1,003
91282CCJ8	17824	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,979,902.48	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.888	0.900	1,003
91282CCJ8	17827	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,952,366.43	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.922	0.934	1,003
3133EMP48	17825	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	29,983,665.00	0.900	07/01/2026	30,000,000.00	1,826	30,000,000.00	0.908	0.920	1,004
3133EMP48	17826	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	19,988,230.00	0.900	07/01/2026	20,000,000.00	1,826	20,000,000.00	0.909	0.922	1,004
3130AN6L9	17828	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	10,742,436.64	0.820	07/08/2026	10,750,000.00	1,820	10,750,000.00	0.834	0.846	1,011
91282CCP4	17838	TREAS	TRC	US TREASURY NOTE	08/26/2021	49,726,241.32	0.625	07/31/2026	50,000,000.00	1,800	50,000,000.00	0.811	0.823	1,034
91282CCP4	17839	TREAS	TRC	US TREASURY NOTE	09/07/2021	49,787,655.55	0.625	07/31/2026	50,000,000.00	1,788	50,000,000.00	0.767	0.778	1,034
91282CCP4	17840	TREAS	TRC	US TREASURY NOTE	09/08/2021	24,875,686.38	0.625	07/31/2026	25,000,000.00	1,787	25,000,000.00	0.793	0.804	1,034
91282CCP4	17854	TREAS	TRC	US TREASURY NOTE	10/19/2021	19,712,685.24	0.625	07/31/2026	20,000,000.00	1,746	20,000,000.00	1.132	1.148	1,034
91282CCP4	17855	TREAS	TRC	US TREASURY NOTE	10/25/2021	19,677,803.52	0.625	07/31/2026	20,000,000.00	1,740	20,000,000.00	1.195	1.212	1,034
91282CCP4	17856	TREAS	TRC	US TREASURY NOTE	10/28/2021	4,930,705.78	0.625	07/31/2026	5,000,000.00	1,737	5,000,000.00	1.113	1.129	1,034
91282CCP4	17862	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,694,215.23	0.625	07/31/2026	20,000,000.00	1,733	20,000,000.00	1.165	1.182	1,034
91282CCP4	17867	TREAS	TRC	US TREASURY NOTE	12/21/2021	49,282,424.43	0.625	07/31/2026	50,000,000.00	1,683	50,000,000.00	1.131	1.146	1,034
3133EM4A7	17837	TREAS	FAC	FEDERAL FARM CREDIT	08/27/2021	49,992,881.39	0.800	08/27/2026	50,000,000.00	1,826	50,000,000.00	0.794	0.805	1,061
91282CCW9	17836	TREAS	TRC	US TREASURY NOTE	08/31/2021	49,942,923.06	0.750	08/31/2026	50,000,000.00	1,826	50,000,000.00	0.779	0.790	1,065
91282CCW9	17843	TREAS	TRC	US TREASURY NOTE	09/13/2021	19,961,450.29	0.750	08/31/2026	20,000,000.00	1,813	20,000,000.00	0.806	0.818	1,065
91282CCW9	17844	TREAS	TRC	US TREASURY NOTE	09/17/2021	19,953,086.13	0.750	08/31/2026	20,000,000.00	1,809	20,000,000.00	0.821	0.832	1,065

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
91282CCW9	17853	TREAS	TRC	US TREASURY NOTE	10/12/2021	19,842,828.18	0.750	08/31/2026	20,000,000.00	1,784	20,000,000.00	1.013	1.027	1,065
3130A8XY4	17845	TREAS	FAC	FEDERAL HOME LOAN	09/20/2021	6,699,234.45	1.875	09/11/2026	6,515,000.00	1,817	6,515,000.00	0.879	0.891	1,076
3130A8XY4	17848	TREAS	FAC	FEDERAL HOME LOAN	09/23/2021	14,380,555.15	1.875	09/11/2026	13,980,000.00	1,814	13,980,000.00	0.866	0.878	1,076
931142ER0	17842	TREAS	MTN	WALMART	09/17/2021	19,977,614.00	1.050	09/17/2026	20,000,000.00	1,826	20,000,000.00	1.074	1.089	1,082
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	1,082
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	1,082
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	1,082
91282CCZ2	17850	TREAS	TRC	US TREASURY NOTE	09/30/2021	19,967,845.62	0.875	09/30/2026	20,000,000.00	1,826	20,000,000.00	0.917	0.930	1,095
91282CCZ2	17851	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,858,046.53	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	1.023	1.037	1,095
91282CCZ2	17852	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,890,372.57	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	0.987	1.000	1,095
13063DK31	17863	TREAS	MUN	STATE OF CALIFORNIA	11/17/2021	16,654,256.39	1.250	10/01/2026	16,635,000.00	1,779	16,635,000.00	1.194	1.210	1,096
13063DRD2	17871	TREAS	MUN	STATE OF CALIFORNIA	01/05/2022	8,043,639.63	2.375	10/01/2026	7,840,000.00	1,730	7,840,000.00	1.455	1.475	1,096
13063DRD2	17881	TREAS	MUN	STATE OF CALIFORNIA	02/01/2022	16,460,638.95	2.375	10/01/2026	16,175,000.00	1,703	16,175,000.00	1.735	1.759	1,096
13063DRD2	17892	TREAS	MUN	STATE OF CALIFORNIA	03/11/2022	15,105,300.00	2.375	10/01/2026	15,000,000.00	1,665	15,000,000.00	2.099	2.128	1,096
13063D3A4	17980	TREAS	MUN	STATE OF CALIFORNIA	02/14/2023	9,032,580.55	5.700	10/01/2026	8,710,000.00	1,325	8,710,000.00	4.290	4.350	1,096
91282CDG3	17859	TREAS	TRC	US TREASURY NOTE	11/01/2021	29,921,248.55	1.125	10/31/2026	30,000,000.00	1,825	30,000,000.00	1.196	1.213	1,126
91282CDG3	17860	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,940,954.16	1.125	10/31/2026	20,000,000.00	1,825	20,000,000.00	1.207	1.224	1,126
91282CDG3	17861	TREAS	TRC	US TREASURY NOTE	11/01/2021	49,880,699.92	1.125	10/31/2026	50,000,000.00	1,825	50,000,000.00	1.188	1.205	1,126
91282CDG3	17864	TREAS	TRC	US TREASURY NOTE	11/23/2021	19,889,734.12	1.125	10/31/2026	20,000,000.00	1,803	20,000,000.00	1.292	1.310	1,126
91282CDG3	17875	TREAS	TRC	US TREASURY NOTE	01/10/2022	29,661,658.65	1.125	10/31/2026	30,000,000.00	1,755	30,000,000.00	1.485	1.506	1,126
91282CDG3	17877	TREAS	TRC	US TREASURY NOTE	01/19/2022	29,548,064.33	1.125	10/31/2026	30,000,000.00	1,746	30,000,000.00	1.613	1.635	1,126
3130AQF65	17868	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	99,825,838.80	1.250	12/21/2026	100,000,000.00	1,825	100,000,000.00	1.287	1.305	1,177
3130AQF65	17869	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	24,817,472.96	1.250	12/21/2026	24,860,000.00	1,825	24,860,000.00	1.286	1.304	1,177
3130AQF65	17872	TREAS	FAC	FEDERAL HOME LOAN	01/06/2022	24,165,881.97	1.250	12/21/2026	24,300,000.00	1,810	24,300,000.00	1.408	1.428	1,177
91282CDQ1	17870	TREAS	TRC	US TREASURY NOTE	12/31/2021	49,984,297.93	1.250	12/31/2026	50,000,000.00	1,826	50,000,000.00	1.243	1.260	1,187
91282CDQ1	17873	TREAS	TRC	US TREASURY NOTE	01/06/2022	29,865,484.20	1.250	12/31/2026	30,000,000.00	1,820	30,000,000.00	1.374	1.393	1,187
91282CDQ1	17874	TREAS	TRC	US TREASURY NOTE	01/07/2022	29,791,997.66	1.250	12/31/2026	30,000,000.00	1,819	30,000,000.00	1.452	1.472	1,187
3133ENKV1	17879	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,741,892.50	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.642	1.664	1,200
3133ENKV1	17880	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,756,584.77	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.632	1.655	1,200
89236TJV8	17884	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2022	11,451,952.64	1.900	01/13/2027	11,581,000.00	1,773	11,581,000.00	2.229	2.260	1,200
912828Z78	17878	TREAS	TRC	US TREASURY NOTE	01/31/2022	49,794,213.03	1.500	01/31/2027	50,000,000.00	1,826	50,000,000.00	1.607	1.629	1,218
912828Z78	17883	TREAS	TRC	US TREASURY NOTE	02/28/2022	19,736,441.53	1.500	01/31/2027	20,000,000.00	1,798	20,000,000.00	1.890	1.916	1,218
594918BY9	17961	TREAS	MTN	MICROSOFT	12/19/2022	9,762,889.71	3.300	02/06/2027	10,000,000.00	1,510	10,000,000.00	4.020	4.076	1,224
3133ENNS5	17882	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2022	49,783,705.54	1.800	02/16/2027	50,000,000.00	1,814	50,000,000.00	1.908	1.935	1,234
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	1,247
3133ENRD4	17893	TREAS	FAC	FEDERAL FARM CREDIT	03/15/2022	9,836,686.69	1.680	03/10/2027	10,000,000.00	1,821	10,000,000.00	2.153	2.183	1,256
084664CZ2	17890	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	59,992,121.33	2.300	03/15/2027	60,000,000.00	1,826	60,000,000.00	2.272	2.304	1,261
084664CZ2	17891	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	9,948,235.78	2.300	03/15/2027	10,000,000.00	1,826	10,000,000.00	2.426	2.460	1,261
931142CH4	17901	TREAS	MTN	WALMART	07/18/2022	5,525,731.30	5.875	04/05/2027	5,125,000.00	1,722	5,125,000.00	3.395	3.442	1,282
037833CR9	17895	TREAS	MTN	APPLE INC	06/13/2022	9,928,235.29	3.200	05/11/2027	10,000,000.00	1,793	10,000,000.00	3.370	3.417	1,318
037833CR9	17899	TREAS	MTN	APPLE INC	07/01/2022	4,924,117.14	3.200	05/11/2027	5,000,000.00	1,775	5,000,000.00	3.612	3.662	1,318

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 360	YTM 365	Days to Maturity
037833CR9	17902	TREAS	MTN	APPLE INC	07/27/2022	9,981,827.15	3.200	05/11/2027	10,000,000.00	1,749	10,000,000.00	3.209	3.254	1,318
037833CR9	17903	TREAS	MTN	APPLE INC	07/27/2022	4,994,005.22	3.200	05/11/2027	5,000,000.00	1,749	5,000,000.00	3.191	3.235	1,318
037833CR9	17905	TREAS	MTN	APPLE INC	08/23/2022	9,917,414.02	3.200	05/11/2027	10,000,000.00	1,722	10,000,000.00	3.402	3.449	1,318
166764BX7	17919	TREAS	MTN	CHEVRON CORP	09/02/2022	9,434,942.57	1.995	05/11/2027	10,000,000.00	1,712	10,000,000.00	3.663	3.714	1,318
166764BX7	17957	TREAS	MTN	CHEVRON CORP	12/02/2022	4,598,073.17	1.995	05/11/2027	5,000,000.00	1,621	5,000,000.00	4.413	4.474	1,318
166764BX7	17959	TREAS	MTN	CHEVRON CORP	12/08/2022	4,628,773.70	1.995	05/11/2027	5,000,000.00	1,615	5,000,000.00	4.214	4.273	1,318
166764BX7	17995	TREAS	MTN	CHEVRON CORP	03/02/2023	18,222,213.39	1.995	05/11/2027	20,000,000.00	1,531	20,000,000.00	4.672	4.737	1,318
912828X88	17897	TREAS	TRC	US TREASURY NOTE	06/22/2022	48,290,198.55	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,322
912828X88	17898	TREAS	TRC	US TREASURY NOTE	06/22/2022	48,290,198.55	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,322
912828X88	17954	TREAS	TRC	US TREASURY NOTE	11/22/2022	47,245,833.33	2.375	05/15/2027	50,000,000.00	1,635	50,000,000.00	3.997	4.053	1,322
3130AU2B9	17955	TREAS	FAC	FEDERAL HOME LOAN	12/05/2022	49,951,746.05	4.000	06/04/2027	50,000,000.00	1,642	50,000,000.00	3.974	4.029	1,342
037833CX6	17921	TREAS	MTN	APPLE INC	09/02/2022	9,799,808.65	3.000	06/20/2027	10,000,000.00	1,752	10,000,000.00	3.541	3.590	1,358
3133ENW22	17947	TREAS	FAC	FEDERAL FARM CREDIT	10/28/2022	24,998,556.79	4.430	06/28/2027	25,000,000.00	1,704	25,000,000.00	4.372	4.433	1,366
912828ZV5	17960	TREAS	TRC	US TREASURY NOTE	12/13/2022	26,552,315.51	0.500	06/30/2027	30,000,000.00	1,660	30,000,000.00	3.820	3.873	1,368
91282CEW7	17963	TREAS	TRC	US TREASURY NOTE	12/23/2022	29,401,500.00	3.250	06/30/2027	30,000,000.00	1,650	30,000,000.00	3.782	3.835	1,368
3130AU2J2	17956	TREAS	FAC	FEDERAL HOME LOAN	12/06/2022	14,956,984.91	4.000	07/06/2027	15,000,000.00	1,673	15,000,000.00	4.029	4.085	1,374
3133EPAU9	17978	TREAS	FAC	FEDERAL FARM CREDIT	02/14/2023	19,936,429.86	3.875	07/14/2027	20,000,000.00	1,611	20,000,000.00	3.914	3.968	1,382
3133ENP53	17932	TREAS	FAC	FEDERAL FARM CREDIT	09/27/2022	24,973,053.33	3.750	07/27/2027	25,000,000.00	1,764	25,000,000.00	3.730	3.782	1,395
3133ENP53	17938	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2022	49,403,746.52	3.750	07/27/2027	50,000,000.00	1,763	50,000,000.00	4.042	4.098	1,395
3133ENR36	17943	TREAS	FAC	FEDERAL FARM CREDIT	10/06/2022	24,975,079.38	4.050	07/27/2027	25,000,000.00	1,755	25,000,000.00	4.024	4.080	1,395
91282CFB2	17922	TREAS	TRC	US TREASURY NOTE	09/07/2022	48,746,875.87	2.750	07/31/2027	50,000,000.00	1,788	50,000,000.00	3.419	3.466	1,399
91282CFB2	17928	TREAS	TRC	US TREASURY NOTE	09/14/2022	29,086,840.26	2.750	07/31/2027	30,000,000.00	1,781	30,000,000.00	3.574	3.623	1,399
91282CFB2	17934	TREAS	TRC	US TREASURY NOTE	09/26/2022	28,678,428.40	2.750	07/31/2027	30,000,000.00	1,769	30,000,000.00	3.971	4.026	1,399
91282CFB2	17967	TREAS	TRC	US TREASURY NOTE	12/27/2022	28,791,673.19	2.750	07/31/2027	30,000,000.00	1,677	30,000,000.00	3.854	3.908	1,399
91282CFB2	17968	TREAS	TRC	US TREASURY NOTE	12/28/2022	47,877,319.04	2.750	07/31/2027	50,000,000.00	1,676	50,000,000.00	3.918	3.972	1,399
91282CFB2	17969	TREAS	TRC	US TREASURY NOTE	12/28/2022	47,831,669.99	2.750	07/31/2027	50,000,000.00	1,676	50,000,000.00	3.944	3.999	1,399
742718EV7	17942	TREAS	MTN	PROCTER & GAMBLE	10/05/2022	9,468,997.71	2.850	08/11/2027	10,000,000.00	1,771	10,000,000.00	4.331	4.391	1,410
166756AL0	17904	TREAS	MTN	CHEVRON CORP	08/23/2022	4,556,454.50	1.018	08/12/2027	5,000,000.00	1,815	5,000,000.00	3.493	3.542	1,411
166756AL0	17915	TREAS	MTN	CHEVRON CORP	08/31/2022	9,070,583.94	1.018	08/12/2027	10,000,000.00	1,807	10,000,000.00	3.620	3.670	1,411
166756AL0	17920	TREAS	MTN	CHEVRON CORP	09/02/2022	13,557,091.47	1.018	08/12/2027	15,000,000.00	1,805	15,000,000.00	3.718	3.770	1,411
166756AL0	17930	TREAS	MTN	CHEVRON CORP	09/16/2022	7,884,402.37	1.018	08/12/2027	8,823,000.00	1,791	8,823,000.00	4.028	4.084	1,411
166756AL0	17933	TREAS	MTN	CHEVRON CORP	09/23/2022	4,433,517.42	1.018	08/12/2027	5,000,000.00	1,784	5,000,000.00	4.241	4.300	1,411
166756AL0	17946	TREAS	MTN	CHEVRON CORP	10/14/2022	4,357,706.95	1.018	08/12/2027	5,000,000.00	1,763	5,000,000.00	4.715	4.780	1,411
166756AL0	17958	TREAS	MTN	CHEVRON CORP	12/08/2022	4,447,060.98	1.018	08/12/2027	5,000,000.00	1,708	5,000,000.00	4.142	4.200	1,411
89236THG3	17940	TREAS	MTN	TOYOTA MOTOR CREDIT	09/28/2022	4,351,629.40	1.150	08/13/2027	5,000,000.00	1,780	5,000,000.00	4.899	4.967	1,412
02079KAJ6	17927	TREAS	MTN	ALPHABET INC	09/12/2022	4,502,193.40	0.800	08/15/2027	5,000,000.00	1,798	5,000,000.00	3.581	3.631	1,414
02079KAJ6	17929	TREAS	MTN	ALPHABET INC	09/15/2022	4,470,181.55	0.800	08/15/2027	5,000,000.00	1,795	5,000,000.00	3.776	3.828	1,414
02079KAJ6	17945	TREAS	MTN	ALPHABET INC	10/14/2022	6,558,887.86	0.800	08/15/2027	7,500,000.00	1,766	7,500,000.00	4.375	4.436	1,414
912810FA1	17964	TREAS	TRC	US TREASURY NOTE	12/23/2022	27,234,126.25	6.375	08/15/2027	25,000,000.00	1,696	25,000,000.00	3.781	3.833	1,414
912810FA1	17965	TREAS	TRC	US TREASURY NOTE	12/23/2022	27,234,126.25	6.375	08/15/2027	25,000,000.00	1,696	25,000,000.00	3.781	3.833	1,414
912810FA1	17966	TREAS	TRC	US TREASURY NOTE	12/23/2022	32,692,675.78	6.375	08/15/2027	30,000,000.00	1,696	30,000,000.00	3.770	3.823	1,414

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
3133ENJ50	17906	TREAS	FAC	FEDERAL FARM CREDIT	08/26/2022	12,953,018.36	3.125	08/26/2027	13,000,000.00	1,826	13,000,000.00	3.182	3.226	1,425
478160CP7	17926	TREAS	MTN	JOHNSON & JOHNSON	09/12/2022	4,522,877.75	0.950	09/01/2027	5,000,000.00	1,815	5,000,000.00	3.585	3.635	1,431
478160CP7	17941	TREAS	MTN	JOHNSON & JOHNSON	09/28/2022	4,389,397.63	0.950	09/01/2027	5,000,000.00	1,799	5,000,000.00	4.396	4.457	1,431
931142EX7	17923	TREAS	MTN	WALMART	09/09/2022	6,988,088.80	3.950	09/09/2027	7,000,000.00	1,826	7,000,000.00	3.943	3.998	1,439
931142EX7	17924	TREAS	MTN	WALMART	09/09/2022	9,997,479.11	3.950	09/09/2027	10,000,000.00	1,826	10,000,000.00	3.903	3.957	1,439
931142EX7	17931	TREAS	MTN	WALMART	09/22/2022	9,897,502.48	3.950	09/09/2027	10,000,000.00	1,813	10,000,000.00	4.183	4.241	1,439
3130ASVS5	17918	TREAS	FAC	FEDERAL HOME LOAN	09/12/2022	15,433,237.49	3.000	09/10/2027	15,650,000.00	1,824	15,650,000.00	3.337	3.384	1,440
037833DB3	17925	TREAS	MTN	APPLE INC	09/12/2022	24,139,900.28	2.900	09/12/2027	25,000,000.00	1,826	25,000,000.00	3.814	3.867	1,442
037833DB3	17962	TREAS	MTN	APPLE INC	12/20/2022	9,560,308.20	2.900	09/12/2027	10,000,000.00	1,727	10,000,000.00	4.080	4.137	1,442
3133EHYG2	17917	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2022	18,830,498.70	2.430	09/13/2027	19,500,000.00	1,826	19,500,000.00	3.336	3.382	1,443
13063D2U1	17953	TREAS	MUN	STATE OF CALIFORNIA	11/17/2022	58,993,364.82	5.250	10/01/2027	58,115,000.00	1,779	58,115,000.00	4.757	4.823	1,461
3130AUSN5	17982	TREAS	FAC	FEDERAL HOME LOAN	02/14/2023	12,695,572.33	3.500	10/01/2027	12,940,000.00	1,690	12,940,000.00	3.968	4.023	1,461
742651DZ2	18025	TREAS	FAC	PRIVATE EXPORT	05/18/2023	35,205,376.32	3.900	10/15/2027	35,000,000.00	1,611	35,000,000.00	3.733	3.785	1,475
742651DZ2	18030	TREAS	FAC	PRIVATE EXPORT	05/23/2023	8,976,569.32	3.900	10/15/2027	9,000,000.00	1,606	9,000,000.00	3.975	4.030	1,475
91282CAU5	17970	TREAS	TRC	US TREASURY NOTE	12/29/2022	26,139,601.02	0.500	10/31/2027	30,000,000.00	1,767	30,000,000.00	3.944	3.999	1,491
91282CFU0	17997	TREAS	TRC	US TREASURY NOTE	03/03/2023	29,698,358.14	4.125	10/31/2027	30,000,000.00	1,703	30,000,000.00	4.339	4.399	1,491
89236TKL8	17950	TREAS	MTN	TOYOTA MOTOR CREDIT	11/10/2022	29,969,187.50	5.450	11/10/2027	30,000,000.00	1,826	30,000,000.00	5.404	5.479	1,501
3130AUZK3	17990	TREAS	FAC	FEDERAL HOME LOAN	02/17/2023	59,848,405.28	4.050	01/03/2028	60,000,000.00	1,781	60,000,000.00	4.061	4.117	1,555
3130AUZK3	17993	TREAS	FAC	FEDERAL HOME LOAN	02/22/2023	26,728,180.42	4.050	01/03/2028	26,875,000.00	1,776	26,875,000.00	4.137	4.194	1,555
3133EN5N6	17977	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2023	30,133,177.95	4.000	01/06/2028	30,000,000.00	1,794	30,000,000.00	3.831	3.884	1,558
3130AUTA2	17971	TREAS	FAC	FEDERAL HOME LOAN	02/07/2023	49,471,858.98	3.625	01/07/2028	50,000,000.00	1,795	50,000,000.00	3.847	3.900	1,559
89236TKQ7	17981	TREAS	MTN	TOYOTA MOTOR CREDIT	02/14/2023	19,966,704.64	4.625	01/12/2028	20,000,000.00	1,793	20,000,000.00	4.604	4.668	1,564
89236TKQ7	17991	TREAS	MTN	TOYOTA MOTOR CREDIT	02/17/2023	11,799,424.29	4.625	01/12/2028	11,860,000.00	1,790	11,860,000.00	4.694	4.759	1,564
89236TKQ7	17992	TREAS	MTN	TOYOTA MOTOR CREDIT	02/17/2023	4,976,950.48	4.625	01/12/2028	5,000,000.00	1,790	5,000,000.00	4.681	4.746	1,564
166756AR7	17987	TREAS	MTN	CHEVRON CORP	02/16/2023	16,561,395.77	3.850	01/15/2028	17,000,000.00	1,794	17,000,000.00	4.465	4.527	1,567
478160CK8	17988	TREAS	MTN	JOHNSON & JOHNSON	02/16/2023	4,729,455.24	2.900	01/15/2028	5,000,000.00	1,794	5,000,000.00	4.254	4.313	1,567
478160CK8	17994	TREAS	MTN	JOHNSON & JOHNSON	03/02/2023	4,688,403.54	2.900	01/15/2028	5,000,000.00	1,780	5,000,000.00	4.473	4.535	1,567
166756AR7	18001	TREAS	MTN	CHEVRON CORP	04/12/2023	4,976,353.27	3.850	01/15/2028	5,000,000.00	1,739	5,000,000.00	3.917	3.971	1,567
478160CK8	18002	TREAS	MTN	JOHNSON & JOHNSON	04/12/2023	4,825,950.73	2.900	01/15/2028	5,000,000.00	1,739	5,000,000.00	3.742	3.794	1,567
478160CK8	18004	TREAS	MTN	JOHNSON & JOHNSON	04/12/2023	4,828,294.22	2.900	01/15/2028	5,000,000.00	1,739	5,000,000.00	3.730	3.782	1,567
166756AR7	18026	TREAS	MTN	CHEVRON CORP	05/19/2023	9,929,801.43	3.850	01/15/2028	10,000,000.00	1,702	10,000,000.00	3.975	4.030	1,567
478160CK8	18028	TREAS	MTN	JOHNSON & JOHNSON	05/22/2023	9,598,403.11	2.900	01/15/2028	10,000,000.00	1,699	10,000,000.00	3.879	3.933	1,567
478160CK8	18029	TREAS	MTN	JOHNSON & JOHNSON	05/22/2023	9,594,997.63	2.900	01/15/2028	10,000,000.00	1,699	10,000,000.00	3.888	3.942	1,567
166756AR7	18032	TREAS	MTN	CHEVRON CORP	06/05/2023	9,884,386.02	3.850	01/15/2028	10,000,000.00	1,685	10,000,000.00	4.091	4.148	1,567
3130AVPZ9	18010	TREAS	FAC	FEDERAL HOME LOAN	04/18/2023	9,942,824.33	3.600	01/18/2028	10,000,000.00	1,736	10,000,000.00	3.696	3.747	1,570
3130AVPH9	18006	TREAS	FAC	FEDERAL HOME LOAN	04/13/2023	19,981,045.22	3.625	01/28/2028	20,000,000.00	1,751	20,000,000.00	3.600	3.650	1,580
037833EC0	17979	TREAS	MTN	APPLE INC	02/10/2023	8,810,448.29	1.200	02/08/2028	10,000,000.00	1,824	10,000,000.00	4.205	4.263	1,591
037833EC0	17983	TREAS	MTN	APPLE INC	02/15/2023	4,379,579.87	1.200	02/08/2028	5,000,000.00	1,819	5,000,000.00	4.346	4.406	1,591
037833EC0	17986	TREAS	MTN	APPLE INC	02/16/2023	8,743,846.63	1.200	02/08/2028	10,000,000.00	1,818	10,000,000.00	4.388	4.449	1,591
037833EC0	17996	TREAS	MTN	APPLE INC	03/02/2023	12,987,516.72	1.200	02/08/2028	15,000,000.00	1,804	15,000,000.00	4.624	4.688	1,591
037833EC0	18003	TREAS	MTN	APPLE INC	04/12/2023	8,934,602.48	1.200	02/08/2028	10,000,000.00	1,763	10,000,000.00	3.855	3.909	1,591

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
3133EPAV7	17984	TREAS	FAC	FEDERAL FARM CREDIT	02/15/2023	19,895,599.67	3.875	02/14/2028	20,000,000.00	1,825	20,000,000.00	3.953	4.008	1,597
3133EPAV7	17985	TREAS	FAC	FEDERAL FARM CREDIT	02/15/2023	46,756,467.42	3.875	02/14/2028	47,000,000.00	1,825	47,000,000.00	3.952	4.007	1,597
3133EPAV7	17989	TREAS	FAC	FEDERAL FARM CREDIT	02/16/2023	4,953,221.18	3.875	02/14/2028	5,000,000.00	1,824	5,000,000.00	4.058	4.114	1,597
9128283W8	18009	TREAS	TRC	US TREASURY NOTE	04/17/2023	19,315,304.53	2.750	02/15/2028	20,000,000.00	1,765	20,000,000.00	3.560	3.609	1,598
13063DGC6	18016	TREAS	MUN	STATE OF CALIFORNIA	04/25/2023	4,852,859.24	3.500	04/01/2028	5,000,000.00	1,803	5,000,000.00	4.231	4.290	1,644
931142FB4	18008	TREAS	MTN	WALMART	04/18/2023	9,947,079.13	3.900	04/15/2028	10,000,000.00	1,824	10,000,000.00	3.975	4.030	1,658
931142FB4	18011	TREAS	MTN	WALMART	04/19/2023	9,925,024.09	3.900	04/15/2028	10,000,000.00	1,823	10,000,000.00	4.031	4.087	1,658
931142FB4	18012	TREAS	MTN	WALMART	04/19/2023	4,962,507.50	3.900	04/15/2028	5,000,000.00	1,823	5,000,000.00	4.031	4.087	1,658
931142FB4	18013	TREAS	MTN	WALMART	04/19/2023	4,960,283.04	3.900	04/15/2028	5,000,000.00	1,823	5,000,000.00	4.042	4.098	1,658
931142FB4	18014	TREAS	MTN	WALMART	04/19/2023	9,920,566.07	3.900	04/15/2028	10,000,000.00	1,823	10,000,000.00	4.042	4.098	1,658
931142FB4	18015	TREAS	MTN	WALMART	04/19/2023	4,959,873.63	3.900	04/15/2028	5,000,000.00	1,823	5,000,000.00	4.044	4.100	1,658
931142FB4	18023	TREAS	MTN	WALMART	05/17/2023	4,667,490.87	3.900	04/15/2028	4,660,000.00	1,795	4,660,000.00	3.883	3.937	1,658
931142FB4	18024	TREAS	MTN	WALMART	05/18/2023	4,999,974.73	3.900	04/15/2028	5,000,000.00	1,794	5,000,000.00	3.925	3.979	1,658
037833ET3	18035	TREAS	MTN	APPLE INC	06/09/2023	9,941,637.64	4.000	05/10/2028	10,000,000.00	1,797	10,000,000.00	4.161	4.219	1,683
037833ET3	18036	TREAS	MTN	APPLE INC	06/14/2023	9,931,599.43	4.000	05/10/2028	10,000,000.00	1,792	10,000,000.00	4.199	4.257	1,683
037833ET3	18038	TREAS	MTN	APPLE INC	06/14/2023	9,928,336.39	4.000	05/10/2028	10,000,000.00	1,792	10,000,000.00	4.207	4.265	1,683
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	1,698
3133EPME2	18033	TREAS	FAC	FEDERAL FARM CREDIT	06/08/2023	20,774,454.17	3.875	06/08/2028	20,850,000.00	1,827	20,850,000.00	3.907	3.961	1,712
3130AWC24	18034	TREAS	FAC	FEDERAL HOME LOAN	06/09/2023	8,812,130.00	4.000	06/09/2028	8,800,000.00	1,827	8,800,000.00	3.933	3.988	1,713
3130AWC24	18039	TREAS	FAC	FEDERAL HOME LOAN	06/14/2023	18,002,133.84	4.000	06/09/2028	18,025,000.00	1,822	18,025,000.00	4.008	4.064	1,713
3130AWC24	18040	TREAS	FAC	FEDERAL HOME LOAN	06/22/2023	30,066,032.68	4.000	06/09/2028	30,000,000.00	1,814	30,000,000.00	3.948	4.002	1,713
3130AWC24	18042	TREAS	FAC	FEDERAL HOME LOAN	06/22/2023	15,035,283.38	4.000	06/09/2028	15,000,000.00	1,814	15,000,000.00	3.944	3.999	1,713
3130AWC24	18045	TREAS	FAC	FEDERAL HOME LOAN	06/30/2023	14,580,704.48	4.000	06/09/2028	14,650,000.00	1,806	14,650,000.00	4.131	4.189	1,713
3133EKQG4	18037	TREAS	FAC	FEDERAL FARM CREDIT	06/13/2023	8,310,247.67	2.400	06/12/2028	8,916,000.00	1,826	8,916,000.00	3.957	4.012	1,716
3133EPNH4	18044	TREAS	FAC	FEDERAL FARM CREDIT	06/30/2023	9,880,028.09	3.875	06/21/2028	10,000,000.00	1,818	10,000,000.00	4.124	4.182	1,725
931142EE9	18043	TREAS	MTN	WALMART	06/26/2023	16,730,832.88	3.700	06/26/2028	17,200,000.00	1,827	17,200,000.00	4.287	4.347	1,730
3133EPQD0	18047	TREAS	FAC	FEDERAL FARM CREDIT	07/26/2023	9,793,223.81	4.250	07/17/2028	9,800,000.00	1,818	9,800,000.00	4.232	4.291	1,751
3133EPQD0	18048	TREAS	FAC	FEDERAL FARM CREDIT	07/26/2023	54,987,253.25	4.250	07/17/2028	55,000,000.00	1,818	55,000,000.00	4.221	4.280	1,751
3133EPQD0	18049	TREAS	FAC	FEDERAL FARM CREDIT	07/28/2023	15,778,970.79	4.250	07/17/2028	15,790,000.00	1,816	15,790,000.00	4.238	4.296	1,751
3133EPQD0	18050	TREAS	FAC	FEDERAL FARM CREDIT	07/28/2023	28,273,461.39	4.250	07/17/2028	28,300,000.00	1,816	28,300,000.00	4.243	4.302	1,751
46632FTC9	18046	TREAS	MTN	JP MORGAN	07/28/2023	50,000,000.00	4.650	07/28/2028	50,000,000.00	1,827	50,000,000.00	4.586	4.650	1,762
3133EPSK2	18051	TREAS	FAC	FEDERAL FARM CREDIT	08/07/2023	19,914,522.44	4.250	08/07/2028	20,000,000.00	1,827	20,000,000.00	4.289	4.349	1,772
3133EPSK2	18052	TREAS	FAC	FEDERAL FARM CREDIT	08/07/2023	9,957,417.00	4.250	08/07/2028	10,000,000.00	1,827	10,000,000.00	4.289	4.349	1,772
3133EPSK2	18053	TREAS	FAC	FEDERAL FARM CREDIT	08/07/2023	9,957,417.00	4.250	08/07/2028	10,000,000.00	1,827	10,000,000.00	4.289	4.349	1,772
17325FBB3	18055	TREAS	MTN	CITIBANK	09/29/2023	9,975,627.11	5.803	09/29/2028	10,000,000.00	1,827	10,000,000.00	5.780	5.860	1,825
17325FBB3	18056	TREAS	MTN	CITIBANK	09/29/2023	9,999,600.44	5.803	09/29/2028	10,000,000.00	1,827	10,000,000.00	5.724	5.804	1,825
17325FBB3	18057	TREAS	MTN	CITIBANK	09/29/2023	10,005,094.33	5.803	09/29/2028	10,000,000.00	1,827	10,000,000.00	5.712	5.791	1,825
17325FBB3	18058	TREAS	MTN	CITIBANK	09/29/2023	9,992,708.11	5.803	09/29/2028	10,000,000.00	1,827	10,000,000.00	5.740	5.820	1,825
					Subtotal and Average	**7,048,952,401.73**			**7,090,818,798.10**		**7,090,818,798.10**	**2.556**	**2.591**	**906**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
					Net Maturities and Average	7,048,952,401.73			7,090,818,798.10		7,090,818,798.10	2.556	2.591	906

FHN FINANCIAL
MAIN STREET ADVISORS

Quarterly Economic and Market Update

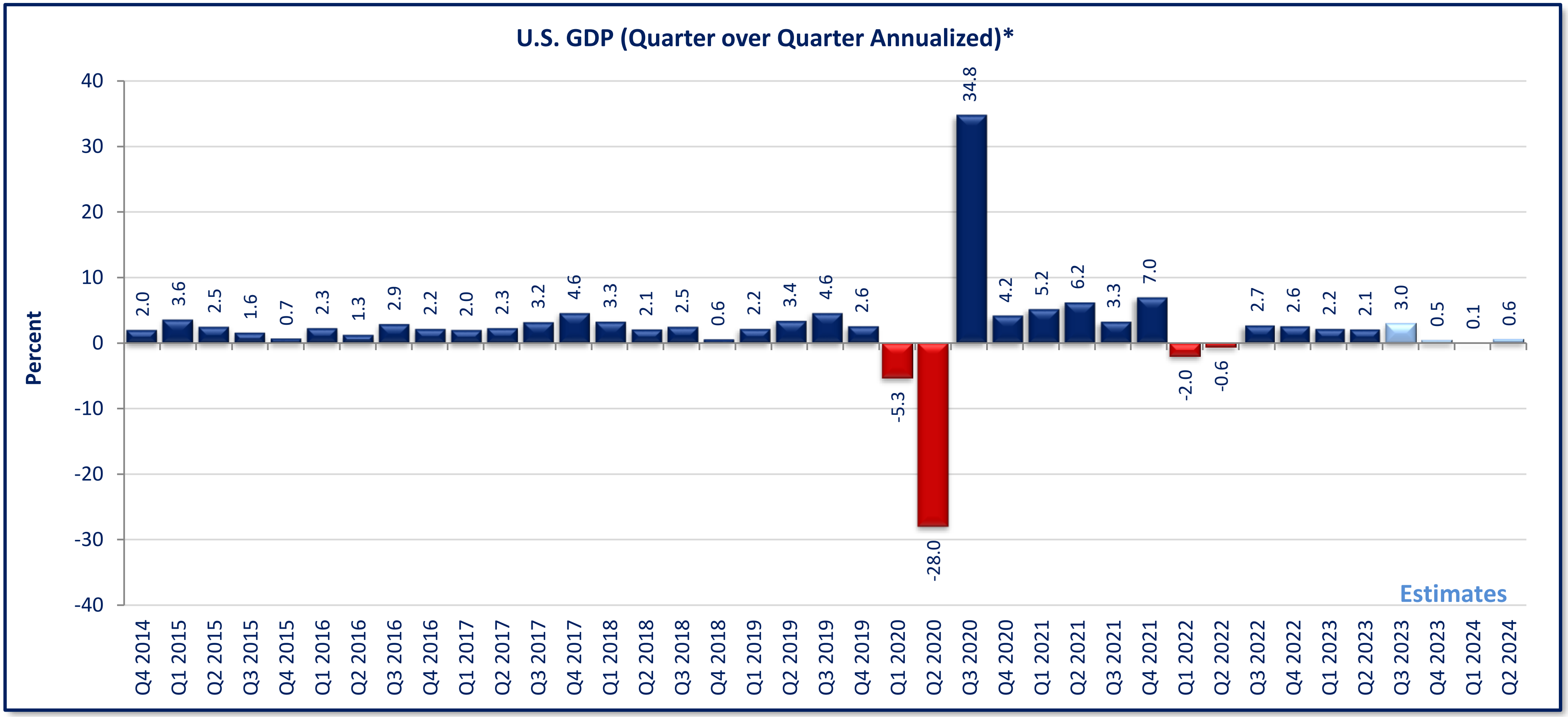
September 2023

Economic and Market Update
9/30/2023

Item	9/30/2023	6/30/2023	Change
U.S. Payrolls Monthly Change	336,000	105,000	231,000
Unemployment Rate	3.8%	3.6%	0.2%
Labor Force Participation	62.8%	62.6%	0.2%
Effective Fed Funds Rate	5.33%	5.08%	0.25%
3 Month T-Bill	5.45%	5.30%	0.15%
2 Year T-Note	5.05%	4.90%	0.15%
3 Year T-Note	4.80%	4.53%	0.27%
5 Year T-Note	4.61%	4.16%	0.46%
10 Year T-Note	4.57%	3.84%	0.73%
U.S. Fed Debt Avg Yield*	3.12%	2.79%	0.33%
30 Year Mortgage Rate	7.74%	5.83%	1.91%
1-5 Yr Agency Spread	0.08%	0.07%	0.01%
1-5 Yr A-AAA Corporate Spread	0.73%	0.62%	0.11%
Dow Jones	33,508	34,408	(2.6%)
S&P 500	4,288	4,450	(3.6%)
Consumer Price Index YOY*	3.2%	3.0%	0.2%
U.S. Avg Regular Unleaded	$3.82	$3.54	$0.28
Retail Sales YOY*	2.5%	1.5%	1.0%
Case-Shiller Home Prices YOY*	0.1%	-1.7%	1.8%
Gold (per ounce)	$1,848.63	$1,919.35	($70.72)
Dollar Index	106.17	102.91	3.26
Consumer Confidence	103.0	110.1	(7.1)

*Estimates for the current quarter/month, some data are lagged

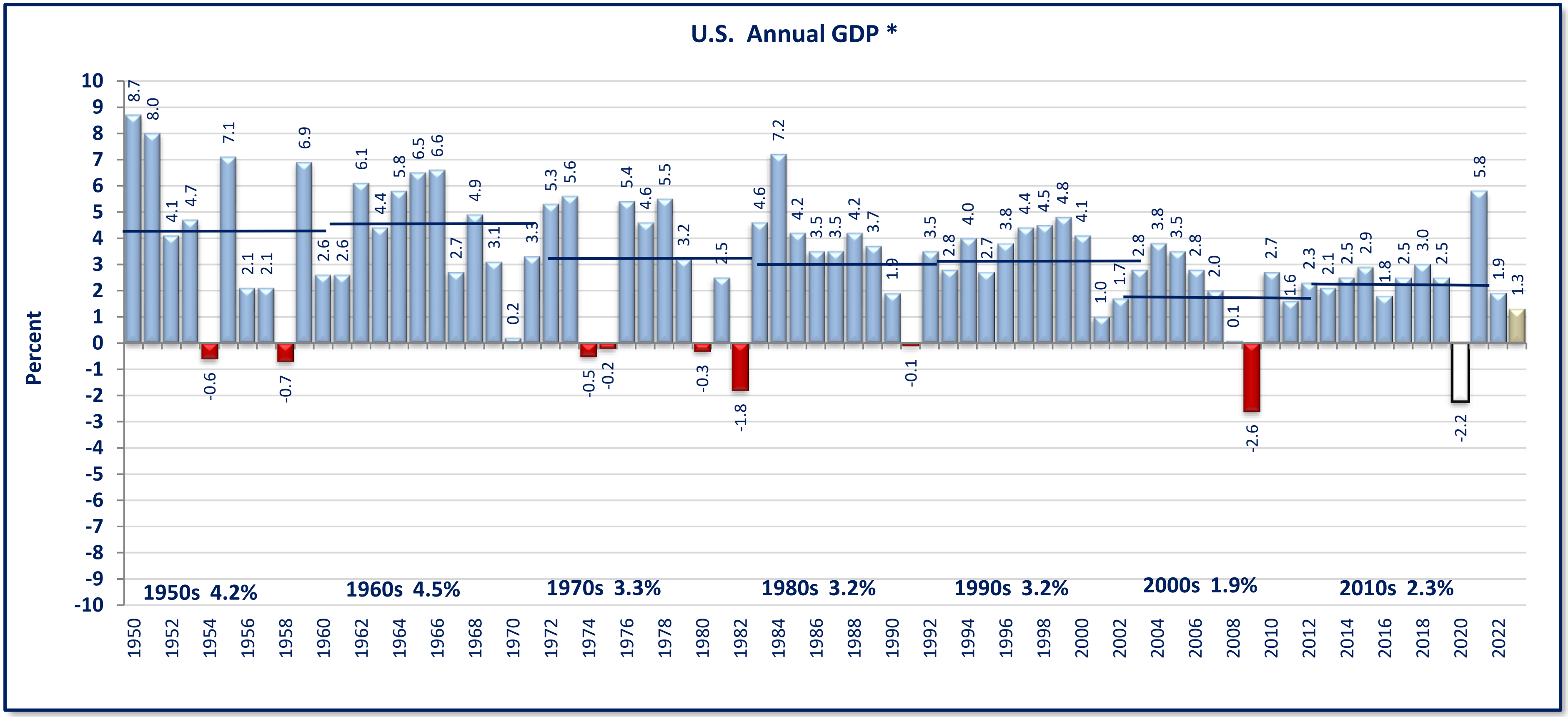
Sources: FHN Main Street and Bloomberg



* Real Rate (Inflation Adjusted)

Estimate: Bloomberg's Survey of Economists
As of: 9/30/2023

Source: Bureau of Economic Analysis

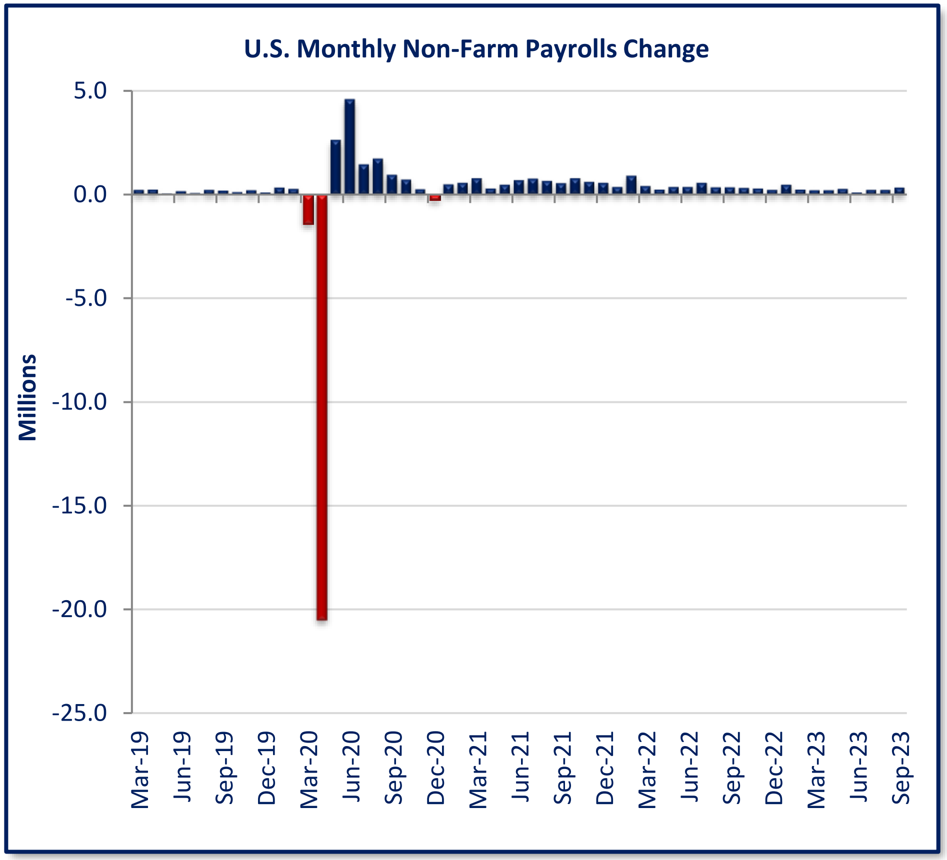


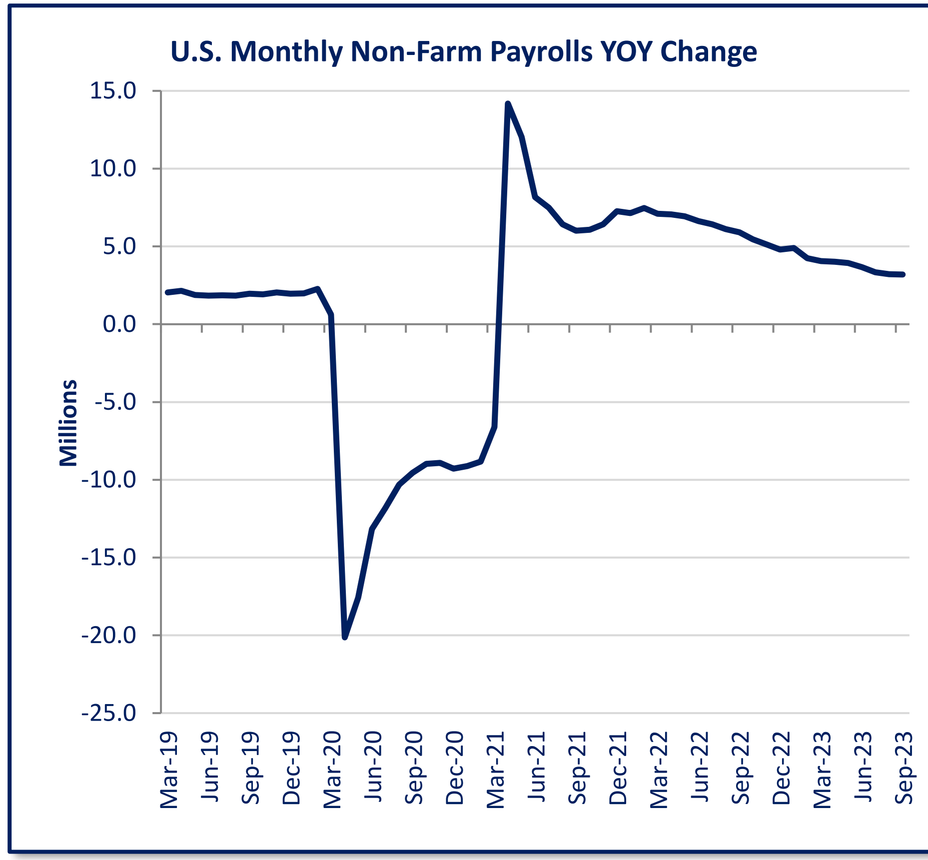
* Real Rate (Inflation Adjusted)

Estimate: Bloomberg's Survey of Economists

As of: 9/30/2023

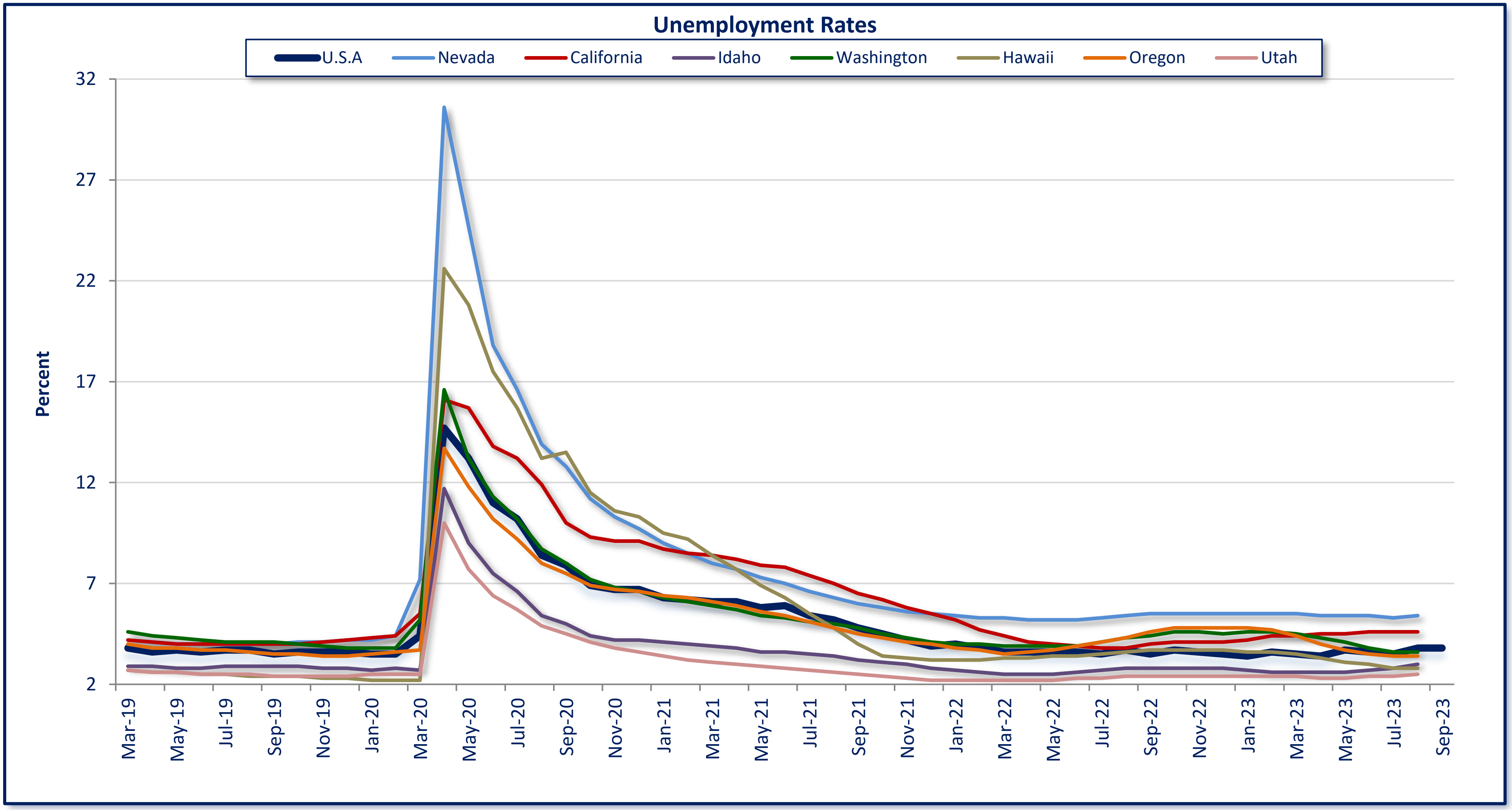
Source: Bureau of Economic Analysis



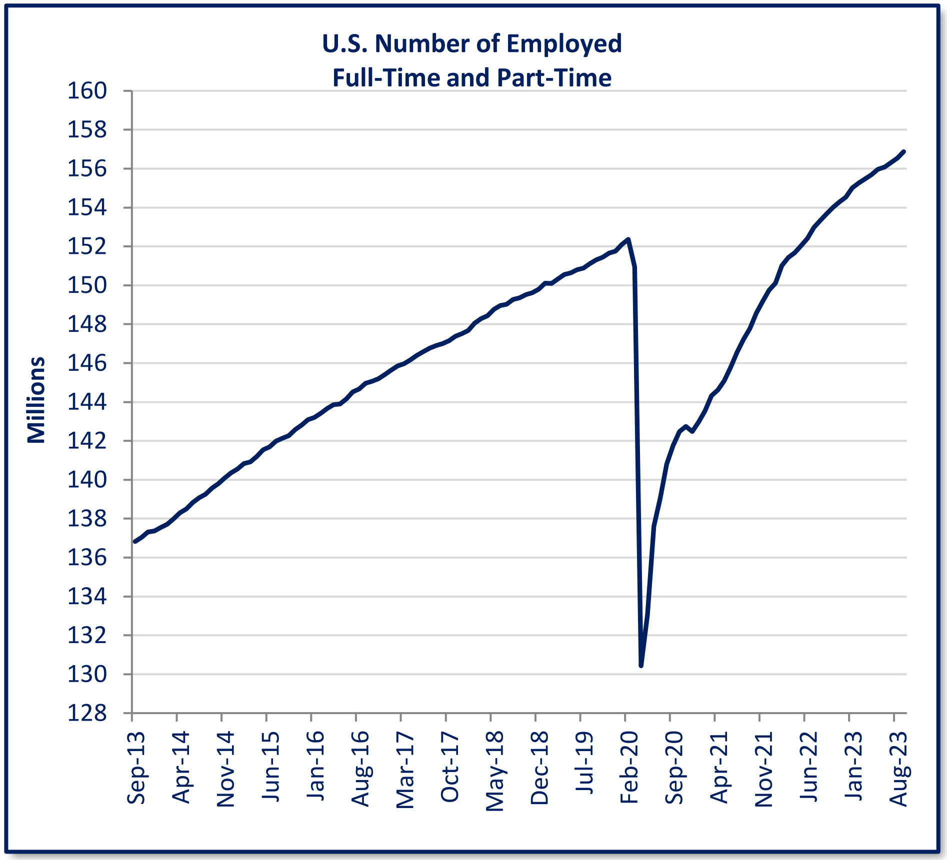


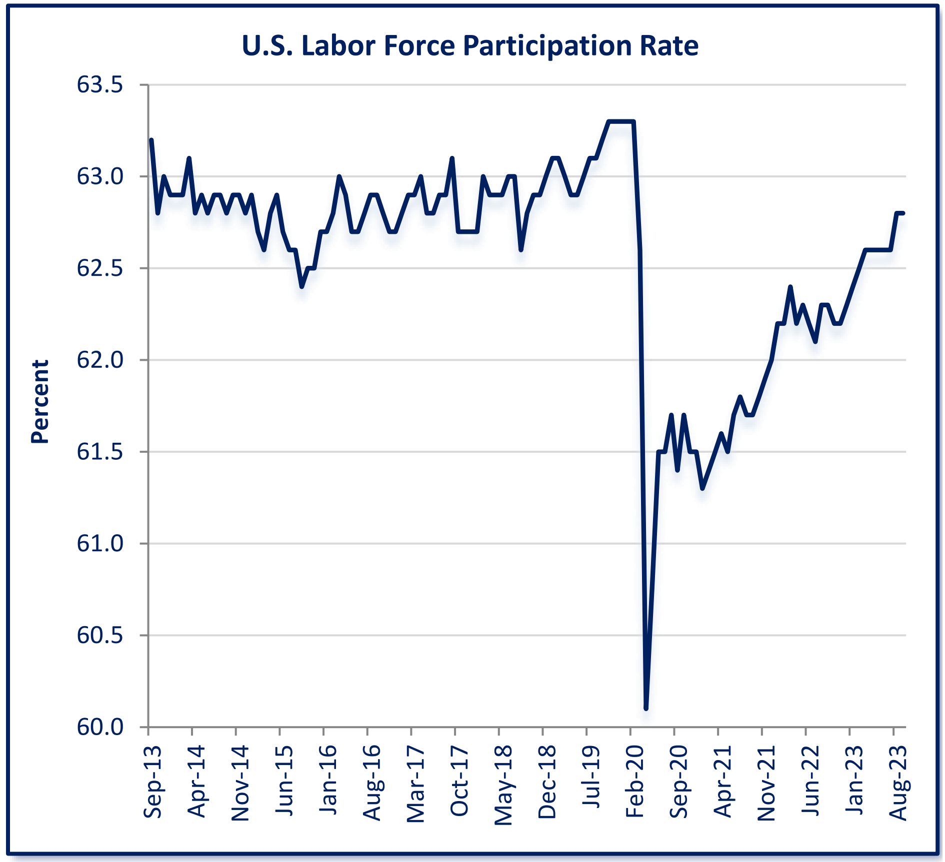
12 Month Average Job Change	**266,000**

Source: Bureau of Labor Statistics

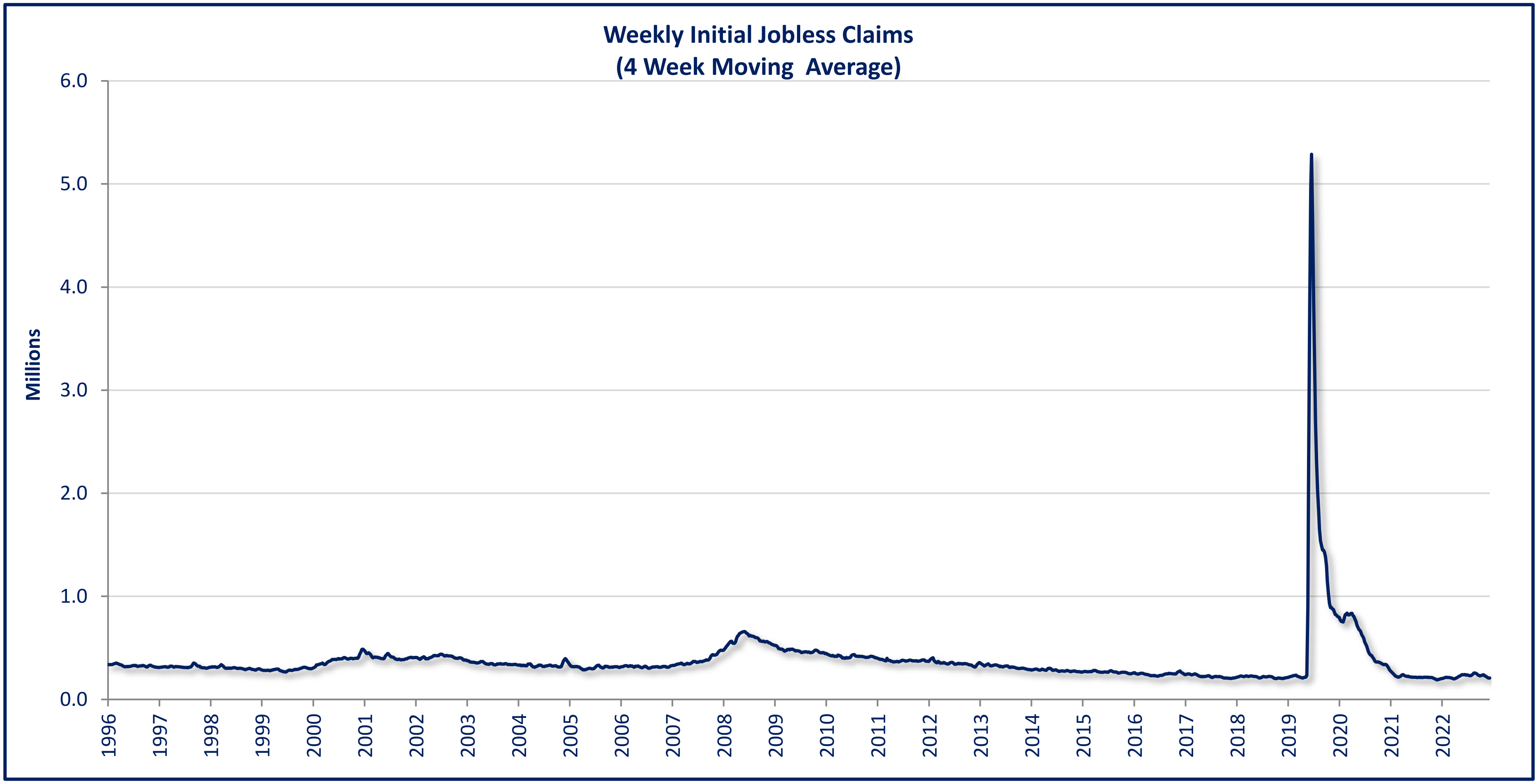


Source: Bureau of Labor Statistics



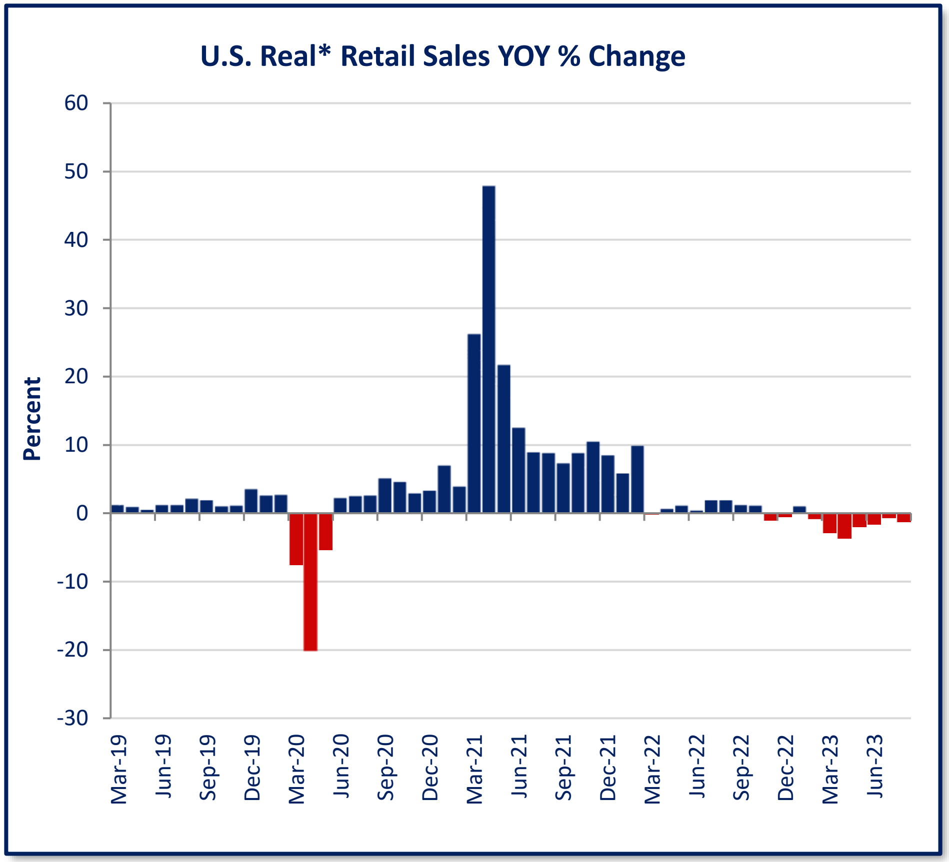


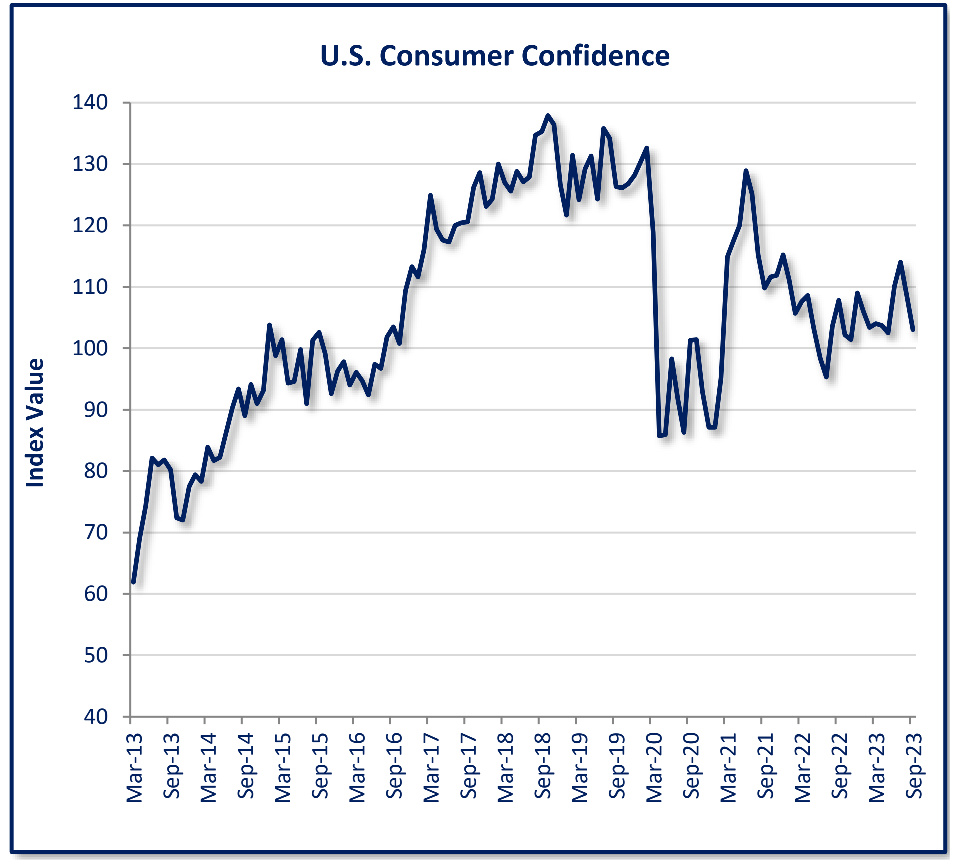
Source: Bureau of Labor Statistics



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

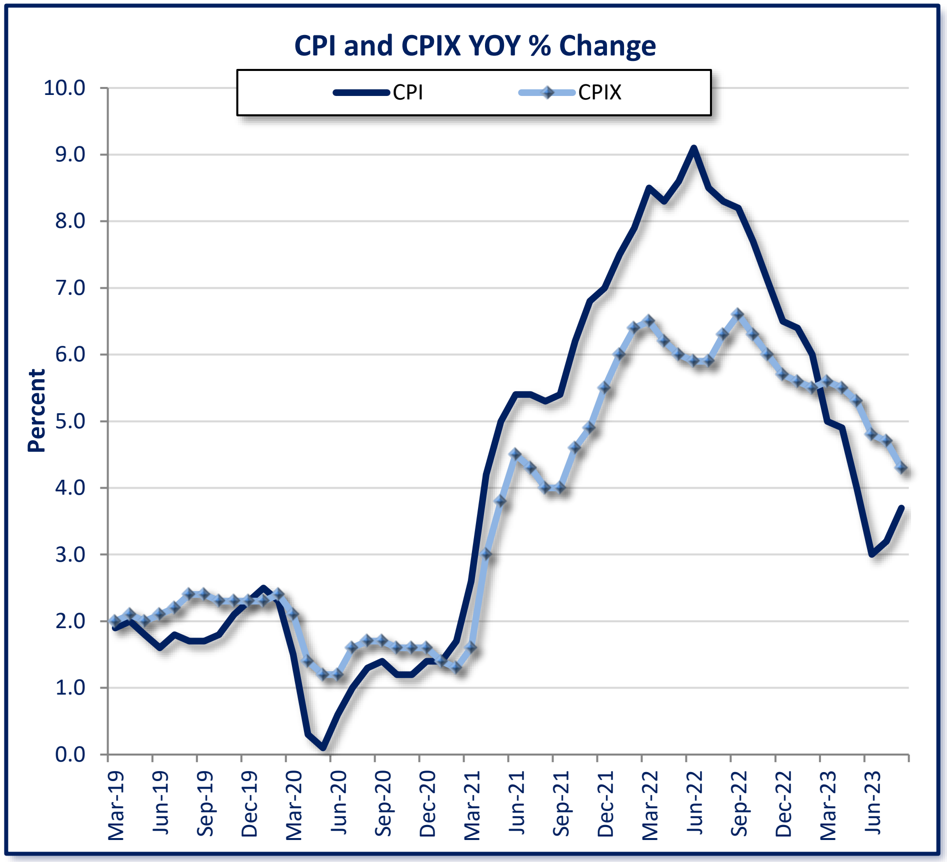




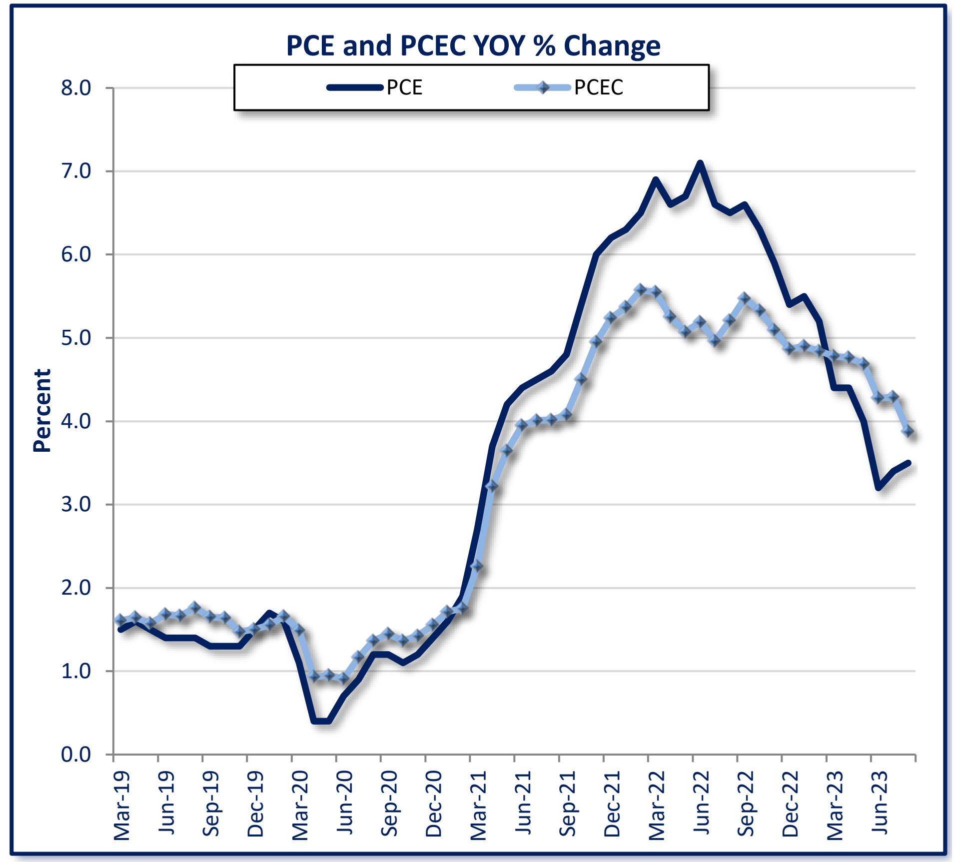
*Real: Inflation Adjusted

Source: U.S. Census Bureau

Source: Conference Board

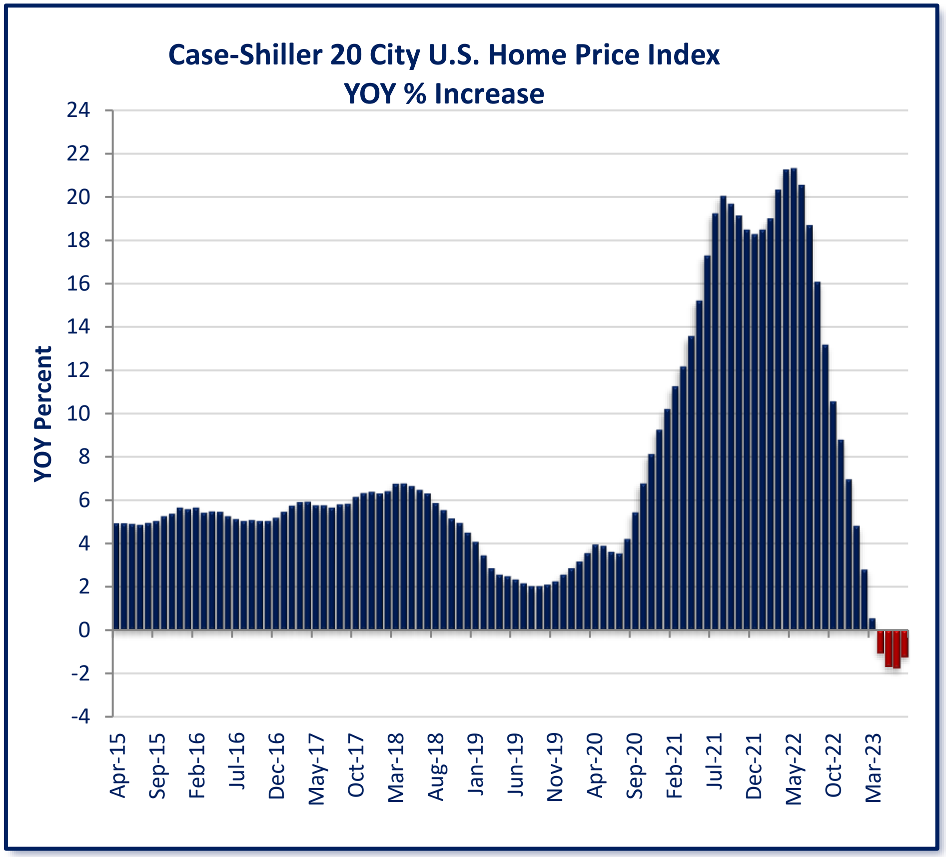


CPIX: Consumer Price Index, excluding food and energy

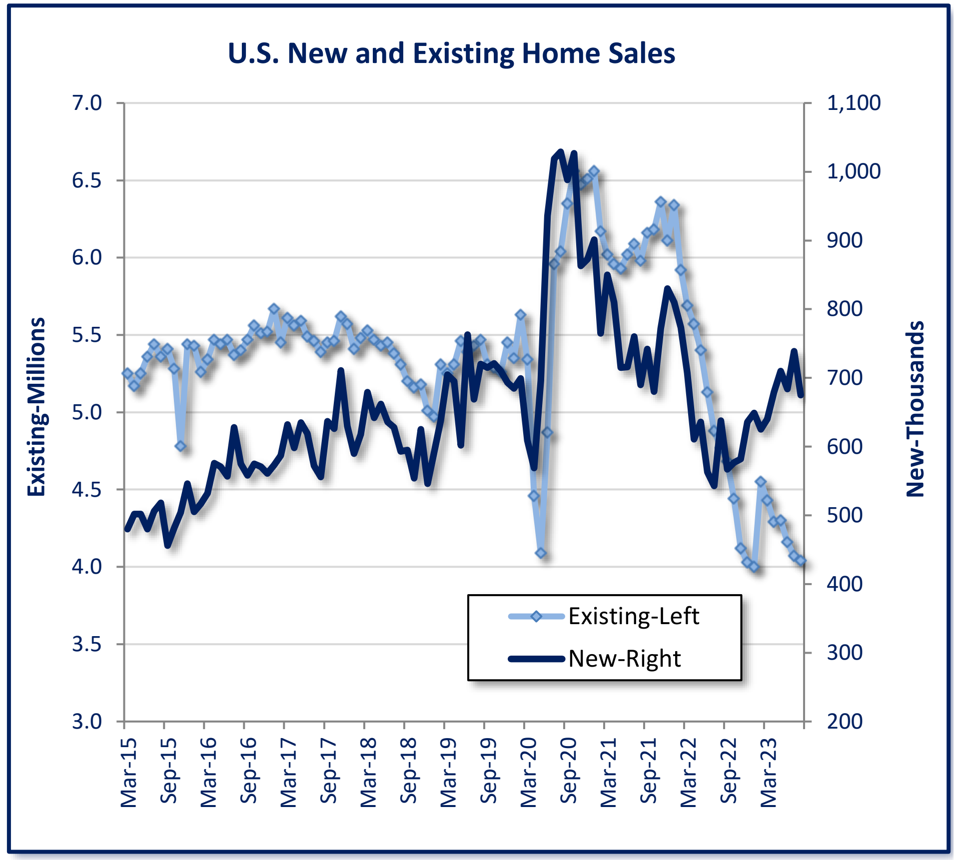


PCEC: Personal Consumption Expenditure Core

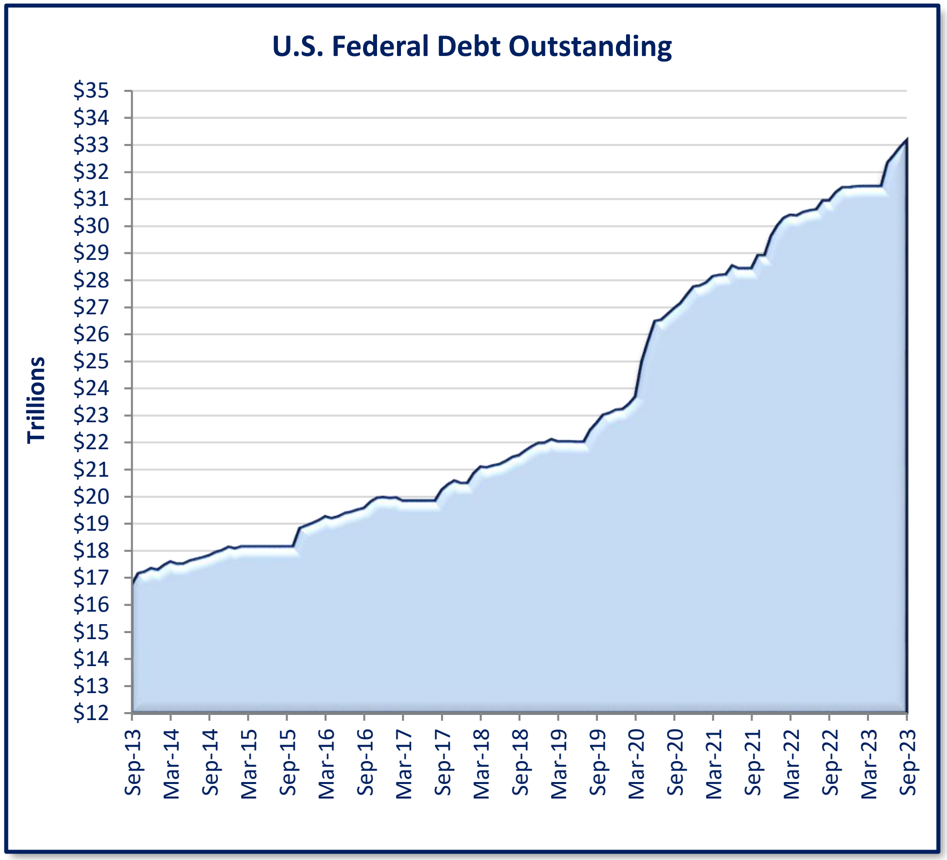
Source: Bureau of Labor Statistics and Bureau of Economic Analysis

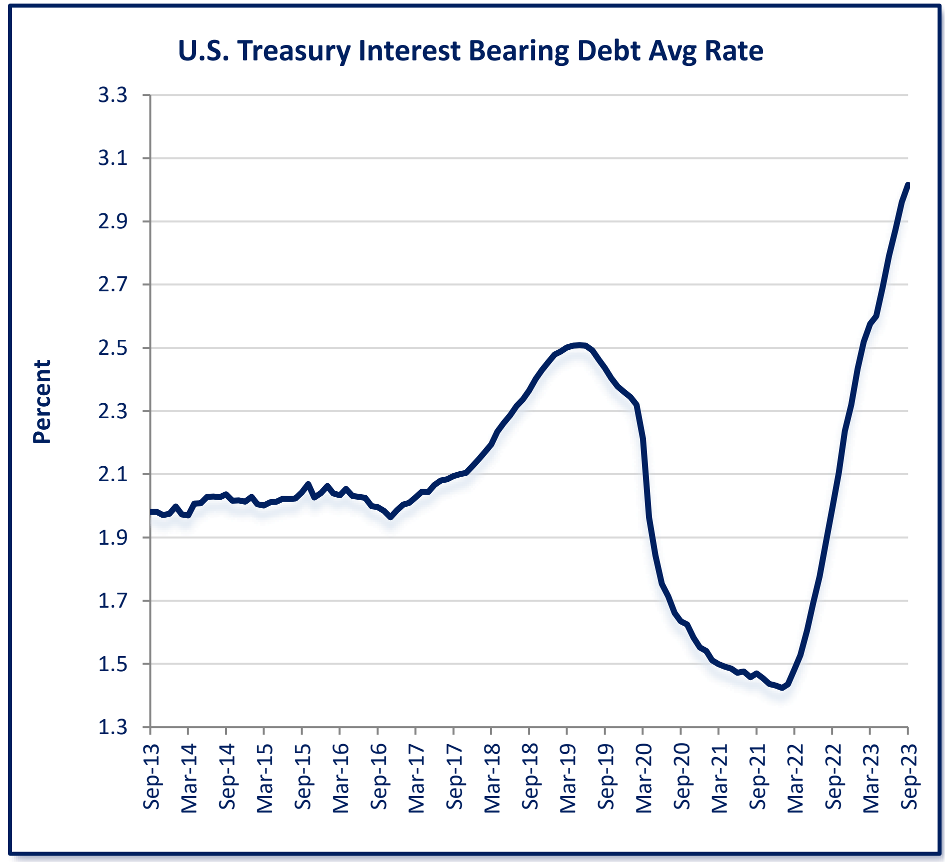


Source: Case-Shiller

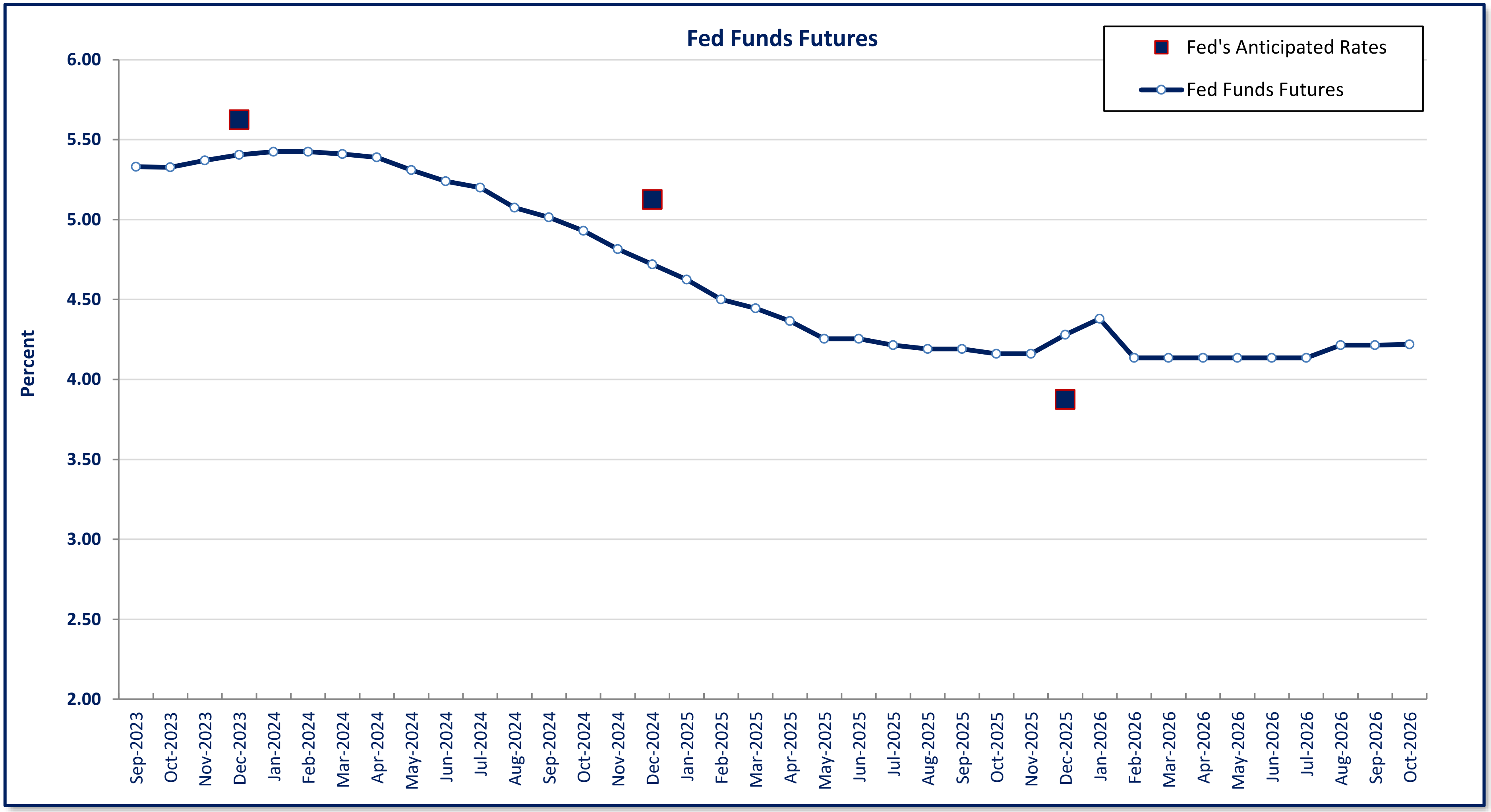


Sources: New (U.S. Census Bureau),Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate



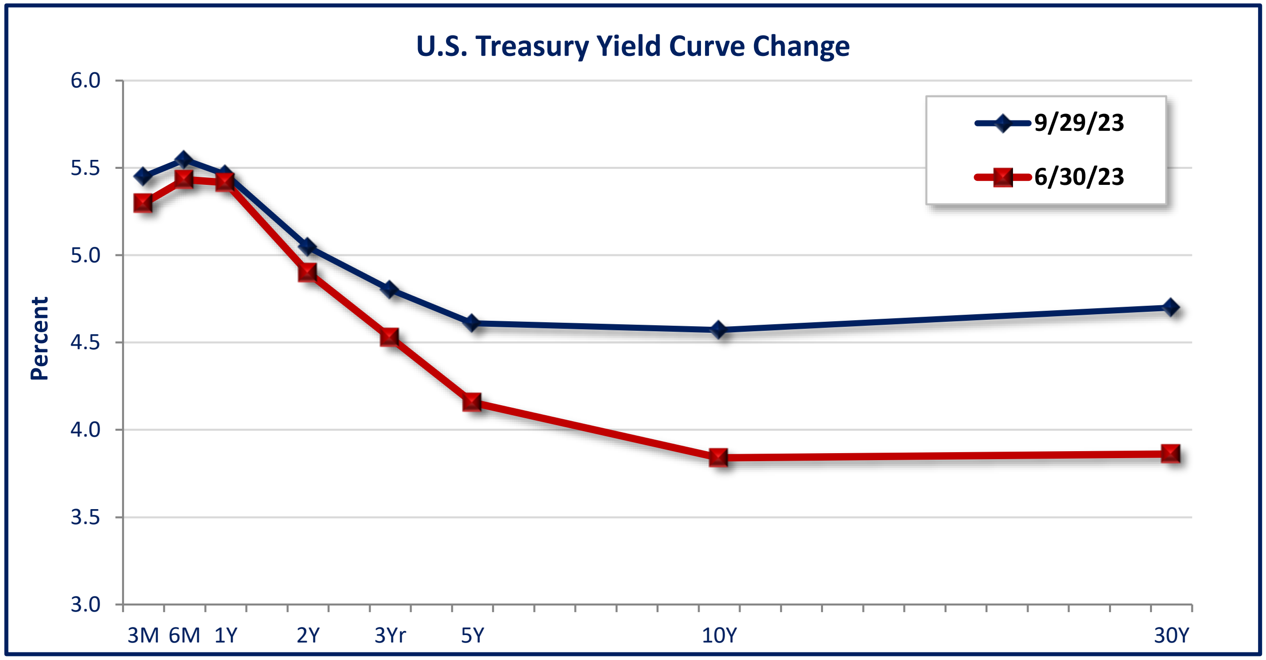


Source: U.S. Treasury

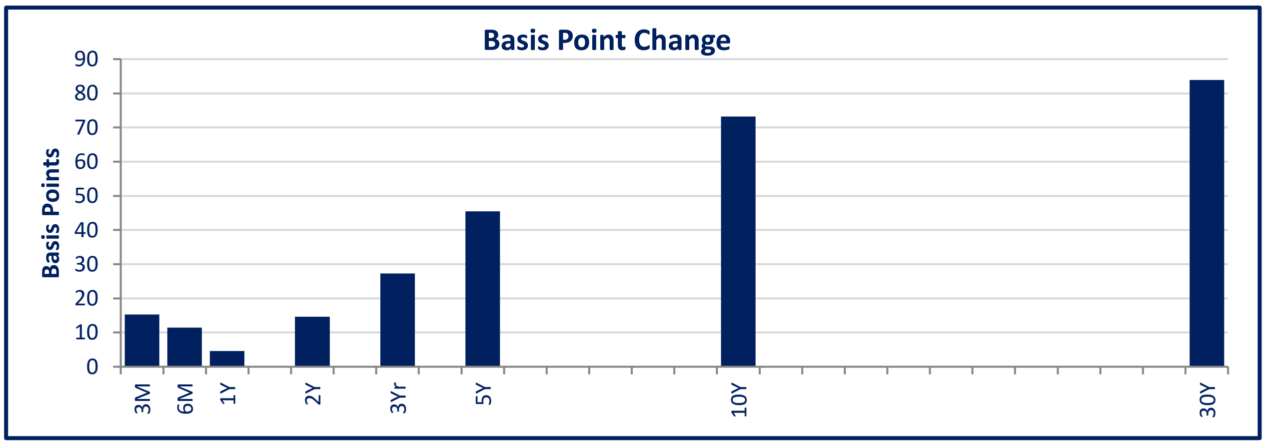


Fed Funds Anticipated Rate from the September 20, 2023 FOMC Meeting

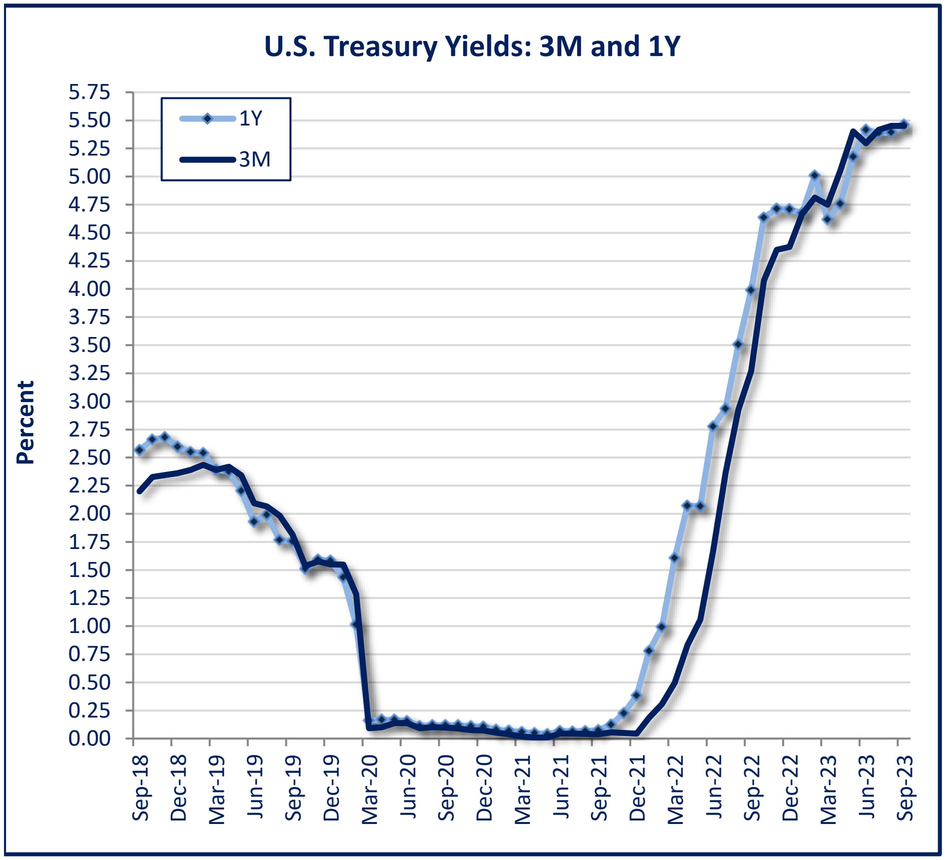
Source: Bloomberg

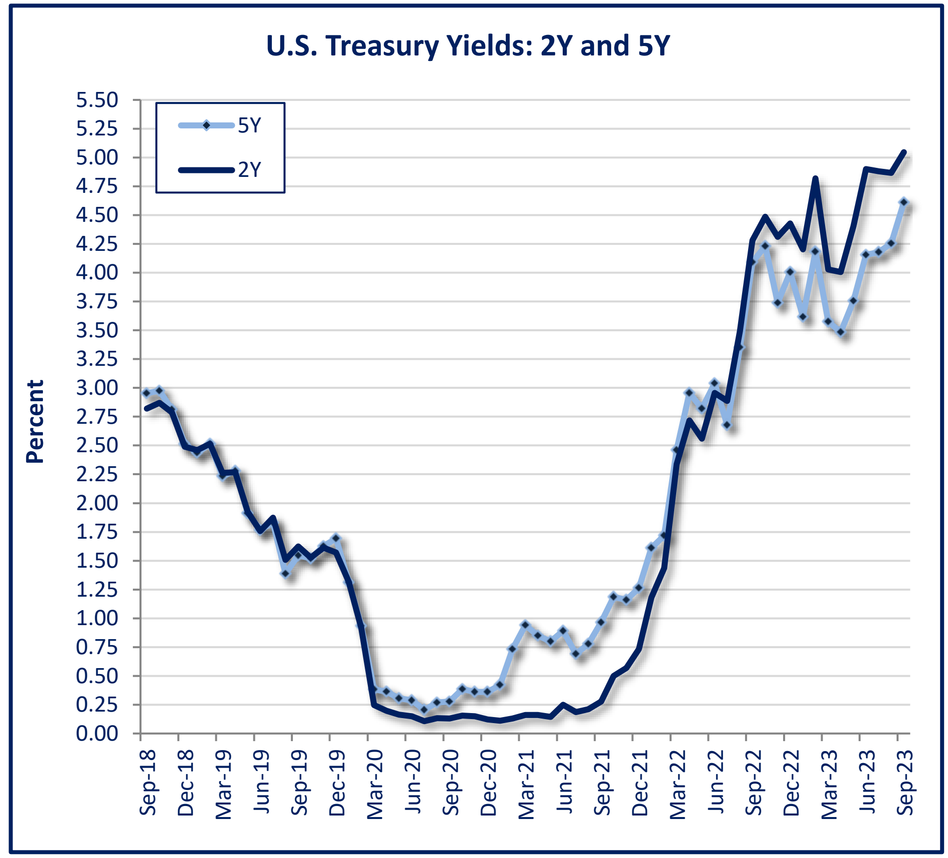


Maturity	9/29/23	6/30/23	Change
3M	5.45	5.30	0.15
6M	5.55	5.43	0.11
1Y	5.46	5.42	0.05
2Y	5.05	4.90	0.15
3Y	4.80	4.53	0.27
5Y	4.61	4.16	0.46
10Y	4.57	3.84	0.73
30Y	4.70	3.86	0.84

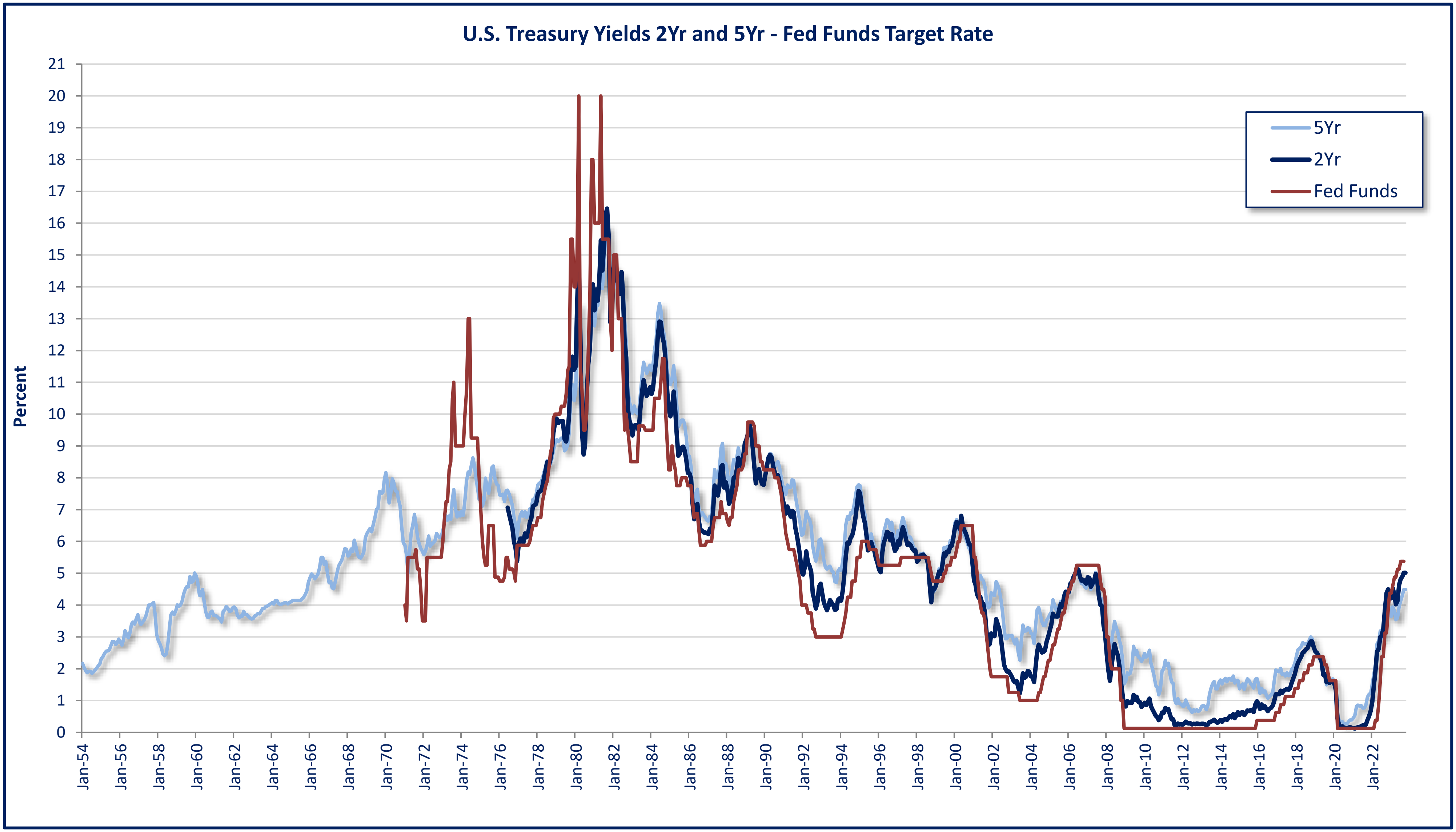


Source: Bloomberg
Figures may not total due to rounding



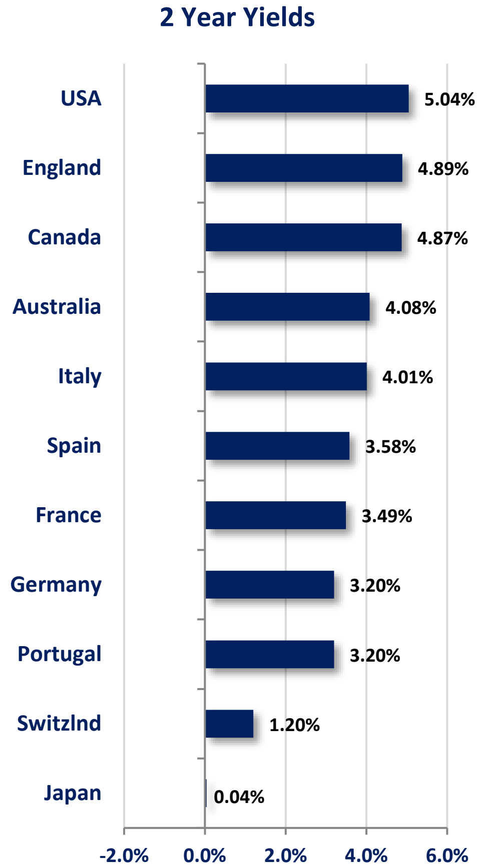


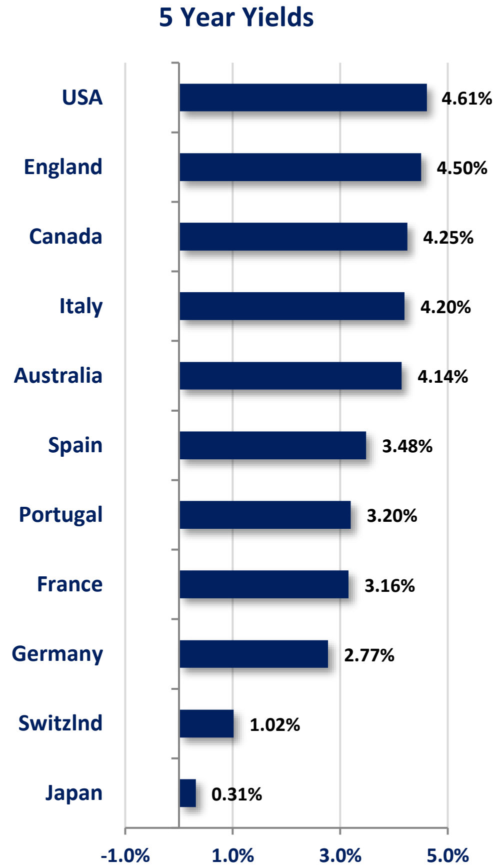
Source: Bloomberg

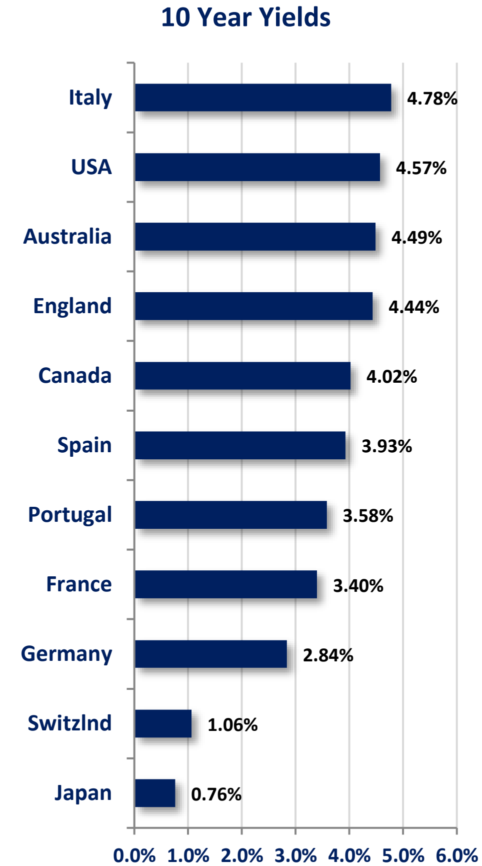


Source: Bloomberg

Global Treasury Rates







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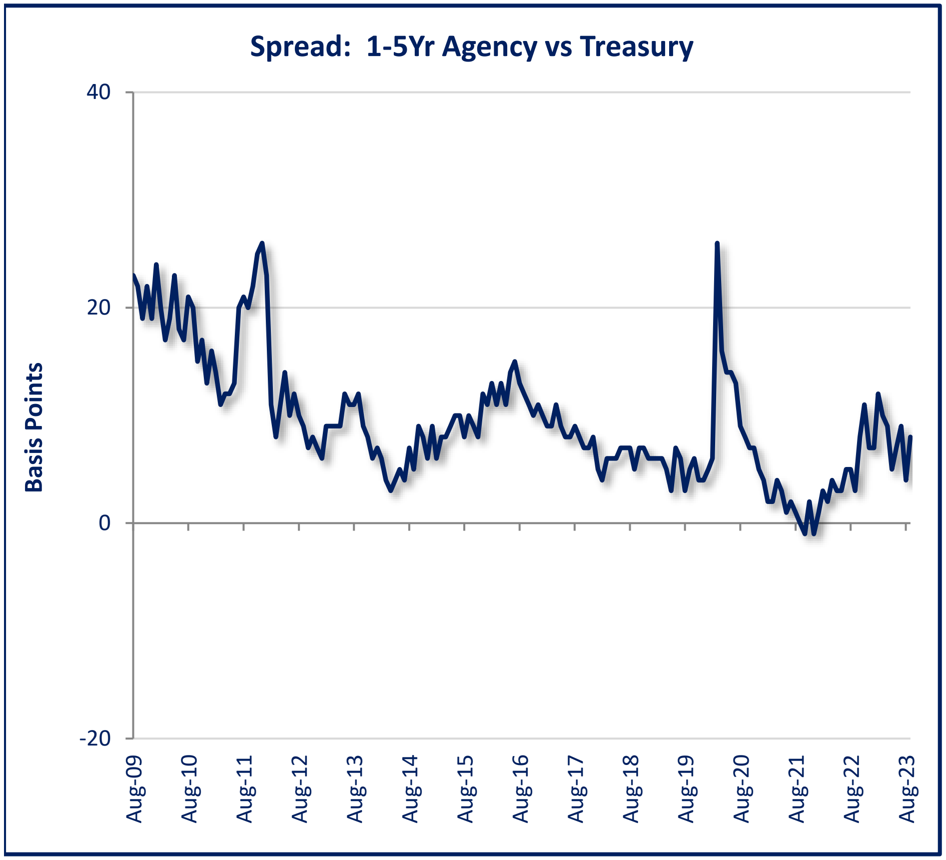
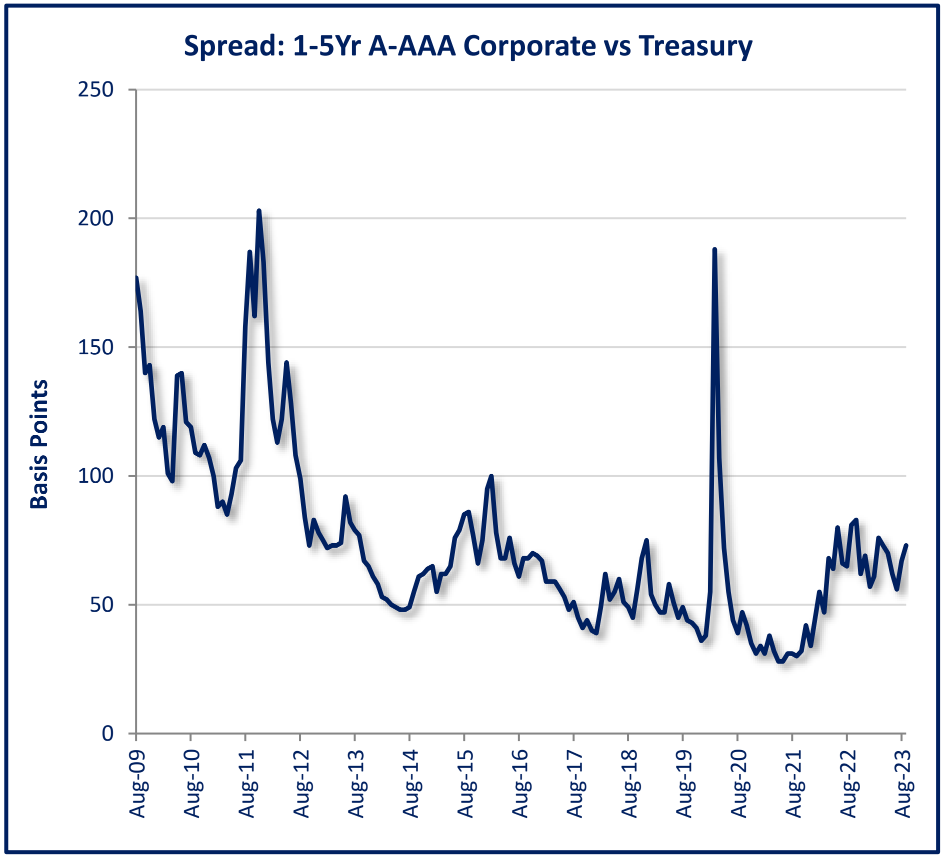


Current Spread is 8

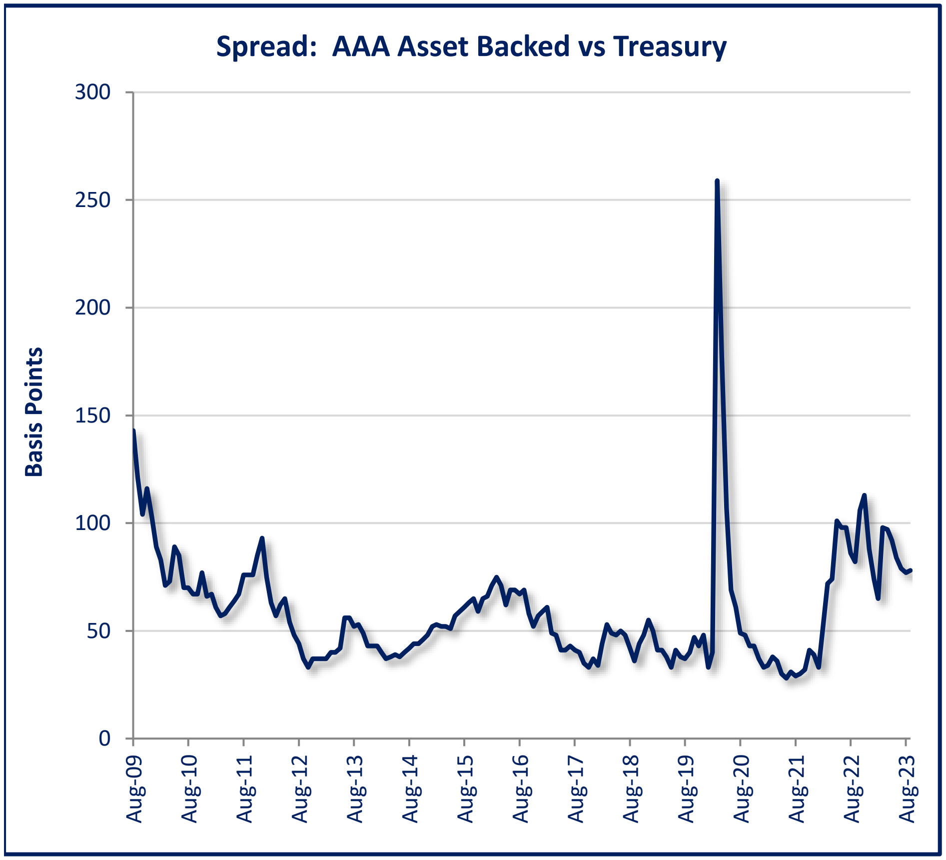


Current Spread is 73

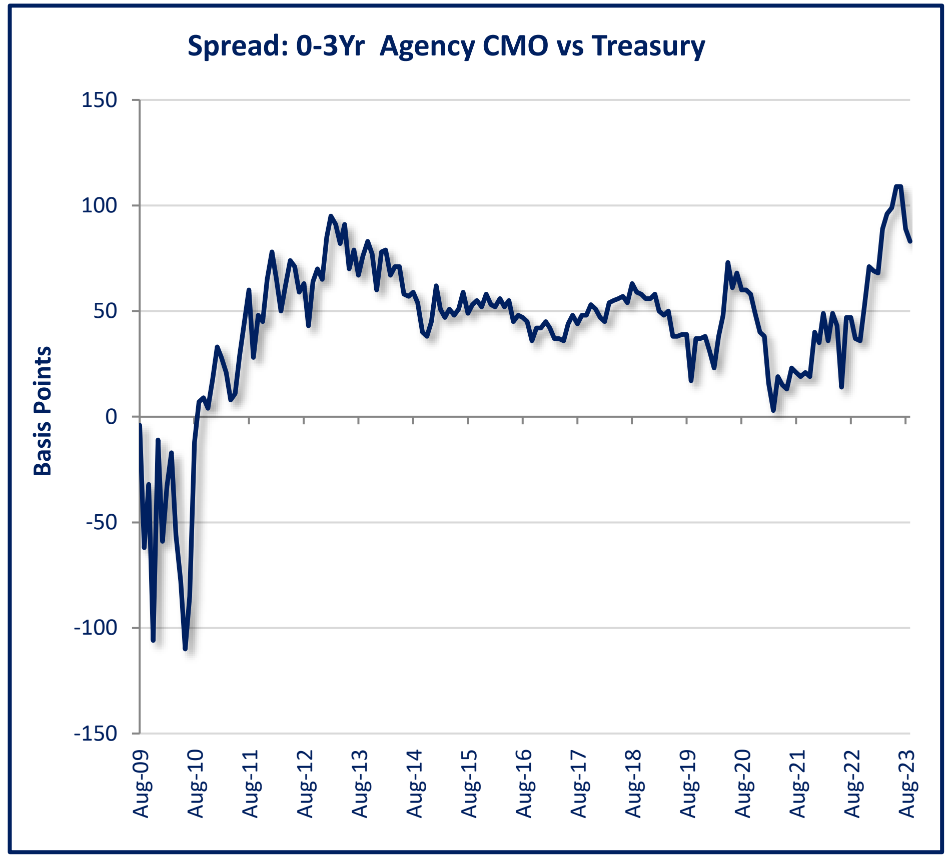
ICE BofAML Index (option adjusted spread vs. Treasury)
1-5Yr Non-Callable Agency (GVPB)

ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices



Current Spread is 78

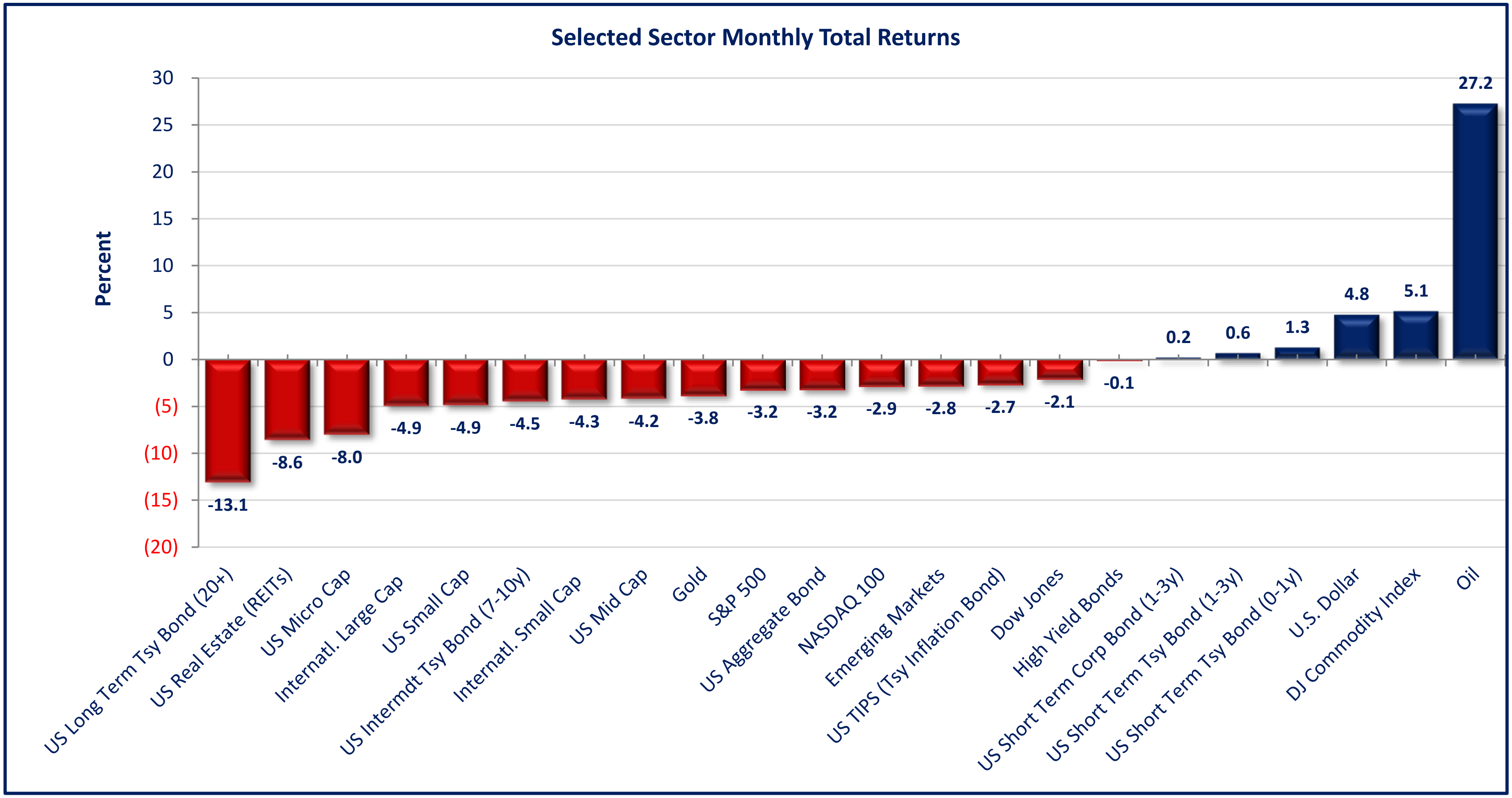


Current Spread is 83

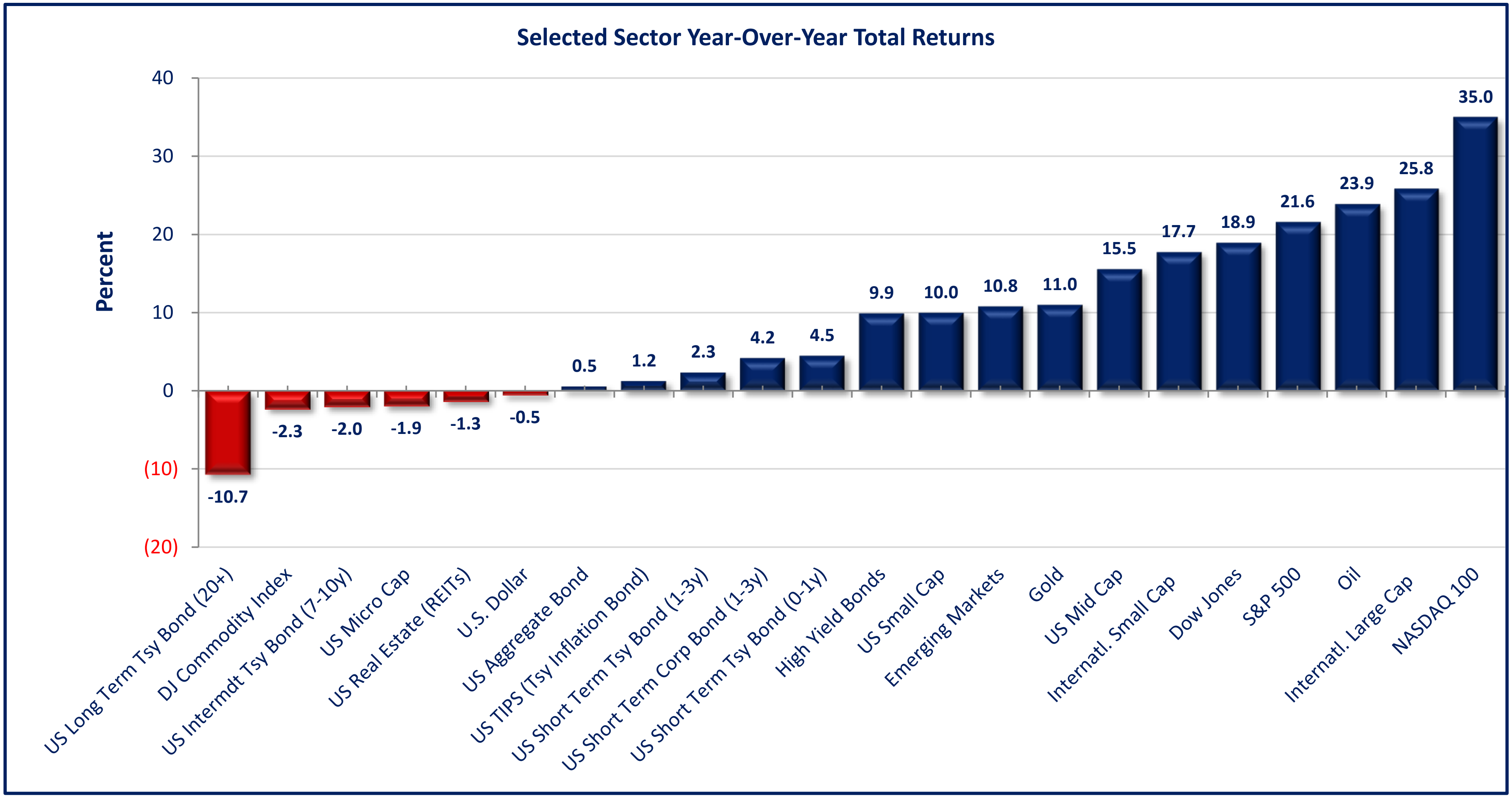
*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (R0A1)

*ICE BofAML Index (option adjusted spread vs. Treasury)
CMO Agency 0-3Yr PAC (CM1P)

Source: ICE BofAML Indices



Source: Bloomberg



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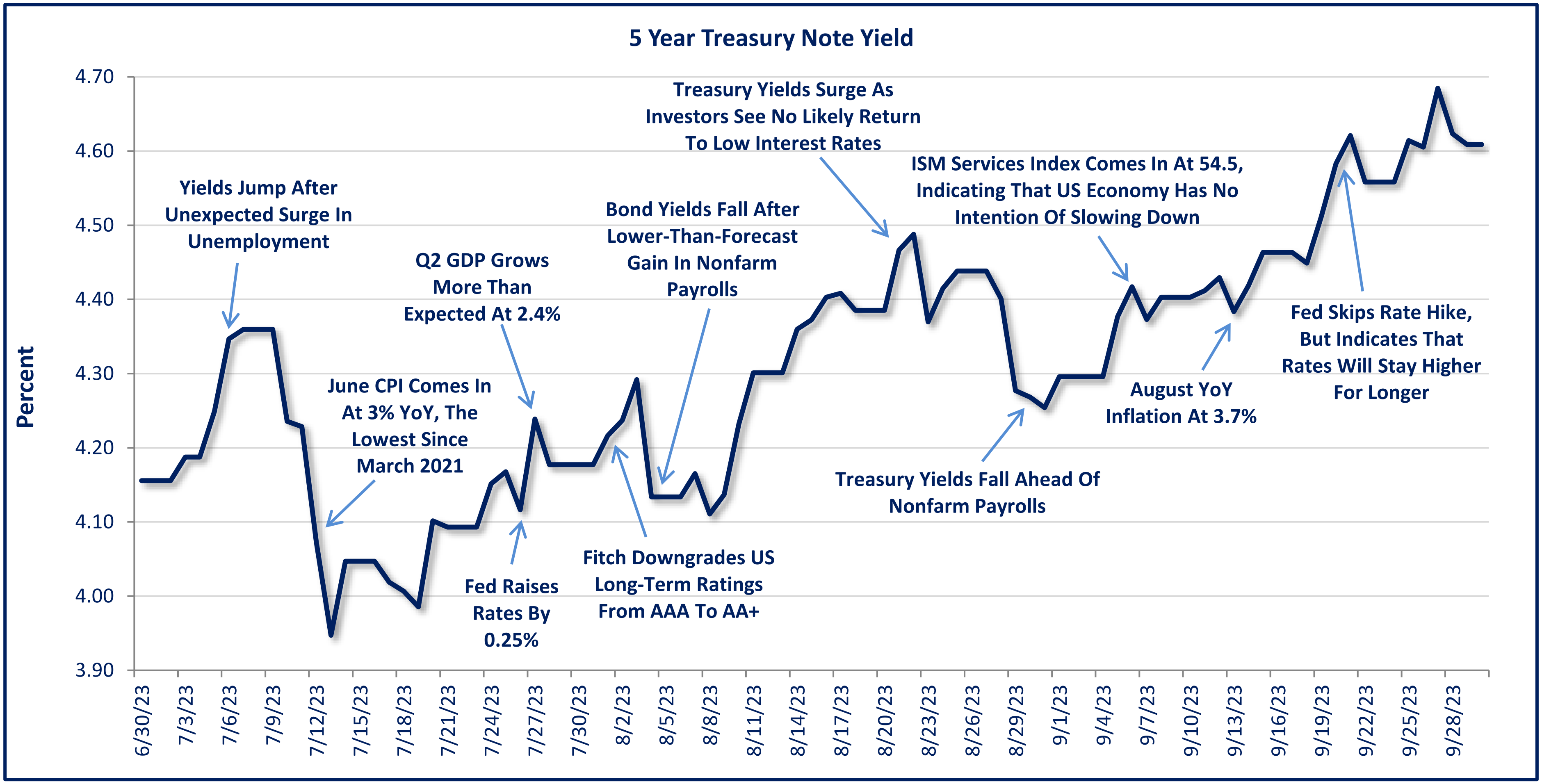
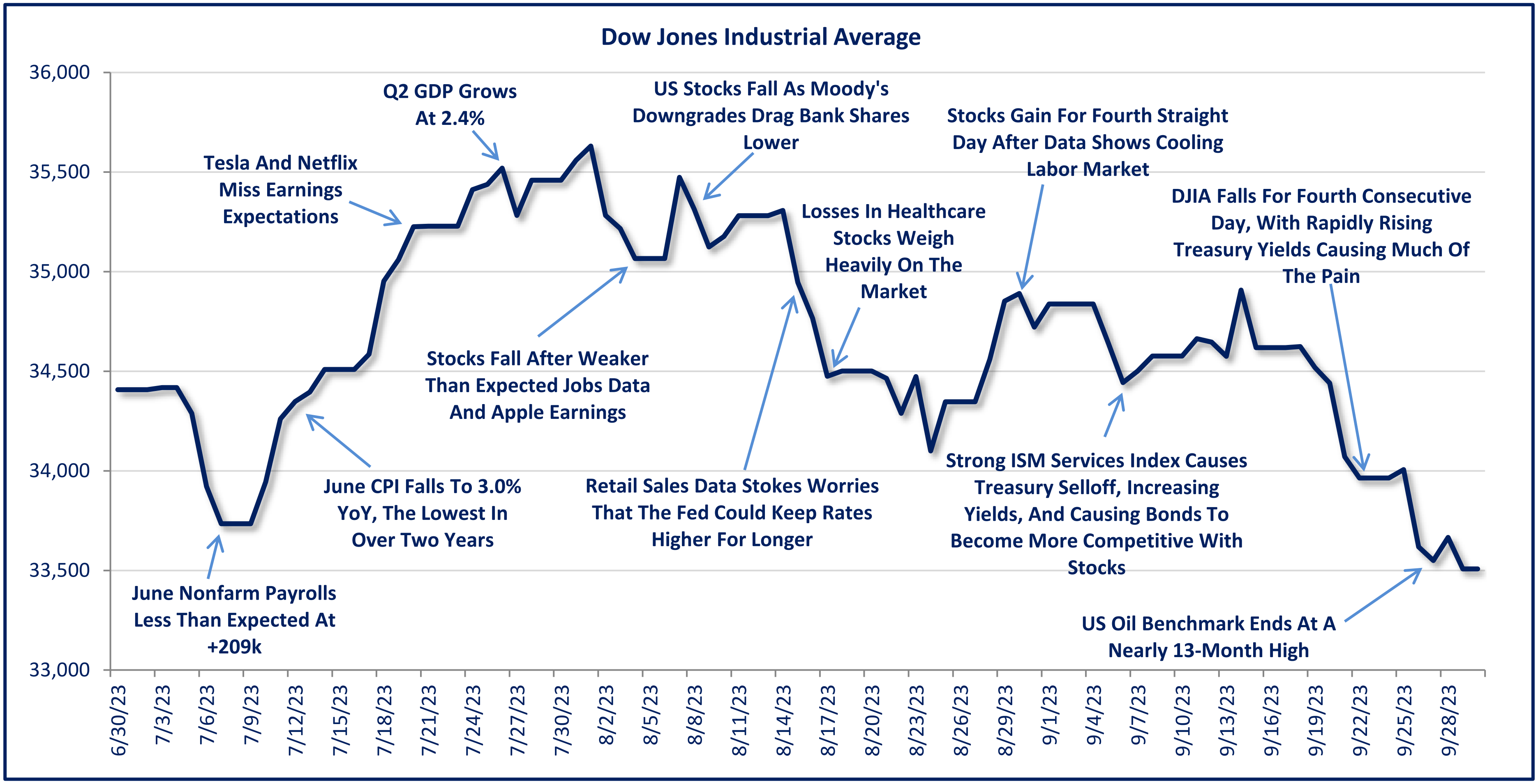


Sources: Bloomberg, FHN Main Street



Sources: Bloomberg, FHN Financial, FHN Main Street

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