

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Such Interest may be subject to the corporate alternative minimum tax. In the further opinion of Special Counsel, the interest portion of the Lease Payments is exempt from California personal income taxes. See "TAX MATTERS."

**\$11,445,000**

**2024 CERTIFICATES OF PARTICIPATION**  
Evidencing the Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the  
**GREENFIELD UNION SCHOOL DISTRICT**  
to the Local Facilities Finance Corporation

**Dated: Date of Delivery****Due: November 1, as shown on inside cover.**

**Purposes.** The captioned 2024 Certificates of Participation (the "Certificates") are being executed and delivered to (a) finance capital improvements in the Greenfield Union School District (the "District"), (b) fund a deposit to the Lease Payment Fund (defined herein) for the purpose of paying a portion of interest due with respect to the Certificates, and (c) pay certain costs of executing and delivering the Certificates, including, but not limited to, the premiums to acquire a certificate insurance policy and a reserve fund insurance policy to be credited to the Reserve Fund (defined herein). See "THE FINANCING PLAN" herein.

**Security.** The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments (as defined in the hereinafter defined Trust Agreement) to be made by the District for the use and occupancy of certain real property under a Lease Agreement dated as of February 1, 2024 (the "Lease Agreement"), between the District and the Local Facilities Finance Corporation, a nonprofit public benefit corporation (the "Corporation"). The Lease Payments will be payable from any source of available funds of the District, subject to the provisions of the Lease Agreement described herein regarding abatement and defeasance. The District is required under the Lease Agreement to take such actions as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. The Certificates will be secured under a Trust Agreement dated as of February 1, 2024, among the District, the Corporation and U.S. Bank Trust Company, National Association, Los Angeles, California, as trustee (the "Trustee"). Under an Assignment Agreement dated as of February 1, 2024, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Owners of the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." See also "CERTAIN RISK FACTORS."

**Interest.** Interest represented by the Certificates will be payable on May 1 and November 1 of each year, commencing November 1, 2024. See "THE CERTIFICATES."

**Book-Entry Only.** When executed and delivered, the Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

**Payments.** Principal and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

**Prepayment.** The Certificates are subject to prepayment prior to maturity as described herein. See "THE CERTIFICATES – Prepayment."

**Limited Obligation.** NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY OF MONTEREY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR 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. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

**Certificate Insurance.** Concurrently with the issuance of the Certificates, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Certificates when due as set forth in the form of the Policy included as Appendix H to this Official Statement. See "CERTIFICATE INSURANCE" and "APPENDIX H."



**MATURITY SCHEDULE**  
(See inside cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision. See "CERTAIN RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel, and for the Trustee by its counsel. Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter. It is anticipated that the Certificates will be available for delivery on or about February 27, 2024.



**D | A | DAVIDSON**  
D.A. Davidson & Co. member SIPC

## MATURITY SCHEDULE

### GREENFIELD UNION SCHOOL DISTRICT (County of Monterey, California)

Base CUSIP<sup>†</sup>: 394857

#### 2024 CERTIFICATES OF PARTICIPATION

Maturity Date	Principal Amount	Interest Rate	Yield	Price		CUSIP <sup>†</sup>
11/1/25	\$185,000	5.000%	3.110%	103.062		CY0
11/1/26	195,000	5.000	2.960	105.210		CZ7
11/1/27	205,000	5.000	2.860	107.416		DA1
11/1/28	215,000	5.000	2.780	109.671		DB9
11/1/29	225,000	5.000	2.750	111.749		DC7
11/1/30	235,000	5.000	2.780	111.582	C	DD5
11/1/31	245,000	5.000	2.820	111.359	C	DE3
11/1/32	260,000	5.000	2.860	111.137	C	DF0
11/1/33	275,000	5.000	2.860	111.137	C	DG8
11/1/34	285,000	5.000	2.870	111.082	C	DH6
11/1/35	300,000	5.000	2.990	110.420	C	DJ2
11/1/36	315,000	5.000	3.040	110.146	C	DK9
11/1/37	330,000	5.000	3.160	109.490	C	DL7
11/1/38	350,000	5.000	3.260	108.948	C	DM5
11/1/39	365,000	5.000	3.340	108.516	C	DN3
11/1/40	385,000	5.000	3.430	108.032	C	DP8
11/1/41	405,000	5.000	3.490	107.711	C	DQ6

**\$1,335,000 – 5.000% Term Certificate due November 1, 2044; Yield: 3.660%; Price: 106.808<sup>C</sup>; CUSIP<sup>†</sup>: DR4**

**\$2,110,000 – 5.000% Term Certificate due November 1, 2048; Yield: 3.830%; Price: 105.914<sup>C</sup>; CUSIP<sup>†</sup>: DS2**

**\$3,225,000 – 4.000% Term Certificate due November 1, 2053; Yield: 4.180%; Price: 96.950; CUSIP<sup>†</sup>: DT0**

<sup>†</sup>CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel take any responsibility for the accuracy of such numbers.

C: Priced to first par call on November 1, 2029.

**GREENFIELD UNION SCHOOL DISTRICT**  
**COUNTY OF MONTEREY**  
**STATE OF CALIFORNIA**

**BOARD OF EDUCATION**

Denise Jaime, *President*  
Juergen Smith, *Vice President*  
Jose Madrid, *Clerk*  
Sonia Heredia, *Trustee*  
David Kong, *Trustee*

**DISTRICT ADMINISTRATIVE STAFF**

Zandra Jo Galván, *Superintendent*  
Annette Mooneyham, *Chief Business Officer*

**PROFESSIONAL SERVICES**

**MUNICIPAL ADVISOR**

Isom Advisors, a Division of Urban Futures, Inc.  
*Walnut Creek, California*

**SPECIAL COUNSEL AND DISCLOSURE COUNSEL**

Jones Hall, A Professional Law Corporation  
*San Francisco, California*

**TRUSTEE**

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

**UNDERWRITER'S COUNSEL**

Dannis Woliver Kelley  
*Long Beach, California*

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**Use of Official Statement.** 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 is not a contract between any Certificate owner and the District or the Underwriter.

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

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

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

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

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

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

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

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

**Certificate Insurance.** Assured Guaranty Municipal Corp. (“AGM” or the “Certificate Insurer”) makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, the Certificate Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Certificate Insurer, supplied by the Certificate Insurer and presented under the heading “CERTIFICATE INSURANCE” and in APPENDIX H.

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

**Website.** The District maintains a website and certain social media accounts. However, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

## TABLE OF CONTENTS

	<u>Page</u>	<u>Page</u>
INTRODUCTION .....	1	LAO's Fiscal Outlook Publication Dated
THE FINANCING PLAN .....	5	December 7, 2023.....
SOURCES AND USES OF FUNDS .....	5	47
THE LEASED PROPERTY .....	6	The 2024-25 State Budget Proposal .....
Description and Location .....	6	47
Fair Rental Value .....	6	Disclaimer Regarding State Budgets .....
Substitution and Release of Property .....	6	50
THE CORPORATION .....	6	Legal Challenges to State Funding of Education.....
THE CERTIFICATES .....	7	50
Certificate Terms .....	7	PROPERTY TAXATION .....
Prepayment .....	7	50
Book-Entry Only System .....	10	Property Tax Collection Procedures .....
Transfer and Exchange of Certificates .....	10	51
CERTIFICATE PAYMENT SCHEDULE .....	11	Assessed Valuations .....
SECURITY AND SOURCES OF PAYMENT FOR		53
THE CERTIFICATES .....	12	Top Twenty Property Taxpayers.....
Nature of the Certificates .....	12	54
Lease Payments .....	12	No Teeter Plan; Property Tax Collections .....
Limited Obligation .....	13	55
Abatement due to Damage or Destruction .....	14	Debt Obligations .....
Termination or Abatement Due to Eminent		56
Domain .....	14	COUNTY INVESTMENT POOL.....
Lease Payment Fund .....	15	56
Action on Default .....	15	CONSTITUTIONAL AND STATUTORY
Reserve Fund .....	15	PROVISIONS AFFECTING DISTRICT
Covenant to Maintain Property Insurance .....	16	REVENUES AND APPROPRIATIONS .....
Insurance and Condemnation Fund; Application		56
of Net Proceeds .....	17	Constitutionally Required Funding of Education .....
Disclosure Relating to COVID-19 .....	19	56
CERTIFICATE INSURANCE .....	20	Article XIII A of the California Constitution .....
Certificate Insurance Policy .....	20	57
Assured Guaranty Municipal Corp.....	20	Article XIII B of the California Constitution .....
THE DISTRICT .....	23	58
General Information .....	23	Unitary Property .....
Administration .....	23	58
Recent Enrollment and ADA Trends .....	24	Articles XIII C and XIII D .....
Employee Relations .....	24	59
District Insurance Coverage .....	25	Proposition 98 .....
District's Response to COVID-19 Pandemic .....	25	60
DISTRICT FINANCIAL INFORMATION .....	26	Proposition 111 .....
Education Funding Generally .....	26	61
Accounting Practices .....	28	Proposition 1A and Proposition 22 .....
Financial Statements .....	29	62
District Budget and Interim Financial Reporting .....	31	Proposition 30 and Proposition 55.....
Attendance – LCFF Funding .....	34	63
Revenue Sources .....	35	Proposition 19.....
District Retirement Systems .....	36	63
Other Post-Employment Benefits .....	39	Future Initiatives and Changes in Law.....
Long-Term Borrowing of the District.....	41	63
STATE FUNDING OF EDUCATION; RECENT		CERTAIN RISK FACTORS.....
STATE BUDGETS .....	43	63
State Budgeting for Education Generally .....	43	No Pledge of Taxes .....
The Budget Process .....	43	64
Available Public Resources .....	44	Additional Obligations of the District .....
The 2023-24 State Budget .....	44	64
		Decline in Economic Conditions: COVID-19.....
APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS		64
APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2022		Limited Recourse on Default .....
APPENDIX C - GENERAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF GREENFIELD AND		65
THE COUNTY OF MONTEREY		Abatement .....
APPENDIX D - FORM OF PROPOSED OPINION OF SPECIAL COUNSEL		66
APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE		Property Taxes .....
APPENDIX F - BOOK-ENTRY ONLY SYSTEM		67
APPENDIX G - COUNTY OF MONTEREY INVESTMENT POLICY AND INVESTMENT REPORT		State Budget Considerations .....
APPENDIX H - SPECIMEN MUNICIPAL BOND INSURANCE POLICY		67
		Cyber Risks .....
		68
		Absence of Earthquake and Flood Insurance.....
		68
		Natural Disasters - Fires, Droughts, Extreme
		Weather and Other Events .....
		68
		Early Prepayment of Certificates .....
		68
		Substitution and Release of Property .....
		69
		Future Litigation and Liabilities .....
		69
		Limitations on Remedies; Bankruptcy .....
		69
		LEGAL OPINIONS.....
		70
		FINANCIAL ADVISOR .....
		70
		TAX MATTERS.....
		70
		Tax-Exempt Status .....
		71
		Other Tax Considerations .....
		72
		NO MATERIAL LITIGATION.....
		72
		CYBER RISKS.....
		73
		RATINGS .....
		73
		CONTINUING DISCLOSURE.....
		73
		UNDERWRITING.....
		74
		EXECUTION .....
		74

[THIS PAGE INTENTIONALLY LEFT BLANK]

# OFFICIAL STATEMENT

**\$11,445,000**

## **2024 CERTIFICATES OF PARTICIPATION**

Evidencing the Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the

**GREENFIELD UNION SCHOOL DISTRICT**  
to the Local Facilities Finance Corporation

This Official Statement, which includes the cover page and Appendices hereto (collectively, the “**Official Statement**”), provides certain information concerning the sale and delivery of the certificates of participation captioned above (the “**Certificates**”), which evidence the direct, undivided fractional interests of the Owners thereof in lease payments (the “**Lease Payments**”) to be made by the Greenfield Union School District (the “**District**”) of County of Monterey (the “**County**”), California (the “**State**”) pursuant to a Lease Agreement dated as of February 1, 2024 (the “**Lease Agreement**”), between the District and the Local Facilities Finance Corporation (the “**Corporation**”).

All capitalized terms used in this Official Statement but not otherwise defined have the meanings set forth in the Trust Agreement (defined below) or the Lease Agreement. See “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

## INTRODUCTION

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

**The District.** The District is located approximately 135 miles south of San Francisco in the City of Greenfield (the “**City**”), which is in the southern portion of the County and in the heart of the rich agricultural region referred to as Salinas Valley. The District was established in 1909 and comprises an area of approximately 286 square miles, which includes the City and other unincorporated regions of the County. The District currently operates a preschool, four elementary schools and one middle school. Enrollment in the District is approximately 3,331 students in the 2023-24 fiscal year. See “THE DISTRICT.”

**Use of Proceeds.** The proceeds of the sale of the Certificates will be used to finance capital projects of the District, pay capitalized interest represented by the Certificates, and pay related delivery expenses which may include, but are not limited to, the payment of premiums to obtain a certificate insurance policy (the “**Certificate Insurance Policy**”) and a reserve fund insurance policy (the “**Reserve Fund Policy**”) both to be issued by Assured Guaranty Municipal Corp. (“**AGM**” or the “**Certificate Insurer**”) concurrently with the delivery of the Certificates. See “THE FINANCING PLAN” herein.

**Security and Sources of Payment.** The Certificates evidence and represent the direct, undivided fractional interests of the registered owners (the “**Owners**”) thereof in the Lease Payments to be made by the District for the right to use of certain land and improvements (the “**Leased Property**”), to be leased by the District from the Corporation under the Lease Agreement. See “THE LEASED PROPERTY.”

The District and the Corporation will enter into a Site Lease dated as of February 1, 2024 (the “**Site Lease**”). Under the Site Lease, the District (as owner of the Leased Property) will lease the Leased Property to the Corporation. Concurrently, the District and the Corporation will enter into the Lease Agreement, under which the District will sublease the Leased Property back from the Corporation.

The Certificates will be executed and delivered under a Trust Agreement dated as of February 1, 2024 (the “**Trust Agreement**”), among the District, the Corporation and U.S. Bank Trust Company, National Association, Los Angeles, California, as trustee (the “**Trustee**”).

The Trustee and the Corporation will enter into an Assignment Agreement dated as of February 1, 2024 (the “**Assignment Agreement**”), under which the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive the Lease Payments due under the Lease Agreement, provided that the Corporation will retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

The Lease Payments are payable from any lawfully available source of funds of the District, and the District has covenanted to budget and appropriate annually for payment of the Lease Payments.

See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

**Certificate Insurance; Reserve Fund Policy.** Concurrently with the issuance of the Certificates, the Certificate Insurer will issue its Municipal Bond Insurance Policy for the Certificates. The Municipal Bond Insurance Policy guarantees the scheduled payment of principal and interest represented by the Certificates when due, as set forth in the form of the Municipal Bond Insurance Policy included as an appendix to this Official Statement. See “CERTIFICATE INSURANCE” and APPENDIX H attached hereto. The Certificate Insurer is also providing a reserve fund insurance policy for credit to the Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Reserve Fund.”

**Limited Obligation.** NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OR OTHERWISE, OR 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.

**Covenant to Appropriate; Abatement.** The District is required under the Lease Agreement to take such actions as may be necessary to include all Lease Payments coming due in each of its annual budgets during the Term of the Lease and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under



the Lease Agreement will comprise the interest and principal represented by the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

However, the Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the District's right to the use and possession of the Leased Property or any portion thereof due to material damage to or destruction of the Leased Property or due to the taking of the Leased Property in eminent domain proceedings. If the Lease Payments are abated under the Lease Agreement, and are not paid from alternative sources as described in this Official Statement, the Certificate Owners would receive less than the full amount of principal and interest represented by the Certificates. To the extent proceeds of rental interruption insurance are available (as described below) or there are moneys in the Reserve Fund with respect to the Certificates (as described below), the Lease Payments (or a portion thereof) may be made from those sources during periods of abatement. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement" and "CERTAIN RISK FACTORS."

**Prepayment.** The Certificates are subject to prepayment prior to maturity as described herein. See "THE CERTIFICATES – Prepayment."

**Legal Matters.** The execution and delivery of the Certificates is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("**Special Counsel**"), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District ("**Disclosure Counsel**"). Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter ("**Underwriter's Counsel**"). Certain matters will be passed upon for the Trustee by its counsel. *Payment of the fees of Special Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the delivery of the Certificates.*

**Tax Matters.** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel ("**Special Counsel**"), subject, however to certain qualifications described herein, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Such interest may be subject to the corporate alternative minimum tax. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto for the form of Special Counsel's opinion to be delivered concurrently with the delivery of the Certificates.

**Certain Risk Factors.** As described under the heading "CERTAIN RISK FACTORS," there are investment considerations and other risk factors associated with the purchase of the Certificates. Any one or more of the risks discussed, and others, could lead to a decrease in the market value of the Certificates. Potential purchasers of the Certificates are advised to review the entire Official Statement carefully and to conduct such due diligence and other review as they deem necessary and appropriate under the circumstances.

**Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of the Certificates and executed by the District (the "**Continuing Disclosure Certificate**"). The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE."

**Summaries of Documents.** The summaries or references to the Site Lease, the Trust Agreement, the Lease Agreement, the Assignment Agreement and other documents, agreements and statutes referred to in this Official Statement, and the description of the Certificates included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document or statute.

**Other Information.** This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Certificates are available from the District from the Superintendent's Office at 493 El Camino Real, Greenfield, California 93927. The District may impose a charge for copying, mailing and handling. The District also maintains a website. The information contained in such website is not incorporated herein by reference.

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 entirety by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein 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.

*[END OF INTRODUCTION]*

## THE FINANCING PLAN

Purposes. The proceeds of the Certificates will be applied to (1) provide financing for the construction and all related acquisition costs of a multi-purpose room in the District, located at Mary Chapa Academy site, (2) fund capitalized interest represented by the Certificates, and (3) pay delivery costs including the payment of premiums for the Certificate Insurance Policy and the Reserve Fund Policy.

Project Fund. Pursuant to the Trust Agreement, the Trustee will establish a project fund designated the “**Project Fund.**” Amounts deposited in the Project Fund will be withdrawn by the Trustee upon the written request of the District and applied to pay or reimburse Project Costs, as such term is defined in the Trust Agreement. See “APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS - Trust Agreement”. See also “SOURCES AND USES OF FUNDS” herein.

## SOURCES AND USES OF FUNDS

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

### SOURCES AND USES OF FUNDS 2024 Certificates of Participation

<b>Sources of Funds</b>	
Principal Amount of Certificates	\$11,445,000.00
Plus Net Original Issue Premium	560,869.55
<b>Total Sources</b>	<b>\$12,005,869.55</b>
<b>Uses of Funds</b>	
Project Fund	11,000,000.00
Lease Payment Fund <sup>(1)</sup>	636,000.00
Delivery Costs <sup>(2)</sup>	369,869.55
<b>Total Uses</b>	<b>\$12,005,869.55</b>

(1) Capitalized interest.

(2) All estimated delivery costs including, but not limited to, Underwriter's discount, printing costs, and fees of Special Counsel, Disclosure Counsel, Financial Advisor, Trustee, the rating agency, Certificate Insurance and Reserve Fund Policy premiums and certain other costs.

## **THE LEASED PROPERTY**

### **Description and Location**

Lease Payments will be made by the District under the Lease Agreement for the use and possession of the Leased Property, which consists of the real property and improvements owned by the District known as the Arroyo Seco Academy at 1226 Apple Avenue, Greenfield, California, a TK though grade six school facility. The insured replacement value of the real property comprising the Leased Property is over \$16.7 million.

### **Fair Rental Value**

The Lease Agreement provides that the Lease Payments and any Additional Payments which are payable in a Rental Period will constitute the total rental for the Leased Property for that Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period.

The Corporation and the District have agreed and determined in the Lease Agreement that the total Lease Payments and Additional Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the estimated fair market value of the Leased Property, other obligations of the parties under the Lease Agreement, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

### **Substitution and Release of Property**

The Site Lease and the Lease Agreement provide that, upon compliance with certain conditions specified in said agreements including consent by the Certificate Insurer, the District may substitute alternate real property for all or any portion of the Leased Property or may release a portion of the Leased Property from the Site Lease and the Lease Agreement, respectively. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement."

## **THE CORPORATION**

The Local Facilities Finance Corporation is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law of the State of California. The Corporation was formed for the specific and primary purpose of rendering assistance to California school districts and other public agencies by, among other methods, acquiring, leasing, construction or financing various public facilities, land, equipment and other improvements and property for the use, benefit and enjoyment of the public. The Board of Directors of the Corporation will adopt its resolution approving the execution and delivery of the Certificates and related documents prior to the delivery of the Certificates to the Underwriter.

The Corporation has participated in the execution and delivery, or, in the case of bonds, the issuance, of other debt instruments and it may continue to do so in the future. Such obligations of the Corporation are not secured by the Lease Payments under the Lease Agreement executed with respect to the Certificates, and the Certificates are not secured by any other assets, revenues

or property of the Corporation other than the Lease Payments as provided in the Lease Agreement. The Corporation is not required to advance any moneys derived from any source of income other than the Lease Payments for payment of the principal and interest represented by the Certificates.

## THE CERTIFICATES

### Certificate Terms

The Certificates evidence and represent direct, undivided fractional interests of the Owners thereof in the principal and interest components of the Lease Payments to be made by the District pursuant to the Lease Agreement.

The Certificates are dated the date of original delivery thereof and will be executed and delivered, without coupons, in denominations evidencing principal in the amounts of \$5,000 or any integral multiple thereof, except that no Certificate shall represent principal payable in more than one year. The interest components evidenced by the Certificates will be due and payable semiannually on May 1 and November 1 of each year (each a “**Payment Date**”), commencing November 1, 2024.

Each Certificate shall be dated as of the date of its execution, and interest represented thereby shall be payable from the Payment Date next preceding the date of execution thereof, (a) unless it is executed following the close of business on the 15<sup>th</sup> day of the month preceding each Payment Date, whether or not such 15<sup>th</sup> day is a Business Day (a “**Record Date**”) and on or before the next succeeding Payment Date, in which event interest represented thereby shall be payable from such Payment Date, or (b) unless it is executed on or before October 15, 2024, in which event interest represented thereby shall be payable from the day when the Certificates, duly executed by the Trustee, are delivered to the Underwriter; *provided, however*, that if, as of the date of any Certificate, interest represented by such Certificate is in default, interest represented thereby shall be payable from the Payment Date to which interest has previously been paid or made available for payment with respect to such Certificate. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Lease Payments evidenced by the Certificates will be payable no later than the fifth Business Day preceding each Payment Date (in the event that any payment due under the Lease Agreement is due on a day which is not a Business Day, such payment shall be made on the next Business Day), the principal components of which will evidence interest components calculated at the rates per annum, all as set forth on the inside front cover page of this Official Statement.

### Prepayment

The Certificates are subject to prepayment as described below. Capitalized terms used below and not defined have the meanings assigned to such terms in the Trust Agreement. See “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

**Optional Prepayment.** The Certificates maturing on or before November 1, 2029 are not subject to optional prepayment. The Certificates maturing on or after November 1, 2030, are subject to optional prepayment in whole, or in part among maturities on a pro rata basis (or as otherwise directed by the District) and by lot within a maturity, on any date on or after November

1, 2029, from prepayments of the Lease Payments made at the option of and as directed by the District pursuant to the Lease Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid together with accrued interest represented thereby to the date fixed for prepayment, without premium.

***Mandatory Prepayment from Sinking Fund Prepayments.*** The Certificates maturing on November 1, 2044, November 1, 2048 and November 1, 2053 (collectively, the “**Term Certificates**”) are subject to mandatory sinking fund prepayment by lot on November 1 in each year as set forth in the following table, from the principal components of the Lease Payments required to be paid with respect to each of such dates, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the prepayment date, without premium, as follows:

**\$1,335,000 Term Certificates Maturing November 1, 2044**

<b>Sinking Fund Prepayment Date</b>	<b>Certificates Principal Amount To Be Prepaid</b>
11/1/42	\$425,000
11/1/43	445,000
11/1/44 (Maturity)	465,000

**\$2,110,000 Term Certificates Maturing November 1, 2048**

<b>Sinking Fund Prepayment Date</b>	<b>Certificates Principal Amount To Be Prepaid</b>
11/1/45	\$490,000
11/1/46	515,000
11/1/47	540,000
11/1/48 (Maturity)	565,000

**\$3,225,000 Term Certificates Maturing November 1, 2053**

<b>Sinking Fund Prepayment Date</b>	<b>Certificates Principal Amount To Be Prepaid</b>
11/1/49	\$595,000
11/1/50	620,000
11/1/51	645,000
11/1/52	670,000
11/1/53 (Maturity)	695,000

Notwithstanding the foregoing, if some but not all of the above-referenced Term Certificates are prepaid under the mandatory prepayment provisions described below, the aggregate principal amount of said Term Certificates to be prepaid in each year as reflected in the foregoing table shall be reduced by the aggregate principal amount of Term Certificates so prepaid, to be allocated among sinking fund installments on a pro rata basis in integral multiples of \$5,000 such that the resulting amount of principal represented by the applicable Term Certificates subject to prepayment on any date is equal to the aggregate principal components of the Lease Payments coming due and payable on such date.

***Mandatory Prepayment from Net Proceeds.*** The Certificates are subject to mandatory prepayment, in whole or in part on any Business Day, among maturities on a pro rata basis and by lot within a maturity, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and the

Trust Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium. The District shall have the discretion to determine whether and to what extent such Net Proceeds are applied to the prepayment of the Certificates and the District shall file a Written Certificate with the Trustee setting forth such determination. The Trustee shall select the Certificates to be prepaid on a pro rata basis among maturities. See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

Prepayments from Net Proceeds 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. See "CERTAIN RISK FACTORS – Early Prepayment of Certificates" herein.

***Purchase In Lieu of Prepayment.*** In lieu of prepayment of Certificates as provided in the Trust Agreement and described above, amounts held by the Trustee for such prepayment may, at the written request of the District, be applied by the Trustee to the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid.

***Notice of Prepayment.*** The Trustee shall give notice of the prepayment of the Certificates on behalf and at the expense of the District, at least 20 days but not more than 60 days prior to the prepayment date. Such notice must:

- (a) state the prepayment date and prepayment price;
- (b) state the numbers or maturities of the Certificates to be prepaid, if less than all of the then Outstanding Certificates are to be called for prepayment;
- (c) if a Certificate is to be prepaid only in part, identify the portion of the Certificate which is to be prepaid;
- (d) require that such Certificates be surrendered on the prepayment date at the Office of the Trustee for prepayment at said prepayment price;
- (e) state that interest represented by the Certificates will not accrue from and after the prepayment date; and
- (f) state that on the prepayment date the principal represented by each Certificate will become due and payable, together with accrued interest represented thereby to the prepayment date, and that from and after such date interest represented thereby ceases to accrue and be payable.

Such notice may declare that it is conditional and subject to rescission at the direction of the District in the same manner that said notice has been provided. Neither the failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates or the cessation of accrual of interest represented thereby from and after the date fixed for prepayment.

**While the Certificates are subject to the book-entry system, the Trustee will not be required to give any notice of prepayment to any person or entity other than DTC and to**

the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System and at the District's written direction, other securities depositories and information services. DTC and the DTC Participants shall have sole responsibility for providing any such notice of prepayment to the Beneficial Owners of the Certificates to be prepaid. Any failure of DTC to notify any DTC Participant, or any failure of a DTC Participant to notify the Beneficial Owner of any Certificates to be prepaid, of a notice of prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under "Effect of Prepayment."

***Selection of Certificates.*** Whenever provision is made in the Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates of any maturity are called for prepayment, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid.

***Effect of Prepayment.*** Moneys for the prepayment (including the interest to the applicable date of prepayment) of Certificates having been set aside in the Lease Payment Fund, the Certificates shall become due and payable on the date of such prepayment, and, upon presentation and surrender thereof at the Office of the Trustee, said Certificates shall be paid at the unpaid principal amount (or applicable portion thereof) represented thereby plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest represented thereby to said date of prepayment, shall be held by the Trustee or such escrow agent as shall be selected by the District so as to be available therefor on such date of prepayment, then, from and after said date of prepayment, interest represented by the Certificates shall cease to accrue and become payable. All moneys held by 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, and shall be held by the Trustee in cash, uninvested.

### **Book-Entry Only System**

The Certificates will be executed and delivered as fully registered certificates, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Certificates (the "**Beneficial Owners**") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in this Official Statement) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. See "APPENDIX F – BOOK-ENTRY ONLY SYSTEM." If the book-entry only system is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement, as described below.

### **Transfer and Exchange of Certificates**

While the Certificates are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX F – BOOK-ENTRY ONLY SYSTEM." During any period in which the Certificates are not subject to DTC's book-entry system, their exchange and transfer will be governed by provisions of the Trust Agreement summarized in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."



## CERTIFICATE PAYMENT SCHEDULE

Following is the schedule of Payment Dates with respect to the Certificates, assuming no optional prepayments. Under the Lease Agreement, Lease Payments are required to be deposited with the Trustee by the fifth Business Day immediately preceding each Payment Date.

### SCHEDULE OF PAYMENT DATES Greenfield Union School District

Payment Date	Principal Component	Interest Component	Total Lease Payments
11/1/24	--	\$366,000	\$366,000
5/1/25	--	270,000	270,000
11/1/25	\$185,000	270,000	455,000
5/1/26	--	265,375	265,375
11/1/26	195,000	265,375	460,375
5/1/27	--	260,500	260,500
11/1/27	205,000	260,500	465,500
5/1/28	--	255,375	255,375
11/1/28	215,000	255,375	470,375
5/1/29	--	250,000	250,000
11/1/29	225,000	250,000	475,000
5/1/30	--	244,375	244,375
11/1/30	235,000	244,375	479,375
5/1/31	--	238,500	238,500
11/1/31	245,000	238,500	483,500
5/1/32	--	232,375	232,375
11/1/32	260,000	232,375	492,375
5/1/33	--	225,875	225,875
11/1/33	275,000	225,875	500,875
5/1/34	--	219,000	219,000
11/1/34	285,000	219,000	504,000
5/1/35	--	211,875	211,875
11/1/35	300,000	211,875	511,875
5/1/36	--	204,375	204,375
11/1/36	315,000	204,375	519,375
5/1/37	--	196,500	196,500
11/1/37	330,000	196,500	526,500
5/1/38	--	188,250	188,250
11/1/38	350,000	188,250	538,250
5/1/39	--	179,500	179,500
11/1/39	365,000	179,500	544,500
5/1/40	--	170,375	170,375
11/1/40	385,000	170,375	555,375
5/1/41	--	160,750	160,750
11/1/41	405,000	160,750	565,750
5/1/42	--	150,625	150,625
11/1/42	425,000	150,625	575,625
5/1/43	--	140,000	140,000
11/1/43	445,000	140,000	585,000
5/1/44	--	128,875	128,875
11/1/44	465,000	128,875	593,875
5/1/45	--	117,250	117,250
11/1/45	490,000	117,250	607,250
5/1/46	--	105,000	105,000
11/1/46	515,000	105,000	620,000
5/1/47	--	92,125	92,125
11/1/47	540,000	92,125	632,125
5/1/48	--	78,625	78,625
11/1/48	565,000	78,625	643,625
5/1/49	--	64,500	64,500
11/1/49	595,000	64,500	659,500
5/1/50	--	52,600	52,600

*[Table continued on the following page]*

**SCHEDULE OF PAYMENT DATES**  
**Greenfield Union School District**  
**(Continued)**

<b>Payment Date</b>	<b>Principal Component</b>	<b>Interest Component</b>	<b>Total Lease Payments</b>
11/1/50	620,000	52,600	672,600
5/1/51	--	40,200	40,200
11/1/51	645,000	40,200	685,200
5/1/52	--	27,300	27,300
11/1/52	670,000	27,300	697,300
5/1/53	--	13,900	13,900
11/1/53	<u>695,000</u>	<u>13,900</u>	<u>708,900</u>
<b>TOTALS:</b>	<b>\$11,445,000</b>	<b>\$9,934,000</b>	<b>\$21,379,000</b>

**SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES**

**Nature of the Certificates**

**General.** Each Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Lease Payment due under the Lease Agreement on the Payment Date or prepayment date of such Certificates, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of delivery to its principal payment date or prepayment date, as the case may be. The Lease Payments and Additional Payments are payable from any lawfully available source of funds of the District, subject to the provisions of the Lease Agreement relating to abatement due to damage, destruction and eminent domain of the Leased Property, and mandatory prepayment relating thereto. The District covenants to take such action as may be necessary to include all estimated Lease Payments and all estimated Additional Payments due under the Lease Agreement in each of its final approved budgets. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for all Lease Payments and Additional Payments which come due and payable during the period covered by each such budget. The covenants on the part of the District contained in the Lease Agreement are duties imposed by law.

**Assignment of Rights in Lease Agreement to Trustee.** The Corporation, under the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation's right, title and interest in and to the Lease Agreement, including, without limitation, its right to receive Lease Payments to be paid by the District; except that the Corporation will retain certain rights under the Lease Agreement (including the rights to Additional Payments, repayment of advances, indemnification and payment of attorneys' fees). The District will pay Lease Payments directly to the Trustee, as assignee of the Corporation, for deposit in the Lease Payment Fund established pursuant to the Trust Agreement. See "– Lease Payments" below.

**Lease Payments**

**General.** For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to make the Lease Payments. To secure the payment of the Lease Payments, the District is required to pay to the Trustee, for deposit into the Lease Payment Fund established and maintained by the Trustee, on the fifth day before each Payment Date (or if such day is not a Business Day, on the next succeeding Business Day), an amount sufficient to pay the Lease Payment then due.

Pursuant to the Trust Agreement, the Trustee shall withdraw moneys from the Lease Payment Fund on each Payment Date in amounts which equal the Lease Payment due on such Payment Date and shall cause all sums withdrawn from the Lease Payment Fund to be deposited in the Certificates Payment Account, and shall cause the same to be applied to the payment of principal and interest evidenced by the Certificates coming due on such Payment Date.

Scheduled Lease Payments relating to the Certificates are due on the fifth Business Day immediately preceding each Payment Date as set forth above under the heading "CERTIFICATE PAYMENT SCHEDULE."

***Additional Rent.*** The Lease Agreement requires the District to pay, in addition to the Lease Payments, all costs and expenses incurred by the District under the Lease Agreement or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties under the Lease Agreement or under the Trust Agreement (collectively, the "**Additional Payments**").

***Covenant to Budget and Appropriate Funds.*** The District covenants under the Lease Agreement to take such action as may be necessary to include all estimated Lease Payments and all estimated Additional Payments due under the Lease Agreement in each of its final approved budgets. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the payment of all Lease Payments and Additional Payments which come due and payable during the period covered by each such budget. The covenants on the part of the District contained in the Lease Agreement are duties imposed by law and it is the 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 Agreement to be carried out and performed by the District.

See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS - The Lease Agreement - Lease Payments; Budget and Appropriation; Abatement."

### **Limited Obligation**

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OR OTHERWISE, OR 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.

## **Abatement Due to Damage or Destruction**

Lease Payments will be paid by the District in each Rental Period for the District's right to use and occupy the Leased Property for such Rental Period. The obligation of the District to pay Lease Payments will be abated, proportionately, during any period in which, by reason of damage or destruction, there is substantial interference with the use and possession of the Leased Property by the District. The Lease Agreement provides that the amount of such abatement shall be determined by the District such that the resulting Lease Payments represent fair consideration for the use and possession of the portion of the Leased Property not damaged or destroyed or taken. Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement to the extent that the proceeds of hazard insurance or rental interruption insurance, or funds on deposit in the Reserve Fund, are available to pay Lease Payments which would otherwise be abated, it being declared in the Lease Agreement that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction; and the Term of the Lease shall be extended as provided in the Lease Agreement, except that the Term of the Lease will in no event be extended more than ten years beyond the termination date. Abatement of Lease Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the District. In the event of any such partial damage or destruction or taking, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage or destruction or taking. For information regarding rental interruption insurance, see "- Covenant to Maintain Property Insurance" below.

The Trustee cannot terminate the Lease Agreement solely on the basis of such substantial interference. Abatement of Lease Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the District. For a description of abatement resulting from condemnation of all or part of the Leased Property, see "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Lease Payments – Abatement."

## **Termination or Abatement Due to Eminent Domain**

The Lease Payments will be paid by the District in each rental period for the District's right to use and occupy the Leased Property for such rental period. Under the Lease Agreement, if the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease with respect thereto as of the day possession is so taken.

If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking, and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property, calculated in accordance with the Lease Agreement.

Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement to the extent that the proceeds of hazard insurance or rental interruption

insurance or amounts in the Reserve Fund are available to pay Lease Payments which would otherwise be abated, it being declared in the Lease Agreement that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

### **Lease Payment Fund**

**Establishment.** Under the Trust Agreement the Trustee will establish a special fund designated as the “**Lease Payment Fund**”. All moneys at any time deposited by the Trustee in such fund will be held by the Trustee in trust for the benefit of the District and the Owners of the applicable series of Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation will have any beneficial right or interest in said funds or the moneys deposited in the Lease Payment Fund, except only as provided in the Trust Agreement, and such moneys will be used and applied by the Trustee as set forth in the Trust Agreement.

**Deposits.** All Lease Payments received by the Trustee will be deposited in the Lease Payment Fund. In addition, a portion of the proceeds of the Certificates to be applied to the payment of capitalized interest represented by the Certificates will be deposited in the Lease Payment Fund on the Closing Date.

**Application of Moneys.** 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 represented by the Certificates as they become due and payable, in accordance with the Trust Agreement.

**Lease Payment Fund; Surplus.** Any surplus remaining in the Lease Payment Fund after prepayment and payment of the Certificates, including accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, will be withdrawn by the Trustee and remitted to the District.

### **Action on Default**

If the District defaults under the Lease Agreement, the Trustee, as assignee of the Corporation's rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the District, and will have the right to re-let the Leased Property, or alternatively the Trustee may retain the Lease Agreement and hold the District liable for all Lease Payments thereunder on an annual basis. Lease Payments may not be accelerated upon a default under the Lease Agreement. The Trustee's ability to exercise these remedies may subject to certain limitations as further described in “CERTAIN RISK FACTORS.”

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

### **Reserve Fund**

**Reserve Fund Established.** A reserve fund (the “**Reserve Fund**”) is established by the Trust Agreement and is required to be funded in an amount of the “**Reserve Requirement**”, being, as of the date of calculation thereof, an amount equal to the lesser of (a) 10% of the original principal amount of the Certificates, or (b) the maximum amount of Lease Payments (excluding Lease Payments with respect to which the District shall have posted a security deposit pursuant

to the Lease) coming due in the current or any future Rental Period, or (c) 125% of average annual Lease Payments. The Reserve Fund is required to be maintained until all Lease Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding. The initial amount of the Reserve Requirement as of the Closing Date is equal to \$726,750.

***Satisfaction of Reserve Requirement.*** The Reserve Requirement, or any portion thereof, may be satisfied by crediting to the Reserve Fund moneys, a letter of credit, a bond insurance policy, or any other comparable credit facility issued by an insurance company satisfying the requirements of the Trust Agreement. Amounts available in the Reserve Fund, including amounts available pursuant to any such reserve fund credit instrument, will be used to make delinquent Lease Payments on behalf of the District.

***Use of Reserve Funds.*** Amounts available in the Reserve Fund, including amounts available pursuant to the Reserve Fund Policy will be used to make delinquent Lease Payments in accordance with the Trust Agreement. As described herein, the Reserve Requirement will be satisfied by the credit to the Reserve Fund of the Reserve Policy issued by the Certificate Insurer.

See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS" for a further description of the application of funds in the Reserve Fund.

### **Covenant to Maintain Property Insurance**

The Lease Agreement requires the District to obtain public liability and property damage insurance, casualty insurance, rental interruption insurance, and to obtain a title insurance policy with respect to the Leased Property, as described below.

***Public Liability and Property Damage Insurance.*** The District will maintain or cause to be maintained, throughout the Term of the Lease, comprehensive general insurance in protection of the Corporation, the District and their respective members, officers, agents, employees and assigns. Such insurance shall 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 operation of the Leased Property. Such insurance shall provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District, or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District shall apply the Net Proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which such Net Proceeds are paid.

***Casualty Insurance.*** The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of the Lease, casualty insurance against loss or damage to the Leased Property, in an amount at least equal to the greater of (a) the replacement value of such buildings, facilities and improvements which constitute a part of the Leased Property, or (b) the aggregate principal amount of the outstanding Certificates. Such insurance shall, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and shall include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the District, whose determination is final and conclusive. Such insurance may be subject to such deductibles as the District deems prudent..

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The District shall apply the Net Proceeds of such insurance as provided in the Lease Agreement.

***Rental Interruption Insurance.*** The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of the Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, as a result of any of the hazards covered in the insurance required by the preceding paragraph, in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive Fiscal Years during the remaining Term of the Lease. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Lease Payment Fund as provide in the Trust Agreement, and shall be credited towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

***Title Insurance.*** The District shall obtain a CLTA title insurance policy from Stewart Title Guaranty Company, insuring the District's fee title and leasehold estate in the Leased Property under the Lease Agreement, as well as the leasehold estate of the Corporation under the Site Lease, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited towards the prepayment of the Lease Payments as provided in the Lease Agreement and the Trust Agreement.

### **Insurance and Condemnation Fund; Application of Net Proceeds**

The Lease Agreement requires that Net Proceeds of any insurance or condemnation award with respect to the Leased Property (other than proceeds of rental interruption insurance, which are required to be deposited into the Lease Payment Fund) be paid to the Trustee to be applied as provided in the Trust Agreement. The Trust Agreement provides that such Net Proceeds received by the Trustee shall be deposited in the Insurance and Condemnation Fund and shall be applied by the Trustee as follows:

***Application of Net Proceeds of Insurance.*** Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of any component of the Leased Property shall be paid to the Trustee under the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trustee shall establish. If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interests of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments and the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given. The determination of the District to apply Net Proceeds to the prepayment of Certificates is subject to the following:

- (a) if the Leased Property is damaged or destroyed in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments allocable to the Leased Property; and
- (b) if the Leased Property is damaged or destroyed in part but not in whole, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if the Lease Payments which result after the corresponding abatement thereof under the Lease Agreement are sufficient to pay the full amount of principal and interest represented by the Certificates which remain Outstanding after such prepayment.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of written requisitions of the District stating with respect to each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid and (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after the District shall file a written certificate with the Trustee stating that such work has been completed shall, after payment of all amounts then due and owing to the Trustee hereunder, be paid to the District upon the District's written request.

See "THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds."

***Application of Net Proceeds of Condemnation Award.*** The Trust Agreement provides that, if all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund, under the Lease Agreement, and shall be applied and disbursed by the Trustee as follows:

- (a) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Leased Property, and the District has given written notice to the Trustee of such determination, the Trustee shall transfer such proceeds pro rata to the Lease Payment Fund to be credited towards the payment of the Lease Payments as they become due and payable.
- (b) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Leased Property, the Trustee shall pay to the District, or to its order, from said proceeds such amounts as the District may expend for the repair or



rehabilitation of the Leased Property, upon the filing of requisitions of the District as provided in the Trust Agreement.

- (c) If (i) less than all of the Leased Property is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District gives written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, or (ii) all of the Leased Property is taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds pro rata to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments under the Lease Agreement and applied to the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given.

In making any such determination whether to repair, replace or rehabilitate the Leased Property under the Lease Agreement, the District may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which must be filed with the Trustee. Any such determination by the District is final. See also “THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds.”

#### **Disclosure Relating to COVID-19**

Coronavirus disease (“**COVID-19**”) is an infectious disease caused by a virus generally causing respiratory illness and other symptoms which can range from mild to fatal. Commencing in approximately March 2020, COVID-19 became a well-known and world-wide pandemic (the “**COVID-19 Pandemic**”), which continued through approximately May 2023 at which time the federal government declared the end of the public health emergency. During said period at times restrictions on activities were imposed by governing authorities, world, national and local economies were disrupted, and several vaccines and related boosters were developed and made generally widely available in the United States. In the United States there were several federal relief packages adopted during said period, as well as at the State level, each implemented in an effort to minimize disruptions to operations and address long-term impacts of the COVID-19 Pandemic

The impacts of the COVID-19 Pandemic on all levels of economies may be reflected in some of the data presented herein, and operations of the District may have been impacted during said period. There may be several direct and indirect results of the COVID-19 Pandemic on the District’s enrollment, attendance, and finances, and on property values in certain years, and otherwise which the District is unable to predict.

For more information on the District’s response to the COVID-19 pandemic “THE DISTRICT - District’s Response to COVID-19 Pandemic.”

## CERTIFICATE INSURANCE

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

### Certificate Insurance Policy

Concurrently with the issuance of the Certificates, Assured Guaranty Municipal Corp. (“**AGM**”) will issue its Municipal Bond Insurance Policy for the Certificates (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the Certificates when due as set forth in the form of the Policy included as Appendix H in this Official Statement.

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

### Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interest in Sound Point Capital Management, LP and related entities. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“**KBRA**”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“**Moody’s**”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### *Current Financial Strength Ratings*

On October 20, 2023, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 13, 2023, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

### *Capitalization of AGM*

At September 30, 2023:

- The policyholders' surplus of AGM was approximately \$2,569 million.
- The contingency reserve of AGM was approximately \$908 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("**AGUK**") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("**AGE**").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "**SEC**") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (filed by AGL with the SEC on March 1, 2023);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31,

2023 (filed by AGL with the SEC on May 10, 2023);

- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 (filed by AGL with the SEC on August 9, 2023); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 (filed by AGL with the SEC on November 8, 2023).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “CERTIFICATE INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

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

## THE DISTRICT

### General Information

The District was established in 1909 and comprises an area of approximately 286 square miles within the County, in the agriculturally rich region known as Salinas Valley. The District's area includes the City and other unincorporated areas of the County. The District currently operates a preschool, four elementary schools and one middle school. Enrollment in the District is approximately 3,331 students in the 2023-24 fiscal year.

### Administration

**Board of Education.** The District is governed by a five-member Board of Education (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. Current members of the Board, together with their office and the date their term expires, are listed below:

#### BOARD OF EDUCATION Greenfield Union School District

Name	Position	Term Expires
Denise Jaime	President	December 2026
Juergen Smith	Vice President	December 2026
Jose Madrid	Clerk	December 2024
Sonia Heredia	Trustee	December 2024
David Kong	Trustee	December 2026

**Superintendent and Administrative Personnel.** The Superintendent of the District, appointed by the Board of Education, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Zandra Jo Galván is currently serving as the Superintendent and Annette Mooneyham serves as the Chief Business Officer.

## Recent Enrollment and ADA Trends

The following table shows recent enrollment and ADA history for the District with budgeted figures for fiscal year 2023-24.

### ANNUAL ENROLLMENT AND ADA Fiscal Years 2016-17 through 2023-24 (Budgeted) Greenfield Union School District

School Year	Student Enrollment	Percent Change	ADA	Percent Change
2016-17	3,522	--%	3,363	--%
2017-18	3,571	1.4	3,423	1.8
2018-19	3,616	1.3	3,444	0.6
2019-20*	3,550	(1.8)	3,413	(0.9)
2020-21*	3,465	(2.4)	3,413	0.0
2021-22*	3,400	(1.9)	3,214	(5.8)
2022-23 <sup>(1)</sup>	3,339	(1.8)	3,363	4.6
2023-24 <sup>(1)</sup>	3,331	(0.2)	3,286	(2.3)

\*The COVID-19 pandemic commenced in approximately March 2020. Legislation was adopted permitting funding based on factors other than actual ADA pursuant to provisions implemented in State Budgets. ADA presented in the foregoing table may represent funded ADA not actual ADA.

(1) Unaudited actuals and first interim, respectively.

Source: California Department of Education; Greenfield Union School District.

Enrollment generally can fluctuate in a school district due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values, among others.

The District does not currently sponsor any charter schools in the District.

There are currently two multi-family residential developments under construction in District boundaries which when complete are expected to result in an increase in enrollment (projected at up to 600 students), with increases to expenses and increases in State revenues based on average daily attendance. The District has assumed flat enrollment for the next three years.

## Employee Relations

The District currently employs 191 full-time equivalent (“FTE”) certificated employees, 225 FTE classified employees and 29 FTE management employees.

Certificated non-management employees are represented by the bargaining unit shown below.

### BARGAINING UNIT Greenfield Union School District

Bargaining Unit	Employee Type Represented	Contract Expiration Date
Greenfield Teachers' Association	Certificated	June 30, 2025
California School Employees Association	Classified	June 30, 2025

Source: Greenfield Union School District.

There are annual re-openers for compensation terms. Fiscal year 2023-24 is settled.

### **District Insurance Coverage**

The District participates in four public entity risk pools under joint powers agreements (“JPAs”); California’s Valued Trust (“C.V.T.”) for health insurance, the Monterey Educational Risk Management Authority (“M.E.R.M.A.”) for workers compensation coverage, the Self-Insured Schools of California III (“S.I.S.C. III”) and the Monterey and San Benito Counties Liability and Property Self-Insurance Authority for general liability and property and casualty insurance. The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

The JPAs were established as agencies under the provisions of California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et. seq. The purpose of each JPA is to provide self-insurance programs and realize cost savings for its member participants.

### **District’s Response to COVID-19 Pandemic**

The COVID-19 Pandemic commenced in approximately March 2020 and caused a health emergency which resulted in shelter in place orders and remote learning, among other consequences, throughout the State. The District took all required actions based on State-wide and local orders, as well as pursuant to recommendations of the County Office of Education. All in-person learning with independent study options have resumed in the District. The District has received and/or been allocated a total combined amount of approximately \$6.3 million from combined State and federal programs to address expenses arising from the COVID pandemic. These funds will be spent in accordance with applicable guidelines, generally by no later than September 30, 2024.

*[Remainder of page intentionally left blank.]*

## DISTRICT FINANCIAL INFORMATION

### Education Funding Generally

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

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

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

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is \$2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 65% (which was increased from 50% as part of the State’s trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency’s base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.



- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

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

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

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

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

\*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount in fiscal year 2023-24 is the rate of \$3,044 times the school district's current year TK ADA.

Source: California Department of Education.

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

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California

Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

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

## **Accounting Practices**

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

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

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

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

## Financial Statements

**General.** The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2022 Audited Financial Statements were prepared by Christy White, Inc., San Diego, California and are attached hereto as Appendix B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at Greenfield Union School District, 493 El Camino Real, Greenfield, CA 93927. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

The District's audited financial statements for fiscal year ending June 30, 2023 are expected to be available for presentation to the District Board in approximately March, 2024.

*[Remainder of page intentionally left blank.]*

**General Fund Revenues, Expenditures and Changes in Fund Balance.** The following table shows the audited income and expense statements for the District for the fiscal years 2017-18 through 2021-22. The audit with respect to fiscal year 2022-23 is expected to be available in March 2024.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Fiscal Years 2017-18 through 2021-22 (Audited)**  
**Greenfield Union School District**

	<b>Audited 2017-18</b>	<b>Audited 2018-19</b>	<b>Audited 2019-20</b>	<b>Audited 2020-21</b>	<b>Audited 2021-22</b>
<b><u>Revenues</u></b>					
LCFF	\$36,035,380	\$37,674,419	\$39,654,814	\$38,430,049	\$41,839,128
Federal Revenue	2,494,100	2,881,701	2,766,938	6,921,630	6,464,524
Other State Revenue	3,601,068	4,970,353	4,184,832	4,944,915	8,040,653
Other Local Revenue	2,407,649	2,394,985	2,789,475	2,707,158	3,406,182
Total Revenues	44,538,197	47,921,458	49,396,059	53,003,752	59,750,487
<b><u>Expenditures</u></b>					
Instruction	23,232,752	28,841,896	26,286,779	26,101,245	27,536,615
Instruction-Related Activities:					
Supervision of Instruction	2,718,589	2,809,154	2,575,745	2,400,274	2,938,210
Instructional Library, Media, Tech	18,924	5,622	--	--	--
School Site Administration	1,617,840	1,901,770	2,057,548	2,272,165	2,154,456
Pupil Services:					
Home-to-School Transport	895,745	1,235,548	1,009,142	1,011,461	1,503,561
Food Services	--	41,505	--	286,507	235,677
All Other Pupil Services	3,080,654	2,663,881	2,969,825	2,436,422	3,463,427
General Administration:					
Data Proc.	929,625	924,762	537,812	2,303,716	1,254,389
All Other General Administration	2,721,159	3,023,079	3,136,168	2,744,100	2,886,567
Plant Services	4,294,679	5,805,227	5,644,398	5,800,616	6,241,599
Facility Acquisition and Maintenance	376,793	233,215	884,355	893,580	1,067,511
Ancillary Services	15,229	23,606	33,751	1,191	19,631
Community services	--	--	--	--	--
Transfer to other agencies	2,579,903	2,850,857	3,270,731	3,200,714	4,044,092
Debt Service: Principal	60,000	60,000	60,000	--	65,000
Debt Service: Interest	64,802	71,241	70,046	133,868	67,568
Total Expenditures	42,606,694	50,491,363	48,536,300	49,585,859	53,478,303
Excess/Deficiency of revenues over/under expenditures	1,931,503	(2,569,905)	859,759	3,417,893	6,272,184
<b><u>Other Financing Sources (Uses)</u></b>					
Other sources	--	--	--	--	--
Other uses	--	--	--	--	--
Transfers in	220,00	500,000	--	--	--
Transfers out	(464,367)	(191,142)	(437,129)	(315,127)	(359,079)
Total Other Financing Sources (Uses)	(244,367)	308,858	(437,129)	(315,127)	(359,079)
Net Change in Fund Balance	1,687,136	(2,261,047)	422,630	3,102,766	5,913,105
Fund Balance, July 1	6,247,918	7,935,054	5,674,007	6,096,637	9,199,403
Fund Balance, June 30	\$7,935,054	\$5,674,007	\$6,096,637	\$9,199,403	\$15,112,508

Source: Greenfield Union School District's Audited Financial Statements.

## District Budget and Interim Financial Reporting

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

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

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

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

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

***Interim Certifications Regarding Ability to Meet Financial Obligations.*** 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 the following types of certifications:

- ***Positive certification*** - the school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years.
- ***Negative certification*** - the school district will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.
- ***Qualified certification*** - the school district may not meet its financial obligations for the current fiscal year or the subsequent two fiscal years.

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

***District's Budget Approval/Disapproval and Certification History.*** Each of the District's interim reports in the previous and current fiscal year have been certified as positive. Copies of the District's budget, interim reports and certifications may be obtained upon request from the Superintendent of the District, Greenfield Union School District, 493 El Camino Real, Greenfield, CA 93927. The District may impose charges for copying, mailing and handling.

*[Remainder of page intentionally left blank.]*

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

**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE<sup>(1)</sup>**  
**Fiscal Year 2022-23 (Unaudited Actuals)**  
**Fiscal Year 2023-24 (Budgeted and First Interim Projections)**  
**Greenfield Union School District**

	Unaudited Actuals 2022-23(2)	Budgeted 2023-24	First Interim Projections 2023-24
<b><u>Revenues</u></b>			
LCFF Revenues	\$46,560,507	\$49,130,392	\$49,144,608
Federal Revenues	7,831,841	5,941,684	6,405,537
Other State Revenues	20,852,141	7,363,602	16,523,883
Other Local Revenues	3,813,984	3,197,092	3,809,592
Total Revenues	79,058,472	65,632,770	75,883,620
<b><u>Expenditures</u></b>			
Certificated Salaries	20,333,043	19,053,011	19,460,684
Classified Salaries	10,510,661	10,677,943	10,977,128
Employee Benefits	13,489,688	13,632,557	14,229,422
Books and Supplies	4,937,942	7,889,471	10,481,243
Contract Services & Operating Exp.	6,517,907	5,742,404	9,367,672
Capital Outlay	2,546,768	9,848,746	10,233,068
Other Outgo (excluding indirect costs)	4,518,321	4,801,785	4,801,785
Other Outgo – Transfers of Indirect Costs	(124,711)	(182,757)	(128,023)
Total Expenditures	62,29,619	71,463,160	79,422,978
Excess of Revenues Over/(Under) Expenditures	16,328,854	(5,830,390)	(3,539,358)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	--	--	--
Operating transfers out	(53,946)	(165,822)	(242,618)
Total Other Financing Sources (Uses)	(53,946)	(165,822)	(242,618)
Net change in fund balance	16,274,907	(5,996,212)	(3,781,976)
Fund Balance, July 1	15,739,815	32,014,722	32,014,722
Audit Adjustment	--	--	--
As of July 1 - Audited	--	--	--
Other Restatements	--	--	--
Adjusted Beginning Balance	--	--	--
Fund Balance, June 30	\$32,014,722	\$26,018,510	\$28,232,746

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

(2) Audit expected to be available in approximately March 2023.

Source: Greenfield Union School District.

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

Under State law (Education Code Section 42127.01), there are certain restrictions on the amount of reserves that can be maintained by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget shall not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in a fiscal year when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap was triggered in fiscal year 2022-23 and continues to be in effect for fiscal year 2023-24 and as such, for school districts to which it applies, the cap must be taken into account in its budgeting documents or an exemption must be sought. The District has taken into account the reserve cap as part of its budgeting process.

### **Attendance – LCFF Funding**

Funding Trends per ADA. As previously described, prior to fiscal year 2013-14, school districts in the State derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth total LCFF funding and ADA for the District for fiscal years 2017-18 through 2023-24 (Projected).

#### **AVERAGE DAILY ATTENDANCE AND FUNDING TRENDS Greenfield Union School District Fiscal Years 2017-18 through 2023-24 (Projected)**

<b>Fiscal Year</b>	<b>ADA*</b>	<b>Total LCFF Funding</b>
2017-18	3,423	\$36,035,380
2018-19	3,444	37,674,419
2019-20	3,413	39,654,814
2020-21	3,413	38,430,049
2021-22	3,214	41,839,128
2022-23 <sup>(1)</sup>	3,363	46,560,507
2023-24 <sup>(1)</sup>	3,286	49,144,608

\*Funded ADA.

(1) Unaudited Actual/First interim projection.

Source: California Department of Education and Greenfield Union School District.

Unduplicated Pupil Count. The District's unduplicated pupil percentage ("UPP") for purposes of supplemental and concentration grant funding under LCFF is approximately 88%. The District qualifies for both supplemental and concentration grant funding under LCFF because its UPP is above 55%.



## Revenue Sources

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

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

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

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

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

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

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

For additional discussion of State aid to school districts, see "– Education Funding Generally."

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

## District Retirement Systems

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

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

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

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

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

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

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

Source: AB 1469; STRS

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2023-24 is 8.328%.

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

**STRS EMPLOYER CONTRIBUTIONS**  
**Greenfield Union School District**  
**Fiscal Years 2017-18 through 2023-24 (Budgeted)**

Fiscal Year	Amount
2017-18	\$2,048,737
2018-19	2,698,181
2019-20	2,800,303
2020-21	2,505,064
2021-22	2,810,717
2022-23 <sup>(1)</sup>	5,024,278
2023-24 <sup>(2)</sup>	5,208,851

(1) Unaudited.

(2) First interim projection.

Source: Greenfield Union School District.

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

**PERS.** All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

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

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

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

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

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

**PERS CONTRIBUTIONS**  
**Greenfield Union School District**  
**Fiscal Years 2017-18 through 2023-24 (Budgeted)**

<b>Fiscal Year</b>	<b>Amount</b>
2017-18	\$1,148,384
2018-19	1,489,053
2019-20	1,700,595
2020-21	1,764,502
2021-22	2,100,909
2022-23 <sup>(1)</sup>	2,219,206
2023-24 <sup>(2)</sup>	2,832,593

(1) Unaudited.  
(2) First interim projection.  
Source: Greenfield Union School District.

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

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

hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRAs through collective bargaining.

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

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

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

**Additional Information - STRS and PERS.** Additional information regarding the District's retirement programs is available in Note 11 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, [www.calstrs.com](http://www.calstrs.com) and [www.calpers.ca.gov](http://www.calpers.ca.gov), respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriters for accuracy or completeness.*

## **Other Post-Employment Benefits**

**Plan Description.** The District's defined benefit OPEB plan, Greenfield Union School District Retiree Benefit Plan (the "**Plan**") is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Membership of the Plan consists of 19 retirees and beneficiaries currently receiving benefits and 428 active Plan members.

**Contribution Information.** For the measurement period, the District contributed \$264,712 to the Plan, all of which was used for current premiums.

**Actuarial Assumptions and Other Inputs.** The District's total OPEB liability of \$8,338,389 was measured as of June 30, 2022 and was determined by an actuarial valuation as of the same date, using several actuarial assumptions. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actual experience study for the period July 1, 2021 to June 30, 2022.

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

**CHANGES IN TOTAL OPEB LIABILITY  
Greenfield Union School District  
June 30, 2022**

	<b>Total OPEB Liability</b>
Service Cost	\$287,291
Interest	99,642
Difference between expected and actual experience	911,739
Changes of assumptions	2,702,658
Benefit payments	<u>(264,712)</u>
Net changes	3,736,618
Total OPEB liability - beginning	4,601,771
Total OPEB liability - ending	<u>\$8,338,389</u>

*Source: Scotts Valley Unified District Audit Report.*

**OPEB Expense.** For the year ended June 30, 2022, the District recognized an OPEB expense of \$621,468.

For more information regarding the District's OPEB, including eligibility requirements and benefits provided, see Note 10 of Appendix B to the Official Statement.

*[Remainder of page intentionally left blank.]*

## Long-Term Borrowing of the District

In addition to long-term debt in the form of pensions and OPEB, the District has debt relating to voter-approved general obligation bonds, long term lease financings in the form of certificates of participation and lease agreement. Each of these obligations is described below.

**General Obligation Bonds.** A summary of the District's outstanding general obligation debt issues is set forth in the table below.

### GREENFIELD UNION SCHOOL DISTRICT General Obligation Bonds Outstanding

<u>Authorization</u>	<u>Issue Date</u>	<u>Series</u>	<u>Amount of Original Issue</u>	<u>Outstanding January 1, 2023</u>
<b>1999 Authorization</b> (Measure A-\$7.3M)	06/29/1999	Election of 1999, Series A	\$3,999,629.60	\$189,047
	02/10/2005	Election of 1999, Series B	3,298,635.75	373,636
<b>2010 Authorization</b> (Measure L-\$8.3M)	11/22/2016	Election of 2010, Series 2016	3,821,945.75	3,800,515
<b>2014 Authorization</b> (Measure C-\$10M)	11/03/2015	Election of 2014, Series A	5,000,000.00	2,215,000
	09/20/2017	Election of 2014, Series B	4,999,951.60	4,763,683
<b>2014 Authorization</b> (Measure D-\$10M)	11/03/2015	Election of 2014, Series A1	5,000,000.00	2,215,000
	09/20/2017	Election of 2014, Series B1	4,999,951.60	4,763,683
<b>Refunding Bonds</b>				
(1999 Authorization)	05/05/2015 <sup>¥</sup>	2015 G.O. Refunding Bonds	2,259,000.00	963,000
(2010 Authorization)	11/22/2016 <sup>†</sup>	2016 G.O. Refunding Bonds	3,370,000.00	2,935,000
(2010 Authorization)	06/07/2022	2022 G.O. Refunding Bonds, Series A*	1,224,700.00	1,206,253
(2014 Authorization)	06/07/2022	2022 G.O. Refunding Bonds, Series B**	5,668,495.00	5,552,863
			<b>Total</b>	
			<b>Outstanding:</b>	<b>\$28,977,680</b>

<sup>¥</sup>Refunded a portion of Election of 1999, Series B.

<sup>†</sup>Refunded a portion of Election of 2010, Series 2010.

\*Private placement-refunded a portion of Election of 2010, Series 2013. Cinderella structure.

\*\*Private placement-refunded a portion of Election of 2014, Series A and Series A-1. Cinderella structure.

Debt service on outstanding general obligation bonds, including refunding bonds, are payable from an *ad valorem* tax levied and collected by the County on assessed property in the District.

**Compensated Absences.** Total unpaid employee compensated absences as of June 30, 2022 amounted to \$45,576. This amount is included as part of long-term liabilities in the government-wide financial statements.

**2016 Refunding Certificates of Participation.** In addition to the Certificates described herein, the District has a series of outstanding certificates of participation, its \$2,465,000 original principal amount of 2016 Refunding Certificates of Participation (the "**2016 COPs**"), which were executed and delivered pursuant to a lease agreement with the Local Facilities Finance Corporation for the purpose of refinancing outstanding 2011 Certificates of Participation. The 2016 COPs are outstanding in the principal amount of \$2,040,000 and have a final maturity date of May 1, 2040, and are payable for semi-annual lease payments budgeted and appropriated from the District's general fund.

*[Remainder of page intentionally left blank.]*



## STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

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

### State Budgeting for Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive most of their revenues from local property taxes. The District is not a Basic Aid District. School districts also receive substantial funding from the State for various categorical programs.

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

### The Budget Process

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

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

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

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

## Available Public Resources

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

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

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

## The 2023-24 State Budget

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

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

The deficit gap was addressed with a combination of spending reductions totaling \$8 billion, including a planned \$750 million payment to the federal government to reduce the State’s \$20 billion unemployment insurance debt and about \$4 billion in funding previously earmarked for climate change and zero-emission programs, delayed spending of nearly \$8 billion previously approved for coming years, including funding for building facilities for transitional and full-day kindergarten, postponement in spending \$500 million in broadband expansion funding, and more than \$15 billion in revised revenue estimates, internal fund shifts and internal borrowing.

Highlights of the 2023-24 State Budget include:

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

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

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

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

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

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

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

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

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

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

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

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

## LAO's Fiscal Outlook Publication Dated December 7, 2023

Each year, the LAO's office publishes the *Fiscal Outlook* in anticipation of the upcoming budget season. The goal of the report is to give the Legislature an independent estimate and analysis of the State's budget condition as lawmakers begin planning the 2024-25 budget. Three key takeaways as identified by the LAO are:

- ***The State Faces a Serious Deficit.*** Largely as a result of a severe revenue decline in 2022-23, the State faces a serious budget deficit. Specifically, under the state's current law and policy, we estimate the Legislature will need to solve a budget problem of \$68 billion in the coming budget process.
- ***Unprecedented Prior-Year Revenue Shortfall.*** Typically, the budget process does not involve large changes in revenue in the prior year (in this case, fiscal year 2022-23). This is because prior-year taxes usually have been filed and associated revenues collected. Due to the state conforming to federal tax filing extensions, however, the Legislature is only gaining a complete picture of fiscal year 2022-23 tax collections after the 2022-23 fiscal year has already ended. Specifically, the LAO estimates that fiscal year 2022-23 revenue will be \$26 billion below 2023-24 Budget estimates.
- ***Legislature Has Multiple Tools Available to Address Budget Problem.*** While addressing a deficit of this scope is likely to be challenging, the Legislature has a number of options available to do so. In particular, the Legislature has nearly \$24 billion in reserves to address the budget problem. IN addition, there are options to reduce spending on schools and community colleges that could address nearly \$17 billion of the budget problem. Reductions in one-time spending could also be considered. These options, along with some others like cost shifts, would allow the Legislature to solve most of the deficit largely without impacting the State's core ongoing service level.
- ***Legislature Will Have Fewer Options to Address Multiyear Deficits in the Coming Years.*** Given the State faces a serious budget problem, using general purpose reserves in fiscal year 2023-24 is merited. That said, the LAO suggests that the Legislature exercise some caution when deploying tools like reserves and cost shifts. The State's reserves are unlikely to be sufficient to cover the State's multi-year deficits, which average \$30 billion per year under LAO estimates. These deficits likely necessitate ongoing spending reductions, revenue increases, or both. As a result, preserving a substantial portion of reserves would provide a helpful cushion in light of the anticipated shortfalls that lie ahead.

## The 2024-25 State Budget Proposal

On January 10, 2024, the Governor released the State's fiscal year 2024-25 State Budget Proposal (the "**2024-25 State Budget Proposal**"). The 2024-25 State Budget Proposal spending plan totals \$291.5 billion with an estimated state budget shortfall of \$37.9 billion, nearly \$30 billion less than previously estimated by the State's nonpartisan Legislative Analyst's Office. The shortfall is largely the result of substantial declines in the stock market that drove down revenues in fiscal year 2021-22 and delays in income tax collections. The 2024-25 State Budget Proposal maintains the State's fiscal stability using a portion of money saved in the budget reserves.

Revenues showed strength in the two fiscal years following the COVID-19 Recession, as stock market growth outpaced the slower overall economic recovery. Fueling this growth were capital gains realizations, which had a sizable impact on California revenues. State revenues saw similar increases. Over two fiscal years, from 2019-20 to 2021-22, three of the State's revenue sources—personal income, sales, and corporation taxes—grew by 55 percent. These revenue sources are projected to revert to levels consistent with a normal revenue growth trajectory, absent the COVID-19 surge and subsequent correction.

The 2024-25 State Budget Proposal details a withdrawal from the Budget Stabilization Account (“**BSA**”) to address the state budget shortfall. Even after the proposed withdrawals, total budget reserves in the coming fiscal year will remain at \$18.4 billion. This includes \$11.1 billion in the BSA, \$3.9 million in the Public School System Stabilization Account, and \$3.4 billion in the Special Fund for Economic Uncertainties.

Highlights of the 2024-25 State Budget Proposal include:

Housing and Homelessness: Advancing a multi-year \$15.3 billion plan to address homelessness. The proposal maintains billions of dollars for an all-of-the-above approach including \$400 million for encampment resolution grants and \$1 billion for Homeless Housing, Assistance and Prevention program grants.

Public Education: Maintains investments for public education, including funding for community schools, universal school meals, expanded learning opportunities, education workforce, and continued implementation of universal transitional kindergarten. Proposition 98 funding for K-12 schools and community colleges is estimated to be \$109.1 billion in 2024-25 and per-pupil funding totals \$23,519 per pupil when accounting for all funding sources.

Safety and Security: Invests \$1.1 billion over four years to increase the safety and security of the State, including \$373.5 million to combat organized retail theft; over \$230 million for opioid and fentanyl interdiction and enforcement, naloxone distribution, recovery and support services; \$302 million to enhance community public safety through nonprofit security grants, officer training; and \$197 million towards gun violence.

Health Care: Funding to make wellness coaches available to support children and youth behavioral health and maintains \$7.6 billion from various funds to implement the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration.

Climate Change: Advances a \$48.3 billion multi-year commitment, alongside over \$10 billion from the Biden-Harris Administration in federal climate funding, to implement initiatives to slash pollution and achieve carbon neutrality by 2045, protect communities from harmful climate impacts, and deliver 90% clean electricity by 2035.

Proposition 98 funding for K-12 schools and community colleges is estimated to be \$98.3 billion in 2022-23, \$105.6 billion in 2023-24, and \$109.1 billion in 2024-25. These revised Proposition 98 levels represent a decrease of approximately \$11.3 billion over the three-year period relative to the 2023 Budget Act. The 2024-25 State Budget Proposal includes funding of

\$126.8 billion (\$76.4 billion General Fund and \$50.4 billion other funds) for all K-12 education programs.

Other additional spending in the education portion of the 2024-25 State Budget Proposal includes:

- \$65 million ongoing to reflect a 0.76% cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier.
- A decrease of \$5 million ongoing to reflect ADA changes applicable to the county office of education LCFF, and a 0.76% cost-of-living adjustment.
- \$500 million to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in 2024-25.
- \$7 million to support inquiry-based science instruction and assessment.
- \$5 million ongoing to support the California College Guidance Initiative.
- \$122.2 million to fully fund universal school meals program.
- \$5 million to the Broadband Infrastructure Grant.
- \$3.2 million ongoing to support the K-12 High Speed Network program.
- \$2.1 million ongoing for a county office of education to enable fourth graders attending public schools to access California state parks.
- \$2 million ongoing to establish a Technical Assistance center.
- \$1.5 million ongoing to maintain support for Homeless Education Technical Assistance Centers that were first established through the American Rescue Plan Act's Homeless Children and Youth Program.
- \$3.4 million, of which \$380,000 is ongoing, to replace critical servers, maintain warranty coverage for network infrastructure, and refresh laptops, tables, and workstations for students and staff at the State Special Schools and Diagnostic Centers.

For the full text of the 2024-25 State Budget Proposal, see the DOF website at [www.dof.ca.gov](http://www.dof.ca.gov). *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

## **Disclaimer Regarding State Budgets**

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2023-24 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations.

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

## **Legal Challenges to State Funding of Education**

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

## **PROPERTY TAXATION**

School districts in the State derive some of their operating revenues from their share of local property taxes. The Certificates are secured by Lease Payments to be budgeted and appropriated annually from the District's general fund, and not from the levy and collection of property taxes.

### **Property Tax Collection Procedures**

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

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



to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county in which the property is located.

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

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

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

## **Assessed Valuations**

**Generally.** The assessed valuation of property in the District is established by the Assessor of the County, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

**Assessed Valuation History.** The following table sets forth historical assessed value in the District.

**GREENFIELD UNION SCHOOL DISTRICT**  
**Assessed Valuations of All Taxable Property**  
**Fiscal Years 2013-14 to 2023-24**

<b>Fiscal Year</b>	<b>Local Secured</b>	<b>Utility</b>	<b>Unsecured</b>	<b>Total</b>	<b>% Change</b>
2013-14	\$812,386,679	--	\$21,323,334	\$833,710,013	--%
2014-15	881,785,106	--	21,984,259	903,769,365	8.4
2015-16	922,083,537	--	24,527,770	946,611,307	4.7
2016-17	971,048,989	--	23,857,094	994,906,083	5.1
2017-18	1,046,960,991	--	26,870,677	1,073,831,668	7.9
2018-19	1,121,229,840	--	33,793,959	1,155,023,799	7.6
2019-20	1,163,103,656	--	35,790,373	1,198,894,029	3.8
2020-21	1,269,463,852	--	37,998,636	1,307,462,488	9.1
2021-22	1,328,829,770	--	55,265,526	1,384,095,296	5.9
2022-23	1,439,136,113	--	64,562,125	1,503,698,238	8.6
2023-24	1,538,662,393	--	50,190,102	1,588,852,495	5.7

Source: California Municipal Statistics, Inc.

**Factors Relating to Increases/Decreases in Assessed Value.** Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves and excessive heat, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, mudslides and floods. Public health disasters such as the COVID-19 pandemic could also have direct and indirect impacts on economic conditions and property values.

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

## Top Twenty Property Taxpayers

The 20 taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2023-24 tax roll, and the assessed valuations thereof, are shown below.

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

### GREENFIELD UNION SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2023-24

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2023-24 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1.	Greenfield Prop Owner II LLC	Grow House	\$ 68,600,558	4.46%
2.	Lohr Red & White 100 LP	Food Processing	29,917,867	1.94
3.	Silverado Los Alamos Vineyards LLC	Vineyards	28,190,677	1.83
4.	William D. Massa Trust	Agricultural	27,643,122	1.80
5.	Wente Bros.	Vineyards	20,828,643	1.35
6.	Greenfield Village LLC	Commercial	16,749,497	1.09
7.	Arroyo Seco Vineyards Inc.	Vineyards	12,821,040	0.83
8.	Kenner Ranch LLC	Agricultural	12,204,479	0.79
9.	W Y Heritage Grove LLC	Shopping Center	11,655,092	0.76
10.	GSCE Group LP	Commercial	10,951,257	0.71
11.	Greenfield Vineyards 1-4 LP	Vineyards	10,309,590	0.67
12.	Orradre Ranch	Agricultural	10,129,495	0.66
13.	HNS Properties LLC	Agricultural	9,970,282	0.65
14.	Sam Vineyards LLC	Vineyards	9,194,631	0.60
15.	MAMZIRP LLC	Vineyards	9,135,866	0.59
16.	Greenfield Development I LLC	Industrial	8,749,132	0.57
17.	John Edward and Jane Devine Doud, Trustees	Vineyards	8,321,909	0.54
18.	RLS Vineyard LLC	Vineyards	8,156,470	0.53
19.	3MF LLC	Agricultural	8,063,837	0.52
20.	Charles F. Nichols	Recreational	7,406,161	0.48
			<u>\$328,999,605</u>	<u>21.38%</u>

(1) 2023-24 local secured assessed valuation: \$1,538,662,393.

Source: California Municipal Statistics, Inc.

## No Teeter Plan; Property Tax Collections

**No Teeter Plan.** Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

**Collections and Delinquencies History.** The District’s total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District’s designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of tax payers within the tax areas of the District. In addition, the District’s total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

The annual secured tax levies and delinquencies associated with the District for fiscal years 2012-13 through 2022-23 are shown below.

### GREENFIELD UNION SCHOOL DISTRICT Secured Tax Charges and Delinquencies Fiscal Years 2012-13 through 2022-23

Tax Year	Secured Tax Charge	Amount Delinquent June 30	% Delinquent June 30
2012-13	\$2,169,773	\$33,356	1.54%
2013-14	2,271,471	25,408	1.12
2014-15	2,442,685	25,206	1.03
2015-16	2,527,625	22,915	0.91
2016-17	2,628,542	24,508	0.93
2017-18	2,797,902	24,433	0.87
2018-19	2,960,660	39,300	1.33
2019-20	3,009,768	43,516	1.45
2020-21	3,190,167	38,137	1.20
2021-22	3,352,972	39,189	1.17
2022-23	3,667,043	46,562	1.27

(1) 1% general fund apportionment only.  
Source: California Municipal Statistics, Inc.

The District participates annually in a delinquent tax finance program which is undertaken by the Monterey County Educational Delinquent Tax Finance Authority (the “**Authority**”), which is a joint powers agency formed for the purpose of purchasing certain delinquent property tax receivables from participating school districts. Under this program, the District has annually sold its delinquent property taxes to the Authority for a purchase price which consists of 100% of the delinquent amount together with a premium. Such program does not include the sale of delinquent property taxes which are levied for the payment of outstanding bonds of the District.

## Debt Obligations

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. with respect to debt as of January 1, 2024. 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.

### GREENFIELD UNION SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt Dated as of January 1, 2024

**2023-24 Assessed Valuation:** \$1,588,852,495

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 1/1/24</u></b>
Monterey County Water Resources Agency, Zone No. 2-C	1.804%	\$ 322,826
Hartnell Community College District	4.310	10,291,778
South Monterey County Joint Union High School District	29.772	11,218,090
<b>Greenfield Union School District</b>	<b>100.000</b>	<b><u>28,977,681</u></b>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$50,810,375
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>		
Monterey County General Fund Obligations	1.804%	\$1,981,063
Monterey County Board of Education Certificates of Participation	1.804	78,907
South Monterey County Joint Union High School District General Fund Obligations	29.772	1,839,910
<b>Greenfield Union School District Certificates of Participation</b>	<b>100.000</b>	<b><u>2,040,000</u></b> <sup>(1)</sup>
City of Greenfield General Fund Obligations	100.000	<u>347,414</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$6,287,294
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>		
Successor Agency to Greenfield Redevelopment Agency	100.000%	<u>\$12,475,000</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$12,475,000
COMBINED TOTAL DEBT		\$69,572,669 <sup>(2)</sup>

**Ratios to 2023-24 Assessed Valuation:**

<b>Direct Debt (\$28,977,681)</b> .....	<b>1.82%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	3.20%
<b>Combined Direct Debt (\$31,017,681)</b> .....	<b>1.95%</b>
Combined Total Debt .....	4.38%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$553,512,698):**

Total Overlapping Tax Increment Debt .....	2.25%
--	-------

(1) Excludes the Certificates.

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

Source: California Municipal Statistics, Inc.

## COUNTY INVESTMENT POOL

In accordance with Government Code Section 53600 *et seq.*, the County of Monterey Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See APPENDIX G hereto for a copy of County of Monterey's Investment Policy and Investment Report.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes.

### Constitutionally Required Funding of Education

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

### Article XIII A of the California Constitution

**Basic Property Tax Levy.** On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the 2010 Note), and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

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

## **Article XIII B of the California Constitution**

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

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

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all

qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

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

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

### **Unitary Property**

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

### **Articles XIIC and XIID**

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC 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 XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.



On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC 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 XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

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

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

## **Proposition 98**

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

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school

districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

## **Proposition 111**

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

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

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

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

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

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

**School Funding Guarantee.** There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the “**first test**”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the “**second test**”). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

## **Proposition 1A and Proposition 22**

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (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-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in fiscal year 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

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

California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

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

### **Proposition 30 and Proposition 55**

Proposition 30 appeared on the November 6, 2012 statewide ballot as an initiated constitutional amendment ("**Proposition 30**"), and it was approved by State voters. Proposition 30 increased the State sales tax from 7.25 percent to 7.50 percent, increased personal income tax rates on higher income brackets for seven years, and temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax is levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$340,000 but less than \$408,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$408,000 but less than \$680,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for joint filers).

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

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

## **Proposition 19**

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

## **Future Initiatives and Changes in Law**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 111, 22, 1A, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

## **CERTAIN RISK FACTORS**

*The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates. The discussion 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, or the effectiveness of any remedies that the Trustee may have or circumstances under which Lease Payments may be abated. Finally, the order in which the following is presented is not intended to reflect the relative importance of any particular risk factor.*

## **No Pledge of Taxes**

The Lease Payments and other payments due under the Lease Agreement are not secured by any pledge of taxes or other revenues of the District. The Lease Payments are secured by a District covenant to annually budget and appropriate sufficient funds to make Lease Payments from any lawfully available funds, including the District’s general fund. In the event that the District’s general fund revenues are less than its total obligations, the District may choose to pay other costs or expenses before making the Lease Payments.

The obligation of the District to pay the Lease Payments and Additional 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. The obligation of the District to pay Lease Payments and Additional Payments does not constitute a debt or indebtedness of the Corporation, the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments and Additional Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments and Additional Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

The District is currently liable on other obligations payable from general revenues and may incur additional obligations payable from its general fund.

### **Additional Obligations of the District**

The District has existing obligations payable from its general fund. See “DISTRICT FINANCIAL INFORMATION – Long Term Borrowing of the District.” In addition, under the Lease Agreement the District is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of owners of the Certificates. To the extent that additional obligations are incurred by the District, the funds available to pay Lease Payments may be decreased.

### **Decline in Economic Conditions: COVID-19**

The COVID-19 pandemic resulted in health and economic crisis commencing in approximately March 2020. Although emergency declarations have ceased, there are several vaccines generally available, and the economy has stabilized, the pandemic caused changes in human behavior had impacts on the economy reflected in some of the data presented herein, and there may be ongoing impacts to the District that are not easily identifiable. As such, the District is unable to predict all of the long-term economic consequences of the COVID-19 pandemic on its enrollment, finances, local property values, and other future consequences.

Because the District receives most of its revenue from the State under the LCFF funding formula, declines in the economy could impact the District because declines impact the State’s revenues and ability to budget for education funding. During the COVID-19 pandemic, State budgets provided financial relief to school districts with hold harmless provisions relating to ADA and other fiscal techniques. The State budget for fiscal year 2023-24 contains an 8.22% cost of living adjustment (“**COLA**”) for public school districts, although there were also some cuts in funding reflecting projected decreases in State revenues. The COLA is only 0.76% in the proposed State budget for fiscal year 2024-25. The District cannot predict the condition of the economy in the future, future State budgets, nor future public health disasters such as the COVID-19 pandemic, and the impacts such events could have on its finances and operations. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS” herein.

### **Limited Recourse on Default**

Whenever any event of default referred to in the Lease Agreement happens and continues, the Trustee, as the assignee of the Corporation, is authorized under the terms of the Lease Agreement to exercise any and all remedies available under law or granted under the Lease Agreement.

**Notwithstanding a default under the Lease Agreement, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease**

**Payments not then due or past due to be immediately due and payable. Neither the Corporation nor the Trustee has any right to re-enter or re-let the Leased Property except following the occurrence and during the continuation of an event of default under the Lease Agreement.**

Following an event of default, the Corporation may elect either to terminate the Lease Agreement and seek to collect damages from the District or to maintain the Lease Agreement in effect and seek to collect the Lease Payments as they become due. The Lease Agreement further provides that so long as an event of default exists under the Lease Agreement, the Corporation, or its assignee, may re-enter the Leased Property for the purpose of taking possession of all or any portion of the Leased Property and to re-let the Leased Property and, in addition, at its option, with or without such entry, to terminate the Lease Agreement as described therein. See “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement.”

No assurance can be given that the Trustee will be able to re-let the Leased Property so as to provide rental income sufficient to pay principal and interest evidenced by the Certificates in a timely manner or that such re-letting will not adversely affect the exclusion of interest with respect thereto from gross income for federal or State income tax purposes. Due to the essential governmental purposes which are served by the Leased Property, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to the Leased Property.

In the event of a default, there is no remedy of acceleration of the 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. The District will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would 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 school districts in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

### **Abatement**

The obligation of the District under the Lease Agreement to pay Lease Payments is in consideration of the use and possession of the Leased Property.

Under certain circumstances relating to damage, destruction, condemnation or title defects with respect to the Leased Property which cause a substantial interference with the use and possession of the Leased Property, the District's obligation to make Lease Payments is subject to full or partial abatement and could result in the Trustee having inadequate funds to pay the principal and interest with respect to the Certificates as and when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement” and “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement.” Abatement is not a default under the Lease Agreement and does not result in the Trustee having the right to take any action to avail itself of any remedy against the District.

## Property Taxes

**Levy and Collection.** The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District's share of local property tax revenues, and accordingly, could have an adverse impact on the ability of the District to make Lease Payments. Likewise, if the County discontinued the Teeter Plan, delinquencies in the payment of property taxes could have an adverse effect on the District's ability to pay principal and interest with respect to the Certificates when due.

**Reduction in Inflationary Rate.** Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The District is unable to predict if any adjustments to the full cash value base of real property within the District, whether an increase or a reduction, will be realized in the future.

**Appeals and Adjustments of Assessed Values.** There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING



DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution – Inflationary Adjustment of Assessed Valuation.”

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the District’s property tax revenues.

***Local Housing Market.*** Economic downturns can have a negative impact on local property values. High rates of foreclosures tend to depreciate values of homes in the overall market, which could lead to more Proposition 8 appeals. Although the District’s total assessed valuation has been increasing in recent years, a future mortgage crisis, tightening credit markets, increased foreclosure activity and major reductions in home prices throughout the region could affect home values, assessed values, assessment appeals or collections of property taxes by the County.

### **State Budget Considerations**

Most school districts in California, including the District, operate as LCFF-funded school districts and as such receive a significant amount of their funding from State appropriations, as determined in each year’s State Budget. As a result, decreases in State revenue sources may impact the amount of funds appropriated to school districts, as has occurred in recent years.

A deterioration in the State’s economy or any other factors such as reduced income tax revenues and sales tax revenues can negatively impact the State Budget and the District’s revenues, and therefore funds available to make Lease Payments. In addition, the State legislature has at times adopted legislation in connection with its annual budgets which may impact the manner of allocation of education funding, and may do so again in the future. The District cannot predict how State budgets and future legislation, if any, may ultimately impact its finances over the term of the Certificates.

### **Cyber Risks**

The District relies on computer and other digital networks and systems to conduct its operations, including certain services provided through the County Office of Education. The District has taken steps to minimize these risks, including [a staff cyber awareness program and training regarding phishing, maintaining current software, anti-virus software running on all systems, off site back-ups, double-authentication, and maintaining cyber insurance.] No assurance can be given, however, that the District’s current efforts to manage cyber threats or other online fraud will, in all cases, be successful, and that a cyber incident will not delay or impact timely Lease Payments. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. See “CYBER RISKS” herein.

## **Absence of Earthquake and Flood Insurance**

If any portion of the Leased Property is destroyed or rendered useless by any form of natural hazard such as a fire, an earthquake or flood, an abatement could occur and result in the Trustee having inadequate funds to pay the principal and interest represented by the Certificates as and when due. The Lease Agreement does not require the District to obtain earthquake or flood insurance on the Leased Property. As such, if damage or destruction occurs due to earthquake or flood, insurance proceeds will not be available for deposit into the Insurance and Condemnation Fund and applied to pay the Certificates or rebuild the Leased Property.

All building components of the Leased Property were constructed under the standards of the "Field Act" (California State Building Code, Title 24). The Field Act requires substantially higher construction standards for public schools and hospitals than are required for other types of construction. The Field Act requires that building systems be capable of withstanding seismic forces from the "most credible" earthquake likely to occur in the vicinity of the building system being constructed.

## **Natural Disasters - Fires, Droughts, Extreme Weather and Other Events**

The District is located in a region of the State which has experienced significant droughts and fires in recent years. In addition, parts of the State, including within the County, have experienced extreme weather such as rain storms, mud slides and flooding. In the event of damage or destruction of the Leased Property due to events including natural disasters, the District can abate Lease Payments during the period it does not have use and enjoyment of the Leased Property. Damage could also result in an early prepayment of the Certificates. The District has acquired rental interruption insurance to minimize the risk of a period of abatement.

## **Early Prepayment of Certificates**

As described herein, the Certificates are subject to optional prepayment and to prepayment from Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and the Trust Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium. The resulting prepayment of Certificates that were purchased at a price greater than the applicable prepayment price (if any) could reduce the otherwise expected yield on such Certificates.

## **Substitution and Release of Property**

The Site Lease and the Lease Agreement permit the District to substitute other property (the "Substitute Property") for the Leased Property upon satisfaction of certain conditions, including a requirement that the District certify that the estimated value of the Substitute Property is at least equal to the aggregate original principal amount of the Certificates, and the fair rental value of the Substitute Property is at least equal to the Lease Payments thereafter coming due and payable under the Lease Agreement.

In the event that the District utilizes the provisions of the Lease Agreement permitting the substitution or release of property, no assurance can be given that estimated value of the property which is leased under the Site Lease and the Lease Agreement will exceed the aggregate original principal amount of the Certificates. See "APPENDIX A – SUMMARY OF CERTAIN

PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement” for a more detailed description of the substitution and release provisions of the Lease Agreement.

### **Future Litigation and Liabilities**

The District does not currently have any known uninsured liabilities that could negatively impact its ability to make the lease payments relating to the Certificates. The District cannot predict what claims or liabilities could arise in the future which, if not insured, could have a negative impact on its general fund. The District maintains standard insurance policies to minimize its future risks and liabilities as described herein. However, there can be no guarantee that events such as changes in laws and other matters could result in claims arising that are not covered by past insurance policies.

### **Limitations on Remedies; Bankruptcy**

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the District’s obligations under the Lease Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, 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, 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 serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the District, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates 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. See “– Limited Recourse on Default” above.

## **LEGAL OPINIONS**

The proceedings in connection with the authorization, sale, execution and delivery of the Certificates are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California (“**Special Counsel**”). A copy of the legal opinion with respect to the Certificates, certified by the official in whose office the original is filed, will be attached to each Certificate, and the form of the opinion is attached as Appendix D hereto. Jones Hall, A Professional Law Corporation, San Francisco, California, is also acting as Disclosure Counsel to the District (“**Disclosure Counsel**”). Dannis Woliver Kelley, Long Beach, California, is serving as counsel to the Underwriter (“**Underwriter’s Counsel**”).

*The fees of Special Counsel, Disclosure Counsel, the Financial Advisor (defined in the following paragraph), the Trustee, the Underwriter and Underwriter’s Counsel are all contingent upon the execution and delivery of the Certificates.*

## FINANCIAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is acting as the District's financial advisor (the "**Financial Advisor**") in connection with the Certificates. The Financial Advisor is a registered "Municipal Advisor" with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Financial Advisor with respect to the Certificates are contingent upon their sale and delivery. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

## TAX MATTERS

### Tax-Exempt Status

**Federal Tax Status.** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to the qualifications set forth below, under existing law, the portion of the Lease Payments designated as and comprising interest and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Such interest may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Certificates. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of execution and delivery of the Certificates.

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

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Certificates on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Certificates to determine

taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Certificates. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Certificates who purchase the Certificates after the initial offering of a substantial amount of such maturity. Owners of such Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Certificates under federal individual minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Certificates (said term being the shorter of the Certificate's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Certificates for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Certificates is amortized each year over the term to maturity of the Certificates on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Certificates premium is not deductible for federal income tax purposes. Owners of premium Certificates, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Certificates.

**California Tax Status.** In the further opinion of Special Counsel, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from California personal income taxes.

**Form of Opinion.** At the time of issuance of the Certificates, Special Counsel expects to deliver an opinion for the Certificates in substantially the form set forth in Appendix D.

### **Other Tax Considerations**

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

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

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

## **NO MATERIAL LITIGATION**

There is no action, suit or proceeding known to be pending, or threatened, restraining or enjoining the execution or delivery of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement or any other document relating to the Certificates or in any way contesting or affecting the validity of the foregoing.

The District is subject to lawsuits and claims that may arise in the normal course of operating the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under known and existing lawsuits and claims will not materially affect the financial position or operations of the District.

## **CYBER RISKS**

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

As of this date, the District has never had a major cyber breach or other online fraud event that resulted in a financial loss or otherwise materially impaired the operations or services of the District. The District has takes steps to address and minimize cyber risks including staff cyber awareness training regarding phishing, off site back-ups, double-authentication, and maintaining cyber insurance. The District maintains insurance coverage for losses due to cyber events subject to a deductible and up to a certain covered amount.

**No assurance can be given that the District's current efforts to manage cyber threats and security will, and to deter cyber fraud, in all cases, be successful. The District cannot predict what future cyber security or online fraud events may occur and what impact said events could have on its operations or finances.**

The District relies on other entities and service providers in the course of operating the District, including the County which maintains funds and accounts for the District, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Certificates, including the possibility of impacting the timely payments of

Lease Payments or timely filings pursuant to the Continuing Disclosure Certificate described below.

## **RATINGS**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business ("**S&P**") is anticipated to assign the Certificates a rating of "AA" with the understanding that the Certificate Insurance Policy will be issued by the Certificate Insurer concurrently with the delivery of the Certificates.

In addition, S&P has assigned an underlying rating of "A-" to the Certificates. Such ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained only from the rating agency. The District has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement because it has been considered not material to making an investment decision in the Certificates). There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Certificates.

## **CONTINUING DISCLOSURE**

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

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

The District has engaged Isom Advisors, a Division of Urban Futures, Inc. to serve as its dissemination agent to assist it with its undertakings, including the undertaking in connection with the Certificates.

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

## UNDERWRITING

The Certificates are being purchased by D.A. Davidson & Co. (the “**Underwriter**”). Under a Certificate Purchase Agreement (the “**Purchase Agreement**”), the Underwriter has agreed to purchase the Certificates at the price of \$11,920,032.05 (representing the aggregate principal amount of \$11,445,000.00, plus net original issue premium of \$560,869.55, less an Underwriter’s discount of \$85,837.50).

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

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

## EXECUTION

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

**GREENFIELD UNION SCHOOL DISTRICT**

By:           /s/ Zandra Jo Galván            
Superintendent



## **APPENDIX A**

### **SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

*The following is a brief summary of certain provisions of the Site Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement. This summary is not intended to be definitive and is qualified in its entirety by reference to such documents for the complete terms thereof. Copies of such documents are available upon request from the District.*

### **DEFINED TERMS**

The following terms have the following meanings, notwithstanding that any such terms may be elsewhere defined in this Official Statement. Any terms not expressly defined in this Summary but previously defined in this Official Statement have the respective meanings previously given.

“Additional Payments” means the amounts payable by the District under the Lease Agreement as described under the heading “THE LEASE AGREEMENT – Lease Payments; Budget and Appropriation; Abatement – Additional Payments” below.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California, or in any state in which any Office of the Trustee is located.

“Certificate Insurance Policy” means the Municipal Bond Insurance Policy issued by the Certificate Insurer with respect to the Certificates.

“Certificate Insurer” means Assured Guaranty Municipal Corp., its successors and assigns, as issuer of the Certificate Insurance Policy and the Reserve Policy.

“Closing Date” means the day when the Certificates, duly executed by the Trustee, are delivered to the Underwriter.

“Completion Date” means, with respect to the Project, the date identified as the date of completion thereof in the written certificate of a District Representative under the Lease Agreement.

“Corporation Representative” means the President, Treasurer or Secretary of the Corporation, or any other person authorized by resolution of the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Lease Agreement and the Trust Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the execution and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (which shall include legal fees and the first annual administration fee of the Trustee), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, Rating

Agency costs for credit ratings, fees for execution, transportation and safekeeping of the Certificates, premiums payable to the Certificate Insurer for the Certificate Insurance Policy and the Reserve Policy, and any charges and fees in connection with the foregoing.

“Cost of Issuance Fund” means the fund by that name established and held by the Trustee under the Trust Agreement.

“Defeasance Securities” means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; (d) pre-refunded municipal bonds rated in the highest rating category by any nationally-recognized rating agency; and (e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

“District Representative” means the Superintendent, the Chief Business Official, the Clerk of the Board or any other person authorized by resolution of the Board of Trustees of the District to act on behalf of the District under or with respect to the Lease Agreement and the Trust Agreement.

“Event of Default” means an event of default under the Lease Agreement, as defined therein.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period by the District as its fiscal year pursuant to written notice filed with the Trustee.

“Insurance and Condemnation Fund” means the fund by that name to be established and held by the Trustee under the Trust Agreement.

“Lease Payment Date” means, with respect to any Payment Date, the fifth Business Day preceding such Payment Date.

“Lease Payment Fund” means the fund by that name established and held by the Trustee under the Trust Agreement.

“Leased Property” means all of the land which is more particularly described in Appendix A to the Lease Agreement, consisting generally of the land and buildings constituting the Arroyo Seco Academy which is located generally at 1226 Apple Avenue in the City of Greenfield. If the District exercises its option under the Lease Agreement with respect to the substitution of property or its option under the Lease Agreement with respect to the release of property, the term “Leased Property” will thereupon be modified accordingly.

"Net Proceeds" means any insurance proceeds or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Office" such office or offices as the Trustee may designate in writing to the District from time to time as the corporate trust office for purposes of the Trust Agreement.

"Outstanding", when used as of any particular time with respect to Certificates, means (subject to certain provisions of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except (a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Certificates deemed to have been paid under the Trust Agreement; and (c) Certificates in lieu of or in exchange for which other Certificates has been executed and delivered by the Trustee under the Trust Agreement.

"Owner", when used with respect to a Certificate, means the person in whose name the ownership of such Certificate shall be registered on the Registration Books.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Article V of the Lease Agreement; (b) the Site Lease, the Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Stewart Title Guaranty Company and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

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

- (a) Defeasance Securities;
- (b) obligations of any federal agency which represent full faith and credit of the United States of America, or which are otherwise rated "A" by any Rating Agency;
- (c) Bank deposit products and interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee) which may include the Trustee and its affiliates, provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by any Rating Agency; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation or are collateralized by Permitted Investments described in clauses (a), (b) or (c) above;

- (d) commercial paper which is rated at the time of purchase in the highest short-term rating category by any Rating Agency;
- (e) federal funds or bankers acceptances with a maximum term of one year of any bank with an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of any Rating Agency;
- (f) investments in a money market fund (but excluding funds with a floating net asset value), including those of an affiliate of the Trustee, having a rating in the highest rating category of any Rating Agency, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;
- (f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund, in the highest rating category of any Rating Agency; or (ii)(A) subject to the approval of such Rating Agency, which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates under such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (g) investment agreements with financial institutions whose long-term general credit rating is A or better from any Rating Agency, by the terms of which the Trustee may withdraw funds if such rating falls below A; and
- (h) the Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

For purposes of this definition, the ratings of any Permitted Investments shall be determined at the time of purchase of thereof and without regard to rating subcategories; and the Trustee shall have no responsibility (a) to monitor the ratings of Permitted Investments after the initial purchase thereof or (b) to validate the ratings of Permitted Investments prior to the initial purchase.

"Project" means all of the educational facilities and properties the acquisition, construction and improvement of which is financed from the proceeds of the Certificates, consisting generally of the acquisition, construction and improvement of multi-purpose room facilities at Mary Chapa

Academy. The District reserves the right to amend the description and scope of the Project from time to time in its sole discretion, and to add additional capital projects which will be used for the educational purposes of the District.

"Project Costs" means, with respect to the Project, all costs of the acquisition, construction and improvement thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

- (a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and improvement of the Project;
- (b) obligations incurred for labor and materials in connection with the acquisition, construction and improvement of the Project;
- (c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and improvement of the Project;
- (d) all costs of engineering, architectural services and other preliminary investigation expenses, including the actual out-of-pocket costs for site investigations, surveys, hazardous materials investigations, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and improvement of the Project;
- (e) any sums required to reimburse the Corporation or the District for advances made for any of the above items or for any other costs incurred and for work done, including but not limited to administrative costs of the Corporation or the District, which are properly chargeable to the acquisition, construction and improvement of the Project;
- (f) all financing costs incurred in connection with the acquisition, construction and improvement of the Project, including but not limited to Costs of Issuance and other costs incurred in connection with the Trust Agreement and the financing of the Project; and
- (g) the interest components of the Lease Payments prior to the Completion Date, to the extent not payable from the proceeds of the Certificates deposited in the Lease Payment Fund on the Closing Date.

"Rating Agency" means either: (a) Standard & Poor's Global Ratings, a business unit of Standard & Poor's Financial Services LLC, of New York, New York, and its successors; or (b) Moody's Investors Service, of New York, New York, and its successors.

"Registration Books" means the records maintained by the Trustee pursuant to the Trust Agreement for registration of the ownership and transfer of ownership of the Certificates.

"Rental Period" means each period during the Term of the Lease Agreement commencing on and including November 2 in each year and extending to and including the next succeeding

November 1, except that the first Rental Period begins on the Closing Date and ends on November 1, 2024.

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Certificate Insurer.

“Reserve Requirement” means, as of the date of calculation thereof, an amount equal to the lesser of (a) 10% of the original principal amount of the Certificates, or (b) the maximum amount of Lease Payments (excluding Lease Payments with respect to which the District shall have posted a security deposit pursuant to Section 9.1 of the Lease) coming due in the current or any future Rental Period, or (c) 125% of average annual Lease Payments (calculated on a calendar year basis). The initial amount of the Reserve Requirement as of the Closing Date is equal to \$726,750.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District designates in written notice filed with the Trustee.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term of the Lease” means the time during which the Lease Agreement is in effect, as provided therein.

## **SITE LEASE**

Under the Site Lease, the District leases the Leased Property to the Corporation for the purpose of enabling the Corporation to sublease the Leased Property back to the District under the Lease Agreement. The term of the Site Lease is coterminous with the Term of the Lease. In consideration of the rental for the Leased Property under the Site Lease, the Corporation agrees to enter into the Assignment Agreement and assign substantially all of its rights thereunder to the Trustee, and to cause the net proceeds of the Certificates to be deposited with the Trustee as described above in this Official Statement. The Corporation and the District may at any time amend or modify any of the provisions of the Site Lease, but only with the prior written consent of the Trustee and the Certificate Insurer, who are third party beneficiaries under the Site Lease. Any substitution or removal of property under the Lease Agreement will automatically result in a corresponding substitution or removal of property under the Site Lease.

## **THE LEASE AGREEMENT**

### **Lease of the Leased Property; Term**

The Corporation leases the Leased Property back to the District under the Lease Agreement. The Term of this Lease commences on the Closing Date and ends on November 1, 2053, or such earlier or later date on which the Trust Agreement is discharged.

### **Substitution of Leased Property**

The District has the option at any time and from time to time to substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), provided that the District satisfies all of the following requirements which are conditions precedent to such substitution:

- (a) no Event of Default has occurred and is continuing;
- (b) the District has filed with the Corporation and the Trustee, and caused to be recorded in the office of the Monterey County Recorder sufficient memorialization of, an amendment thereof which adds to Appendix A to the Lease Agreement a description of such Substitute Property and deletes therefrom the description of such Former Property;
- (c) the District has obtained a CLTA policy of title insurance which insures the District's leasehold estate in such Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated value thereof;
- (d) the District has filed with the Corporation and the Trustee a certificate executed by a District Representative stating that such Substitute Property serves the educational purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District;
- (e) the Substitute Property does not cause the District to violate any of its covenants, representations and warranties made in the Lease Agreement or in the Trust Agreement;
- (f) the District has filed with the Corporation and the Trustee a certificate executed by a District Representative stating that (i) based on the estimated value of the Substitute Property, the remaining Lease Payments constitute fair rental value for the use and occupancy of the Substitute Property, taking into consideration certain factors set forth in the Lease Agreement, and (ii) the useful life of the Substitute Property at least extends to a date which is ten years following the final scheduled maturity of the Certificates;
- (g) the District has mailed written notice of such substitution to each Rating Agency which then maintains a rating on the Certificates; and
- (h) the District has obtained the prior written consent of the Certificate Insurer to such substitution.

Upon the satisfaction of all such conditions precedent, the Term of the Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property in the Site Lease and the Lease Agreement will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such

substitution. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Lease Agreement against the Former Property.

### **Release of Property**

The District has the option at any time and from time to time to release any portion of the Leased Property from the Lease Agreement and the Site Lease (the "Released Property") provided that the District has satisfied all of the following requirements which are declared to be conditions precedent to such release:

- (a) no Event of Default has occurred and is continuing;
- (b) the District has filed with the Corporation and the Trustee, and caused to be recorded in the office of the Monterey County Recorder sufficient memorialization of, an amendment of the Lease Agreement which removes the Released Property from the Lease Agreement and the Site Lease;
- (c) the District has certified in writing to the Corporation and the Trustee that based on the estimated value of the property which remains subject to the Lease Agreement following such release, the remaining Lease Payments constitute fair rental value for the use and occupancy of such property, taking into consideration certain factors set forth in the Lease Agreement;
- (d) the District has mailed written notice of such release to each Rating Agency which then maintains a rating on the Certificates; and
- (e) the District has obtained the prior written consent of the Certificate Insurer to such release.

Upon the satisfaction of all such conditions precedent, the Term of the Lease will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge the Lease Agreement and the Site Lease of record against the Released Property.

### **Lease Payments; Budget and Appropriation; Abatement**

Lease Payments. Subject to abatement as described below, the District will pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in the Lease Agreement, to be due and payable in immediately available funds on the Payment Dates immediately following each of the respective Lease Payment Dates specified in the Lease Agreement, and to be deposited by the District with the Trustee on each of the Lease Payment Dates specified in the Lease Agreement. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under the Lease Agreement and other than amounts required for payment of past due principal or interest represented by any Certificates not presented for payment) will be credited towards the Lease Payment then required to be paid; and no Lease Payment need be deposited with the Trustee 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 deposited with the Trustee. The Lease Payments payable in any Rental Period are for the use of the Leased Property during such Rental Period.

Budget and Appropriation. The District covenants to take such action as may be necessary to include all estimated Lease Payments and all estimated Additional Payments due under the Lease Agreement in each of its final approved budgets. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for all the actual amount of Lease Payments and Additional Payments which come due and payable during the period covered by each such budget. The covenants on the part of the District contained in the Lease Agreement are duties imposed by law and it is the 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 Agreement agreed to be carried out and performed by the District.

Additional Payments. In addition to the Lease Payments, the District shall pay when due, as additional rental for the Leased Property under the Lease Agreement, all costs and expenses incurred by the District under the Lease Agreement or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, all amounts due to the Certificate Insurer that do not constitute payment of Lease Payments, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties under the Lease Agreement or under the Trust Agreement.

Termination or Abatement Due to Eminent Domain. If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

Abatement Due to Damage or Destruction. The amount of Lease Payments will be abated during any period in which by reason of damage or destruction (other than by eminent domain as described above) there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof. The amount of such abatement shall be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Lease Agreement shall continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under the Lease Agreement to the extent that the proceeds of hazard insurance or rental interruption insurance

are available to pay Lease Payments which would otherwise be abated under the Lease Agreement, it being declared in the Lease Agreement that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

Covenant Against Eminent Domain. During the Term of the Lease, the District shall not acquire the leasehold estate of the Corporation in the Leased Property under the Site Lease through the exercise of its eminent domain powers or otherwise.

## **Title**

At all times during the Term of the Lease, the District will hold title to the Leased Property, subject to the Site Lease and other Permitted Encumbrances, and any and all additions which comprise fixtures, repairs, replacements or modifications thereto.

## **Maintenance, Utilities, Taxes and Modifications**

Throughout the Term of the Lease, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property will be the responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments, the Corporation agrees to provide only the Leased Property. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of the Lease Agreement.

The District also agrees pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Leased 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.

The District may, at the District's 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 unless the Corporation notifies the District that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

The District has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of the Lease Agreement. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property

to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The District will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the District; provided that if any such lien is established and the District first notifies the Corporation of the District's intention to do so, the District may in good faith contest any lien filed or established against the Leased 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 shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the District.

### **Assignment; Subleases**

The Corporation has assigned certain of its rights under the Lease Agreement to the Trustee pursuant to the Assignment Agreement. The District may not assign any of its rights in the Lease Agreement, but may sublease all or a portion of the Leased Property only under the conditions contained in the Lease Agreement, including the condition that such sublease not cause the interest component of the Lease Payments to become subject to federal or State of California personal income taxes.

### **Installation of 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 the Leased Property. All such items will remain the sole property of the District, in which neither the Corporation nor the Trustee has any interest, and may be modified or removed by the District at any time, provided that the District shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in the Lease Agreement prevents the District from purchasing or leasing items under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest attaches to any part of the Leased Property.

### **Amendment of Lease**

The Corporation and the District may at any time amend or modify any of the provisions of the Lease Agreement with the consent of the Certificate Insurer, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; or (b) without the consent of the Trustee or any of the Certificate Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in the Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the District;

- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained therein, for the purpose of conforming to the original intention of the District and the Corporation;
- (iii) to amend any provision thereof relating to the Tax Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest represented by any of the Certificates under the Tax Code, in the opinion of Special Counsel;
- (iv) to amend the description of any component of the Leased Property to reflect accurately the property originally intended to be included therein, or to effectuate any substitution of property as permitted or any release of property as permitted under the Lease Agreement;
- (v) to obligate the District to pay additional amounts of rental thereunder for the use and occupancy of the Leased Property or any portion thereof, but only if (A) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance the completion of the Project or other improvements to the Leased Property, and (B) the District has filed with the Trustee written evidence that the amendments made under this subsection (v) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Certificates; or
- (vi) in any other respect whatsoever as the Corporation and the District deem necessary or desirable, provided that, in the opinion of Special Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates.

The District shall obtain and cause to be filed with the Trustee an opinion of Special Counsel with respect to any amendment or modification of the Lease Agreement, stating that all conditions precedent to such amendment as set forth in the Lease Agreement have been satisfied. Promptly following the effective date of any amendment or modification of the Lease Agreement, the District shall mail written notice thereof to each Rating Agency which then maintains a rating on the Certificates.

### **Events of Default**

Each of the following constitutes an event of default under the Lease Agreement:

- (a) Failure by the District to pay any Lease Payment or other payment required to be paid under the Lease Agreement at the time specified therein.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Lease Agreement or the Trust Agreement, other than as referred to in the preceding subsection (a), 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 Corporation or the Trustee; *provided, however*, that if the District notifies the Corporation and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30-day period, the failure

will not constitute an Event of Default if the District commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.

- (c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift 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 acts which may be enacted.

### **Remedies on Default**

Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under the Lease Agreement. Notwithstanding anything in the Lease Agreement or in the Trust Agreement to the contrary, there is 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. Each and every covenant of the Lease Agreement to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted under the Lease Agreement; provided, that no termination of the Lease Agreement shall be effected either by operation of law or acts of the parties to the Lease Agreement, except only in the manner in the Lease Agreement expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise each and every one of the following remedies, subject in all respects to the limitations described in the Lease Agreement.

- (a) Enforcement of Payments Without Termination. If the Corporation does not elect to terminate the Lease Agreement in the manner described below, the District agrees to remain liable for the payment of all Lease Payments and the performance of all conditions contained in the Lease Agreement and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Leased Property, or, if the Corporation is unable to re-lease the Leased Property, then for the full amount of all Lease Payments to the end of the Term of the Lease.

The District irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in storage or other suitable place in Monterey County for the account of and at the expense of the District. The District agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re-let. Any rental obtained by the Corporation in excess of the unpaid Lease Payments shall be deposited with the Trustee in the Lease Payment Fund, to be applied as a credit against future Lease Payments.

- (b) Termination of Lease. If an Event of Default occurs and is continuing, the Corporation at its option may terminate the Lease Agreement and re-lease

all or any portion of the Leased Property. Any surplus received by the Corporation from such re-leasing shall be deposited in the Lease Payment Fund. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate the Lease Agreement, unless and until the Corporation has given written notice to the District of the election on the part of the Corporation to terminate the Lease Agreement. The District agrees that no surrender of the Leased Property, or of the remainder of the Term of the Lease or any termination of the Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

- (c) Proceedings at Law or In Equity. If an Event of Default occurs and continues, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Lease Agreement or to enforce any other of its rights under the Lease Agreement.

## **TRUST AGREEMENT**

### **Trustee**

The Trustee is appointed pursuant to the Trust Agreement and is authorized to prepare, execute and deliver the Certificates thereunder, and to act as a depository of amounts held thereunder. The Trustee is required to make deposits into and withdrawals from funds, and invest amounts held under the Trust Agreement in accordance with the District's instructions.

### **Funds**

The Trust Agreement creates the Lease Payment Fund, the Project Fund and the Insurance and Condemnation Fund to be held in trust by the Trustee.

Lease Payment Fund. There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to the Trust Agreement or the Lease Agreement. Moneys on deposit in the Lease Payment Fund will be used to pay principal and interest represented by the Certificates. Any earnings on investment of moneys in the Lease Payment Fund will remain therein and will be credited towards payment of the next Lease Payments. Any surplus remaining in the Lease Payment Fund after the payment of all Certificates, or provision for their payment has been made, will be paid to the District.

Project Fund. The Trustee will establish, maintain and hold in trust a separate fund to be known as the "Project Fund." The Trustee will disburse moneys in the Project Fund from time to time to pay or reimburse the payment of Project Costs in accordance with written requisitions filed by the District with the Trustee. Each such requisition is sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. The Trustee is not responsible for payments made in accordance with the Trust Agreement. The District shall maintain accurate records showing all disbursements from the Project Fund, including records which show the name and address of each entity to whom payment is made and the amount and purpose of each payment.

Upon the determination by the District that the Project has been substantially completed, the Trustee will withdraw from the Project Fund and deposit in the Lease Payment Fund all amounts remaining on deposit in the Project Fund, other than amounts estimated by the District to be required to pay future Project Costs. Whether or not the Project has been substantially completed, upon the filing with the Trustee of a written certificate of the District stating that no further amounts are intended to be requisitioned from the Project Fund, the Trustee will close the Project Fund and transfer all remaining amounts therein to the Lease Payment Fund.

Reserve Fund. The Trustee shall establish a special fund designated as the "Reserve Fund" to be held by the Trustee in trust for the benefit of the Owners of the Certificates, and applied solely as provided in the Trust Agreement. Moneys in the Reserve Fund shall be held in trust as a reserve for the payment when due of the Lease Payments on behalf of the District.

The Trustee shall retain in the Reserve Fund all earnings on the investment of amounts therein to the extent required to maintain the full amount of the Reserve Requirement on deposit therein. All amounts on deposit in the Reserve Fund at any time in excess of the Reserve Requirement, and all amounts derived from the investment of amounts in the Reserve Fund which are not required to be retained therein to maintain the Reserve Requirement, shall be transferred by the Trustee to the Project Fund prior to the Completion Date, and thereafter to the Lease Payment Fund semiannually on or before each Lease Payment Date. Any recomputation of the Reserve Requirement shall be made by or on behalf of the District, and shall become effective upon the filing by the District with the Trustee of written notice thereof.

If on any Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the District by transferring the amount necessary for this purpose to the Lease Payment Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

If on any Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of principal, interest and prepayment premium, if any, represented by any Certificates theretofore having come due but not presented for payment) are sufficient to pay or prepay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any) represented thereby, the Trustee shall, upon the written request of the District, either (i) transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied for such purpose to the payment of the Lease Payments on behalf of the District, or (ii) transfer such amounts to the District for deposit into the Project Fund prior to the completion of the Project. Any amounts remaining in the Reserve Fund on the date of payment in full, or provision for such payment as provided in the Trust Agreement, of all obligations represented by the Outstanding Certificates and upon all fees and expenses then due and owing to the Trustee, shall be withdrawn by the Trustee and at the written request of the District applied towards such payment or paid to the District.

The Reserve Requirement will initially be satisfied by deposit in the Reserve Fund of the Reserve Policy delivered by the Certificate Insurer.

Insurance and Condemnation Fund. In the event the Leased Property experiences damage or destruction or eminent domain proceedings which result in the receipt of Net

Proceeds, the Trustee will establish, maintain and hold in trust a separate fund to be known as the "Insurance and Condemnation Fund." Amounts on deposit in the Insurance and Condemnation Fund will be applied by the Trustee and the District as described more fully above in this Official Statement.

### **Investment of Funds; Valuation of Investments**

Upon the written request of a District Representative filed with the Trustee from time to time, moneys held by the Trustee in any fund or account under the Trust Agreement shall be invested and reinvested by the Trustee in Permitted Investments which mature not later than the date such moneys are required or estimated by the District to be required to be expended under the Trust Agreement. In the absence of any written request of the District directing the investment of uninvested moneys held by the Trustee thereunder, the Trustee shall invest such moneys in Permitted Investments described in clause (f) of the definition thereof. Such investments, if registrable, shall be registered in the name of the Trustee, as trustee or in the name of its nominee, and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Whenever in the Trust Agreement any moneys are required to be transferred by the District to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. For purposes of acquiring any investments thereunder, the Trustee may commingle funds held by it thereunder.

### **Events of Default and Remedies of Certificate Owners**

Notice of Default; Remedies. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice, then the Trustee shall promptly give written notice thereof to the Owner of each Outstanding Certificate by first class mail, postage prepaid, unless such Event of Default shall have been cured before the giving of such notice; provided, however that unless such Event of Default consists of the failure by the District to make any Lease Payment when due, the Trustee may elect not to give such notice to the Certificate Owners if and so long as the Trustee in good faith determines that it is otherwise not in the best interests of the Certificate Owners to give such notice.

If an Event of Default happens, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding the Trustee shall, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; *provided, however*, that notwithstanding anything in the Trust Agreement or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

Application of Funds. All moneys received by the Trustee under any right given or action taken under the provisions of the Trust Agreement or the Lease Agreement shall be applied by the Trustee in the order following 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, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in taking any remedial action with respect thereto, including



reasonable compensation to its agents, attorneys and counsel, and including such other necessary costs relating to the administration of the foregoing and to events leading up thereto; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the highest rate of interest represented by any Outstanding Certificate (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

Third, to the payment of amounts due and owing to the Certificate Insurer in respect of the Certificate Insurance Policy or the Reserve Policy.

Institution of Legal Proceedings. If one or more Events of Default occur and are continuing, the Trustee in its discretion 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, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates 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 in aid of the execution of any power granted in the Trust Agreement, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Trust Agreement.

Non-waiver. Nothing in the Trust Agreement or in the Certificates, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease Agreement. 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 shall impair any such right or power or shall 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 Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Certificate Owners in the Trust Agreement is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement or thereafter existing, at law or in equity or by statute or otherwise.

### **Amendment of Trust Agreement**

The Trust Agreement may be amended by agreement among the parties thereto with the prior written consent of the Certificate Insurer but without the consent of the Owners of the Certificates, but only (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved to the Corporation or the District, (b) to cure, correct or supplement any ambiguous or defective provision contained in the Trust Agreement, (c) in regard to questions arising thereunder, as the parties to the Trust Agreement may deem necessary or desirable and which shall not, in the opinion of Bond Counsel, materially

adversely affect the interests of the Owners of the Certificates, (d) if and to the extent permitted in the opinion of Bond Counsel filed with the Trustee, the District and the Corporation, to delete or modify any of the provisions thereof relating to the exclusion from gross income of interest represented by the Certificates for federal income tax purposes, and (e) to conform to any amendments of the Lease Agreement which are permitted to be made under the Lease Agreement.

Any other amendment requires the approval of the Certificate Insurer and the Owners of a majority in aggregate principal amount of the Certificates then outstanding, provided that no such amendment shall (a) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal represented thereby or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or (b) 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, or (c) modify any of the rights or obligations of the Trustee without its written assent thereto.

### **Defeasance**

If and when the obligations represented by any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal, interest and prepayment premiums (if any) represented by such Certificates Outstanding, as and when the same become due and payable; or
- (b) by depositing with the Trustee or any other fiduciary, under an escrow deposit and trust agreement, cash and Defeasance Securities for the payment of Lease Payments relating to such Certificates as more particularly described in the Lease Agreement, said security to be held by the Trustee on behalf of the District to be applied by the Trustee or by such other fiduciary to pay or prepay such Lease Payments as the same become due, pursuant to the Lease Agreement.

then notwithstanding that such Certificates have not been surrendered for payment, all rights under the Trust Agreement of the Owners of such Certificates and all obligations of the Corporation, the Trustee and the District with respect to such Certificates shall cease and terminate, except only the obligations of the Corporation and the District under the Trust Agreement regarding indemnification of the Trustee and the obligations of the Trustee under the Trust Agreement, and 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 under paragraph (b) above, to the Owners of such Certificates not so surrendered and paid all sums represented thereby when due and in the event of deposits under paragraph (b), such Certificates shall continue to represent direct, undivided fractional interests of the Owners thereof in the Lease Payments.

Any funds held by the Trustee, at the time of discharge of the obligations represented by all Outstanding Certificates as a result of one of the events described in paragraphs (a) or (b) of above, which are not required for the payment to be made to Owners, shall, upon payment in full of all fees and expenses of the Trustee (including attorneys' fees) then due, be paid over to the District.

If the principal and interest represented by the Certificates are paid by the Certificate Insurer under the Certificate Insurance Policy or the Reserve Policy, all covenants, agreements and other obligations of the District under the Lease Agreement and the Trust Agreement will continue to exist and the Certificate Insurer will be subrogated to the rights of the Certificate Owners.

#### **Provisions Relating to Certificate Insurance Policy**

The Trust Agreement contains terms governing the Certificate Insurance Policy, including but not limited to provisions relating to notice required to be provided to the Certificate Insurer, requirements of the Certificate Insurer with respect to defeasance, and consent required in connection with proposed amendment and supplements. The Certificate Insurer is deemed to be the sole owner of the Certificates for all purposes under the Trust Agreement, including, without limitations, for purposes of exercising remedies and approving amendments, and the Certificate Insurer is recognized as and is deemed to be a third party beneficiary of the Trust Agreement and may enforce the provisions of the Trust Agreement as if it were a party thereto. Any exercise by the Certificate Insurer of its rights is merely an exercise of the Certificate Insurer's contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Certificates and such action does not evidence any position of the Certificate Insurer, affirmative or negative, as to whether the consent of the holders of the Certificates or any other person is required in addition to the consent of the Certificate Insurer.

#### **Provisions Relating to Reserve Policy**

The Trust Agreement contains terms governing the Reserve Policy, including but not limited to the District's obligation to repay any draws under the Reserve Policy,

### **ASSIGNMENT AGREEMENT**

The Corporation and the Trustee will enter into the Assignment Agreement under which the Corporation assigns and sets over to the Trustee, for the benefit of the Owners of the Certificates, all of the Corporation's rights under the Lease Agreement (subject to certain exceptions), including the right of the Corporation to receive and collect Lease Payments, its right to receive and collect proceeds of condemnation and insurance awards and the right to exercise rights and remedies of the Corporation in the Lease Agreement to enforce payments of amounts thereunder. The Trustee accepts such assignment for the purpose of securing such payments due to and rights of the Owners of the Certificates, subject to the provisions of the Trust Agreement. The Certificate Insurer is a third party beneficiary under the Assignment Agreement with all rights of a third party beneficiary.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

[THIS PAGE INTENTIONALLY LEFT BLANK]

# **GREENFIELD UNION SCHOOL DISTRICT**

**AUDIT REPORT  
JUNE 30, 2022**

**GREENFIELD UNION SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

---

**FINANCIAL SECTION**

Report on the Audit of the Financial Statements .....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities .....	12
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances .....	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	16
Proprietary Funds – Statement of Net Position .....	18
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position .....	19
Proprietary Funds – Statement of Cash Flows .....	20
Notes to Financial Statements.....	21

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund – Budgetary Comparison Schedule .....	53
Schedule of Changes in Total OPEB Liability and Related Ratios .....	54
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS .....	55
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS .....	56
Schedule of District Contributions - CalSTRS .....	57
Schedule of District Contributions - CalPERS .....	58
Notes to Required Supplementary Information .....	59

**SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal Awards.....	61
Schedule of Average Daily Attendance (ADA) .....	62
Schedule of Instructional Time .....	63
Schedule of Financial Trends and Analysis .....	64
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements .....	65
Schedule of Charter Schools .....	66
Combining Statements – Non-Major Governmental Funds	
Combining Balance Sheet .....	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	68
Local Education Agency Organization Structure .....	69
Notes to Supplementary Information .....	70

**OTHER INDEPENDENT AUDITORS' REPORTS**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	71
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	73
Report on State Compliance .....	76



**GREENFIELD UNION SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditors’ Results.....80

Financial Statement Findings .....81

Federal Award Findings and Questioned Costs .....82

State Award Findings and Questioned Costs .....83

Summary Schedule of Prior Audit Findings .....84

---

## **FINANCIAL SECTION**

---

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Independent Auditors' Report

Governing Board  
Greenfield Union School District  
Greenfield, California

**Report on the Audit of the Financial Statements*****Opinions***

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

In our opinion, the 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 Greenfield Union School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greenfield Union School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 Greenfield Union School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgement made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 Greenfield Union School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenfield Union School District's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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 Greenfield Union School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 supplementary information is 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 09, 2022 on our consideration of the Greenfield Union 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 Greenfield Union School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenfield Union School District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is fluid and cursive.

San Diego, California  
December 09, 2022

# GREENFIELD UNION SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

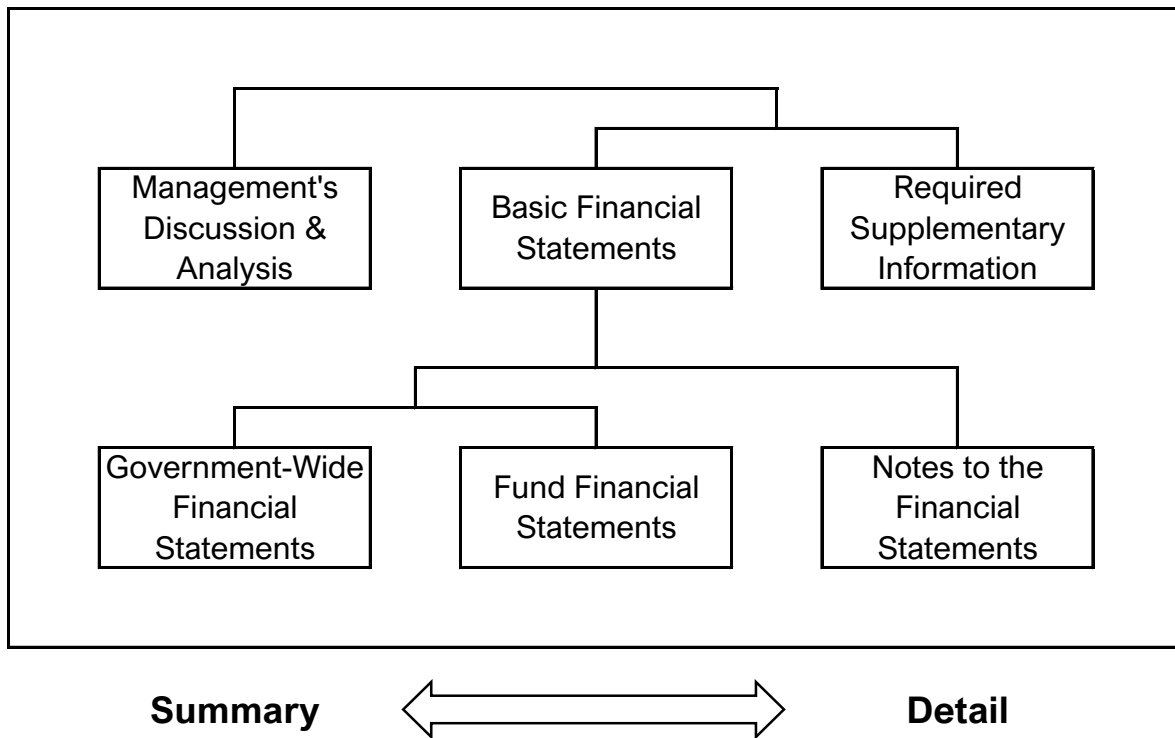
Our discussion and analysis of Greenfield Union School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District's net position was \$5,400,022 at June 30, 2022. This was an increase of \$20,138,864 from the prior year.
- Overall revenues were \$74,677,773 which exceeded expenses of \$54,538,909.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section



**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financial Section (continued)**

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
  - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$5,400,022 at June 30, 2022, as reflected in the table below. Of this amount, \$(31,305,062) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 34,548,233	\$ 26,440,819	\$ 8,107,414
Capital assets	58,134,267	54,230,798	3,903,469
<b>Total Assets</b>	<b>92,682,500</b>	<b>80,671,617</b>	<b>12,010,883</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>13,334,768</b>	<b>13,283,474</b>	<b>51,294</b>
<b>LIABILITIES</b>			
Current liabilities	13,967,365	11,242,030	2,725,335
Long-term liabilities	67,727,225	94,497,184	(26,769,959)
<b>Total Liabilities</b>	<b>81,694,590</b>	<b>105,739,214</b>	<b>(24,044,624)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>18,922,656</b>	<b>2,954,719</b>	<b>15,967,937</b>
<b>NET POSITION</b>			
Net investment in capital assets	25,580,467	12,904,271	12,676,196
Restricted	11,124,617	7,921,012	3,203,605
Unrestricted	(31,305,062)	(35,564,125)	4,259,063
<b>Total Net Position</b>	<b>\$ 5,400,022</b>	<b>\$ (14,738,842)</b>	<b>\$ 20,138,864</b>



**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 1,052,920	\$ 429,761	\$ 623,159
Operating grants and contributions	17,184,142	15,848,473	1,335,669
Capital grants and contributions	11,467,282	4,654,542	6,812,740
General revenues			
Property taxes	8,033,740	7,847,934	185,806
Unrestricted federal and state aid	36,855,141	33,717,014	3,138,127
Other	84,548	706,143	(621,595)
<b>Total Revenues</b>	<b>74,677,773</b>	<b>63,203,867</b>	<b>11,473,906</b>
<b>EXPENSES</b>			
Instruction	26,232,980	29,787,650	(3,554,670)
Instruction-related services	5,027,271	5,752,987	(725,716)
Pupil services	7,554,407	7,280,806	273,601
General administration	3,974,487	5,619,174	(1,644,687)
Plant services	5,893,243	6,627,298	(734,055)
Ancillary and community services	29,865	9,963	19,902
Debt service	1,668,915	1,663,223	5,692
Other outgo	4,157,741	3,163,842	993,899
<b>Total Expenses</b>	<b>54,538,909</b>	<b>59,904,943</b>	<b>(5,366,034)</b>
<b>Change in net position</b>	<b>20,138,864</b>	<b>3,298,924</b>	<b>16,839,940</b>
<b>Net Position - Beginning</b>	<b>(14,738,842)</b>	<b>(18,037,766)</b>	<b>3,298,924</b>
<b>Net Position - Ending</b>	<b>\$ 5,400,022</b>	<b>\$ (14,738,842)</b>	<b>\$ 20,138,864</b>

The cost of all our governmental activities this year was \$54,538,909 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$8,033,740 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

In the table below, we have presented the net cost of each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	<b>Net Cost of Services</b>	
	<b>2022</b>	<b>2021</b>
Instruction	\$ 5,859,803	\$ 18,596,229
Instruction-related services	4,457,695	5,104,892
Pupil services	2,936,678	2,958,879
General administration	3,112,534	3,523,844
Plant services	3,873,687	4,792,691
Ancillary and community services	14,499	9,963
Debt service	1,668,915	1,663,223
Transfers to other agencies	2,910,754	2,322,446
<b>Total</b>	<b>\$ 24,834,565</b>	<b>\$ 38,972,167</b>

**FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$20,512,507, which is more than last year's ending fund balance of \$14,948,455. The District's General Fund had \$6,272,184 more in operating revenues than expenditures for the year ended June 30, 2022. The District's County School Facilities Fund had \$974,664 less in operating revenues than expenditures for the year ended June 30, 2022.

**CURRENT YEAR BUDGET 2021-2022**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2021-2022 the District had invested \$58,134,267 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2022	2021	Net Change
<b>CAPITAL ASSETS</b>			
Land	\$ 4,060,938	\$ 4,060,938	\$ -
Construction in progress	5,355,517	1,318,851	4,036,666
Land improvements	10,759,313	10,518,449	240,864
Buildings & improvements	68,067,346	66,491,164	1,576,182
Furniture & equipment	3,461,067	2,850,344	610,723
Less: Accumulated depreciation	(33,569,914)	(31,008,948)	(2,560,966)
<b>Total Capital Assets</b>	<b>\$ 58,134,267</b>	<b>\$ 54,230,798</b>	<b>\$ 3,903,469</b>

**Long-Term Liabilities**

At year-end, the District had \$67,727,225 in long-term liabilities, a decrease of 28.33% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2022	2021	Net Change
<b>LONG-TERM LIABILITIES</b>			
Total general obligation bonds	\$ 33,485,916	\$ 34,113,098	\$ (627,182)
Total certificates of participation	2,086,728	10,317,932	(8,231,204)
Compensated absences	45,576	30,666	14,910
Total OPEB liability	8,338,389	4,601,771	3,736,618
Net pension liability	24,989,848	46,733,589	(21,743,741)
Less: current portion of long-term liabilities	(1,219,232)	(1,299,872)	80,640
<b>Total Long-term Liabilities</b>	<b>\$ 67,727,225</b>	<b>\$ 94,497,184</b>	<b>\$ (26,769,959)</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

In its September 2022 quarterly report, the UCLA Anderson Forecast stated the U.S. economy was likely to muddle along with below-trend growth and continued high inflation over the next twelve months. No recession is forecast at this time; however, the possibility still exists that persistent inflation and aggressive interest rate policy will lead to a hard landing of the economy, potentially triggering a recession. In California, defense spending and technology demands will likely keep the economy growing.

**GREENFIELD UNION SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2022 Budget Revision includes total funding of \$128.3 billion (\$78.4 billion General Fund and \$49.9 billion other funds) for all K-12 education programs, additionally, the revised spending plan further accelerates the implementation of the "California for All Kids" plan, which is a whole-child support framework designed to target inequities in educational outcomes among students from different demographic backgrounds and empower parents and families with more options and services. The Proposition 98 Guarantee continues to be in Test 1 for 2021-22 and 2022-23. To accommodate enrollment increases related to the expansion of transitional kindergarten, the Governor's Budget proposed re-benching the Test 1 percentage to increase the percentage of General Fund revenues due to the Guarantee, from 38.03 percent to approximately 38.4 percent. The May Revision updates the increased Test 1 percentage from approximately 38.4 percent to approximately 38.3 percent. At May Revision, the 2022-23 cost-of-living adjustment (COLA) is updated to 6.56 percent, the largest COLA in the history of LCFF.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2022. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2022-23 is 19.10 percent. The CalPERS projected employer contribution rate for 2022-23 is 25.37 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2022-23 fiscal year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Officer, Annette Mooneyham at Greenfield Union School District, Greenfield, California, 831-674-2840 or email at [amooneyham@greenfield.k12.ca.us](mailto:amooneyham@greenfield.k12.ca.us).

**GREENFIELD UNION SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

---

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 30,843,666
Accounts receivable	3,681,023
Inventory	23,544
Capital assets, not depreciated	9,416,455
Capital assets, net of accumulated depreciation	48,717,812
<b>Total Assets</b>	<u>92,682,500</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	9,604,216
Deferred outflows related to OPEB	3,730,552
<b>Total Deferred Outflows of Resources</b>	<u>13,334,768</u>
<b>LIABILITIES</b>	
Deficit cash	7,285
Accrued liabilities	11,446,447
Unearned revenue	1,294,401
Long-term liabilities, current portion	1,219,232
Long-term liabilities, non-current portion	67,727,225
<b>Total Liabilities</b>	<u>81,694,590</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	18,690,698
Deferred inflows related to OPEB	231,958
<b>Total Deferred Inflows of Resources</b>	<u>18,922,656</u>
<b>NET POSITION</b>	
Net investment in capital assets	25,580,467
Restricted:	
Capital projects	3,216,169
Debt service	1,315,031
Educational programs	6,215,615
Food service	343,703
Associated student body	34,099
Unrestricted	(31,305,062)
<b>Total Net Position</b>	<u>\$ 5,400,022</u>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					<b>Governmental Activities</b>
Instruction	\$ 26,232,980	\$ 88,562	\$ 8,817,333	\$ 11,467,282	\$ (5,859,803)
Instruction-related services					
Instructional supervision and administration	2,968,286	-	430,298	-	(2,537,988)
School site administration	2,058,985	-	139,278	-	(1,919,707)
Pupil services					
Home-to-school transportation	1,049,340	-	156,147	-	(893,193)
Food services	3,273,968	-	3,419,406	-	145,438
All other pupil services	3,231,099	-	1,042,176	-	(2,188,923)
General administration					
Centralized data processing	932,656	-	398,315	-	(534,341)
All other general administration	3,041,831	-	463,638	-	(2,578,193)
Plant services	5,893,243	949,206	1,070,350	-	(3,873,687)
Ancillary services	29,865	15,152	214	-	(14,499)
Interest on long-term debt	1,668,915	-	-	-	(1,668,915)
Other outgo	4,157,741	-	1,246,987	-	(2,910,754)
<b>Total Governmental Activities</b>	<b>\$ 54,538,909</b>	<b>\$ 1,052,920</b>	<b>\$ 17,184,142</b>	<b>\$ 11,467,282</b>	<b>(24,834,565)</b>
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					5,839,154
Property taxes, levied for debt service					1,892,905
Property taxes, levied for other specific purposes					301,681
Federal and state aid not restricted for specific purposes					36,855,141
Interest and investment earnings (losses)					(787,376)
Miscellaneous					871,924
<b>Subtotal, General Revenue</b>					<b>44,973,429</b>
<b>CHANGE IN NET POSITION</b>					<b>20,138,864</b>
<b>Net Position - Beginning</b>					<b>(14,738,842)</b>
<b>Net Position - Ending</b>					<b>\$ 5,400,022</b>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2022**

	<b>General Fund</b>	<b>County School Facilities Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 22,224,479	\$ 3,981,178	\$ 2,944,973	\$ 29,150,630
Accounts receivable	3,153,646	-	527,377	3,681,023
Due from other funds	92,504	-	47,790	140,294
Stores inventory	-	-	23,544	23,544
<b>Total Assets</b>	<b>\$ 25,470,629</b>	<b>\$ 3,981,178</b>	<b>\$ 3,543,684</b>	<b>\$ 32,995,491</b>
<b>LIABILITIES</b>				
Deficit cash	\$ -	\$ -	\$ 7,285	\$ 7,285
Accrued liabilities	9,096,557	1,839,429	105,018	11,041,004
Due to other funds	47,790	-	92,504	140,294
Unearned revenue	1,213,774	-	80,627	1,294,401
<b>Total Liabilities</b>	<b>10,358,121</b>	<b>1,839,429</b>	<b>285,434</b>	<b>12,482,984</b>
<b>FUND BALANCES</b>				
Nonspendable	5,000	-	23,544	28,544
Restricted	6,151,872	2,141,749	3,234,706	11,528,327
Assigned	6,015,014	-	-	6,015,014
Unassigned	2,940,622	-	-	2,940,622
<b>Total Fund Balances</b>	<b>15,112,508</b>	<b>2,141,749</b>	<b>3,258,250</b>	<b>20,512,507</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 25,470,629</b>	<b>\$ 3,981,178</b>	<b>\$ 3,543,684</b>	<b>\$ 32,995,491</b>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET**  
**POSITION**  
**JUNE 30, 2022**

---

**Total Fund Balance - Governmental Funds** \$ 20,512,507

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

**Capital assets:**

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 91,704,181	
Accumulated depreciation	(33,569,914)	58,134,267

**Unmatured interest on long-term debt:**

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(405,443)

**Long-term liabilities:**

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 33,485,916	
Total certificates of participation	2,086,728	
Compensated absences	45,576	
Total OPEB liability	8,338,389	
Net pension liability	24,989,848	(68,946,457)

**Deferred outflows and inflows of resources relating to pensions:**

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 9,604,216	
Deferred inflows of resources related to pensions	(18,690,698)	(9,086,482)

**Deferred outflows and inflows of resources relating to OPEB:**

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	\$ 3,730,552	
Deferred inflows of resources related to OPEB	(231,958)	3,498,594

**Internal service funds:**

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

1,693,036

<b>Total Net Position - Governmental Activities</b>	<b>\$ 5,400,022</b>
---	---------------------



**GREENFIELD UNION SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
LCFF sources	\$ 41,839,128	\$ -	\$ -	\$ 41,839,128
Federal sources	6,464,524	-	2,823,938	9,288,462
Other state sources	8,040,653	11,467,282	635,030	20,142,965
Other local sources	3,406,182	(83,438)	3,076,294	6,399,038
<b>Total Revenues</b>	<b>59,750,487</b>	<b>11,383,844</b>	<b>6,535,262</b>	<b>77,669,593</b>
<b>EXPENDITURES</b>				
Current				
Instruction	27,536,615	-	615,242	28,151,857
Instruction-related services				
Instructional supervision and administration	2,938,210	-	25,658	2,963,868
School site administration	2,154,456	-	100,753	2,255,209
Pupil services				
Home-to-school transportation	1,503,561	-	-	1,503,561
Food services	235,677	-	3,138,539	3,374,216
All other pupil services	3,463,427	-	75,391	3,538,818
General administration				
Centralized data processing	1,254,389	-	-	1,254,389
All other general administration	2,886,567	-	109,550	2,996,117
Plant services	6,241,599	-	150,951	6,392,550
Facilities acquisition and construction	1,067,511	3,927,075	52,411	5,046,997
Ancillary services	19,631	-	8,213	27,844
Transfers to other agencies	4,044,092	-	-	4,044,092
Debt service				
Principal	65,000	8,325,000	496,376	8,886,376
Interest and other	67,568	106,433	1,495,646	1,669,647
<b>Total Expenditures</b>	<b>53,478,303</b>	<b>12,358,508</b>	<b>6,268,730</b>	<b>72,105,541</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>6,272,184</b>	<b>(974,664)</b>	<b>266,532</b>	<b>5,564,052</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	359,079	359,079
Transfers out	(359,079)	-	-	(359,079)
<b>Net Financing Sources (Uses)</b>	<b>(359,079)</b>	<b>-</b>	<b>359,079</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>5,913,105</b>	<b>(974,664)</b>	<b>625,611</b>	<b>5,564,052</b>
<b>Fund Balance - Beginning</b>	<b>9,199,403</b>	<b>3,116,413</b>	<b>2,632,639</b>	<b>14,948,455</b>
<b>Fund Balance - Ending</b>	<b>\$ 15,112,508</b>	<b>\$ 2,141,749</b>	<b>\$ 3,258,250</b>	<b>\$ 20,512,507</b>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**Net Change in Fund Balances - Governmental Funds** **\$ 5,564,052**

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

**Capital outlay:**

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 6,464,435	
Depreciation expense:	<u>(2,560,966)</u>	3,903,469

**Debt service:**

In governmental funds, repayments of long-term debt are reported 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:

8,886,376

**Unmatured interest on long-term debt:**

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(84,927)

**Accreted interest on long-term debt:**

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

85,659

**Compensated absences:**

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(14,910)

**Postemployment benefits other than pensions (OPEB):**

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:

(356,756)

*(Continued on next page)*

**GREENFIELD UNION SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

---

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:

2,447,236

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

(113,649)

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

(177,686)

**Change in Net Position of Governmental Activities**

**\$ 20,138,864**

**GREENFIELD UNION SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

---

	<b>Governmental</b> <b>Activities</b> <b>Internal Service</b> <b>Fund</b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 1,693,036
<b>Total Assets</b>	<b>1,693,036</b>
<b>NET POSITION</b>	
Restricted	1,693,036
<b>Total Net Position</b>	<b>\$ 1,693,036</b>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

---

	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 140,580
<b>Total operating revenues</b>	<u>140,580</u>
<b>OPERATING EXPENSES</b>	
Professional services	<u>278,849</u>
<b>Total operating expenses</b>	<u>278,849</u>
<b>Operating income/(loss)</b>	<u>(138,269)</u>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>	
Interest income	<u>(39,417)</u>
<b>Total non-operating revenues/(expenses)</b>	<u>(39,417)</u>
<b>CHANGE IN NET POSITION</b>	(177,686)
<b>Net Position - Beginning</b>	<u>1,870,722</u>
<b>Net Position - Ending</b>	<u>\$ 1,693,036</u>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

---

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Cash flows from operating activities</b>	
Cash received from user charges	\$ 140,580
Cash payments for payroll, insurance, and operating costs	(278,849)
Net cash provided by (used for) operating activities	(138,269)
<b>Cash flows from investing activities</b>	
Interest received	(39,417)
Net cash provided by (used for) investing activities	(39,417)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(177,686)</b>
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	1,870,722
End of year	<b>\$ 1,693,036</b>

The accompanying notes are an integral part of these financial statements.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Greenfield Union School District (the “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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

**C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements 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 revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue 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. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

**Fund Financial Statements.** The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary – are presented. 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 non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Fund Financial Statements. (continued)**

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

**Major Governmental Funds**

**General Fund:** The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

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

**Non-Major Governmental Funds**

**Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

**Student Activity Fund:** This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

**Child Development Fund:** This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

**Cafeteria Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).



**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Non-Major Governmental Funds (continued)**

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

**Capital Facilities Fund:** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**Bond Interest and Redemption Fund:** This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

**Proprietary Funds**

**Internal Service Funds:** Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

**Self-Insurance Fund:** Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of the District. Separate funds may be established for each type of self-insurance activity (*Education Code Section 17566*).

**D. Basis of Accounting – Measurement Focus**

**Government-Wide and Proprietary Fund Financial Statements**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Government-Wide and Proprietary Fund Financial Statements (continued)**

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

**Governmental Funds**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**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.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

**Investments**

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

**Inventories**

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Life</u></b>
Buildings and Improvements	7-50 years
Furniture and Equipment	5-10 years
Vehicles	10 years

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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 because 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.

**Accrued Liabilities and Long-Term Obligations**

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

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

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Premiums and Discounts**

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**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 defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

*Restricted* - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Fund Balance (continued)**

*Assigned* - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

*Unassigned* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Interfund Activity**

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

**G. Estimates**

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

**H. Property Tax**

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

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Budgetary Data**

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

**J. New Accounting Pronouncements**

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

**GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 92** – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

**GASB Statement No. 96** – In May 2020, GASB issued 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 governments. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for periods beginning after June 15, 2022. The District has implemented this Statement as of June 30, 2022.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. New Accounting Pronouncements (continued)**

**GASB Statement No. 97** – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has implemented this Statement as of June 30, 2022.

**GASB Statement No. 99** – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

**GASB Statement No. 100** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.



**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

	<b>Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Governmental Activities</b>
Investment in county treasury*	\$ 29,964,098	\$ 1,741,033	\$ 31,705,131
Fair market value adjustment	(826,259)	(47,997)	(874,256)
Cash on hand and in banks	506	-	506
Cash in revolving fund	5,000	-	5,000
<b>Total</b>	<b>\$ 29,143,345</b>	<b>\$ 1,693,036</b>	<b>\$ 30,836,381</b>
*net of deficit cash			

**B. Policies and Practices**

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

**Investment in County Treasury** – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Monterey County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**C. General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of \$30,830,875. The average weighted maturity for this pool is 482 days.

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2022, the pooled investments in the County Treasury were not rated.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2022, the District's bank balance was not exposed to custodial credit risk.

**G. Fair Value**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Monterey County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2022 were as follows:

	<u><b>Uncategorized</b></u>
Investment in county treasury	<u>\$ 30,830,875</u>
<b>Total</b>	<u><b>\$ 30,830,875</b></u>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2022 consisted of the following:

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal Government			
Categorical aid	\$ 2,799,424	\$ 497,651	\$ 3,297,075
State Government			
Categorical aid	197,015	26,195	223,210
Lottery	86,442	-	86,442
Local Government			
Other local sources	70,765	3,531	74,296
<b>Total</b>	<b>\$ 3,153,646</b>	<b>\$ 527,377</b>	<b>\$ 3,681,023</b>

**NOTE 4 – CAPITAL ASSETS**

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

	<b>Balance July 01, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2022</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 4,060,938	\$ -	\$ -	\$ 4,060,938
Construction in progress	1,318,851	4,566,666	530,000	5,355,517
Total capital assets not being depreciated	5,379,789	4,566,666	530,000	9,416,455
Capital assets being depreciated				
Land improvements	10,518,449	240,864	-	10,759,313
Buildings & improvements	66,491,164	1,576,182	-	68,067,346
Furniture & equipment	2,850,344	610,723	-	3,461,067
Total capital assets being depreciated	79,859,957	2,427,769	-	82,287,726
Less accumulated depreciation				
Land improvements	5,588,342	297,559	-	5,885,901
Buildings & improvements	23,791,992	2,047,693	-	25,839,685
Furniture & equipment	1,628,614	215,714	-	1,844,328
Total accumulated depreciation	31,008,948	2,560,966	-	33,569,914
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 54,230,798</b>	<b>\$ 4,433,469</b>	<b>\$ 530,000</b>	<b>\$ 58,134,267</b>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 4 – CAPITAL ASSETS (continued)**

Depreciation expense has been allocated to governmental functions as follows:

Instruction	\$ 1,690,238
Instructional supervision and administration	332,925
All other pupil services	153,659
All other general administration	179,266
Plant services	202,316
Ancillary services	2,562
<b>Total</b>	<b>\$ 2,560,966</b>

**NOTE 5 – INTERFUND TRANSACTIONS**

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

Individual interfund receivable and payable balances at June 30, 2022 were as follows:

Due To Other Funds	Due From Other Funds		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 47,790	\$ 47,790
Non-Major Governmental Funds	92,504	-	92,504
<b>Total</b>	<b>\$ 92,504</b>	<b>\$ 47,790</b>	<b>\$ 140,294</b>

Due from the Cafeteria Fund to the General Fund for temporary cash transfer.	\$ 92,504
Due from the General Fund to the Cafeteria Fund for kinder snacks.	47,790
<b>Total</b>	<b>\$ 140,294</b>

**B. Operating Transfers**

Interfund transfers for the year ended June 30, 2022 consisted of a 359,079 transfer from the General Fund to the Child Development Fund for contributions.

**NOTE 6 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2022 consisted of the following:

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	\$ 2,991,283	\$ -	\$ 27,836	\$ -	\$ 3,019,119
Construction	-	1,839,429	54,365	-	1,893,794
Vendors payable	229,176	-	22,817	-	251,993
Unmatured interest	-	-	-	405,443	405,443
Due to grantor government	5,876,098	-	-	-	5,876,098
<b>Total</b>	<b>\$ 9,096,557</b>	<b>\$ 1,839,429</b>	<b>\$ 105,018</b>	<b>\$ 405,443</b>	<b>\$ 11,446,447</b>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 7 – UNEARNED REVENUE**

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

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal sources	\$ 948,590	\$ 80,627	\$ 1,029,217
State categorical sources	265,184	-	265,184
<b>Total</b>	<b>\$ 1,213,774</b>	<b>\$ 80,627</b>	<b>\$ 1,294,401</b>

**NOTE 8 – LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2022 consisted of the following:

	<b>Balance July 01, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2022</b>	<b>Balance Due In One Year</b>
<b>Governmental Activities</b>					
General obligation bonds	\$ 30,186,474	\$ -	\$ 496,376	\$ 29,690,098	\$ 609,731
Unamortized premium	827,483	-	45,532	781,951	45,532
Unamortized discount	(5,362)	-	(385)	(4,977)	(385)
Accreted interest	3,104,503	425,885	511,544	3,018,844	495,269
Total general obligation bonds	34,113,098	425,885	1,053,067	33,485,916	1,150,147
Certificates of participation	10,500,000	-	8,390,000	2,110,000	70,000
Unamortized premium	(182,068)	-	(158,796)	(23,272)	(915)
Total certificates of participation	10,317,932	-	8,231,204	2,086,728	69,085
Compensated absences	30,666	14,910	-	45,576	-
Total OPEB liability	4,601,771	3,736,618	-	8,338,389	-
Net pension liability	46,733,589	-	21,743,741	24,989,848	-
<b>Total</b>	<b>\$ 95,797,056</b>	<b>\$ 4,177,413</b>	<b>\$ 31,028,012</b>	<b>\$ 68,946,457</b>	<b>\$ 1,219,232</b>

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on certificates of participation are made in the General Fund and County School Facilities Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**A. Compensated Absences**

Total unpaid employee compensated absences as of June 30, 2022 amounted to \$45,576. This amount is included as part of long-term liabilities in the government-wide financial statements.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**B. Certificates of Participation**

	Issue Date	Maturity Date	Interest Rate	Original Issue	Outstanding July 01, 2021	Additions	Deductions	Outstanding June 30, 2022
2016 COP	11/1/2016	5/1/2040	2.00-3.50%	\$ 2,465,000	\$ 2,175,000	\$ -	\$ 65,000	\$ 2,110,000
2018 COP	4/11/2018	5/1/2043	1.96-3.61%	8,500,000	8,325,000	-	8,325,000	-
					<u>\$ 10,500,000</u>	<u>\$ -</u>	<u>\$ 8,390,000</u>	<u>\$ 2,110,000</u>

On November 1, 2016, the District issued Refunding Certificates of Participation amounting to \$2,465,000 payable in annual installments from May 1, 2017 through May 1, 2040. Interest rates range from 2.00 to 3.50 percent. The Certificates of Participation were issued to provide for the prepayment of outstanding 2011 certificates. The net proceeds received for the bonds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 2011 Certificates of Participation that were refunded. As a result, the refunded certificates are considered to be defeased, and the related liability has been removed from the District's financial statements. The refunding resulted in a net savings to the District of \$152,093 and present value of savings of \$156,114. As of June 30, 2018, all of the defeased debt has been redeemed.

Future payments on the certificates of participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 70,000	\$ 66,268	\$ 136,268
2024	70,000	64,868	134,868
2025	75,000	63,468	138,468
2026	80,000	61,968	141,968
2027	85,000	60,368	145,368
2028 - 2032	515,000	259,840	774,840
2033 - 2037	695,000	168,000	863,000
2038 - 2042	520,000	28,000	548,000
<b>Total</b>	<u>\$ 2,110,000</u>	<u>\$ 772,780</u>	<u>\$ 2,882,780</u>

**C. General Obligation Bonds**

General obligation bonds are approved by the voters of the District and used for construction of new facilities and major improvements to older facilities. The bonds are general obligations of the District and the county is obligated to annually levy ad valorem taxes for the payment of the interest and principal on the bonds.

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2021	Additions	Deductions	Bonds Outstanding June 30, 2022
1999 Election, Series A	6/16/1999	8/1/2024	3.50-8.00%	\$ 3,999,630	\$ 2,497,948	\$ 126,206	\$ 635,000	\$ 1,989,154
1999 Election, Series B	2/3/2005	8/1/2029	3.00-5.34%	3,298,636	860,780	46,164	-	906,944
2010 Election, Series 2010	10/5/2010	8/1/2035	4.00-5.00%	3,386,771	94,920	-	94,920	-
2010 Election Series, 2013 (BAB)	3/19/2013	8/1/2038	5.00%	1,090,000	1,090,000	-	-	1,090,000
2015 Refunding Bonds	4/24/2015	8/1/2026	2.10%	2,259,000	1,722,000	-	233,000	1,489,000
2014 Election, Series A	10/14/2015	8/1/2050	3.00-5.25%	5,000,000	4,760,000	-	-	4,760,000
2014 Election, Series A1	10/14/2015	8/1/2050	3.00-5.25%	5,000,000	4,760,000	-	-	4,760,000
2010 Election, Series 2016	11/11/2016	8/1/2044	2.22-4.26%	3,821,946	4,180,539	102,885	-	4,283,424
2016 Refunding Bonds	11/11/2016	8/1/2035	2.00-3.25%	3,370,000	3,275,000	-	45,000	3,230,000
2014 Election, Series B	9/20/2017	8/1/2048	2.00%	4,999,952	5,024,895	75,315	-	5,100,210
2014 Election, Series B1	9/20/2017	8/1/2048	2.00%	4,999,952	5,024,895	75,315	-	5,100,210
					<u>\$ 33,290,977</u>	<u>\$ 425,885</u>	<u>\$ 1,007,920</u>	<u>\$ 32,708,942</u>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. General Obligation Bonds (continued)**

On June 1, 1999, the District issued General Obligation Bonds, Series A, in the amount of \$3,999,630, to be used to enlarge, renovate, and modernize existing school facilities throughout the District. These serial bonds, with interest rates from 3.50% to 8.00%, mature in varying amounts through 2025. The bonds were issued as current interest bonds and capital appreciation bonds.

On February 3, 2005, the District issued General Obligation Bonds, Series B, in the amount of \$3,298,636, to provide funds to finance capital projects for the District. These serial bonds, with interest rates from 3.00% to 5.34%, mature in varying amounts through 2030. The bonds were issued as current interest bonds and capital appreciation bonds.

On October 5, 2010, the District issued General Obligation Bonds, Series 2010, in the amount of \$3,386,771, to be used to enlarge, renovate, and modernize existing school facilities throughout the District. The bonds were issued as current interest bonds and capital appreciation bonds.

On March 19, 2013, the District issued General Obligation Bonds, Series 2013, in the amount of \$1,090,000, to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and to pay the costs of issuing the bonds. These bonds, with an interest rate of 5.00%, mature in varying amounts through 2039. The bonds were issued as current interest bonds.

On April 24, 2015, the District issued General Obligation Refunding Bonds, in the amount of \$2,259,000, to be used to refund a portion of the outstanding 1999 General Obligation Bonds, Series 8. These bonds, with an interest rate of 2.10%, mature in varying amounts through 2027. The bonds were issued as current interest bonds.

On October 14, 2015, the District issued General Obligation Bonds, Series A and Series A1 in the amount of \$5 million each, to provide financing for school facilities projects at Mary Chapa Academy. These bonds, with interest rates from 3.00% to 5.25%, mature in varying amounts through 2051. The bonds were issued as current interest bonds.

On November 11, 2016, the District issued 2010 General Obligation Bonds, Series 2016 in the amount of \$3,821,949, to be used to enlarge, renovate, and modernize existing school facilities throughout the District. These serial bonds, with interest rates from 2.22% to 4.26%, mature in varying amounts through 2045. The bonds were issued as current interest bonds and capital appreciation bonds.

On November 11, 2016, the District issued General Obligation Refunding Bonds, in the amount of \$3,370,000, to be used to refund a portion of the outstanding 2010 General Obligation Bonds, Series 2010. These bonds, with an interest rate of 2.00% - 3.25%, mature in varying amounts through 2036. The refunding resulted in a net savings to the District of \$87,024 and present value of savings of \$87,024.

On September 20, 2017, the District issued General Obligation Bonds, Series B and Series B1 in the amount of \$4,999,952 million each, to provide financing for school facilities projects at Mary Chapa Academy to add new classrooms to reduce overcrowding; provide school science labs; provide updated computers and technology; add school restrooms; upgrade and expand wireless systems; demolish portions of existing facility; and improve safety and security by adding fencing, lighting and security systems. These bonds, with interest rates at 2.00%, mature in varying amounts through 2049. The bonds were issued as current interest bonds and capital appreciation bonds.



**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. General Obligation Bonds (continued)**

Future payments on the current interest general obligation bonds are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 609,731	\$ 2,075,489	\$ 2,685,220
2024	669,246	2,181,771	2,851,017
2025	742,958	2,300,103	3,043,061
2026	624,062	1,604,396	2,228,458
2027	685,854	1,677,810	2,363,664
2028 - 2032	2,933,904	8,882,567	11,816,471
2033 - 2037	3,890,731	9,202,341	13,093,072
2038 - 2042	4,579,044	11,198,764	15,777,808
2043 - 2047	8,334,568	12,016,283	20,350,851
2048 - 2052	6,620,000	5,860,725	12,480,725
Accretion	3,018,844	(3,018,844)	-
<b>Total</b>	<b>\$ 32,708,942</b>	<b>\$ 53,981,405</b>	<b>\$ 86,690,347</b>

**D. Net Pension Liability**

The District's beginning net pension liability was \$46,733,589 and decreased by \$21,743,741 during the year ended June 30, 2022. The ending net pension liability at June 30, 2022 was \$24,989,848. See Note 11 for additional information regarding the net pension liability.

**E. Other Postemployment Benefits**

The District's beginning total OPEB liability was \$4,601,771 and increased by \$3,736,618 during the year ended June 30, 2022. The ending total OPEB liability at June 30, 2022 was \$8,338,389. See Note 10 for additional information regarding the total OPEB liability.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 9 – FUND BALANCES**

Fund balances were composed of the following elements at June 30, 2022:

	<b>General Fund</b>	<b>County School Facilities Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
Non-spendable				
Revolving cash	\$ 5,000	\$ -	\$ -	\$ 5,000
Stores inventory	-	-	23,544	23,544
Total non-spendable	5,000	-	23,544	28,544
Restricted				
Educational programs	6,151,872	-	62,010	6,213,882
Food service	-	-	343,703	343,703
Associated student body	-	-	34,099	34,099
Capital projects	-	2,141,749	1,074,420	3,216,169
Debt service	-	-	1,720,474	1,720,474
Total restricted	6,151,872	2,141,749	3,234,706	11,528,327
Assigned				
Other assignments	6,015,014	-	-	6,015,014
Total assigned	6,015,014	-	-	6,015,014
Unassigned	2,940,622	-	-	2,940,622
<b>Total Fund Balance</b>	<b>\$ 15,112,508</b>	<b>\$ 2,141,749</b>	<b>\$ 3,258,250</b>	<b>\$ 20,512,507</b>

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Greenfield Union School District's defined benefit OPEB plan, Greenfield Union School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**B. Benefits Provided**

The eligibility requirements and benefits provided by the Plan are described below.

	<b><u>Certificated</u></b>	<b><u>Classified</u></b>
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	To age 65	To age 65
Required Service	15 years	15 years
Minimum Age	55	55 (50 if disabled)
Dependent Coverage	No	No
District Contribution %	100% to cap	100% to cap
District Cap	Active cap	Active cap

**C. Contributions**

For the measurement period, the District contributed \$264,712 to the Plan, all of which was used for current premiums.

**D. Plan Membership**

Membership of the Plan consisted of the following:

	<b><u>Number of participants</u></b>
Inactive employees receiving benefits	19
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	428
<b>Total number of participants**</b>	<b>447</b>

\*Information not provided

\*\*As of the June 30, 2022 valuation date

**E. Total OPEB Liability**

The Greenfield Union School District's total OPEB liability of \$8,338,389 was measured as of June 30, 2022 and was determined by an actuarial valuation as of the same date.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**F. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of the same date using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

**Economic assumptions:**

Inflation	2.50%
Salary increases	2.75%
Investment rate of return	3.54%
Healthcare cost trend rates	4.00%

**Non-economic assumptions:**

Mortality rates, for Certificated employees, were based on the 2020 CalSTRS Mortality table. Mortality rates, for non-Certificated employees, were based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table.

The actuarial assumptions used in the June 30, 2022 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2022.

The discount rate was based on the Bond Buyer 20 Bond Index.

**G. Changes in Total OPEB Liability**

	<u>June 30, 2022</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 287,291
Interest on total OPEB liability	99,642
Difference between expected and actual experience	911,739
Changes of assumptions	2,702,658
Benefits payments	<u>(264,712)</u>
Net change in total OPEB liability	3,736,618
Total OPEB liability - beginning	<u>4,601,771</u>
Total OPEB liability - ending	<u>\$ 8,338,389</u>
 Covered-employee payroll	 \$ 26,848,489
 District's total OPEB liability as a percentage of covered-employee payroll	  31.06%

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

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

The following presents the total OPEB liability of the Greenfield Union School 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:

	<b>1% Decrease</b>	<b>Valuation</b>	<b>1% Increase</b>
	<b>(2.54%)</b>	<b>Discount Rate</b>	<b>(4.54%)</b>
		<b>(3.54%)</b>	
Total OPEB liability	\$ 9,279,714	\$ 8,338,389	\$ 7,482,212

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

The following presents the total OPEB liability of the Greenfield Union School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Valuation Trend</b>	<b>1% Increase</b>
	<b>(3.00%)</b>	<b>Rate</b>	<b>(5.00%)</b>
		<b>(4.00%)</b>	
Total OPEB liability	\$ 7,037,108	\$ 8,338,389	\$ 9,957,699

**J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2022, the Greenfield Union School District recognized OPEB expense of \$621,468. At June 30, 2022, the Greenfield Union School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
	<b>of Resources</b>	<b>of Resources</b>
Differences between expected and actual experience	\$ 857,468	\$ 231,958
Changes in assumptions	2,873,084	-
<b>Total</b>	<b>\$ 3,730,552</b>	<b>\$ 231,958</b>

Amounts reported as deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
	<b>of Resources</b>	<b>of Resources</b>
2023	\$ 280,926	\$ 46,391
2024	280,926	46,391
2025	280,926	46,391
2026	280,926	46,391
2027	280,927	46,394
Thereafter	2,325,921	-
<b>Total</b>	<b>\$ 3,730,552</b>	<b>\$ 231,958</b>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement 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). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<b>Net pension liability</b>	<b>Deferred outflows related to pensions</b>	<b>Deferred inflows related to pensions</b>	<b>Pension expense</b>
STRS Pension	\$ 12,853,775	\$ 6,930,560	\$ 13,976,588	\$ 1,007,703
PERS Pension	12,136,073	2,673,656	4,714,110	1,456,687
<b>Total</b>	<b>\$ 24,989,848</b>	<b>\$ 9,604,216</b>	<b>\$ 18,690,698</b>	<b>\$ 2,464,390</b>

**A. California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2022, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2022 was 16.92% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$2,810,717 for the year ended June 30, 2022.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$1,816,517 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 12,853,775
State's proportionate share of the net pension liability associated with the District	6,467,656
<b>Total</b>	<b>\$ 19,321,431</b>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.028 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2020.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

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

For the year ended June 30, 2022, the District recognized pension expense of \$1,007,703. In addition, the District recognized pension expense and revenue of \$(1,127,306) for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual earnings on plan investments	\$ -	\$ 10,167,667
Differences between expected and actual experience	32,199	1,367,909
Changes in assumptions	1,821,243	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,266,401	2,441,012
District contributions subsequent to the measurement date	2,810,717	-
<b>Total</b>	<b>\$ 6,930,560</b>	<b>\$ 13,976,588</b>

The \$2,810,717 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2023	\$ 1,684,033	\$ 3,414,288
2024	1,478,361	3,145,394
2025	597,134	3,204,425
2026	318,795	3,398,991
2027	41,520	520,533
2028	-	292,957
<b>Total</b>	<b>\$ 4,119,843</b>	<b>\$ 13,976,588</b>

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

\* Net of investment expenses, but gross of administrative expenses.



**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions (continued)**

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015–June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021, are summarized in the following table:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	<u>100%</u>	

\*20-year geometric average

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers' Retirement System (CalSTRS) (continued)**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District's proportionate share of the net pension liability	\$ 26,165,686	\$ 12,853,775	\$ 1,805,144

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

**B. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2022 was 22.91% of annual payroll. Contributions to the plan from the District were \$2,100,909 for the year ended June 30, 2022.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

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

At June 30, 2022, the District reported a liability of \$12,136,073 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.060 percent, which did not change from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$1,456,687. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 4,657,464
Differences between expected and actual experience	362,293	28,610
Changes in proportion and differences between District contributions and proportionate share of contributions	210,454	28,036
District contributions subsequent to the measurement date	2,100,909	-
<b>Total</b>	<u>\$ 2,673,656</u>	<u>\$ 4,714,110</u>

The \$2,100,909 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 380,247	\$ 1,187,292
2024	185,914	1,093,365
2025	6,586	1,138,121
2026	-	1,295,332
<b>Total</b>	<u>\$ 572,747</u>	<u>\$ 4,714,110</u>

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 adjusted to account for assumed administrative expenses.

The table below reflects 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 geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10*</b>	<b>Real Return Years 11+**</b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	<u>100.0%</u>		

\*An expected inflation of 2.00% used for this period.

\*\*An expected inflation of 2.92% used for this period.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS) (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<b>1% Decrease (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>1% Increase (8.15%)</b>
District's proportionate share of the net pension liability	\$ 20,463,123	\$ 12,136,073	\$ 5,222,835

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

**B. Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2022.

**C. Construction Commitments**

As of June 30, 2022, the District had commitments with respect to unfinished capital projects of \$4,510,912.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2022**

---

**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The Greenfield Union School District participates in four public entity risk pools under joint powers agreements (JPAs); California's Valued Trust (C.V.T.), the Monterey Educational Risk Management Authority (M.E.R.M.A.), the Self-Insured Schools of California III (S.I.S.C. III) and the Monterey and San Benito Counties Liability and Property Self-Insurance Authority. The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

The JPAs were established as agencies under the provisions of California Government Code, Title I, Division 7, Chapter 5, Article 1, Section 6500, et. seq. The purpose of each JPA is to provide self-insurance programs as follows: C.V.T. provides the services necessary and appropriate for the establishment, operation and maintenance of a medical self-insurance fund that provides for the payment of medical, dental, vision and prescription claims of the member public educational agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations. The District utilizes this JPA for medical and prescription benefits.

**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2022, total deferred outflows related to pensions was \$9,604,216 and total deferred inflows related to pensions was \$18,690,698.

**B. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2022, total deferred outflows related to other postemployment benefits was \$3,730,552 and total deferred inflows related to other postemployment benefits was \$231,958.

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

**GREENFIELD UNION SCHOOL DISTRICT  
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 40,799,534	\$ 42,357,584	\$ 41,839,128	\$ (518,456)
Federal sources	5,722,550	10,318,432	6,667,013	(3,651,419)
Other state sources	4,846,884	5,899,428	8,040,653	2,141,225
Other local sources	2,679,580	3,920,675	3,833,557	(87,118)
Total Revenues	54,048,548	62,496,119	60,380,351	(2,115,768)
EXPENDITURES				
Certificated salaries	16,168,328	17,375,605	17,896,965	(521,360)
Classified salaries	8,076,172	8,430,898	8,430,315	583
Employee benefits	11,677,547	12,007,799	12,135,895	(128,096)
Books and supplies	6,475,781	7,667,754	3,927,979	3,739,775
Services and other operating expenditures	5,607,008	6,493,441	5,192,002	1,301,439
Capital outlay	2,372,501	2,411,754	1,827,995	583,759
Other outgo				
Excluding transfers of indirect costs	4,222,386	4,738,106	4,176,660	561,446
Transfers of indirect costs	(134,856)	(141,147)	(109,550)	(31,597)
Total Expenditures	54,464,867	58,984,210	53,478,261	5,505,949
Excess (Deficiency) of Revenues				
Over Expenditures	(416,319)	3,511,909	6,902,090	3,390,181
Other Financing Sources (Uses)				
Transfers out	(340,720)	(323,225)	(359,079)	(35,854)
Net Financing Sources (Uses)	(340,720)	(323,225)	(359,079)	(35,854)
NET CHANGE IN FUND BALANCE	(757,039)	3,188,684	6,543,011	3,354,327
Fund Balance - Beginning	14,485,006	9,196,805	9,196,805	-
Fund Balance - Ending	\$ 13,727,967	\$ 12,385,489	\$ 15,739,816	\$ 3,354,327

\* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- The amounts on that schedule include the financial activity of the Deferred Maintenance Fund and the Special Reserve Fund for Other than Capital Outlay in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Revenues for Medi-Cal Billing Option and Medi-Cal Administrative Activities are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- The cash in county treasury fair market value adjustment totaling \$629,918 is not included in this schedule.



**GREENFIELD UNION SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 287,291	\$ 278,923	\$ 260,245	\$ 493,336	\$ 480,132
Interest on total OPEB liability	99,642	101,279	152,075	130,731	123,001
Difference between expected and actual experience	911,739	-	(369,378)	-	-
Changes of assumptions	2,702,658	19,104	305,555	108,751	-
Benefits payments	<u>(264,712)</u>	<u>(244,366)</u>	<u>(152,833)</u>	<u>(120,326)</u>	<u>(115,698)</u>
Net change in total OPEB liability	3,736,618	154,940	195,664	612,492	487,435
Total OPEB liability - beginning	<u>4,601,771</u>	<u>4,446,831</u>	<u>4,161,172</u>	<u>3,548,680</u>	<u>3,061,245</u>
Total OPEB liability - ending	<u>\$ 8,338,389</u>	<u>\$ 4,601,771</u>	<u>\$ 4,356,836</u>	<u>\$ 4,161,172</u>	<u>\$ 3,548,680</u>
 Covered-employee payroll	 \$ 26,848,489	 \$ 25,248,002	 \$ 24,512,623	 \$ 21,789,080	 \$ 20,850,795
 District's total OPEB liability as a percentage of covered-employee payroll	 31.06%	 18.2%	 17.8%	 19.1%	 17.0%

See accompanying notes to required supplementary information.

**GREENFIELD UNION SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.028%	0.029%	0.031%	0.026%	0.028%	0.027%	0.026%	0.024%
District's proportionate share of the net pension liability	\$ 12,853,775	\$ 28,389,060	\$ 27,918,685	\$ 24,055,086	\$ 25,760,906	\$ 22,143,153	\$ 17,457,797	\$ 13,879,716
State's proportionate share of the net pension liability associated with the District	6,467,656	14,634,446	15,231,629	13,772,729	15,240,059	12,607,557	9,116,578	8,381,255
<b>Total</b>	<u>\$ 19,321,431</u>	<u>\$ 43,023,506</u>	<u>\$ 43,150,314</u>	<u>\$ 37,827,815</u>	<u>\$ 41,000,965</u>	<u>\$ 34,750,710</u>	<u>\$ 26,574,375</u>	<u>\$ 22,260,971</u>
District's covered payroll	\$ 15,587,201	\$ 16,803,155	\$ 16,677,503	\$ 14,282,765	\$ 15,018,673	\$ 13,866,331	\$ 11,963,773	\$ 10,525,552
District's proportionate share of the net pension liability as a percentage of its covered payroll	82.46%	168.95%	167.40%	168.42%	171.53%	159.69%	145.92%	131.87%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	71.80%	72.60%	71.00%	69.46%	70.04%	74.02%	76.52%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**GREENFIELD UNION SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.060%	0.060%	0.058%	0.055%	0.053%	0.050%	0.041%	0.350%
District's proportionate share of the net pension liability	\$ 12,136,073	\$ 18,344,529	\$ 16,941,087	\$ 14,651,049	\$ 12,715,399	\$ 9,779,604	\$ 6,087,661	\$ 4,019,695
District's covered payroll	\$ 8,533,283	\$ 8,860,229	\$ 8,115,000	\$ 7,224,183	\$ 6,815,232	\$ 5,509,699	\$ 4,215,453	\$ 3,723,003
District's proportionate share of the net pension liability as a percentage of its covered payroll	142.2%	207.04%	208.76%	202.81%	186.57%	177.50%	144.41%	107.97%
Plan fiduciary net position as a percentage of the total pension liability	70.00%	70.00%	70.00%	70.80%	71.87%	73.90%	79.43%	83.38%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,810,717	\$ 2,505,064	\$ 2,800,303	\$ 2,698,181	\$ 2,048,737	\$ 1,892,544	\$ 1,487,857	\$ 1,062,383
Contributions in relation to the contractually required contribution*	(2,810,717)	(2,505,064)	(2,800,303)	(2,698,181)	(2,048,737)	(1,892,544)	(1,487,857)	(1,062,383)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,381,989	\$ 15,587,201	\$ 16,803,155	\$ 16,677,503	\$ 14,282,765	\$ 15,018,673	\$ 13,866,331	\$ 11,963,773
Contributions as a percentage of covered payroll	17.16%	16.07%	16.67%	16.18%	14.34%	12.60%	10.73%	8.88%

\*Amounts do not include on-behalf contributions

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,100,909	\$ 1,764,502	\$ 1,700,595	\$ 1,489,053	\$ 1,148,384	\$ 1,209,797	\$ 652,734	\$ 496,201
Contributions in relation to the contractually required contribution*	(2,100,909)	(1,764,502)	(1,700,595)	(1,489,053)	(1,148,384)	(1,209,797)	(652,734)	(496,201)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 9,168,137	\$ 8,533,283	\$ 8,860,229	\$ 8,115,000	\$ 7,224,183	\$ 6,815,232	\$ 5,509,699	\$ 4,215,453
Contributions as a percentage of covered payroll	22.92%	20.68%	19.19%	18.35%	15.90%	17.75%	11.85%	11.77%

\*Amounts do not include on-behalf contributions

**GREENFIELD UNION SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in Total OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, and the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation for OPEB.

**Changes in Assumptions**

The discount rate changed from 2.16% to 3.54% from the previous OPEB measurement.

**Schedule of the District's Proportionate Share of the Net Pension Liability**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

**Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

**GREENFIELD UNION SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued**  
**FOR THE YEAR ENDED JUNE 30, 2022**

---

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2022, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 17,375,605	\$ 17,896,965	\$ 521,360
Employee benefits	\$ 12,007,799	\$ 12,135,895	\$ 128,096
Other outgo			
Transfers of indirect costs	\$ (141,147)	\$ (109,550)	\$ 31,597

---

## **SUPPLEMENTARY INFORMATION**

---



**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster</b>	<b>AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U. S. DEPARTMENT OF EDUCATION:</b>			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 973,517
Comprehensive Support and Improvement for LEAs	84.010	15438	198,365
Subtotal Title I, Part A			<u>1,171,882</u>
Title I, Migrant Education	84.011	14326	244,693
Title I, Migrant Ed Summer Program	84.011	10005	120,410
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	108,395
Title III, English Learner Student Program	84.365	14346	218,471
Title VI, Part B, Rural & Low Income School Program	84.358	14356	135,472
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	624,555
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	29,264
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	394
Subtotal Special Education Cluster			<u>654,213</u>
<b>COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants: [2]</b>			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	93,063
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	255,052
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	2,021,034
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	420,976
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	313,001
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	246,889
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	47,790
Subtotal Education Stabilization Fund Discretionary Grants			<u>3,397,805</u>
<b>Total U. S. Department of Education</b>			<u><u>6,051,341</u></u>
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>			
<i>Passed through California Department of Education:</i>			
<b>COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:</b>			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	2,357,234
USDA Commodities [2]	10.555	*	162,460
Subtotal Child Nutrition Cluster			<u>2,519,694</u>
Pandemic EBT Local Administrative Grant	10.649	15644	3,063
Forest Reserve Funds	10.665	10044	908
<i>Passed through California Department of Social Services</i>			
CACFP Claims - Centers and Family Day Care	10.558	13393	304,244
<b>Total U. S. Department of Agriculture</b>			<u><u>2,827,909</u></u>
<b>U. S. DEPARTMENT OF THE TREASURY:</b>			
<i>Passed through California Department of Education:</i>			
<b>COVID-19 Emergency Acts Funding:</b>			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation [1]	21.019	25516	409,212
<b>Total U. S. Department of the Treasury</b>			<u>409,212</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 9,288,462</u></u>

[1] - Major Program

[2] - In-Kind Contribution

\* - Pass-Through Entity Identifying Number not available or not applicable

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
FOR THE YEAR ENDED JUNE 30, 2022**

---

	<b>Second Period Report</b>	<b>Annual Report</b>
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	1,459.72	1,465.28
Total TK/K through Third	1,459.72	1,465.28
Fourth through Sixth		
Regular ADA	1,069.63	1,071.34
Total Fourth through Sixth	1,069.63	1,071.34
Seventh through Eighth		
Regular ADA	680.11	677.64
Total Seventh through Eighth	680.11	677.64
TOTAL SCHOOL DISTRICT	3,209.46	3,214.26

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2022**

---

<b>Grade Level</b>	<b>Minutes Requirement</b>	<b>2021-22 Actual Minutes</b>	<b>Number of Days</b>	<b>Status</b>
Kindergarten	36,000	59,235	180	Complied
Grade 1	50,400	59,235	180	Complied
Grade 2	50,400	59,235	180	Complied
Grade 3	50,400	59,235	180	Complied
Grade 4	54,000	59,235	180	Complied
Grade 5	54,000	59,235	180	Complied
Grade 6	54,000	59,235	180	Complied
Grade 7	54,000	65,385	180	Complied
Grade 8	54,000	65,385	180	Complied

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

	2023 (Budget)	2022	2021	2020
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 59,431,908	\$ 60,380,351	\$ 53,003,297	\$ 49,394,740
Expenditures And Other Financing Uses	58,741,474	53,837,340	49,874,537	48,973,429
Net change in Fund Balance	\$ 690,434	\$ 6,543,011	\$ 3,128,760	\$ 421,311
Ending Fund Balance	\$ 16,430,250	\$ 15,739,816	\$ 9,196,805	\$ 6,068,045
Available Reserves*	\$ 4,337,431	\$ 2,940,622	\$ 6,179,671	\$ 4,662,344
Available Reserves As A Percentage Of Outgo	7.38%	5.46%	12.39%	9.52%
Long-term Liabilities	\$ 67,727,225	\$ 68,946,457	\$ 95,797,056	\$ 94,441,051
Average Daily Attendance At P-2***	3,244	3,209	3,416	3,416

The General Fund ending fund balance has increased by \$9,671,771 over the past two years. The fiscal year 2022-23 budget projects a further increase of \$690,434. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating surplus during the 2022-23 fiscal year. Total long-term obligations have decreased by \$25,494,594 over the past two years.

Average daily attendance has decreased by 207 ADA over the past two years. However, an increase of 34 ADA is anticipated during the 2022-23 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund.

\*\*The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund and the Special Reserve Fund for Other Than Capital Outlay, in accordance with the fund type definitions promulgated by GASB Statement No. 54. Additionally, the cash in county treasury fair market value adjustment totaling \$629,918 is not included in this schedule.

\*\*\*Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

**GREENFIELD UNION SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

	General Fund	Student Activity Fund	Child Development Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund
June 30, 2022, annual financial and budget report fund balance	\$ 15,739,816	\$ 35,066	\$ 63,742	\$ 2,610	\$ 1,106,421	\$ 2,254,615	\$ 1,769,249
Adjustments and reclassifications:							
Increase (decrease) in total fund balances:							
Fair market value adjustment - cash in county treasury	(629,918)	(967)	(1,732)	-	(32,001)	(112,866)	(48,775)
Fund balance transfer (GASB 54)	2,610	-	-	(2,610)	-	-	-
Net adjustments and reclassifications	(627,308)	(967)	(1,732)	(2,610)	(32,001)	(112,866)	(48,775)
June 30, 2022, audited financial statement fund balance	\$ 15,112,508	\$ 34,099	\$ 62,010	\$ -	\$ 1,074,420	\$ 2,141,749	\$ 1,720,474

**GREENFIELD UNION SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

*The District did not sponsor any charter schools during the year ended June 30, 2022.*

**GREENFIELD UNION SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2022**

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 34,099	\$ 61,109	\$ 506	\$ 1,128,785	\$ 1,720,474	\$ 2,944,973
Accounts receivable	-	5,406	521,971	-	-	527,377
Due from other funds	-	-	47,790	-	-	47,790
Stores inventory	-	-	23,544	-	-	23,544
<b>Total Assets</b>	<b>\$ 34,099</b>	<b>\$ 66,515</b>	<b>\$ 593,811</b>	<b>\$ 1,128,785</b>	<b>\$ 1,720,474</b>	<b>\$ 3,543,684</b>
<b>LIABILITIES</b>						
Deficit cash	\$ -	\$ -	\$ 7,285	\$ -	\$ -	\$ 7,285
Accrued liabilities	-	4,505	46,148	54,365	-	105,018
Due to other funds	-	-	92,504	-	-	92,504
Unearned revenue	-	-	80,627	-	-	80,627
<b>Total Liabilities</b>	<b>-</b>	<b>4,505</b>	<b>226,564</b>	<b>54,365</b>	<b>-</b>	<b>285,434</b>
<b>FUND BALANCES</b>						
Non-spendable	-	-	23,544	-	-	23,544
Restricted	34,099	62,010	343,703	1,074,420	1,720,474	3,234,706
<b>Total Fund Balances</b>	<b>34,099</b>	<b>62,010</b>	<b>367,247</b>	<b>1,074,420</b>	<b>1,720,474</b>	<b>3,258,250</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,099</b>	<b>\$ 66,515</b>	<b>\$ 593,811</b>	<b>\$ 1,128,785</b>	<b>\$ 1,720,474</b>	<b>\$ 3,543,684</b>

See accompanying notes to supplementary information.

**GREENFIELD UNION SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
<b>REVENUES</b>						
Federal sources	\$ -	\$ -	\$ 2,823,938	\$ -	\$ -	\$ 2,823,938
Other state sources	-	454,386	170,405	-	10,239	635,030
Other local sources	24,518	21,905	184,047	1,007,301	1,838,523	3,076,294
<b>Total Revenues</b>	24,518	476,291	3,178,390	1,007,301	1,848,762	6,535,262
<b>EXPENDITURES</b>						
Current						
Instruction	-	615,242	-	-	-	615,242
Instruction-related services						
Instructional supervision and administration	-	25,658	-	-	-	25,658
School site administration	-	100,753	-	-	-	100,753
Pupil services						
Food services	-	-	3,138,539	-	-	3,138,539
All other pupil services	-	75,391	-	-	-	75,391
General administration						
All other general administration	-	184	109,366	-	-	109,550
Plant services	-	-	150,951	-	-	150,951
Facilities acquisition and construction	-	-	-	52,411	-	52,411
Ancillary services	8,213	-	-	-	-	8,213
Debt service						
Principal	-	-	-	-	496,376	496,376
Interest and other	-	-	-	-	1,495,646	1,495,646
<b>Total Expenditures</b>	8,213	817,228	3,398,856	52,411	1,992,022	6,268,730
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	16,305	(340,937)	(220,466)	954,890	(143,260)	266,532
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	359,079	-	-	-	359,079
<b>Net Financing Sources (Uses)</b>	-	359,079	-	-	-	359,079
<b>NET CHANGE IN FUND BALANCE</b>	16,305	18,142	(220,466)	954,890	(143,260)	625,611
<b>Fund Balance - Beginning</b>	17,794	43,868	587,713	119,530	1,863,734	2,632,639
<b>Fund Balance - Ending</b>	\$ 34,099	\$ 62,010	\$ 367,247	\$ 1,074,420	\$ 1,720,474	\$ 3,258,250

See accompanying notes to supplementary information.



**GREENFIELD UNION SCHOOL DISTRICT  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2022**

---

The Greenfield Union School District was established in 1904 and consists of an area comprising approximately 267 square miles. The District operates four elementary schools and one middle school, providing instruction from kindergarten through grade eight, preschool and community education programs. There were no boundary changes during the year.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Denise Jaime	President	2022
Dee Heckman	Vice President	2022
Jose Madrid	Clerk	2024
Sonia Heredia	Trustee	2024
David Kong	Trustee	2022

**DISTRICT ADMINISTRATORS**

Zandra Jo Galvan  
*Superintendent*

Laura Cortez  
*Assistant Superintendent*

Annette Mooneyham  
*Chief Business Officer*

**GREENFIELD UNION SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the 10 percent de minimis indirect cost rate.

**Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

**Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

**Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

---

## **OTHER INDEPENDENT AUDITORS' REPORTS**

---

**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***

Independent Auditors' Report

Governing Board  
Greenfield Union School District  
Greenfield, California

We have audited, in accordance with the 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 Greenfield Union School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Greenfield Union School District's basic financial statements, and have issued our report thereon dated December 09, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Greenfield Union 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 Greenfield Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Greenfield Union School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Greenfield Union 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.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is cursive and fluid.

San Diego, California  
December 09, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Greenfield Union School District  
Greenfield, California

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited Greenfield Union 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 Greenfield Union School District's major federal programs for the year ended June 30, 2022. Greenfield Union 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, Greenfield Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). 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 Greenfield Union 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 audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Greenfield Union 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Greenfield Union School District's federal programs.

## ***Auditor's Responsibilities for the Audit for 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 Greenfield Union 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Greenfield Union School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 Greenfield Union School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greenfield Union 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 Greenfield Union 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 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.

**Report on Internal Control Over Compliance (continued)**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc." The signature is written in a cursive, flowing style.

San Diego, California  
December 09, 2022



**REPORT ON STATE COMPLIANCE**Independent Auditors' Report

Governing Board  
Greenfield Union School District  
Greenfield, California

**Report on State Compliance*****Opinion on State Compliance***

We have audited Greenfield Union School District's compliance with the types of compliance requirements described in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Greenfield Union School District's state programs for the fiscal year ended June 30, 2022, as identified below.

In our opinion, Greenfield Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the applicable state programs for the year ended June 30, 2022.

***Basis for Opinion on State Compliance***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Greenfield Union 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 audit opinion on state compliance. Our audit does not provide a legal determination of Greenfield Union 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 the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Greenfield Union School District's state programs.

### ***Auditor's Responsibilities for the Audit of State Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greenfield Union 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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the report on compliance about Greenfield Union School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgement 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 Greenfield Union School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greenfield Union 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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Greenfield Union School District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine Greenfield Union School District's compliance with the state laws and regulations related to the following items:

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Not Applicable
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

***Auditor's Responsibilities for the Audit of State Compliance (continued)***

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>School Districts, County Offices of Education, and Charter Schools</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In-Person Instruction Grant	Yes
<b>Charter Schools</b>	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	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 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 or 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 state 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 state 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 State Compliance section 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. 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.

***Report on Internal Control Over Compliance (continued)***

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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Christy White, Inc*

San Diego, California  
December 09, 2022

---

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**GREENFIELD UNION SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425, 84.425C, 84.425U</u>	<u>Education Stabilization Fund Discretionary Grants</u>
<u>21.019</u>	<u>Coronavirus Relief Fund (CRF): Learning Loss Mitigation</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2021-22 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**GREENFIELD UNION SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

*There were no financial statement findings for the year ended June 30, 2022.*

**GREENFIELD UNION SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FIVE DIGIT CODE**

50000

**AB 3627 FINDING TYPE**

Federal Compliance

*There were no federal award findings or questioned costs for the year ended June 30, 2022.*



**GREENFIELD UNION SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

*There were no state award findings or questioned costs for the year ended June 30, 2022.*

**GREENFIELD UNION SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

*There were no findings or questioned costs for the year ended June 30, 2021.*

## APPENDIX C

### GENERAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF GREENFIELD AND MONTEREY COUNTY

*The following information about the City of Greenfield, (the “City”) and Monterey County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Certificates are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions (other than the District), and none of the City, the County, the State or any of its political subdivisions (other than the District) is liable therefor.*

**The City.** The City of Greenfield is located in the County in the heart of the Salinas Valley, formed by the Gabilan Mountains range to the east and the Santa Lucia Mountains range to the west. The City is governed by a City Manager form of government and has a five-member City Council. Its location in the central Salinas Valley is one of the most productive agricultural areas in the world (80% of the lettuce harvested in the United States is grown in the Salinas Valley), and agriculture is the dominant force in the City’s economy with over \$2 billion of fruits and vegetables produced and shipped annually throughout the United States and abroad. The area is also considered a premier wine grape growing region, with over 20 vineyards and wineries located within a 30-mile radius of Greenfield, and has experienced an expansion of wineries and wine tasting rooms that has increased local tourism.

**The County.** The County borders the Pacific Ocean almost at the midpoint of the California coastline, approximately 130 miles south of San Francisco and 240 miles north of Los Angeles and was incorporated in 1850 as one of the State’s original 27 counties. The County covers an area of approximately 3,300 square miles, with a population in excess of 430,000. Agriculture, tourism and government are major contributors to the County’s economy. The Salinas Valley, located in the eastern portion of the County, is a rich agricultural center and one of the nation’s major vegetable-producing areas. The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel are other attractions that draw tourists to the Monterey Peninsula.

## Population

The following table lists population estimates for the City and the County for the last five calendar years, as of January 1.

**COUNTY OF MONTEREY**  
**Population Estimates**  
**Calendar Years 2019 through 2023 as of January 1**

	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>
Carmel-By-The-Sea	4,051	4,040	3,107	3,048	3,033
Del Rey Oaks	1,686	1,677	1,564	1,545	1,540
Gonzales	8,574	8,528	8,491	8,351	8,300
<b>Greenfield</b>	<b>18,119</b>	<b>18,333</b>	<b>18,746</b>	<b>19,693</b>	<b>19,917</b>
King City	14,544	14,838	13,454	13,323	13,817
Marina	22,704	22,372	21,306	21,527	22,068
Monterey	28,099	28,304	28,307	28,079	26,845
Pacific Grove	15,635	15,571	14,928	14,765	14,741
Salinas	160,522	160,387	161,380	159,745	159,475
Sand City	372	373	379	373	376
Seaside	33,074	33,608	31,117	32,115	29,790
Soledad	25,819	25,399	26,564	26,566	26,230
Balance Of County	107,000	106,963	106,054	104,834	104,236
<b>County Total</b>	<b>440,199</b>	<b>440,393</b>	<b>435,397</b>	<b>433,964</b>	<b>430,368</b>

*Source: State Department of Finance estimates (as of January 1).*

## Employment and Industry

The District is included in the Salinas Metropolitan Statistical Area. The unemployment rate in the County was 4.8% in October 2023, up from a revised 4.4% in September 2023, and above the year-ago estimate of 4.2%. This compares with an unadjusted unemployment rate of 4.8% for California and 3.6% for the nation during the same period.

The table below list employment by industry group for the County for the years 2018 to 2022.

### SALINAS METROPOLITAN STATISTICAL AREA (MONTEREY COUNTY) Annual Average Labor Force Employment by Industry Group (March 2022 Benchmark)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Civilian Labor Force <sup>(1)</sup>	221,900	221,600	214,600	212,200	220,500
Employment	207,700	207,600	190,700	194,700	207,400
Unemployment	14,200	14,000	23,900	17,600	13,100
Unemployment Rate	6.4%	6.3%	11.1%	8.3%	5.9%
<u>Wage and Salary Employment:</u> <sup>(2)</sup>					
Agriculture	55,000	54,800	53,800	54,800	60,900
Mining, Logging, and Construction	6,700	6,800	6,500	6,700	7,200
Manufacturing	5,200	5,200	4,600	4,900	5,100
Wholesale Trade	5,900	5,800	5,400	5,300	5,500
Retail Trade	16,800	16,800	15,500	16,000	16,200
Trans., Warehousing, Utilities	4,000	4,100	3,800	3,600	3,700
Information	1,000	1,000	800	800	900
Financial Activities	4,500	4,400	4,100	4,200	4,300
Professional and Business Services	14,000	14,700	14,400	15,400	15,500
Educational and Health Services	19,900	20,400	19,800	20,200	21,000
Leisure and Hospitality	25,300	26,100	18,800	20,500	24,300
Other Services	5,100	5,100	4,500	4,900	5,400
Federal Government	5,100	5,200	5,600	5,500	5,300
State Government	5,700	5,700	5,500	5,300	5,300
Local Government	23,800	23,900	22,700	22,800	23,900
Total All Industries <sup>(3)</sup>	197,900	199,800	185,500	190,800	204,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) May not add due to rounding.

Source: State of California Employment Development Department.

## Largest Employers

The following table lists the largest employers within the County as of December 2023, shown in alphabetical order without regard to the number of employees.

### MONTEREY COUNTY Major Employers (Listed Alphabetically) As of December 2023

Employer Name	Location	Industry
Al Pak Labor	Soledad	Labor Contractors
Azcona Harvesting	Greenfield	Harvesting-Contract
Bud of California	Soledad	Fruits & Vegetables-Growers & Shippers
County-Monterey Behavioral	King City	Health Services
Filipino American Cmnty Club	Marina	Church Organizations
Fort Hunter Liggett Military	Jolon	Military Bases
Growers Co	Salinas	Fruits & Vegetables & Produce-Retail
Hilltown Packing Co Inc	Salinas	Harvesting-Contract
Mann Packing Co Inc	Salinas	Fruits & Vegetables-Growers & Shippers
Mee Memorial Healthcare System	King City	Hospitals
Middlebury Institute-Intl Stds	Monterey	Schools-Universities & Colleges Academic
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey Bay Aquarium Rstrnt	Monterey	Zoos
Monterey County Public Works	Salinas	Government Offices-County
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Mushrooms	Royal Oaks	Mushrooms
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Natividad Medical Ctr	Salinas	Hospitals
Pebble Beach Co	Pebble Beach	Hotels & Motels
Pebble Beach Resorts	Pebble Beach	Resorts
Premium Packing Inc	Salinas	Labor Contractors
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Salinas Valley Meml Healthcare	Salinas	Health Care Management
US Defense Dept	Seaside	Government Offices-Federal

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2024 1st Edition.

## Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the median household effective buying income for the City, the County, the State and the United States for the period 2020 through 2024.

**CITY OF GREENFIELD, COUNTY OF MONTEREY, THE STATE OF CALIFORNIA  
AND THE UNITED STATES  
Median Household Effective Buying Income  
As of January 1, 2020 through 2024**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
City of Greenfield	\$52,701	\$53,418	\$63,195	\$63,508	\$68,265
County of Monterey	65,078	65,426	74,498	74,033	78,152
California	65,870	67,956	77,058	77,175	80,973
United States	55,303	56,790	64,448	65,326	67,876

*Source: Claritas, LLC.*

*[Remainder of page intentionally left blank.]*

## Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during the first two quarters of calendar year 2023 in the City were reported to be \$69,381,750, a 6.50% decrease over the total taxable sales of \$74,205,603 reported during the first two quarters of calendar year 2022.

**CITY OF GREENFIELD**  
**Taxable Transactions**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	126	\$69,380	189	\$99,854
2019	136	72,483	208	105,014
2020	146	83,101	223	112,094
2021	141	99,951	209	134,214
2022	149	117,498	242	152,810

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first two quarters of calendar year 2023 in the County were reported to be \$4,328,598,997, a 3.70% decrease over the total taxable sales of \$4,494,922,204 reported during the first two quarters of calendar year 2022.

**MONTEREY COUNTY**  
**Taxable Transactions**  
**Number of Permits and Valuation of Taxable Transactions**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	7,666	\$5,112,856	12,490	\$7,339,237
2019	7,725	5,128,263	12,816	7,418,249
2020	8,078	4,923,657	13,505	6,953,873
2021	7,363	5,930,462	12,425	8,439,415
2022	7,455	6,338,594	12,783	9,278,188

Source: State Department of Tax and Fee Administration.



## Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2018 through 2022.

### CITY OF GREENFIELD Total Building Permit Valuations (Valuations in Thousands)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$913.3	\$72.8	\$6,316.7	\$11,227.8	\$10,680.9
New Multi-family	0.0	0.0	1,948.7	628.6	3,462.3
Res. Alterations/Additions	<u>4,030.5</u>	<u>483.1</u>	<u>223.0</u>	<u>661.4</u>	<u>981.2</u>
Total Residential	4,943.8	555.9	8,488.4	12,517.8	15,124.4
New Commercial	27,123.9	5,156.3	650.0	0.0	8,829.0
New Industrial	0.0	2,000.0	0.0	0.0	0.0
New Other	786.1	332.0	145.7	1,433.6	148.3
Com. Alterations/Additions	<u>484.0</u>	<u>1,225.1</u>	<u>79.0</u>	<u>322.6</u>	<u>1,077.0</u>
Total Nonresidential	28,394.0	8,713.4	874.7	1,756.2	10,054.3
New Dwelling Units					
Single Family	4	1	30	56	48
Multiple Family	<u>0</u>	<u>0</u>	<u>15</u>	<u>5</u>	<u>32</u>
TOTAL	4	1	45	61	80

Source: Construction Industry Research Board, Building Permit Summary.

### MONTEREY COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2018	2019	2020	2021	2022
<u>Permit Valuation</u>					
New Single-family	\$199,194.7	\$142,474.1	\$113,829.5	\$128,255.6	\$163,317.1
New Multi-family	51,460.6	23,670.0	29,377.6	33,842.7	43,596.7
Res. Alterations/Additions	<u>88,972.6</u>	<u>65,196.1</u>	<u>41,230.8</u>	<u>80,409.8</u>	<u>86,736.9</u>
Total Residential	339,627.9	231,340.1	184,437.9	242,508.1	293,650.7
New Commercial	52,935.5	54,317.0	76,418.1	47,919.8	47,875.1
New Industrial	4,774.8	2,007.1	5,586.0	0.0	0.0
New Other	19,555.8	8,987.4	4,291.4	18,391.7	46,545.2
Com. Alterations/Additions	<u>71,837.1</u>	<u>130,399.8</u>	<u>57,362.8</u>	<u>92,918.1</u>	<u>95,664.8</u>
Total Nonresidential	149,103.2	195,711.3	143,658.3	159,229.6	190,085.1
New Dwelling Units					
Single Family	611	574	361	473	629
Multiple Family	<u>212</u>	<u>116</u>	<u>199</u>	<u>277</u>	<u>272</u>
TOTAL	823	690	560	750	901

Source: Construction Industry Research Board, Building Permit Summary.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX D**  
**FORM OF LEGAL OPINION**

*[Letterhead of Jones Hall, A Professional Law Corporation]*

February 27, 2024

Board of Education  
Greenfield Union School District  
493 El Camino Road  
Greenfield, California 93927

**OPINION:** \$11,445,000 2024 Certificates of Participation Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the Greenfield Union School District, California as the Rental for Certain Property Under a Lease Agreement with the Local Facilities Finance Corporation

Members of the Board of Education:

We have acted as special counsel in connection with the delivery by the Greenfield Union School District (the "District") of a Lease Agreement dated as of February 1, 2024 (the "Lease Agreement"), between the Local Facilities Finance Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") as lessor and the District as lessee. Under a Trust Agreement dated as of February 1, 2024 (the "Trust Agreement"), among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), the Trustee has executed and delivered 2024 Certificates of Participation in the aggregate principal amount of \$11,445,000 (the "Certificates") evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the District under the Lease Agreement (the "Lease Payments"), which have been assigned by the Corporation to the Trustee under an Assignment Agreement dated as of February 1, 2024 (the "Assignment Agreement") between the Corporation and the Trustee.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Lease Agreement and the Trust Agreement, and in certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is a school district duly organized and validly existing under the Constitution and laws of the State of California with the full power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement and the Trust Agreement have been duly approved by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

3. The Certificates have been validly executed and delivered by the Trustee under the Trust Agreement and, by virtue of the assignment made under the Assignment Agreement, the owners of the Certificates are entitled to the benefits of the Lease Agreement.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. It should be noted, however, that said interest may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest with respect to obligations such as the Certificates. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of delivery of the Lease Agreement.

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Lease Agreement or the Certificates.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement and the Trust Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

*Jones Hall,*  
A Professional Law Corporation

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

**\$11,445,000**

#### **2024 CERTIFICATES OF PARTICIPATION**

Evidencing the Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the  
**GREENFIELD UNION SCHOOL DISTRICT**  
to Local Facilities Finance Corporation

#### **CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is dated the date set forth below, and is executed and delivered by the Greenfield Union School District (the “**District**”) in connection with the execution and delivery of the above-captioned captioned certificates of participation (the “**Certificates**”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of February 1, 2024 (the “**Trust Agreement**”), among the District, the Local Facilities Finance Corporation and U.S. Bank Trust Company, National Association as trustee for the Certificates (the “**Trustee**”).

The District hereby covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth above and in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms have the following meanings:

“*Annual Report*” means any Annual Report provided by the District under and as described in Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently ending June 30<sup>th</sup>), or March 31.

“*Dissemination Agent*” means Isom Advisors, a Division of Urban Futures, Inc., any third-party dissemination appointed by the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Certificates.

*“Participating Underwriter”* means D.A. Davidson & Co., the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

*“Rule”* means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

*“Trustee”* means U.S. Bank Trust Company, National Association, or any successor thereto.

### **Section 3. Provision of Annual Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing by March 31, 2024 with the report for the 2022-23 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the Trustee and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided under this Disclosure Certificate, and stating the date it was provided.

**Section 4. Content of Annual Reports.** The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed on or before the Annual Report Date, the following information shall be included in the Annual Report:

- (i) the most recently adopted budget, or interim report showing budgeted figures, which is available at the time of filing the Annual Report;
- (ii) average daily attendance in the District on an aggregate basis for the most recently completed fiscal year;
- (iii) pension plan contributions for the most recently completed fiscal year;
- (iv) a summary of the outstanding principal amounts of short-term borrowings, lease obligations and other long-term borrowings of the District for the most recently completed fiscal year;
- (v) assessed valuation of taxable properties in the District for the most recently completed fiscal year;
- (vi) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year;
- (vii) property tax collection delinquencies for the District for the most recently completed fiscal year or if not available at the time of the filing of the Annual Report for the prior fiscal year, if such data is available from the County, and
- (viii) such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

## **Section 5. Reporting of Significant Events.**

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Certificate calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional Trustee or the change of name of a Trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner



not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, the notice of Listed Event described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Indenture.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a certificate call), (a)(10), (a)(13), (a)(14) , and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Lease Payments relating to the Certificates. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

**Section 6. Identifying Information for Filings with the MSRB.** All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

**Section 7. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 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 8. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Trustee.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized Special Counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

**Section 10. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or 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.

**Section 12. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and 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.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

**Section 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: February 27, 2024

**GREENFIELD UNION SCHOOL DISTRICT**

By: \_\_\_\_\_  
Name:  
Title:

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, interest and other payments on the Certificates to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Certificates and other related transactions between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 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 Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company ("DTC") will act as securities depository for the securities (in this Appendix, 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 maturity of each series of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of 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 Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. 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 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.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Certificates, such as prepayments, 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 the notices be provided directly to them.

6. Prepayment notices will be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

7. Neither DTC nor Cede & Co. (nor such 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 District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Prepayment proceeds, distributions, and interest payments 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 District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]



**APPENDIX G**

**COUNTY OF MONTEREY INVESTMENT POLICY  
AND INVESTMENT REPORT**

[THIS PAGE INTENTIONALLY LEFT BLANK]



# **COUNTY OF MONTEREY TREASURER'S INVESTMENT POLICY**

**FISCAL YEAR 2023-2024**

APPROVED BY THE BOARD OF SUPERVISORS JULY 25, 2023

COUNTY OF MONTEREY INVESTMENT POLICY  
TABLE OF CONTENTS  
2023-2024

1.0	Policy.....	1
2.0	Scope.....	1
3.0	Prudence.....	1
4.0	Objectives.....	2
5.0	Socially Responsible Investment Consideration.....	2
6.0	Delegation of Authority .....	2
7.0	Conflict of Interest.....	3
8.0	Authorized Dealers and Institutions.....	3
9.0	Authorized and Suitable Investments .....	4
10.0	Safekeeping and Custody .....	5
11.0	Investments Outside Treasury Pool.....	5
12.0	Criteria for Withdrawal of Funds from the Treasury Investment Pool .....	5
13.0	Maximum Maturities.....	6
14.0	Audits.....	6
15.0	Performance Standards .....	6
16.0	Investment Policy Review and Approval.....	7
17.0	Reporting .....	7
18.0	Allocation of Investment Costs.....	7
19.0	Disaster Recovery.....	7
	APPENDIX A .....	8

# **INVESTMENT POLICY**

## **Treasurer-Tax Collector County of Monterey**

### **1.0 Policy**

It is the policy of the Treasurer-Tax Collector of the County of Monterey (“Treasurer”) to invest public funds in a manner which provides for the safety of the funds on deposit, the cash flow demands or liquidity needs of the Treasury Pool participants, and the highest possible yield after first considering the first two objectives of safety and liquidity. In addition, it is the Treasurer’s Policy to invest all funds in strict conformance with all state statutes governing the investment of public monies.

### **2.0 Scope**

This Investment Policy applies to all financial assets in the Treasury Pool. The Policy does not apply to bond proceeds, which are governed by their respective bond documents. These funds are accounted for in the Comprehensive Annual Financial Reports of the County and each of the Treasury Pool's participating agencies.

#### **2.1 Participating Agencies**

Participants in the Treasurer's Investment Pool shall be limited to the County of Monterey, school districts within Monterey County and those special districts, which, by statute, maintain depository authority with the Treasurer.

#### **2.2 Outside Agency Participation**

It is the Treasurer's policy to prohibit any voluntary agency participation in the Treasury Pool.

### **3.0 Prudence**

The Treasurer is a trustee and therefore a fiduciary subject to the prudent investor standard<sup>1</sup>. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the Treasurer shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors. Within the limitations of this section and considering individual investments as part of an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

Nothing in this Policy is intended to grant investment authority to any person or governing body except as provided in Sections 53601 and 53607 of the California Government Code.

---

<sup>1</sup> California Government Code §53600.3

#### **4.0 Objectives**

The primary objectives, in priority order, of the County of Monterey's investment activities shall be:

##### **4.1 Safety of Principal**

Investments of the County shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses do not exceed the income generated from the remainder of the portfolio.

##### **4.2 Liquidity**

The investment portfolio shall remain sufficiently liquid to enable all depositors to meet all expenditure requirements that might be reasonably anticipated. A minimum of 30% of the invested assets, including cash held in commercial bank accounts, shall be kept in assets having a maturity of one (1) year or less. In the event that unforeseen cash-flow fluctuations temporarily cause the ratio of liquid assets to decline below 30% of the portfolio balance, no new investments with maturities beyond one year will be made until the minimum percentage is restored. (Custom portfolios are not required to maintain a 30% liquidity rate)

##### **4.3 Return on Investment**

The County's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 Socially Responsible Investment Consideration**

In addition to and subordinate to the objectives set forth in Section 4.0 herein, the Treasurer will be mindful of environmental, social and governance (ESG) principles including, but not limited to, environmental sustainability, social and economic justice, and good corporate governance.

#### **6.0 Delegation of Authority**

Subject to amended delegation by the Board of Supervisors pursuant to Government Code Section 53607, the Treasurer is authorized to manage the County of Monterey investment program. The Treasurer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to safekeeping, master repurchase agreements, funds transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions, including a third-party Investment Advisor, if so engaged. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### **7.0 Conflict of Interest**

Pursuant to Article 2 (commencing with Section 87200) of Chapter 7 of Title 9 of the

Government Code and the regulations of the Fair Political Practices Commission enacted pursuant thereto, the Treasurer shall disclose investments, interests in real properties, and any income received during the period since the previous statement was filed. Such disclosure shall be in writing and shall be filed with the officer designated by law within the time periods specified by law.

#### **7.1 Limits on Honoraria, Gifts and Gratuities**

The Treasurer and all designated departmental staff shall be governed by the provisions of the State Political Reform Act and the Treasurer's Conflict of Interest Code, which provide annual limits on the acceptance of monetary or in-kind gifts from any individual, broker, dealer, or firm doing business or seeking to do business with the Treasurer. Those individuals shall be required to file an annual statement of economic interest.

### **8.0 Authorized Dealers and Institutions**

The Treasurer will maintain a list of broker/dealers and institutions authorized to provide investment services. Repurchase agreements and reverse repurchase agreements shall only be made with primary dealers designated by the Federal Reserve Bank of New York. The Treasurer may impose additional qualifications of brokers and their firms in order to ensure professionalism and suitability. At a minimum, all broker/dealers and/or financial institutions authorized to provide investment services to Monterey County shall meet the following criteria:

- a. Commercial banks and savings institutions must be authorized as insured with the FDIC, SIPC, or NCUA (credit unions), as applicable.
- b. Must hold an active corporate registered status with the Secretary of State (California), or an out-of-state counterpart agency.
- c. Commercial banks and savings institutions used for deposits, must be a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company, in this state.
- d. Must be an active member of the Financial Industry Regulatory Authority (FINRA). Both the firm and any individuals serving the County must be registered to do business in California.

If a third-party Investment Advisor is authorized to conduct investment transactions on the County's behalf, the Investment Advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The Investment Advisor's approved list must be made available to the County upon request.

#### **8.1 Limitations on Political Contributions**

Pursuant to Government Code Section 27133 (c), the Treasurer shall not select for business any broker, brokerage, dealer, or securities firm that has made a political contribution within the last four years in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the County Treasurer, any member of the County of Monterey Board of Supervisors, or any candidate for those offices.

## **9.0 Authorized and Suitable Investments.**

The authorized investments of the Treasurer are governed by Section 53601 and 53635 of the Government Code of the State of California, and within the limits of any other Government Code Statute that permits public agency investment in various securities or participation in investment trading techniques or strategies. The Treasurer seeks to restrict investments authorized by Code, as defined in Appendix A. Investments excluded from Appendix A are not permitted. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters shall take precedence. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

Rating requirements and percentage limitations, where indicated, apply at the time of purchase.

### **9.1 Limitations**

The Treasurer shall not invest in any security, which, by its structure, term or other characteristics, has the possibility of returning a zero or negative yield or could be subject to a loss of principal at the time such security has attained its maturity date. Investments shall not be made in inverse floaters, range notes, and mortgage-derived interest-only strips.

Notwithstanding the prohibition in the above paragraph, the Treasurer may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The County may hold these instruments until their maturity dates. This section shall remain in effect only until January 1, 2026, and as of that date is repealed. (Note: this section was added to California Government Code Section 53601.6 from the passage of Senate Bill 998, effective January 1, 2021, in response to the latest round of near-zero interest rates in the U.S. It would provide the County with an alternative should interest rates go negative in the U.S. like they have been in parts of Europe for some time.)

### **9.2 Reverse Repurchase Agreements**

Any reverse repurchase agreement shall have a maximum maturity of 92 days, and the proceeds shall not be invested beyond the expiration of the reverse repurchase agreement. The maximum amount of Reverse Repurchase Agreements shall be limited to 20% of the portfolio's book value on the date of the transaction.

### **9.3 Maximum Credit Exposure**

The Treasurer shall limit the investments in any single issuer, regardless of the combination of asset class, to no more than 5% of the portfolio's book value on the date of the transaction, unless otherwise noted in Appendix A. Obligations of the U.S. Treasury, federal agencies, supranational, and pooled investments such as LAIF, CAMP, CalTrust, and money market funds are exempted from this restriction.

### **9.4 Credit Downgrade**

In the event a security held by the County is downgraded below the minimum ratings required by the Policy, the security will be reviewed. The course of action will be



determined on a case-by-case basis, considering such factors as the reason for the ratings change, remaining maturity, prognosis for recovery or further ratings changes, and the market price of the security.

#### **10.0 Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery-versus-payment basis. Securities shall be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts and tri-party master repurchase agreements.

#### **11.0 Investments Outside Treasury Pool**

The Treasurer will accept funds for investment outside of the core pooled portfolio (custom invested funds) from depository agencies who also deposit their operating fund in the core portfolio under the following criteria:

- a. All such investments are subject to prior approval by the Treasurer.
- b. The funds represent proceeds of bonds, other forms of indebtedness, or special purpose funds not required for normal operating expenses, and
- c. The funds represent new or additional assets of the agency that were not previously invested in the County of Monterey Investment Pool, or under other conditions approved by the Treasurer, and
- d. The funds may be transferred to the core portfolio upon mutual agreement between the depository agency and the Treasurer. Any such transfer will reflect the market value of any securities sold prior to their maturity, where the underlying funds cannot be transferred back to a custom investment outside the core portfolio unless approved by the Treasurer, and
- e. Funds may be transferred to the Treasurer's operating (checking) account for further disbursement provided the funds originate from: maturing securities; overnight funds; sold securities subject to subsection 10 (c.) above, and associated earned income on those funds, and
- f. Within 7 business days prior to the maturity of any security the depository agency shall inform the Treasurer of the desired disposition of such maturing assets to include, rollover to a new asset, transfer to the core portfolio, or transfer to the Treasurer's operating account subject to the conditions in 10 (a.) through (g.) inclusive, and
- g. Any earned income on "custom invested funds" will be segregated from the core portfolio and deposited to an overnight fund designated specifically for such income. Any liquidation or transfer of the underlying asset will invoke a corresponding transfer of the associated earned income.

#### **12.0 Criteria for Withdrawal of Funds from the Treasury Investment Pool Section 27133 (h) and Section 27136 - Government Code**

An agency with funds on deposit in the County Treasury where such funds may statutorily be invested outside of the County Treasury may apply for a withdrawal of those funds. Pursuant to Government Code Sections 27133 (h) and 27136, the County Treasurer shall

evaluate each proposal for withdrawal of funds. The Treasurer's evaluation shall assess the effect of a proposed withdrawal on the stability and predictability of the investments in the County Treasury Pool. In addition and prior to any withdrawal, the Treasurer shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the Treasury Pool.

All applications for withdrawal must be submitted by a Resolution of the depository agency at least 30 days in advance of the anticipated date of withdrawal. Resolutions for withdrawal shall include:

- a. A statement of the purpose for withdrawal.
- b. The date(s) and amount(s) of funds to be withdrawn.
- c. A certification that funds withdrawn from the county pool shall be managed by the applicant agency and that withdrawn funds shall not be returned for future investment by the County Treasurer for a term of one year, and
- d. An acknowledgement that the value of any funds withdrawn from the County Treasury shall reflect their most recent quarterly asset valuation as reported by the Treasurer.

The Treasurer shall provide an applicant agency a written response within 15 days from receipt of the application. The Treasurer's determination shall be final.

### **13.0 Maximum Maturities**

Any non-marketable investments, such as time deposits, should not exceed a two-year maturity. In addition, no specific investment shall have a term remaining to maturity in excess of five years, unless the Board of Supervisors has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity.

#### **13.1 Weighted Average Maturity**

The weighted average maturity of the pool portfolio (exclusive of custom investments) shall not exceed two years.

Other special purpose investments where the maturity term is not integral to short term cash flow needs may have a weighted average maturity of greater than two years.

### **14.0 Audits**

The County of Monterey investment portfolio shall be subject to a process of independent review by the Auditor-Controller's internal auditor. The County's external auditors shall review the investment portfolio in connection with the annual county audit and requirements of the Governmental Accounting Standards Board (GASB).

### **15.0 Performance Standards**

The investment portfolio will be designed to obtain a market average rate of return during

budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs. The County may establish a market-based performance benchmark for comparison.

## **16.0 Investment Policy Review and Approval**

The Treasurer shall submit the Investment Policy to the Board of Supervisors for review and approval at least annually.

### **16.1 Legislative Changes**

Any State of California legislative action that further restricts allowable maturities, investment types, minimum credit requirements, or percentage allocations will be incorporated immediately into the Investment Policy.

## **17.0 Reporting**

Pursuant to Government Code Section 53646 (b) the Treasurer may provide quarterly investment reports to the Board of Supervisors and all pool participants. The report shall include a listing of all securities held in the portfolio. Such listing shall include investment description, maturity date, par, amortized book value, market values and their source, and a risk measurement standard such as duration, along with certifications concerning the portfolio's compliance with the Policy and the portfolio's available liquidity to meet expenditure requirements for the next six months. The quarterly report shall be submitted to the Board of Supervisors within 45 days of the quarter end being reported.

## **18.0 Allocation of Investment Costs**

The costs of investing, banking, and cash management as budgeted annually and applied quarterly shall be assessed to depositing agencies at the time of quarterly interest apportionment by the County Auditor-Controller, and in accordance with Government Code statutes. Depositing agencies will receive net revenue after pro rata application of costs that correspond to a basis point reduction to earned interest rates.

When actual annual costs of investing are determined, any differences from budgeted amounts shall be included in an adjusting interest allocation by the Auditor-Controller.

## **19.0 Disaster Recovery**

The Treasurer shall maintain a disaster recovery plan and shall include contact information for key personnel as well as active bankers, broker/dealers, and the County's investment advisor.

**APPENDIX A**  
**Authorized Investments County General Pool**

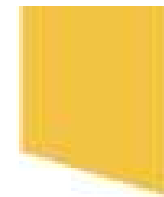
<b>Instrument</b>	<b>Maximum Maturity per code</b>	<b>Max %/ Dollar Limit</b>	<b>Government Code Sections</b>
Collateralized bank deposits	5 years	N/A	53630 et seq and 53601(n)
California State Treasurer's Local Agency Investment Fund (LAIF)	N/A	Amount permitted by LAIF per account or as approved by the State Treasurer for bond/note proceeds (Currently \$75,000,000)	16429.1
California Asset Management Program (CAMP)	N/A	20%	53601(p)
CalTrust	N/A	20%	53601(p)
Bonds, including revenue bonds, issued by the County, its Agencies, or authorities	5 years	10% limit issuer	53601(a)
U.S. Treasury notes, bonds, bills, or certificates of indebtedness bearing a full faith and credit pledge	5 years	N/A	53601(b)
Registered warrants, notes, and bonds, including revenue bonds, of the State of California and all other 49 states <sup>(1)</sup>	5 years	10% limit issuer	53601(c) and 53601(d)
Bonds, notes, warrants, and other evidences of indebtedness issued by any local agency within California, including revenue bonds <sup>(1)</sup>	5 years	10% limit issuer	53601(e)
Obligations of federal agencies and United States government-sponsored enterprises	5 years	N/A	53601(f)
Bankers acceptances <sup>(2)</sup>	180 days	40%	53601(g)
Prime commercial paper of domestic issuers with assets in excess of \$500 million <sup>(2)</sup>	270 days	40%	53601(h) and 53635(a)(1),(2)
Negotiable certificates of deposit issued by domestic banks, associations, and state- chartered branches of foreign banks <sup>(1)</sup>	5 years	30%	53601(i)
Reverse repurchase agreements	92 days matched maturities	20%	53601(j)
Repurchase agreements	1 year	20%	53601(j)
Medium term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States <sup>(3)</sup>	5 years	30%	53601(k)
Money market mutual funds	N/A	20% Total all funds 10% any one fund	53601(l)
Mortgage-based and asset-backed securities <sup>(4)</sup>	5 years	20%	53601(o)
U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, and eligible for purchase and sale within the U.S. <sup>(4)</sup>	5 years	30%	53601(q)
Overall portfolio weighted average maturity	2 years	-----	-----

(1) which are rated in a long-term rating category of "A" or in a short-term rating category of "A-1" or its equivalent, or better at time of purchase by a minimum of one nationally recognized statistical rating organization (NRSRO)

(2) which are rated in a rating category of "A-1" or its equivalent, or better by a minimum of one NRSRO at time of purchase

(3) which are rated in a rating category of "A" or its equivalent, or better by a minimum of one NRSRO at the time of purchase

(4) which are rated in a rating category of "AA" or its equivalent, or better by a minimum of one NRSRO at time of purchase

A large 3D geometric graphic on the left side of the page, consisting of a dark blue triangular prism with a light blue rectangular prism attached to its side.

# County of Monterey

## Investment Portfolio Compliance Report

December 31, 2023

[pfmam.com](http://pfmam.com)

*PFM Asset Management LLC*

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

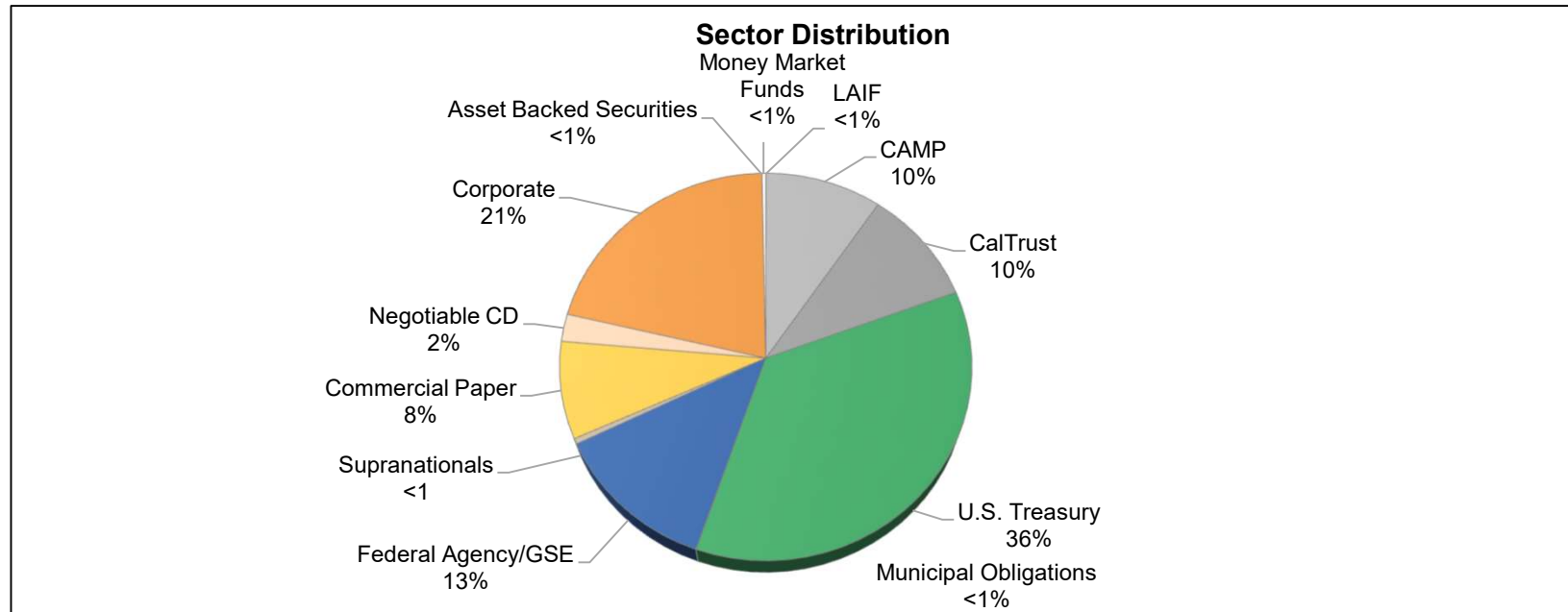
For Institutional Investor or Investment Professional Use  
Only - This material is not for inspection by, distribution to,  
or quotation to the general public

Sector	Sector Limitation	Maximum Per Issuer	Maximum Maturity	Minimum Credit Requirements
LAIF	\$75 million	\$75 million	N/A	None
CAMP	20%	20%	N/A	None
CalTrust	20%	20%	N/A	None
Monterey County Bonds	100%	10%	5 years	None
U.S. Treasury	100%	100%	5 years	None
Municipal Obligations	100%	10%	5 years	A by NRSRO
Federal Agency/GSE	100%	100%	5 years	None
Supranationals	30%	30%	5 years	AA by NRSRO
Bankers' Acceptance	40%	5%	180 days	A-1/P-1 by NRSRO
Commercial Paper	40%	5%	270 days	A-1/P-1 by NRSRO
Negotiable CD	30%	5%	5 years	A or A-1 by NRSRO
Reverse Repo/Securities Lending	20%	N/A	92 days	None
Repurchase Agreements	20%	N/A	1 year	None
Corporate	30%	5%	5 years	A by NRSRO
Asset Backed Securities	20%	5%	5 years	AA by NRSRO
Money Market Funds	20%	10%	N/A	AAA by 2 NRSRO/Advisor Req.
Collateralized Deposits/Inv. Contracts	100%	100%	5 years	Insured/Collateralized

## Monterey County: Sector Allocations

December 31, 2023

Sector	Market Value	Sector Limit	Current Allocation
LAIF	\$996,930	\$75 million	<0.1%
CAMP	\$306,300,000	20%	9.5%
CalTrust	\$314,802,647	20%	9.8%
Monterey County Bonds	None	100%	None
U.S. Treasury	\$1,151,658,571	100%	35.9%
Municipal Obligations	\$1,015,946	100%	<0.1%
Federal Agency/GSE	\$403,109,165	100%	12.6%
Supranationals	\$14,911,899	30%	0.5%
Bankers' Acceptance	None	40%	None
Commercial Paper	\$259,981,349	40%	8.1%
Negotiable CD	\$73,516,904	30%	2.3%
Reverse Repo/Securities Lending	None	20%	None
Repurchase Agreements	None	20%	None
Corporate	\$674,520,898	30%	21.0%
Asset Backed Securities	\$188,124	20%	<0.1%
Money Market Funds	\$9,684,265	20%	0.3%
Collateralized Deposits/Inv. Contracts	None	100%	None
<b>Totals</b>	<b>\$3,210,686,699</b>		<b>100.0%</b>

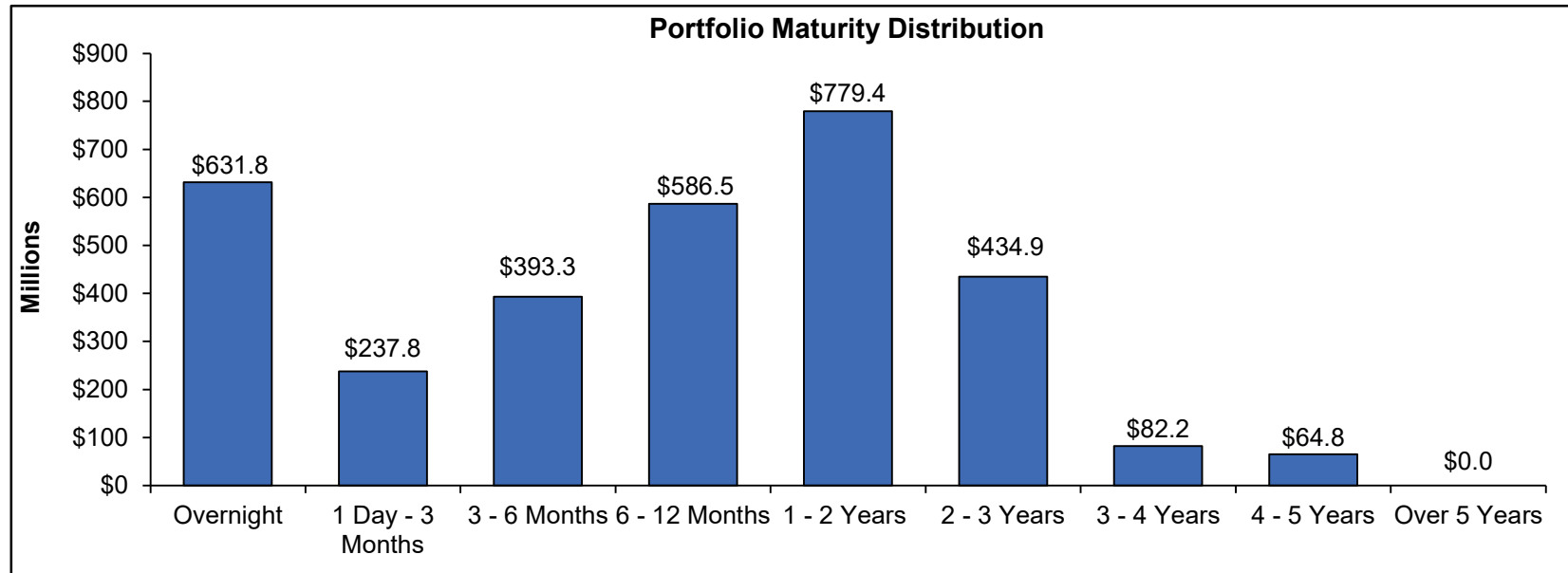


Detail may not add to total due to rounding.

## Monterey County: Maturity Limits

December 31, 2023

Sector	Market Value	Maximum Maturity	Current Maximum
LAIF	\$996,930	N/A	1 day
CAMP	\$306,300,000	N/A	1 day
CalTrust	\$314,802,647	N/A	1 day
Monterey County Bonds	None	5 years	-
U.S. Treasury	\$1,151,658,571	5 years	4.9 years
Municipal Obligations	\$1,015,946	5 years	2.5 years
Federal Agency/GSE	\$403,109,165	5 years	4.8 years
Supranationals	\$14,911,899	5 years	0.7 years
Bankers' Acceptance	None	180 days	-
Commercial Paper	\$259,981,349	270 days	243 days
Negotiable CD	\$73,516,904	5 years	2.5 years
Reverse Repo/Securities Lending	None	92 days	-
Repurchase Agreements	None	1 year	-
Corporate	\$674,520,898	5 years	4.7 years
Asset-Backed Securities	\$188,124	5 years	2.9 years
Money Market Funds	\$9,684,265	N/A	1 day
Collateralized Deposits/Inv. Contracts	None	5 years	-
<b>Total/Average Weighted Maturity</b>	<b>\$3,210,686,699</b>	<b>2 years</b>	<b>1.10 years</b>



Detail may not add to total due to rounding.



**Monterey County: Issuer Compliance**
**December 31, 2023**

<b>Issuer</b>	<b>Total</b>	<b>Current Issuer Allocation</b>	<b>Issuer Limit</b>
U.S. Treasury	\$1,151,658,571	35.9%	100%
FHLB	\$278,038,993	8.7%	100%
FNMA	\$15,853,915	0.5%	100%
FHLMC	\$84,944,383	2.6%	100%
FFCB	\$24,271,875	0.8%	100%
ABN AMRO Funding USA LLC	\$16,631,406	0.5%	5%
3M	\$124,717	< 0.1%	5%
Adobe Inc	\$60,992	< 0.1%	5%
Alphabet Inc	\$14,431,350	0.4%	5%
Amazon.com, Inc.	\$29,732,560	0.9%	5%
American Express	\$193,394	< 0.1%	5%
American Honda Finance	\$8,745,466	0.3%	5%
Apple	\$33,047,726	1.0%	5%
Astrazeneca PLC	\$124,862	< 0.1%	5%
Automatic Data Processing	\$9,798,930	0.3%	5%
Bank of America Corp	\$15,195,618	0.5%	5%
Bank of New York Mellon Corporation	\$23,285,050	0.7%	5%
Bank of Nova Scotia Houston	\$32,982,570	1.0%	5%
Bank of Tokyo Mitsubishi	\$43,886,070	1.4%	5%
Blackrock	\$9,665,040	0.3%	5%
BMW US Capital LLC	\$10,079,640	0.3%	5%
Bristol-Myers Squibb Co	\$24,342,510	0.8%	5%
Capital One Financial Corp	\$188,124	< 0.1%	5%
Caterpillar Inc	\$19,968,383	0.6%	5%
Charles Schwab	\$9,195,464	0.3%	5%
Chevron Corp	\$4,978,675	0.2%	5%
Cisco Systems	\$19,712,000	0.6%	5%
Citigroup	\$33,865,064	1.1%	5%
Coca-Cola	\$14,017,760	0.4%	5%
Colgate-Palmolive Co	\$175,568	< 0.1%	5%
Comcast Corp	\$4,970,050	0.2%	5%
Commonwealth Bank of Australia	\$12,113,773	0.4%	5%
Credit Agricole CIB NY	\$38,880,525	1.2%	5%
Deere and Company	\$23,839,454	0.7%	5%
Emerson Electric Co	\$78,178	< 0.1%	5%
General Dynamics Corporation	\$14,150,260	0.4%	5%
Goldman Sachs	\$19,958,201	0.6%	5%
Hershey Company	\$9,911,049	0.3%	5%

**Monterey County: Issuer Compliance**
**December 31, 2023**

<b>Issuer</b>	<b>Total</b>	<b>Current Issuer Allocation</b>	<b>Issuer Limit</b>
Home Depot Inc	\$10,280,468	0.3%	5%
Honeywell International Inc.	\$16,919,981	0.5%	5%
IBM Corp	\$5,135,335	0.2%	5%
ING U.S.	\$24,650,725	0.8%	5%
Intel	\$9,814,996	0.3%	5%
Inter-American Development Bank	\$256,479	< 0.1%	30%
International Bank of Reconstruction and Development	\$14,655,420	0.5%	30%
JP Morgan Chase	\$34,333,139	1.1%	5%
Lockheed Martin Corp	\$56,918	< 0.1%	5%
Los Angeles CCD	\$93,989	< 0.1%	10%
Los Angeles Unified School District	\$74,358	< 0.1%	10%
Mastercard Inc	\$10,007,866	0.3%	5%
Merck	\$14,597,335	0.5%	5%
Metlife Short Term Funding LLC	\$21,565,269	0.7%	5%
Microsoft Corp Notes	\$13,247,882	0.4%	5%
Morgan Stanley	\$14,564,070	0.5%	5%
National Rural UTIL Coop	\$38,618	< 0.1%	5%
Natixis NY	\$38,833,025	1.2%	5%
Nestle SA	\$188,695	< 0.1%	5%
New Jersey Turnpike Authority	\$52,823	< 0.1%	10%
New York State Urban Development Corporation	\$256,190	< 0.1%	10%
Nike Inc	\$14,574,690	0.5%	5%
Northern Trust Corp	\$5,918,526	0.2%	5%
Novartis Capital Corp	\$120,890	< 0.1%	5%
Paccar Financial Corp	\$12,040,682	0.4%	5%
PepsiCo	\$11,870,454	0.4%	5%
Pfizer	\$11,143,921	0.3%	5%
PNC Bank	\$13,981,244	0.4%	5%
Rabobank Nederland NY	\$26,923,202	0.8%	5%
Royal Bank of Canada NY	\$25,037,030	0.8%	5%
San Juan USD	\$110,334	< 0.1%	10%
State of Maryland	\$107,126	< 0.1%	10%
State of Wisconsin	\$268,887	< 0.1%	10%
State Street	\$33,878,218	1.1%	5%
Target Corp	\$14,275,598	0.4%	5%
Toronto Dominion Bank NY	\$39,957,031	1.2%	5%
Toyota Motor Credit	\$19,969,320	0.6%	5%
Truist Financial Corp	\$83,381	< 0.1%	5%

## Monterey County: Issuer Compliance

December 31, 2023

Issuer	Total	Current Issuer Allocation	Issuer Limit
Unilever Capital	\$59,714	< 0.1%	5%
UnitedHealth Group Inc	\$11,397,466	0.4%	5%
University of California	\$52,241	< 0.1%	10%
US Bank NA	\$5,110,331	0.2%	5%
Visa Inc	\$9,748,390	0.3%	5%
Walmart Stores	\$30,406,155	0.9%	5%
Walt Disney Company	\$234,283	< 0.1%	5%
Wells Fargo	\$8,911,998	0.3%	5%
Dreyfus	\$9,594,162	0.3%	10%
CAMP	\$306,300,000	9.5%	20%
LAIF	\$996,930	< 0.1%	\$75 million
CalTrust	\$314,802,647	9.8%	20%
Morgan Stanley	\$90,103	< 0.1%	10%
<b>Grand Total</b>	<b>\$3,210,686,699</b>	<b>100.0%</b>	

*Detail may not add to total due to rounding.*

## Certificate of Compliance

During the reporting period for the month ended December 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

- The report was prepared using the month-end portfolio market value information provided by PFMAM. PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by F.T. Interactive Data, Bloomberg, or Telerate. Prices that fall between data points are interpolated.
- The report excludes funds in the County's Wells Fargo and Bank of America checking accounts.
- Using the CUSIPs provided by the County, issuer information and credit ratings were verified on Bloomberg for compliance purposes.
- The report is for the purposes indicated above and it is not intended to provide specific investment advice or recommendations.
- Credit quality compliance is based on ratings as of purchase date.

County Comments

- County comments:

**APPENDIX H**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

[THIS PAGE INTENTIONALLY LEFT BLANK]





## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100



