

NEW ISSUE -- FULL BOOK-ENTRY

INSURED RATING: S&P: "AA"

UNDERLYING RATING: S&P: "A+"

See "RATINGS" herein

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, the interest on the Refunding Bonds is exempt from California personal income taxes. The interest on the Refunding Bonds is not intended to be excluded from gross income for federal income tax purposes. See "TAX MATTERS" herein.

\$38,000,000*

IMPERIAL COMMUNITY COLLEGE DISTRICT
(Imperial County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Authority for Issuance. The Imperial Community College District 2019 General Obligation Refunding Bonds in the aggregate principal amount of \$38,000,000* (the "Refunding Bonds") are being issued by the Imperial Community College District (the "District"), pursuant to provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on September 11, 2019. The Refunding Bonds are being issued to advance refund certain prior general obligation bonds of the District, as described in this Official Statement. See "THE REFUNDING BONDS - Authority for Issuance of the Refunding Bonds" and "THE REFINANCING PLAN."

Security. The Refunding Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Imperial County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Refunding Bonds. The District has other series of general obligation bonds outstanding which are similarly secured by tax levies. See "SECURITY FOR THE REFUNDING BONDS."

Redemption. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to maturity under certain circumstances, as described herein. See "THE REFUNDING BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

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

Payments. The Refunding Bonds are dated the date of delivery set forth above and are authorized to be issued as current interest bonds. The Refunding Bonds accrue interest from the dated date at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2020. Payments of principal of and interest on the Refunding Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as paying agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Refunding Bonds.

Bond Insurance. The scheduled payment of principal of and interest on the Refunding Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Refunding Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.



MATURITY SCHEDULE

(See inside cover)

This cover page contains information for general reference only. It is not a summary of all the provisions of the Refunding Bonds. Investors must read the entire official statement to obtain information essential to make an informed investment decision.

The Refunding Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel to the District. Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is serving as counsel to the Underwriter. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through the facilities of DTC on or about October 16, 2019.

PiperJaffray®

The date of this Official Statement is _____, 2019.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

Base CUSIP[†]: 452641

\$ _____
IMPERIAL COMMUNITY COLLEGE DISTRICT
(Imperial County, California)
2019 General Obligation Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]
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\$ _____ % Term Bond due August 1, 20 __; Yield ____%; Price ____; CUSIP[†] ____

[†] Copyright 2019, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the District nor the Underwriter assume any responsibility for the accuracy of these CUSIP data.

^c Priced to the par call date of August 1, 20 __.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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, their 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 overallot or take other steps that stabilize or maintain the market prices of the Refunding Bonds at levels above that which 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 Refunding Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

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

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

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

Website and Social Media. 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 Refunding Bonds.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
IMPERIAL COUNTY
STATE OF CALIFORNIA**

BOARD OF TRUSTEES

Jerry D. Hart, *President*
Mark Edney, *Clerk*
Rudy Cardenas, *Member*
Romualdo J. Medina, *Member*
Karla Sigmond, *Member*
Steven M. Taylor, *Member*
Louis Wong, *Member*

DISTRICT ADMINISTRATION

Martha Garcia, Ed.D., *Superintendent/President*
Josanna (Deedee) Garcia, *Vice President for Administrative Services*
Cecilia Duron, *Director of Fiscal Services*

PROFESSIONALS

FINANCIAL ADVISOR

CFW Advisory Services, LLC
Emeryville, California

BOND and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

PAYING AGENT, TRANSFER AGENT, AND BOND REGISTRAR

U.S. Bank National Association
Los Angeles, California

ESCROW AGENT

U.S. Bank National Association
Los Angeles, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.
Denver, Colorado

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\$38,000,000*
IMPERIAL COMMUNITY COLLEGE DISTRICT
(Imperial County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale and delivery by the Imperial Community College District (the “**District**”) of the Imperial Community College District (Imperial County, California) 2019 General Obligation Refunding Bonds in the principal amount of \$38,000,000* (the “**Refunding Bonds**”).

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

The District

The District, established in 1959, serves the communities of the Imperial Valley and certain unincorporated areas of Imperial County (the “**County**”). The District operates Imperial Valley College (the “**College**”), with the main campus located approximately 200 miles from Los Angeles and 120 miles from San Diego. The College is currently fully accredited by the Accrediting Commission for Junior and Community Colleges (the “**Commission**”). The District provides collegiate level instruction across a wide spectrum of subjects in grades 13 and 14. Seven high school districts are considered feeder districts to the District. The District serves a resident population of approximately 188,000, and has full-time equivalent student goal of approximately 7,450 students.

See “APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2018” and “APPENDIX B - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT” for general and financial information regarding the District and “APPENDIX C - IMPERIAL COUNTY DEMOGRAPHIC INFORMATION,” for demographic and economic information regarding the County.

Sources of Payment for the Refunding Bonds

The Refunding Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes for the payment of the Refunding Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates). See “SECURITY FOR THE REFUNDING BONDS” herein.

* Preliminary; subject to change.

Authority for Issuance of the Refunding Bonds

The Refunding Bonds will be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “**Bond Law**”) and under a resolution adopted by the Board of Trustees of the District on September 11, 2019 (the “**Bond Resolution**”). See “THE REFUNDING BONDS - Authority for Issuance.”

Purpose of Issue

Proceeds of the Refunding Bonds are being issued by the District to advance refund a portion of the District’s (i) General Obligation Bonds, Election of 2010, Series 2010A (the “**Series 2010A Bonds**”), (ii) 2012 General Obligation Refunding Bonds (the “**Series 2012 Refunding Bonds**”), and (iii) General Obligation Bonds, Election of 2010, Series 2014A (the “**Series 2014A Bonds**”) and, together with the Series 2010A Bonds and the Series 2012 Refunding Bonds, the “**Prior Bonds**”), and to pay related costs of issuance. See “THE REFINANCING PLAN” and “SOURCES AND USES OF FUNDS” herein.

Description of the Refunding Bonds

The Refunding Bonds are being issued as current interest bonds and shall mature in the years and in the amounts as set forth on the inside cover page hereof. The Refunding Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interests in the Refunding Bonds. See “THE REFUNDING BONDS – Description of the Refunding Bonds,” “THE REFUNDING BONDS – Book-Entry Only System” below and “APPENDIX F –DTC and the Book-Entry Only System.”

Redemption

The Refunding Bonds are subject to redemption prior to maturity as described in “THE REFUNDING BONDS - Optional Redemption” and “-Mandatory Sinking Fund Redemption” herein.

Legal Matters

Issuance of the Refunding Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (“**Bond Counsel**”), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the District (“**Disclosure Counsel**”). Certain legal matters will also be passed upon for Piper Jaffray & Co. (the “**Underwriter**”) by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“**Underwriter’s Counsel**”). Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter’s Counsel is contingent upon issuance of the Refunding Bonds. From time to time, Bond Counsel may represent the Underwriter on matters unrelated to the Refunding Bonds or the District.

Tax Matters

Interest on the Refunding Bonds is not intended to be excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Refunding Bonds will be exempt from State of California personal income taxes. See “TAX MATTERS” herein.

Offering and Delivery of the Refunding Bonds

The Refunding Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Bond Counsel. It is anticipated that the Refunding Bonds will be available for delivery through the facilities of DTC on or about October 16, 2019.

Bond Insurance

Concurrently with the issuance of the Refunding Bonds, Build America Mutual Assurance Company (“**BAM**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Refunding Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Refunding Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement. See “BOND INSURANCE” and “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

In the event of a default in the payment of principal of and interest on the Refunding Bonds, when all or some becomes due, any Owner of the Refunding Bonds may have a claim under the Policy. The Policy would not insure against redemption premium, if any, on the Refunding Bonds. In the event that BAM is unable to make payment of principal of or interest on the Refunding Bonds as such payments become due under the Policy, the Refunding Bonds will be payable solely as otherwise described herein. In the event that BAM becomes obligated to make payments on the Refunding Bonds, no assurance can be given that such event would not adversely affect the market price of the Refunding Bonds or the marketability of the Refunding Bonds, including the liquidity thereof. Neither the District nor the Underwriter will make an independent investigation of the claimspaying ability of BAM, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Refunding Bonds, potential investors should carefully consider the ability of the District to pay principal of and interest on the Refunding Bonds, assuming that the Policy is not available, and the claims-paying ability BAM through final maturity of the Refunding Bonds.

Continuing Disclosure

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

Other Information

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

Copies of documents referred to herein and information concerning the Refunding Bonds are available from the Vice President for Administrative Services, Imperial Community College District, 380 East Aten Road, Imperial, California 92251. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Refunding Bonds. Statements contained in this Official Statement which involve estimates,

forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

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 Refunding Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE REFINANCING PLAN

The net proceeds of the Refunding Bonds will be used to refund on an advance basis the Prior Bonds identified in the tables below (collectively, the “**Refunded Bonds**”). The Prior Bonds are subject to optional redemption on the redemption dates identified in the tables below at a redemption price equal to 100% of the principal amount, maturity value or conversion value (each as described below), without premium, together with accrued interest thereon to the redemption date.

IMPERIAL COMMUNITY COLLEGE DISTRICT Identification of Refunded Series 2010A Bonds*

Maturities Payable from Escrow	CUSIP [†]	Conversion Value to be Redeemed ¹	Redemption Date	Redemption Price
8/1/2040	452641 EW9	\$1,960,000	August 1, 2030	100%

IMPERIAL COMMUNITY COLLEGE DISTRICT Identification of Refunded Series 2012 Refunding Bonds*

Maturities Payable from Escrow	CUSIP [†]	Principal Amount	Redemption Date	Redemption Price
8/1/2023	452641 FL2	\$1,350,000	8/1/2022	100%
8/1/2024	452641 FM0	1,530,000	8/1/2022	100%
8/1/2025	452641 FN8	1,695,000	8/1/2022	100%
8/1/2026	452641 FP3	1,860,000	8/1/2022	100%
8/1/2029 [†]	452641 FQ1	6,865,000	8/1/2022	100%

* Preliminary; subject to change.

¹ The Conversion Value of convertible capital appreciation bonds is equal to the initial principal amount thereof and interest accruing thereon, compounded semi-annually, through to a designated conversion date. From such conversion date, convertible capital appreciation bond bear semi-annual interest on the Conversion Value.

[†] Term Bond.

IMPERIAL COMMUNITY COLLEGE DISTRICT
Identification of Refunded Series 2014A Bonds*

Maturities Payable from Escrow	CUSIP [†]	Initial Principal Amount	Accreted Value to be Redeemed ¹	Redemption Date	Redemption Price
8/1/2024	452641 GA5	\$43,331.60	\$65,000	8/1/2023	100%
8/1/2025	452641 GB3	58,965.55	95,000	8/1/2023	100%
8/1/2026	452641 GC1	74,796.80	130,000	8/1/2023	100%
8/1/2029	452641 GF4	625,000.00	-	8/1/2023	100%
8/1/2030	452641 GG2	131,226.25	305,000	8/1/2023	100%
8/1/2033	452641 GK3	1,210,000.00	-	8/1/2023	100%
8/1/2034	452641 GL1	175,094.80	535,000	8/1/2023	100%
8/1/2037	452641 GM9	1,985,000.00	-	8/1/2023	100%
8/1/2041 ^T	452641 GN7	3,610,000.00	-	8/1/2023	100%
8/1/2041 ^T	452641 GP2	7,980,000.00	-	8/1/2023	100%

[†] CUSIP Copyright American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Companies, Inc. Neither the District nor the Underwriter are responsible for the accuracy of such data.

¹ The Accreted Value of capital appreciation bonds is equal to the initial principal amount thereof, and interest accreting thereon, compounded semi-annually, to the designated redemption date.

^T Term Bond.

Deposits in Escrow Funds

The District will deliver the net proceeds of the Refunding Bonds to U.S. Bank National Association, Los Angeles, California, as escrow agent (the “**Escrow Agent**”), for deposit in escrow funds (the “**Escrow Funds**”) established under an Escrow Agreement (the “**Escrow Agreement**”), between the District and the Escrow Agent. A portion of the funds deposited in the Escrow Funds will be invested in Federal Securities (as defined herein). The Escrow Agent will apply such funds, together with interest earnings thereon, to pay the principal of and interest on the Prior Bonds, including the redemption price of the Prior Bonds, together with accrued interest (if any) to the redemption dates identified above.

As a result of the deposit and application of funds of the Refunding Bonds as described above, and assuming the accuracy of the Underwriter’s and Verification Agent’s computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment thereof will terminate.

Sufficiency of the deposits and investments in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.D., certified public accountants, Denver, Colorado (the “**Verification Agent**”). See “**VERIFICATION OF MATHEMATICAL ACCURACY**” herein.

The amounts held by the Escrow Agent in the Escrow Funds are pledged solely to the payment of the Refunded Bonds. Neither the funds deposited in the Escrow Funds nor the interest on the invested funds will be available for the payment of debt service with respect to the Refunding Bonds.

THE REFUNDING BONDS

Authority for Issuance

The Refunding Bonds will be issued under the Bond Law and the Bond Resolution.

Description of the Refunding Bonds

The Refunding Bonds are being issued as current interest bonds. The Refunding Bonds will be dated the Dated Date, and will be issued as fully registered Refunding Bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Refunding Bonds will mature on August 1 in the years indicated on the inside cover page hereof. Interest with respect to the Refunding Bonds accrues from their Dated Date, and is payable semiannually on February 1 and August 1 of each year (each, an "**Interest Payment Date**") commencing February 1, 2020. Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to January 15, 2020, in which event it shall bear interest from the date of original delivery; *provided, however*, that if at the time of authentication of a Refunding Bond, interest is in default thereon, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Refunding Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Refunding Bonds, including the final interest payment upon maturity, is payable by check of U.S. Bank National Association, the designated paying agent, registrar and transfer agent (the "**Paying Agent**"), mailed on the Interest Payment Date via first-class mail to the Owner thereof at such Owner's address as it appears on the bond register maintained by the Paying Agent at the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (the "**Record Date**"), or at such other address as the Owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Refunding Bonds, by wire transfer.

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

See the maturity schedule on the inside cover page of this Official Statement and "DEBT SERVICE SCHEDULES" herein.

Book-Entry Only System

The Refunding Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("**DTC**").

The Beneficial Owners will not receive physical certificates representing their interest in the Refunding Bonds. Payments of principal of and interest on the Refunding Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Refunding Bonds.

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

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

Registration, Transfer and Exchange of Refunding Bonds

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

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

Any Refunding Bond may, in accordance with its terms, be transferred, upon the Bond Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Whenever any Refunding Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond, for like aggregate principal amount. No transfers of Refunding Bonds are required to be made (a) during the period established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Refunding Bonds may be exchanged at the office of the Paying Agent in Los Angeles, California, for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchanges of Refunding Bonds are required to be made (a) during the period established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Security

The Refunding Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Refunding Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Refunding Bonds are outstanding in an amount sufficient to pay the principal and interest on the Refunding Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the County is not obligated to establish or maintain such a reserve, and the District can make no representations that the County will do so. Such taxes, when collected, will be deposited into the "Debt Service Fund" (as defined herein), which is maintained by the County and which is created by the Bond Resolution for the payment of principal of and interest on the Refunding Bonds when due. Pursuant to the Bond Resolution, the District has pledged the Debt Service Fund to the repayment of the Refunding Bonds. **Although the County is obligated to levy an *ad valorem* tax for the payment of the Refunding Bonds, and will maintain the Debt Service Fund pledged to the repayment of the Refunding Bonds, the Refunding Bonds are not a debt of the County.**

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal and interest on the Refunding Bonds. DTC will thereupon make payments of principal and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of principal and interest to the Beneficial Owners of the Refunding Bonds.

The rate of the annual *ad valorem* tax levied by the County to repay the Refunding Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Refunding Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, fire, flood, toxic contamination or other natural or man-made disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy. For further information regarding the District's tax base, tax rates, overlapping debt and other matters concerning taxation, see "SECURITY FOR THE REFUNDING BONDS" and "APPENDIX B - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT" herein.

Paying Agent

U.S. Bank National Association, Los Angeles, California, will act as the Paying Agent for the Refunding Bonds. As long as DTC is the registered owner of the Refunding Bonds and DTC's book-entry method is used for the Refunding Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Refunding Bonds called for redemption or of any other action covered by such notice.

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

Optional Redemption

The Refunding Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accreted interest thereon to the redemption date.

For the purpose of selection for optional redemption, the Refunding Bonds will be deemed to consist of \$5,000 portions, and any such portion may be separately redeemed.

Mandatory Sinking Fund Redemption

The Refunding Bonds maturing on August 1, 20__ (the “**Term Bonds**”) are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
-------------------------------	----------------------------

(Maturity)

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

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District received at least 30 days prior to the specified redemption date (unless a shorter notice is consented to by the Paying Agent), will select Bonds for redemption among maturities as specified by the District. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot will be in such a manner as the Paying Agent shall determine; *provided, however*, that the portion of any Refunding Bond to be redeemed in part will be in the Principal Amount of \$5,000 or any integral multiple thereof.

Notice of Redemption. The Paying Agent will cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Refunding Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds of a series are to be called for redemption, will designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, and will require that such Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption has been duly provided, such Refunding Bonds so called will cease to be entitled to any benefit under the Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Partial Redemption. Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

Right to Rescind Notice of Redemption

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

Defeasance

Any or all of the Refunding Bonds of each series may be paid by the District, in whole or in part, in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Refunding Bonds; or

- (c) by delivering such Refunding Bonds to the Refunding Bonds Paying Agent for cancellation by it.

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

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

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

As used in the foregoing provisions, the term “**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

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DEBT SERVICE SCHEDULES

Refunding Bonds Debt Service. The following table shows the debt service schedule with respect to the Refunding Bonds (assuming no optional redemptions).

IMPERIAL COMMUNITY COLLEGE DISTRICT Debt Service Schedule 2019 General Obligation Refunding Bonds (Federally Taxable)

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
Total			

Combined Debt Service. The following table shows the combined debt service schedule with respect to the District’s outstanding general obligation bonds and the Refunding Bonds, each assuming no further optional redemptions. See Appendix B under the heading “DISTRICT FINANCIAL INFORMATION – Outstanding Indebtedness - General Obligation Bonds” for additional information.

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IMPERIAL COMMUNITY COLLEGE DISTRICT
Outstanding General Obligation Bonds Debt Service Schedule*

Bond Year Ending August 1	Election of 2004 2006B Bonds Debt Service	Election of 2004 2007C Bonds Debt Service	Election of 2004 2009D Bonds Debt Service	Election of 2004 2009 E Bonds Debt Service	2012 Refunding Bonds Debt Service ⁽¹⁾	Election of 2010 2010A Bonds Debt Service ⁽¹⁾	Election of 2010 2014A Bonds Debt Service ⁽¹⁾	2017 Refunding Bonds Debt Service	Election of 2010 2018C Bonds Debt Service ⁽¹⁾	2019 Refunding Bonds Debt Service	Aggregate Outstanding Bonds Debt Service
2020	\$1,165,000.00	-	\$250,000.00	-	\$1,571,900.00	\$105,000.00	\$973,225.00	\$1,314,981.26	1,462,000.00		
2021	1,005,000.00	-	305,000.00	-	1,682,300.00	137,200.00	1,013,225.00	1,505,181.26	1,517,600.00		
2022	1,050,000.00	\$890,000.00	360,000.00	-	1,791,800.00	167,200.00	1,053,225.00	601,581.26	1,189,200.00		
2023	1,100,000.00	880,000.00	425,000.00	-	1,913,300.00	192,200.00	1,093,225.00	598,581.26	1,244,200.00		
2024	1,155,000.00	875,000.00	495,000.00	-	2,025,800.00	222,200.00	803,225.00	600,581.26	1,629,200.00		
2025	1,215,000.00	860,000.00	575,000.00	-	2,144,900.00	257,200.00	833,225.00	602,431.26	1,694,200.00		
2026	1,280,000.00	850,000.00	655,000.00	-	2,259,050.00	292,200.00	868,225.00	599,131.26	1,764,200.00		
2027	1,355,000.00	830,000.00	745,000.00	-	2,388,250.00	327,200.00	903,225.00	600,831.26	1,839,200.00		
2028	1,425,000.00	815,000.00	845,000.00	-	2,521,000.00	137,200.00	935,800.00	600,081.26	2,144,200.00		
2029	1,490,000.00	800,000.00	945,000.00	-	2,667,000.00	137,200.00	976,575.00	599,081.26	2,259,200.00		
2030	3,275,000.00	1,985,000.00	1,060,000.00	-	-	137,200.00	1,015,100.00	597,831.26	2,384,200.00		
2031	3,510,000.00	1,960,000.00	950,000.00	-	-	137,200.00	1,055,100.00	601,331.26	2,504,200.00		
2032	-	5,690,000.00	1,310,000.00	-	-	137,200.00	1,093,195.00	602,131.26	2,639,200.00		
2033	-	-	100,000.00	\$7,275,000.00	-	137,200.00	1,138,595.00	602,781.26	2,779,200.00		
2034	-	-	-	7,765,000.00	-	137,200.00	1,185,810.00	598,093.76	2,924,200.00		
2035	-	-	-	8,170,000.00	-	137,200.00	1,230,810.00	598,406.26	3,074,200.00		
2036	-	-	-	8,600,000.00	-	137,200.00	1,281,230.00	598,368.76	3,229,200.00		
2037	-	-	-	5,850,000.00	-	137,200.00	1,332,570.00	598,168.76	3,390,700.00		
2038	-	-	-	-	-	137,200.00	1,764,575.00	4,477,600.00	-		
2039	-	-	-	-	-	137,200.00	2,021,618.76	4,485,600.00	-		
2040	-	-	-	-	-	2,097,200.00	2,293,756.26	2,516,800.00	-		
2041	-	-	-	-	-	-	7,299,600.00	-	-		
2042	-	-	-	-	-	-	-	-	6,655,000.00		
2043	-	-	-	-	-	-	-	-	6,925,000.00		
Total	\$19,025,000.00	\$16,435,000.00	\$9,020,000.00	\$37,660,000.00	\$20,965,300.00	\$5,444,000.00	\$32,165,135.02	\$23,899,575.18	\$53,248,300.00		

* Preliminary; subject to change.

⁽¹⁾ Includes portions of the 2012 Refunding Bonds, 2010A Bonds and 2014A Bonds to be refunded from proceeds of the Refunding Bonds. See "THE REFINANCING PLAN."

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SOURCES AND USES OF FUNDS

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

Sources

Principal Amount	
Net Original Issue [Premium][Discount]	
Total Sources:	

Uses

Escrow Fund Series 2010A Bonds	
Escrow Fund Series 2012 Refunding Bonds	
Escrow Fund Series 2014A Bonds	
Costs of Issuance ⁽¹⁾	
Total Uses:	

(1) Costs of issuance include legal fees, financial advisory fees, Underwriter's discount, printing costs, rating agency fees, bond insurance premium, and other miscellaneous costs and expenses of issuing the Refunding Bonds.

SECURITY FOR THE REFUNDING BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Refunding Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Refunding Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Bonds Payable from Ad Valorem Property Taxes. The District has issued additional general obligation bonds, which are payable from *ad valorem* taxes on a parity basis. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

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

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

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

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

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, toxic contamination, flood, fire or other man-made or natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The County will establish an interest and sinking fund for the Refunding Bonds (the "**Debt Service Fund**") pursuant to the Bond Resolution, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Refunding Bonds will be deposited in the Debt Service Fund by the County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Refunding Bonds as the same becomes due and payable.

Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth in the Bond Resolution for which Refunding Bonds are being issued shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of principal and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Not a County Obligation

The Refunding Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal and interest on the Refunding Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Refunding Bonds, the Refunding Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

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 state assessed public utilities’ property and real property, the taxes on which create a lien on such 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 on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment, plus any additional amount determined by the County Treasurer. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on July 1 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, a redemption fee 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.

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, SB813 (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, SB813 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 as of July 31 become delinquent, if unpaid on August 31 and are thereafter subject to a delinquency penalty of 10%. Taxes added to the unsecured roll after July 31, if unpaid, are delinquent and subject to a 10% penalty on the last day of the month succeeding the month of enrollment. For unsecured taxes, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the last day of the second 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 county 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.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued

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

Assessed Valuation

Assessed Valuation History. The table below shows a recent history of the District’s assessed valuation, as of the date the equalized assessment roll is established in August of each year.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2007-08 to 2019-20**

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$8,996,219,310	\$8,787,416	\$633,897,505	\$9,638,904,231	--
2009-10	9,511,803,331	8,337,593	819,402,403	10,339,543,327	7.3%
2010-11	9,385,688,543	8,383,647	751,354,551	10,145,426,741	(1.9)
2011-12	9,143,384,686	8,467,613	749,988,120	9,901,840,419	(2.4)
2012-13	9,149,682,293	9,702,518	789,128,954	9,948,513,765	0.5
2013-14	9,328,079,273	9,668,800	1,136,973,125	10,474,721,198	5.3
2014-15	9,540,336,477	9,670,757	1,275,864,749	10,825,871,983	3.4
2015-16	10,271,077,084	9,673,344	1,265,756,339	11,546,506,765	6.7
2016-17	10,543,219,566	9,678,602	1,270,171,556	11,823,069,724	2.6
2017-18	10,744,538,490	9,052,674	1,329,552,121	12,083,143,285	2.2
2018-19	11,346,778,684	9,077,331	1,218,146,597	12,574,002,612	4.1
2019-20	11,750,475,639	9,084,543	1,377,462,354	13,137,022,536	4.5

Source: California Municipal Statistics, Inc.

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Assessed Valuation by Jurisdiction. The area of the District serves seven cities as well as unincorporated portions of Imperial County, which makes up the majority of the assessed value of the District. The following table identifies the fiscal year 2019-20 assessed valuation by jurisdiction.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2019-20**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Brawley	\$ 1,304,027,946	9.93%	\$1,304,027,946	100.00%
City of Calexico	1,824,107,807	13.89	\$1,824,107,807	100.00%
City of Calipatria	120,397,357	0.92	\$120,397,357	100.00%
City of El Centro	2,770,832,355	21.09	\$2,770,832,355	100.00%
City of Holtville	235,132,926	1.79	\$235,132,926	100.00%
City of Imperial	1,340,652,436	10.21	\$1,340,652,436	100.00%
City of Westmorland	74,883,359	0.57	\$74,883,359	100.00%
Unincorporated Imperial County	<u>5,466,988,350</u>	<u>41.62</u>	\$5,799,364,331	94.27%
Total District	\$13,137,022,536	100.00%		
Imperial County	\$13,137,022,536	100.00%	\$13,469,398,517	97.53%

Source: California Municipal Statistics, Inc.

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Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2019-20. As shown, the District's assessed value is almost evenly split between non-residential and residential uses, with single family residential use comprising the largest portion of assessed value, and commercial and industrial uses comprising the second largest use when viewed on a combined basis.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-20**

	2019-20 <u>Assessed Valuation (1)</u>	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
Non-Residential:				
Agricultural	\$2,213,353,626	18.84%	5,429	9.56%
Commercial	1,511,846,560	12.87	2,314	4.08
Vacant Commercial	110,605,510	0.94	860	1.52
Industrial/Power Generation	1,252,524,216	10.66	729	1.28
Vacant Industrial	66,596,380	0.57	491	0.87
Recreational	17,276,808	0.15	275	0.48
Government/Social/Institutional	63,160,574	0.54	894	1.57
Other Vacant/Desert	38,596,458	0.33	7,102	12.51
Miscellaneous	<u>17,481,028</u>	<u>0.15</u>	<u>316</u>	<u>0.56</u>
Subtotal Non-Residential	\$5,291,441,160	45.03%	18,410	32.43%
Residential:				
Single Family Residence	\$5,445,777,290	46.35%	32,010	56.39%
Mobile Home	130,733,565	1.11	1,616	2.85
2-4 Residential Units	183,214,170	1.56	770	1.36
5+ Residential Units/Apartments	477,524,736	4.06	362	0.64
Miscellaneous Residential	42,350,161	0.36	254	0.45
Vacant Residential	<u>179,434,557</u>	<u>1.53</u>	<u>3,341</u>	<u>5.89</u>
Subtotal Residential	\$6,459,034,479	54.97%	38,353	67.57%
Total	\$11,750,475,639	100.00%	56,763	100.00%

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

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Per Parcel Assessed Valuation of Single Family Homes. The following table shows the per parcel assessed valuation of single family homes in the boundaries of the District, for fiscal year 2019-20.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2019-20**

Single Family Residential	No. of Parcels	2019-20 Assessed Valuation		Average Assessed Valuation	Median Assessed Valuation	
	32,010	\$5,445,777,290		\$170,127	\$159,171	
2019-20 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	758	2.368%	2.368%	\$ 12,139,792	0.223%	0.223%
\$25,000 - \$49,999	1,919	5.995	8.363	74,896,807	1.375	1.598
\$50,000 - \$74,999	2,177	6.801	15.164	136,819,929	2.512	4.111
\$75,000 - \$99,999	2,875	8.982	24.146	253,398,125	4.653	8.764
\$100,000 - \$124,999	3,254	10.166	34.311	366,636,375	6.732	15.496
\$125,000 - \$149,999	3,618	11.303	45.614	498,197,196	9.148	24.645
\$150,000 - \$174,999	3,571	11.156	56.770	578,826,812	10.629	35.273
\$175,000 - \$199,999	3,057	9.550	66.320	571,387,018	10.492	45.766
\$200,000 - \$224,999	2,511	7.844	74.164	532,528,417	9.779	55.545
\$225,000 - \$249,999	2,370	7.404	81.568	562,387,604	10.327	65.872
\$250,000 - \$274,999	1,820	5.686	87.254	477,828,037	8.774	74.646
\$275,000 - \$299,999	1,506	4.705	91.959	430,888,041	7.912	82.558
\$300,000 - \$324,999	916	2.862	94.820	285,039,259	5.234	87.792
\$325,000 - \$349,999	575	1.796	96.617	193,252,238	3.549	91.341
\$350,000 - \$374,999	380	1.187	97.804	137,281,722	2.521	93.862
\$375,000 - \$399,999	154	0.481	98.285	59,379,223	1.090	94.952
\$400,000 - \$424,999	130	0.406	98.691	53,426,141	0.981	95.933
\$425,000 - \$449,999	73	0.228	98.919	31,913,665	0.586	96.519
\$450,000 - \$474,999	96	0.300	99.219	44,336,533	0.814	97.333
\$475,000 - \$499,999	71	0.222	99.441	34,522,340	0.634	97.967
\$500,000 and greater	179	0.559	100.000	110,692,016	2.033	100.000
Total	32,010	100.000%		\$5,445,777,290	100.000%	

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

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

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

because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

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

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

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

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

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Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in representative tax rate areas in the District during fiscal years 2015-16 through 2018-19. Tax rate information for fiscal year 2019-20 is not yet available.

IMPERIAL COMMUNITY COLLEGE DISTRICT
Typical Tax Rates - (TRA 1-001, TRA 4-000 and TRA 58-000)
Dollars per \$100 of Assessed Valuation
Fiscal Years 2015-16 through 2018-19

TRA 1-001 – 2018-19 Assessed Valuation: \$474,519,290

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General	1.0000	1.0000	1.0000	1.00000
Pioneer Hospital	.0365	.0395	.0400	.03650
Brawley Union High School District	.0174	.0296	.0294	.02670
Brawley Union School District	.0380	.0589	.0798	.05510
Imperial Community College District	<u>.0422</u>	<u>.0373</u>	<u>.0367</u>	<u>.04500</u>
Total	1.1341	1.1653	1.1859	1.16330

TRA 4-000 – 2018-19 Assessed Valuation: \$693,261,215

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General	1.0000	1.0000	1.0000	1.00000
El Centro School District	.0725	.0628	.0621	.04300
Central Union High School District	.0353	.0497	.0520	.05214
Imperial Community College District	<u>.0422</u>	<u>.0373</u>	<u>.0367</u>	<u>.04500</u>
Total	1.1500	1.1498	1.1508	1.14014

TRA 58-000 – 2018-19 Assessed Valuation: \$650,421,059

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General	1.0000	1.0000	1.0000	1.00000
Pioneer Memorial Hospital District	.0365	.0395	.0400	.03650
Imperial Community College District	.0422	.0373	.0367	.04500
Calipatria Unified School District	<u>.1368</u>	<u>.1952</u>	<u>.1468</u>	<u>.19190</u>
Total	1.2155	1.2720	1.2235	1.27340

Source: California Municipal Statistics, Inc.

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Teeter Plan

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

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

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Major Taxpayers

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2019-20. 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. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes. For taxpayers whose primary land use is shown as "power generation," such generation may be solar, wind or geothermal. See "APPENDIX B - GENERAL DISTRICT INFORMATION - General Information."

IMPERIAL COMMUNITY COLLEGE DISTRICT Largest 2019-20 Local Secured Taxpayers

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2019-20 Assessed Valuation</u>	<u>% of Total (1)</u>
1.	MidAmerican Energy Holding Co.	Power Generation	\$ 197,494,676	1.68%
2.	Alphabet Farms LLC	Agricultural	180,706,629	1.54
3.	Hudson Ranch Power I LLC	Power Generation	95,363,107	0.81
4.	United States Gypsum Co.	Industrial	65,139,661	0.55
5.	Heber Field Company	Power Generation	58,343,914	0.50
6.	RJFP LLC	Commercial	57,783,733	0.49
7.	Imperial Valley Mall II, LP	Commercial	49,624,337	0.42
8.	Wal-Mart Real Estate Business Trust	Commercial	48,460,421	0.41
9.	Gran Plaza LP	Commercial	46,859,961	0.40
10.	MFC Imperial I LLC	Agricultural	46,572,653	0.40
11.	Imperial Valley Properties LLC	Residential	39,886,632	0.34
12.	AWCC Campo Verde, LLC	Power Generation	39,577,618	0.34
13.	Arie H. De Jong Trustee	Agricultural	36,084,646	0.31
14.	Imperial Valley Farms LLC	Agricultural	32,919,095	0.28
15.	Schaffner Dairy Inc.	Agricultural	31,803,995	0.27
16.	Imperial Valley Solar I LLC	Power Generation	25,744,406	0.22
17.	John R. Kuhn	Agricultural	24,095,390	0.21
18.	Centinela Solar Energy LLC	Power Generation	23,863,319	0.20
19.	Second Imperial Geothermal Company	Power Generation	23,615,002	0.20
20.	AWCC SG2 Solar LLC	Power Generation	<u>23,425,769</u>	<u>0.20</u>
			\$1,147,364,964	9.76%

(1) 2019-20 local secured assessed valuation: \$11,750,475,639.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. for debt issued as of September 1, 2019. 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.

IMPERIAL COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of September 1, 2019)

2019-20 Assessed Valuation: \$13,137,022,536

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/19</u>	
Imperial Community College District	100.000%	\$100,866,927	(1)
Calexico Unified School District	100.000	45,523,969	
Calipatria Unified School District	100.000	12,624,782	
Holtville Unified School District	100.000	10,746,408	
Imperial Unified School District	100.000	48,171,436	
San Pasqual Valley Unified School District	100.000	7,655,000	
Brawley Union High School District	100.000	11,425,000	
Central Union High School District	100.000	30,895,000	
Brawley School District	100.000	14,325,000	
El Centro School District	100.000	15,381,651	
Other School Districts	100.000	27,578,225	
Pioneers Memorial Hospital District	91.629	6,643,105	
City of Calexico Community Facilities District No. 2005-1 and 2013-1	100.000	17,685,000	
City of El Centro Community Facilities District No. 2007-1	100.000	1,155,000	
City of Imperial Community Facilities	100.000	27,840,000	
Imperial County Community Facilities District No. 98-1 and 06-1	100.000	7,269,000	
Heber Public Utility District Community Facilities District No. 2005-1	100.000	1,615,000	
El Centro School District Maintenance Assessment District	100.000	450,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$387,850,503</u>	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Imperial County Certificates of Participation	97.532%	\$ 5,944,597	
Imperial County Pension Obligation Bonds	97.532	25,295,018	
Imperial County Board of Education General Fund Obligations	97.532	7,999,558	
Holtville Unified School District Certificates of Participation	100.000	5,104,834	
Brawley Union High School District Qualified Zone Academy Bonds	100.000	4,500,000	
Heber School District General Fund Obligations	100.000	2,285,000	
City of Brawley Pension Obligation Bonds	100.000	14,340,000	
City of Calexico General Fund Obligations	100.000	8,365,000	
City of El Centro General Fund Obligations	100.000	10,625,000	
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>\$84,459,007</u>	
<u>OVERLAPPING TAX INCREMENT DEBT:</u>			
Successor Agency to Calexico Redevelopment Agency	100.000%	\$28,290,000	
Successor Agency to El Centro Redevelopment Agency	100.000	26,655,000	
Successor Agency to Imperial Redevelopment Agency	100.000	19,190,000	
Successor Agency to Other Redevelopment Agencies	100.000	12,955,000	
TOTAL OVERLAPPING TAX INCREMENT DEBT		<u>\$87,090,000</u>	
COMBINED TOTAL DEBT		\$559,399,510	(2)

Ratios to 2019-20 Assessed Valuation:

Direct Debt (\$100,866,927)	0.77%
Total Direct and Overlapping Tax and Assessment Debt	2.95%
Combined Total Debt	4.26%

Ratios to Redevelopment Incremental Valuation (\$2,413,922,059):

Total Overlapping Tax Increment Debt	3.61%
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(1) Excludes Refunding Bonds to be issued, but includes the Refunded Bonds.

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

Source: California Municipal Statistics, Inc.

BOND INSURANCE

The following information has been furnished by Build America Mutual Assurance Company (“BAM”) 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 BAM’s policy.

Bond Insurance Policy

Concurrently with the issuance of the Refunding Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Refunding Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Refunding Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$525 million, \$114 million and \$411 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos

are prepared by BAM; they have not been reviewed or approved by the issuer or the underwriter for the Refunding Bonds, and the issuer and underwriter assume no responsibility for their content.

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

TAX MATTERS

The interest on the Refunding Bonds including accrued original issue discount as described below is not intended by the District to be excluded from gross income for federal income tax purposes. Ownership of the Refunding Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their tax advisors with respect to the inclusion of interest on the Refunding Bonds in gross income for federal income tax purposes and any collateral tax consequences.

However, in the opinion of Jones Hall, A Professional Law Corporation (“**Bond Counsel**”), San Francisco, California, interest on the Refunding Bonds is exempt from California personal income taxes.

The proposed form of opinion of Bond Counsel with respect to the Refunding Bonds to be delivered on the date of issuance of the Refunding Bonds is set forth in Appendix D.

Ownership of the Refunding Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Refunding Bonds. Prospective purchasers of the Refunding Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The District may deposit moneys or securities in escrow in such amount and manner as to cause the Refunding Bonds to be deemed to be no longer outstanding under the Refunding Bond Resolution (a “**defeasance**”). A defeasance of the Refunding Bonds may be treated as an exchange of the Refunding Bonds by the holders thereof and may therefore result in gain or loss to the holders. Bond holders should consult their own tax advisors about the consequences if any of such a defeasance. The Issuer is required to provide notice of defeasance of the Refunding Bonds as a material event under its Continuing Disclosure Agreement. The Paying Agent is also required to provide notice of defeasance to holders of the Refunding Bonds.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “**OID Issue Price**”) for each maturity of the Refunding Bonds is the price at which a substantial amount of such maturity of the Refunding Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Refunding Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

The OID Issue Price of each maturity of the Refunding Bonds is less than the amount payable at maturity. The difference between the OID Issue Price of each maturity of the Refunding Bonds and the amount payable at maturity is original issue discount. Bondholders should consult their tax advisors concerning the computation of original issue discount accruing in each tax year.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Refunding Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Refunding Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Refunding Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Refunding Bond.

CERTAIN LEGAL MATTERS

Continuing Disclosure

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Refunding Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Refunding Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently would be March 30), commencing March 30, 2020 with the report for the 2018-19 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 of the Refunding Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

In the previous five years, the District failed to link certain required information under the continuing disclosure undertaking for its 2012 General Obligation Refunding Bonds, and as a result, such information was filed late. The District also failed to timely file a notice of ratings change with respect to all of its outstanding bond issues.

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.

Absence of Material Litigation

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

The District may be or may become a party to lawsuits and claims which are unrelated to the Refunding Bonds or actions taken with respect to the Refunding Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. In the

opinion of the District, there currently are no claims or actions pending which could have a material adverse effect on the financial position or operations of the District. The District cannot predict what types of claims may arise in the future.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") is expected to assign a rating of "AA" to the Refunding Bonds, based on the understanding that BAM will deliver its Policy with respect to the Refunding Bonds. See "BOND INSURANCE."

In addition, S&P has assigned its underlying rating of "A+" to the Refunding Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings, and any related rating outlook, may be obtained only from S&P. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Refunding Bonds.

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

UNDERWRITING

The Refunding Bonds were sold to Piper Jaffray & Co. (the "**Underwriter**"), pursuant to a bond purchase agreement for the Refunding Bonds.

The Underwriter has agreed to purchase the Refunding Bonds at a price of \$_____ (which is equal to the initial principal amount of the Refunding Bonds, [plus][minus] net original issue [premium][discount] of \$_____, less Underwriter's discount of \$_____).

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

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

The Underwriter has provided the following language for inclusion in this Official Statement: The Underwriter has entered into a separate distribution agreement (the "**Distribution Agreement**") with Charles Schwab & Co., Inc. ("**CS&Co**") that enables CS&Co to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter which could include the Refunding Bonds. Under the Distribution Agreement, the Underwriter will share with CS&CO a portion of the fee or commission paid to the Underwriter.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay, when due, the principal and interest when due of the Refunded Bonds.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

ADDITIONAL INFORMATION

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

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District, and the District reserves the right to charge a reasonable fee for reproduction and delivery of any requested copies of such documents.

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

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

IMPERIAL COMMUNITY COLLEGE DISTRICT

By: _____
Vice President for Administrative Services

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APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDING JUNE 30, 2018**

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IMPERIAL COMMUNITY COLLEGE DISTRICT

AUDIT REPORT
JUNE 30, 2018

San Diego

Los Angeles

San Francisco
Bay Area

christywhite
A PROFESSIONAL
ACCOUNTANCY CORPORATION *associates*

**IMPERIAL COMMUNITY COLLEGE DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2018**

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Imperial Community College District
Imperial, California 92251

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Imperial Community College District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Imperial Community College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

SAN DIEGO

LOS ANGELES

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State Board of Accountancy

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Imperial Community College District as of June 30, 2018, 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.

Emphasis of Matter

As discussed in Notes 1 and 7 to the financial statements, in 2018 Imperial Community College District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

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 Imperial Community College District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, which is 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.

Supplementary Information (continued)

The supplementary information listed in the table of contents 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. Such 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 14, 2018 on our consideration of Imperial Community College 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 Imperial Community College District 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 Imperial Community College District's internal control over financial reporting and compliance.

Christy White Associates

San Diego, CA December 14, 2018 except for the *Report On Compliance For Each Major Federal Program; And Report On Internal Control Over Compliance Required By The Uniform Guidance*, which is dated August 5, 2019

IMPERIAL COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The Imperial Community College District (District) consists of one main campus. The District serves approximately 7,500 students per semester. Full-Time Equivalent Student (FTES) for 2017-2018 was 7,402.

The following discussion and analysis provides an overview of the financial position and activities of the Imperial Community College District for the fiscal year ended June 30, 2018. Please read it in conjunction with the financial statements and notes thereto which follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

FINANCIAL HIGHLIGHTS

- Net position decreased by \$46.4 million or 50% from the prior year. The decrease is attributable to Other Post-Employment Benefits and the implementation of GASB 75.

STATEMENT OF NET POSITION

The Statement of Net Position presents the Assets, Liabilities, and Net Position of the district as of the end of the fiscal year using the accrual basis of accounting, which is comparable to that used by most private-sector institutions. Net Position—the difference between assets and liabilities—are one way to measure the financial health of the district. The net asset data allows readers to determine the resources available to continue the operations of the district.

The Net Position of the district consists of three major categories:

1. Invested in capital assets, net of related debt – The district's equity in property, plant, and equipment.
2. Restricted Net Position (distinguished between major categories of restriction.) – The constraints placed on the use of the assets are externally imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or imposed through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – The district can use them for any lawful purpose. Although unrestricted, the district's governing board may place internal restrictions on this Net Position, but it retains the power to change, remove, or modify those restrictions.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

STATEMENT OF NET POSITION (continued)

	2018	2017	Net Change
ASSETS			
Current assets	\$ 28,385,276	\$ 24,515,053	\$ 3,870,223
Non-current assets	86,745,242	85,171,474	1,573,768
Total Assets	115,130,518	109,686,527	5,443,991
DEFERRED OUTFLOWS OF RESOURCES	18,292,519	11,861,117	6,431,402
LIABILITIES			
Current liabilities	14,105,369	12,914,598	1,190,771
Non-current liabilities	207,567,358	153,456,733	54,110,625
Total Liabilities	221,672,727	166,371,331	55,301,396
DEFERRED INFLOWS OF RESOURCES	4,327,427	1,303,312	3,024,115
NET POSITION			
Restricted	33,072,370	31,717,771	1,354,599
Unrestricted	(125,649,487)	(77,844,770)	(47,804,717)
Total Net Position	\$ (92,577,117)	\$ (46,126,999)	\$ (46,450,118)

The District's Net Position decreased \$46.4 million or 150% from the previous year due primarily to the increase in Other Post-Employment Benefits liability. Revenue received but not yet earned has increased by \$731,345. Finally, much of the District's unrestricted Net Position have been designated or reserved for capital outlay and debt service.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the District. The purpose of the statement is to present the revenues received by the district, both operation and non-operating, and the expenses paid by the district, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the district. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

Changes in total Net Position on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues are received for providing goods and services to the various customers and constituencies of the district. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the district.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)

	2018	2017	Net Change
Total operating revenues	\$ 42,042,764	\$ 36,442,479	\$ 5,600,285
Total operating expenses	90,575,947	87,441,242	3,134,705
Operating loss	(48,533,183)	(50,998,763)	2,465,580
Net non-operating revenue (expenses)	43,363,170	45,096,928	(1,733,758)
Change in net position	(5,170,013)	(5,901,835)	731,822
Net position - beginning of the year	(46,126,999)	(40,225,164)	(5,901,835)
Adjustment for restatement (See Notes)	(41,280,105)	-	(41,280,105)
Net position - as restated	(87,407,104)	(40,225,164)	(47,181,940)
Net position - end of the year	\$ (92,577,117)	\$ (46,126,999)	\$ (46,450,118)

The Statement of Revenues, Expenses, and Changes in Net Position reflect a challenging year with a decrease in the Net Position at the end of the year. The cost of operations increased by \$3.9 million resulting from an increase in salaries and employee benefits. Although the statement shows an operating loss of \$48.5 million, that balance does not reflect the \$43.3 million in non-operating revenues. Because of these revenues from both state and local sources, the District reports a decrease in its Net Position of \$5.1 million dollars for this fiscal year.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the district's financial results by reporting its major sources and uses of cash. This information assists readers in assessing the district's ability to generate revenue, meet its obligations as they come due, and evaluate its need for external financing. The statement is divided into several parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities and shows the sources and uses of those funds. The third sections deals with cash flows from capital and related financing activities. This section deals with cash flows from investing activities. This section reflects the cash received and spent for short-term investments and any interest paid or received on those investments.

Changes in Cash Flow

	2018	2017	Net Change
Net cash provided(used) by:			
Operating activities	\$ (47,378,963)	\$ (48,098,116)	\$ 719,153
Non-capital financing activities	55,925,125	58,985,031	(3,059,906)
Capital and related financing activities	(1,350,198)	(7,399,418)	6,049,220
Investment activities	(3,010,327)	285,000	(3,295,327)
Net increase in cash	4,185,637	3,772,497	413,140
Cash - beginning of the year	21,027,692	17,255,195	3,772,497
Cash - end of the year	\$ 25,213,329	\$ 21,027,692	\$ 4,185,637

**IMPERIAL COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

CAPITAL ASSETS

Note 5 to the financial statements provide additional information on Capital Assets. A summary of capital assets, net of accumulated depreciation, for 2017 and 2018.

Changes in Capital Assets

	2018		2017		Net Change
Land and construction in progress	\$ 991,993	\$	1,033,701	\$	(41,708)
Buildings, improvements, and equipment	115,107,579		112,337,883		2,769,696
Accumulated depreciation	(29,354,330)		(28,200,110)		(1,154,220)
Total Capital Assets	\$ 86,745,242	\$	85,171,474	\$	1,573,768

LONG-TERM DEBT

Note 6 to the financial statements provide additional information on long-term debt. A summary of long-term debt, for 2017 and 2018.

Changes in Long-Term Debt

	2018		2017		Net Change
GO Bonds	\$ 74,834,828	\$	71,824,501	\$	3,010,327
Accreted Interest	17,969,909		15,576,430		2,393,479
Bond Premium	2,451,102		2,605,738		(154,636)
Compensated absences	860,469		788,993		71,476
OPEB Obligation	63,451,633		19,549,481		43,902,152
Pension liabilities	50,202,721		45,928,563		4,274,158
Less: current portion of long-term debt	(2,203,305)		(2,862,827)		659,522
Total Long-term Liabilities	\$ 207,567,357	\$	153,410,879	\$	54,156,478

DISTRICT'S FIDUCIARY RESPONSIBILITY

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs and donors for student loans and scholarships. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the District's other financial statements because we cannot use these assets to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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 District's Business Office, Imperial Community College District, 380 E. Aten Road, Imperial, California 92251.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

ASSETS	Primary Government
CURRENT ASSETS	
Cash and cash equivalents	\$ 25,213,329
Accounts receivable	3,171,947
Total Current Assets	<u>28,385,276</u>
 NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	86,745,242
Total Noncurrent Assets	<u>86,745,242</u>
TOTAL ASSETS	<u>115,130,518</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>18,292,519</u>
 CURRENT LIABILITIES	
Accounts payable and accrued liabilities	3,399,599
Unearned revenue	8,502,465
Current Portion - Long-term liabilities	2,203,305
Total Current Liabilities	<u>14,105,369</u>
 NONCURRENT LIABILITIES	
Noncurrent portion - Long-term liabilities	207,567,358
TOTAL LIABILITIES	<u>221,672,727</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>4,327,427</u>
 NET POSITION	
Net investment in capital assets	27,429,221
Restricted for:	
Debt service	4,487,625
Capital projects	1,155,524
Unrestricted	(125,649,487)
TOTAL NET POSITION	<u>\$ (92,577,117)</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Primary Government</u>
OPERATING REVENUES	
Student Tuition and Fees	\$ 1,855,370
Less: Scholarship discount & allowance	22,451,567
Net tuition & fees	<u>24,306,937</u>
Grants and Contracts, noncapital:	
Federal	3,115,080
State	13,703,921
Local	821,807
Internal Service Sales and Charges	95,019
Other operating revenues	<u>17,735,827</u>
Subtotal	<u>17,735,827</u>
TOTAL OPERATING REVENUES	<u>42,042,764</u>
 OPERATING EXPENSES	
Salaries	34,552,413
Benefits	17,202,120
Financial aid	27,174,063
Supplies, materials, & other operating expenses	10,493,131
Depreciation	1,154,220
TOTAL OPERATING EXPENSES	<u>90,575,947</u>
 OPERATING LOSS	<u>(48,533,183)</u>
 NONOPERATING REVENUES/(EXPENSES)	
State apportionments, non-capital	27,867,816
Local property taxes	12,033,344
State taxes & other revenues	10,682,489
Other financing sources	(3,010,327)
Investment income - non-capital	150,373
Interest expense	(4,360,525)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>43,363,170</u>
 CHANGE IN NET POSITION	(5,170,013)
 BEGINNING NET POSITION	<u>(46,126,999)</u>
 ADJUSTMENT FOR RESTATEMENT (see Note 12)	(41,280,105)
 NET POSITION, AS RESTATED	<u>(87,407,104)</u>
 ENDING NET POSITION	<u>\$ (92,577,117)</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 21,189,456
Grants and contracts	20,853,308
Payments to or on behalf of employees	(51,754,533)
Payments to vendors for supplies and services	(10,493,131)
Payments to students for scholarships and grants	(27,174,063)
Net Cash Flows From Operating Activities	<u>(47,378,963)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State apportionments	27,867,816
Property taxes	12,033,344
State taxes and other revenue	14,523,394
Net Cash Flows From Non-capital Financing Activities	<u>54,424,554</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal and interest paid on capital debt	(3,010,327)
Net Cash Flows From Capital Financing Activities	<u>(3,010,327)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	150,373
Net Cash Flows From Investing Activities	<u>150,373</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

NET CHANGE IN CASH AND CASH EQUIVALENTS	4,185,637
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,027,692
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,213,329</u>

IMPERIAL COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS, continued
FOR THE YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Operating Loss	\$ (48,533,183)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:	
Deferred outflows	(6,431,402)
Deferred inflows	3,024,115
Depreciation expense	1,154,220
Changes in Assets and Liabilities:	
Receivables, net	315,414
Accounts payable and accrued liabilities	(4,795,806)
Other Post-employment retiree benefits	2,882,176
Pension liability	4,274,158
Unearned revenue	731,345
Total Adjustments	<u>1,154,220</u>
Net Cash Flows From Operating Activities	<u>\$ (47,378,963)</u>

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING

Cash in banks	\$ 165,521
Cash in county treasury	24,786,021
Cash with fiscal agent	261,787
Total Cash and Cash Equivalents	<u>\$ 25,213,329</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 STATEMENT OF NET POSITION – FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Associated Student Trust	Student Representation Fee Trust	Scholarship and Loan Trust	Campus Organizations
ASSETS				
Cash	\$ 168,408	\$ -	\$ 9,870	\$ 142,262
Total Assets	168,408	-	9,870	142,262
NET POSITION				
Restricted Net Position	168,408	-	9,870	142,262
Total Net Position	\$ 168,408	\$ -	\$ 9,870	\$ 142,262

**IMPERIAL COMMUNITY COLLEGE DISTRICT
STATEMENT OF CHANGES IN FUND NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Associated Student Trust	Associated Student Trust	Scholarship and Loan Trust	Campus Organizations
Additions				
Sales and other local revenues	\$ -	\$ 21,988	\$ -	\$ -
Investment income	99,268	-	74,081	176,660
Total Additions	99,268	21,988	74,081	176,660
Deductions				
Salaries and benefits	1,881	-	-	-
Other operating expenses and services	68,464	21,312	-	-
Other outgo	-	-	74,601	181,093
Total Deductions	70,345	21,312	74,601	181,093
CHANGE IN NET POSITION	28,923	676	(520)	(4,433)
BEGINNING NET POSITION	139,485	-	10,391	146,695
ENDING NET POSITION	\$ 168,408	\$ 676	\$ 9,871	\$ 142,262

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Reporting Entity

The Imperial Community College District (District) is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the state. The District is classified as a state instrumentality under Internal Revenue Code Section 115, and is therefore exempt from federal taxes. 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).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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, except for fiduciary activities. 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.

B. Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. All material intra-agency transactions have been eliminated.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested in the county treasurer's investment pool are considered cash equivalents.

D. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those amounts externally restricted as to use pursuant to the requirements of the District's grants and contracts and amounts.

E. Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, many residing in the State of California. Accounts receivable also include amounts due from the federal government, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District does not record an allowance for uncollectible accounts. When receivables are determined to be uncollectible, a direct write-off is recorded.

F. Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Capitalized equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged as operating expense in the year in which the expense was incurred.

Depreciated of capitalized assets is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 years for portable buildings, 10 years for land improvements, 8 years for most equipment and vehicles, and 3 years for technology equipment such as computers.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, *continued*
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

G. Net Position

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.

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.

When an expense is incurred that can be paid using either restricted or unrestricted funds, the District's policy is to utilize available restricted resources, followed by unrestricted resources.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. State Apportionments

Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February of the subsequent year and are recorded in the District's financial records when received.

I. On-Behalf Payments

GASB Statement 24 requires that direct on-behalf payments for firing benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' and Public Employees' Retirement System on behalf of all Community Colleges in California. However, a fiscal advisory issued by the California Department of Education instructs districts not to record revenue and expenditures for these on-behalf payments.

J. Deferred Revenues

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

K. Operating Revenues

Operating revenues include all revenues from programmatic sources. Non-operating revenues include state apportionments, state and local tax revenues, investment income and gifts.

L. Classification of Revenues

The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 61, including state appropriations, local property taxes and investment income. Revenues are classified per the following criteria:

- Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local contracts and federal appropriations, and (4) interest on institutional student loans.
- Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, most federal, state and local grants, and other revenue sources described in GASB Statement No. 61, such as state appropriations and investment income.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Investments

In accordance with GASB Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are reported at fair value. However, cash in the county treasury and some investments are recorded at cost, which approximates fair value.

N. Restricted Cash and Cash Equivalents

Cash that is externally restricted for contractual obligations such as debt service payments, sinking or reserve funds, or to purchase or construct capital or other non-current assets is classified as a non-current asset in the statement of Net Position.

O. Compensated Absences

Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District. The District also participates in and accrues “load banking” with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District’s policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for eligible employees when they retire.

P. Scholarship Discounts and Allowances

Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students’ behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as operating revenues in the district’s financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Q. Federal Financial Assistance Programs

The District participates in Federally funded Pell Grants, SEOG Grants, and Federal Work-Study, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Uniform Guidance. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students.; however, the amounts are included on the Schedule of Expenditures of Federal Awards.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, *continued*
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

R. New Accounting Pronouncements

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard's primary objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Statement is effective for periods beginning after June 15, 2017. The District has implemented GASB Statement No. 75 for the year ended June 30, 2018.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement is effective for periods beginning after December 15, 2018. The District has not yet determined the impact on the financial statements.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This standard's primary objective is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The statement is effective for periods beginning after June 15, 2017. The District has implemented GASB Statement No. 85 for the year ended June 30, 2018.

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 is effective for periods beginning after December 15, 2019. The District has not determined the impact on the financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard's primary objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement is effective for periods beginning after June 15, 2018. The District has not determined the impact on the financial statements.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 – CASH AND INVESTMENTS

Summary of Cash and Investments

Cash and investments as of June 30, 2018,

Primary Government	\$	25,190,795
Fiduciary funds		320,540
Total Cash & Cash Equivalents	\$	25,511,335

Cash in county treasury	\$	24,763,487
Cash on hand in banks		486,061
Total Cash & Cash Equivalents	\$	25,249,548

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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the County Investment Pool and in other investment agreements.

Specific Identification

Information about the sensitivity of the fair market values of the District’s investments to market interest rate fluctuations is indicated by the following schedule that shows the distribution of the District’s investment by maturity:

<u>Investment or Deposit Type</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>
Imperial County Investment Pool	\$ 24,679,143	366

*Weighted average days to maturity

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 – CASH AND INVESTMENTS (continued)

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.

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.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2018:

Federal Government		
Categorical aid	\$	995,684
State Government		
Apportionment		454,922
Categorical aid		269,920
Local Government		
Other local sources		1,451,421
Total	\$	<u>3,171,947</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, is summarized below:

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 160,000	\$ -	\$ -	\$ 160,000
Construction in Progress	873,701	-	41,708	831,993
Total capital assets not being depreciated	1,033,701	-	41,708	991,993
Capital assets being depreciated				
Land improvements	15,935,057	127,979	-	16,063,036
Buildings & improvements	89,874,959	41,708	-	89,916,667
Furniture & equipment	6,527,867	2,600,009	-	9,127,876
Total capital assets being depreciated	112,337,883	2,769,696	-	115,107,579
Less accumulated depreciation				
Land improvements	5,807,535	403,804	-	6,211,339
Buildings & improvements	18,857,538	545,076	-	19,402,614
Furniture & equipment	3,535,037	205,340	-	3,740,377
Total accumulated depreciation	28,200,110	1,154,220	-	29,354,330
Total Governmental Activities Capital Assets, net				
	\$ 85,171,474	\$ 1,615,476	\$ 41,708	\$ 86,745,242

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term liabilities for the year ended June 30, 2018, are summarized as follows:

	Balance July 1, 2017	Adjustment for Restatement	Restated Balance July 1, 2017	Adjustments	Additions	Deductions	Balance June 30, 2018	Due Within One Year
GO Bonds	\$ 71,824,501	\$ -	\$ 71,824,501	\$ 5,718,518	\$ -	\$ 2,708,191	\$ 74,834,828	\$ 2,048,669
Accreted Interest	15,576,430	-	15,576,430	-	2,466,051	72,572	17,969,909	-
Bond Premium	2,605,738	-	2,605,738	-	-	154,636	2,451,102	154,636
Compensated absences	788,993	-	788,993	-	71,476	-	860,469	-
OPEB Obligation	19,549,481	41,019,976	60,569,457	-	2,882,176	-	63,451,633	-
Pension liabilities	45,928,563	-	45,928,563	-	4,274,158	-	50,202,721	-
Totals	\$ 156,273,706	\$ 41,019,976	\$ 197,293,682	\$ 5,718,518	\$ 9,693,861	\$ 2,935,399	\$ 209,770,662	\$ 2,203,305

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Description on Debt

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax collections. The General Fund makes payments for the lease revenue bonds, capital leases, and the supplemental employee retirement plan. An accrued vacation will be paid by the fund for which the employee worked.

Original issuance premiums and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

Bonded Debt

In August 2002, the District entered into a trust indenture with the California Community College Financing Authority to issue lease revenue bonds in order to provide funding for the implementation of a District-wide computer and software networking system. The bonds consist of Series 2002A bonds of which the District's portion of the issuance was \$3,370,000. Interest paid payable February 1 and August 1 of each year, commencing on February 1, 2003 at rates ranging from 1.4% to 5.0%. Principal is payable on August 1 of each year commencing on August 1, 2003 and through the maturity date August 1, 2017. The 2002A series has been paid in full.

In January 2005, the District authorized the sale and issuance of General Obligation Bonds, Election of 2004, and Series 2005A in the amount of \$24,500,000. Proceeds from the sale of the bonds will be used to finance the addition and modernization of college facilities for the District. Interest is payable February 1, and August 1, commencing August 1, 2005 at rates ranging from 3.30% to 7.00%. Principal is payable August 1, commencing August 1, 2005 at rates ranging from 3.30% to 7.00%. Principal is payable August 1, commencing August 1, 2006 and through the maturity date August 1, 2029.

August 1, 2007 at rates ranging from 4.00% to 4.25%. Principal is payable on August 1, commencing August 1, 2009 and through the maturity date August 1, 2031.

In November 2007, the District authorized the sale and issuance of General Obligation Bonds, Election of 2004, and Series 2007C in the amount of \$11,915,816. Proceeds from the sale of the bonds will be used to finance the addition and modernization of college facilities for the District. Interest is payable February and August 1, commencing August 1, 2009 and through the maturity date August 1, 2032.

In May 2009 the District issued \$3,031,779 in General Obligation Bonds to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rates ranging from 3.6%-6.9% commencing August 1, 2009. Principal is payable on August 1 of each year commencing August 1, 2009 and the maturity date August 1, 2033.

In May 2009, the District issued \$5,866,919 in General Obligation Bonds to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rate of 6.9% commencing August 1, 2009. Principal is payable on August 1 of each year commencing August 1, 2033 and through the maturity date August 1, 2037.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Bonded Debt (continued)

In January 2011, the District issued \$9,405,512 in General Obligations Bonds to provide funding for college facilities projects as stated in the ballot measure for the District. Interest is payable semi-annually on February 1 and August 1 of each year at an interest rate of 6.8% commencing August 1, 2015. Principal is payable on August 1 of each year commencing August 1, 2015 and through the maturity date August 1, 2040.

In March 2014, the District issued \$16,642,939 of 2010 Election, Series 2014A, General Obligation Bonds to finance certain college facilities. The issue consisted of (a)\$3,610,000 Current Interest Bonds with an interest rate of 5.00% due August 1, 2041, (b) \$7,980,000 Current Interest Bonds with an interest rate of 4.625% due August 1, 2041, (c) \$1,965,733 Capital Appreciation Bonds with interest rates ranging from 3.95% to 7.99% due August 1, 2016 through August 2034, and (d) \$3,087,206 Convertible Capital Appreciation Bonds with interest rates ranging from 4.5% to 5.1% due August 2029 through August 2037.

Principal payments on the bonds are due August 1 of each year beginning August 1, 2016 while interest is paid semi-annually on February 1 and August 1 each year through maturity. Net proceeds of \$16,491,950, after premium cost of issuance, were deposited into an escrow deposit and trust account to provide for the payment for the District's 2010 General Obligation Bond Anticipation Notes of \$14,000,956 due August 2014, with additional proceeds of \$150,939, deposited into the Measure J Building Fund to provide for the financing of college facilities.

In November 2017, the district issued \$16,200,000 of the 2010 Election Series 2017 Refunding Bonds to refund the General Obligation Bonds of Election 2004, Series 2007C and the 2010 General Obligation Bonds, Series 2010A.

The outstanding general obligation bonded debt as of June 30, 2018 is as follows:

The outstanding bonded debt of the district at June 30, 2018 is as follows:

	Issuance Date	Yield	Maturity Date	Amount of Original Issue	June 30, 2017 Balance	Adjustments	Additions	Redeemed Current Year	June 30, 2018 Balance	Due Within One Year
Series 2002A Lease Revenue Bonds	8/1/2002	1.40-5.00%	8/1/2018	\$ 3,370,000	\$ 295,000	\$ -	\$ -	\$ 295,000	\$ -	\$ -
Series 2005	1/20/2005	3.30-7.00%	8/1/2029	24,500,000	18,480,000	-	-	520,000	17,960,000	600,000
Series 2006B	11/29/2006	4.00-4.30%	8/1/2031	13,285,473	9,795,473	-	-	985,000	8,810,473	315,163
Series 2007C	11/1/2007	4.00-7.00%	8/1/2031	11,915,816	9,065,816	(2,710,000)	-	565,000	5,790,816	-
Series 2009D	5/5/2009	3.60-6.90%	8/1/2034	3,031,779	2,910,376	-	-	89,518	2,820,858	102,670
Series 2009E	5/5/2009	6.90%	8/1/2038	5,866,919	5,866,919	-	-	-	5,866,919	-
Series 2011A	1/27/2011	3.50-7.00%	8/1/2040	9,405,512	9,000,588	(7,771,482)	-	11,706	1,217,400	20,836
Series 2014A	3/19/2014	3.95-7.99%	8/1/2041	16,642,939	16,410,329	-	-	241,967	16,168,362	-
Series 2017 General Obligation Refunding Bond	11/15/2017	3.48	8/1/2040	16,200,000	-	16,200,000	-	-	16,200,000	1,010,000
				\$ 104,218,438	\$ 71,824,501	\$ 5,718,518	\$ -	\$ 2,708,191	\$ 74,834,828	\$ 2,048,669
Accreted Interest					15,576,431	-	2,466,051	72,572	17,969,910	-
Bond Premium					2,605,738	-	-	154,636	2,451,102	154,636

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Bonded Debt (continued)

The annual requirements to amortize bonds payable outstanding at June 30, 2018 are summarized below:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	2,297,264	2,854,193	5,151,457
2020	2,389,292	2,810,480	5,199,772
2021	2,585,827	2,942,245	5,528,072
2022	3,107,387	3,506,481	6,613,868
2023	3,437,973	3,446,161	6,884,134
2024-2028	15,073,317	17,516,988	32,590,305
2029-2033	13,536,704	24,497,494	38,034,198
2034-2038	11,123,353.95	38,281,638.05	49,404,992
2039-2042	21,283,710	5,057,169.02	26,340,879
Accretion	17,969,910	(17,969,910)	-
Total	\$ 92,804,738	\$ 82,942,940	\$ 175,747,676

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

The District provides postemployment health care benefits in accordance with District employment contracts to all employees and their eligible dependents who retire from the District until attaining age 65 with at least ten years in service. When the retiree attains age 65, all postemployment benefits cease. The District contributes 100 percent of the amount of the benefit premium costs incurred by retirees and their dependents.

A. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below. (Some grandfathered certificated retirees receive additional benefits under a recent retirement incentive.)

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Applies to	All	All	
Benefit types provided	Medical, dental and vision	Medical, dental and vision	See applicable
Duration of Benefits	Lifetime	Lifetime*	Certificated or
Required Service	Hired before 7/1/2012: Age 55 to 60: 14 years Age 61 to 64: Age+Service at least 74 Age 65+: 9 years Hired After 6/30/2012: 18 years	12 years**	Classified
Minimum Age	55***	50**	
Dependent Coverage	Yes	Yes	
District Contribution %	Balance of premium after retiree contribution of up to \$100	Balance of premium after retiree contribution of up to \$100	
District Cap	None	None	

*No vision benefits beyond 65

**Age plus years of service must be at least 70

***For those hired before July 1, 1983, 8 years of service

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (continued)

B. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	203
Participating active employees	289
Total number of participants**	492

*Information not provided

**As of the July 1, 2017 valuation date

C. Total OPEB Liability

The Imperial Community College District’s total OPEB liability of \$63,451,633 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

D. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.75%
Salary increases	2.75%
Investment rate of return	3.50%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:

Certificated	2009 CalSTRS Mortality Table
Classified	2014 CalPERS Active Mortality for Miscellaneous Employees Table

Retirement rates:

Certificated	2009 CalSTRS Retirement Rates Table
Classified	2009 CalPERS Retirement Rates for School Employees Table

Vesting rates:

Certificated	Hired before 7/1/12: Age 55 to 60: 14 years Age 55 61 to 64: Age plus service of at least 74 Age 65 and above: 9 years Hired after 6/30/12: 18 years
Classified	12 years, but age plus service must equal at least 70
Management	Certificated and Classified as appropriate

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (continued)

E. Changes in Total OPEB Liability

	<u>June 30, 2018</u>
Total OPEB Liability	
Service Cost	\$ 2,697,576
Interest on total OPEB liability	2,131,765
Benefits payments	<u>(1,947,165)</u>
Net change in total OPEB liability	2,882,176
Total OPEB liability - beginning	<u>60,569,457</u>
Total OPEB liability - ending (a)	<u>\$ 63,451,633</u>

The Imperial Community College District has invoked Paragraph 244 of GASB Statement 75 for the transition due to cost constraints. Consequently, in order to determine the beginning total OPEB liability, a “roll-back” technique has been used.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of Imperial Community College 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 (2.50 percent) or one percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease	Valuation	1% Increase
	(2.5%)	Discount Rate	(4.5%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability (asset)	\$ 55,668,323	\$ 63,451,633	\$ 72,507,939

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

The following presents the total OPEB liability of the Imperial Community College 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 (3.00 percent) or one percentage point higher (5.00 percent) than the current healthcare cost trend rate:

	1% Decrease	Valuation Trend	1% Increase
	(3.0%)	Rate	(5.0%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability (asset)	\$ 73,170,124	\$ 63,451,633	\$ 55,457,506

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (continued)

H. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the Imperial Community College District recognized OPEB expense of \$2,697,576. At June 30, 2018, the Imperial Community College District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB 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	\$ -	\$ -
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	1,947,165	-
	<u>\$ 1,947,165</u>	<u>\$ -</u>

Prior periods of deferred outflows and deferred inflows of resources were not restated due to the fact that prior valuations were not rerun in accordance with Paragraph 244 of GASB Statement 75. It was determined the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified. In the future, gains and losses related to changes in total OPEB liability will be 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.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 – 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:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	\$ 32,985,542	\$ 10,797,045	\$ 4,023,653	\$ 3,383,796
PERS Pension	17,217,179	5,548,309	303,774	3,001,382
Total	\$ 50,202,721	\$ 16,345,354	\$ 4,327,427	\$ 6,385,178

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.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

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 9.205% of their salary for fiscal year 2018, 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 2018 was 14.43% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$2,366,8360 for the year ended June 30, 2018.

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 \$1,793,053 to CalSTRS.

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

At June 30, 2018, 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	\$ 32,985,542
States's proportionate share of the net pension liability associated with the District	19,514,127
Total	<u>\$ 52,499,669</u>

The net pension liability was measured as of June 30, 2017, 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, 2016 and rolling forward the total pension liability to June 30, 2017. 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, 2017, the District’s proportion was .36% percent, which was a decrease of .04% percent from its proportion measured as of June 30, 2016.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 – PENSION PLANS (continued)

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, 2018, the District recognized pension expense of \$3,383,796. In addition, the District recognized pension expense and revenue of \$560,862 for support provided by the State. At June 30, 2018, 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	\$ -	\$ 878,497
Differences between expected and actual experience	121,983	575,321
Changes in assumptions	6,110,957	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,197,269	2,569,835
District contributions subsequent to the measurement date	2,366,836	-
	<u>\$ 10,797,045</u>	<u>\$ 4,023,653</u>

The \$2,366,836 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, 2018. 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>
2019	\$ 1,530,805	\$ 1,287,257
2020	1,530,805	3,512
2021	1,530,805	477,376
2022	1,530,804	1,338,084
2023	1,268,170	489,119
2024	1,038,820	428,305
	<u>\$ 8,430,209</u>	<u>\$ 4,023,653</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017 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%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010–June 30, 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. 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 February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
Cash/Liquidity	2%	-1.00%
	100%	

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

California State Teachers’ Retirement System (CalSTRS) (continued)

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.

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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 48,204,186	\$ 32,985,542	\$ 20,351,971

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

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.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS)

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 6.5% 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 2018 was 15.531% of annual payroll. Contributions to the plan from the District were \$1,204,306 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$17,217,179 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, and rolling forward the total pension liability to June 30, 2016. 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, 2016, the District’s proportion was .072% percent, which was a decrease of .001 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2018, the District recognized pension expense of \$3,001,382. At June 30, 2018, 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	\$ 595,597	\$ -
Differences between expected and actual experience	616,821	-
Changes in assumptions	2,514,840	202,711
Changes in proportion and differences between District contributions and proportionate share of contributions	616,745	101,063
District contributions subsequent to the measurement date	1,204,306	-
	<u>\$ 5,548,309</u>	<u>\$ 303,774</u>

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The \$1,204,306 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, 2018. 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>
2019	\$ 1,443,173	\$ 278,776
2020	1,874,351	24,998
2021	1,352,626	-
2022	(326,147)	-
	<u>\$ 4,344,003</u>	<u>\$ 303,774</u>

Actuarial assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
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 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial assumptions (continued)

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 (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and 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.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	<u>100.0%</u>		

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.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, continued
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 – PENSION PLANS (continued)

California Public Employees’ Retirement System (CalPERS) (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 7.15 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:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 23,885,124	\$ 17,217,179	\$ 9,886,388

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 9 – JOINT POWERS AGREEMENT

Description

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has one self-insurance fund (Internal Service Fund) which represents the required reserves for the District’s self-funded Dental and Vision programs.

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Participation in Public Entity Risk Pools and JPAs

The Imperial Community College District participates in two joint powers agreements (JPA’s) with the Imperial County School Districts Property and Liability Authority (ICSDPL) and the Self-Insured Program for Imperial County (SIPIC). The relationship between the Imperial Community College District and the JPA’s is such that the JPA’s are not component units of the Imperial Community College District for financial reporting purposes. The JPA’s arrange for and provide workers compensation, health, property and liability insurance for its members. A board consisting of a representative from each member district governs each JPA. The board controls the operations of each JPA including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in each JPA. Financial information for the JPA’s at June 30, 2018 was not included in this report. The information can be obtained by contacting the JPA directly.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 – FUNCTIONAL EXPENSES

	Instructional Salaries and Benefits	Non-Instructional Salaries and Benefits	Operating Expenses	Other Outgo	Total
Instructional Activities	\$ 21,433,096	\$ 2,104,491	\$ 422,573	\$ -	\$ 23,960,160
Instructional Admin. & Governance	-	1,963,950	931,190	-	2,895,140
Instructional Support Services	843,164	3,668,826	242,370	-	4,754,360
Admissions and Records	-	803,722	19,946	-	823,668
Student Counseling and Guidance	-	4,540,794	246,251	-	4,787,045
Student Services	-	5,421,196	997,151	-	6,418,347
Operation and Maintenance of Plant	-	2,379,159	2,166,069	-	4,545,228
Planning, Policy Making and Coordination	-	849,388	137,133	-	986,521
Institutional Support Services	-	6,268,175	1,623,106	-	7,891,281
Community Services and Economic Development	5,818	76,884	64,837	-	147,539
Ancillary Services and Auxiliary Operations	-	1,160,605	362,466	-	1,523,071
Auxiliary Operations	-	502,915	-	-	502,915
Transfers, Student Aid and Other Outgo	-	-	-	34,546,977	34,546,977
Depreciation Expense	-	-	-	1,154,220	1,154,220
Total	\$ 22,282,078	\$ 29,740,105	\$ 7,213,092	\$ 35,701,197	\$ 94,936,472

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State of Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, we believe that any required reimbursements will not be material.

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 as of June 30, 2018.

NOTE 12 – RESTATEMENT

The beginning net position of Governmental Activities has been restated in order to record the District's total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effect on beginning net position is presented as follows. In addition, the Fund for Capital Outlay Projects Fund was restated.

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ (46,126,999)
Restatement	(41,280,105)
Net Position - Beginning, as Restated	<u>\$ (87,407,104)</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 – SUBSEQUENT EVENT

In September 2018, the district formed the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations.

REQUIRED SUPPLEMENTARY INFORMATION

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>
Total OPEB Liability	
Service Cost	\$ 2,697,576
Interest on total OPEB liability	2,131,765
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefits payments	<u>(1,947,165)</u>
Net change in total OPEB liability	2,882,176
Total OPEB liability - beginning	<u>60,569,457</u>
Total OPEB liability - ending	<u>\$ 63,451,633</u>
 Plan fiduciary net position	
Contributions - employer	\$ 1,947,165
Net investment income	-
Benefit payments	<u>(1,947,165)</u>
Administrative expenses	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>
 District's net OPEB liability - ending	 <u>\$ 63,451,633</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.0%
 Covered payroll	 \$27,503,091
 District's total OPEB liability as a percentage of covered payroll	 231%

See accompanying note to supplementary information.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE FOR THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY – STRS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	0.036%	0.040%	0.037%	0.035%
District's proportionate share of the net pension liability	\$ 32,985,542	\$ 32,081,078	\$ 25,216,202	\$ 20,452,944
States's proportionate share of the net pension liability associated with the District	19,514,127	18,265,874	13,336,556	11,147,297
Total	<u>\$ 52,499,669</u>	<u>\$ 50,346,952</u>	<u>\$ 38,552,758</u>	<u>\$ 31,600,241</u>
District's covered payroll	\$ 19,946,670	\$ 19,698,761	\$ 18,330,412	\$ 15,433,830
District's proportionate share of the net pension liability as a percentage of its covered payroll	165.4%	162.9%	137.6%	132.5%
Plan fiduciary net position as a percentage of the total pension liability.	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY—PERS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	0.072%	0.070%	0.071%	0.072%
District's proportionate share of the net pension liability	\$ 17,217,179	\$ 13,847,485	\$ 10,447,985	\$ 8,151,048
District's covered payroll	\$ 10,089,137	\$ 9,289,375	\$ 8,489,613	\$ 7,998,284
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.7%	149.1%	123.1%	101.9%
Plan fiduciary net position as a percentage of the total pension liability.	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS— STRS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,366,836	\$ 2,428,790	\$ 2,086,304	\$ 1,587,523
Contributions in relation to the contractually required contribution*	(2,366,836)	(2,428,790)	(2,086,304)	(1,587,523)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,814,015	\$ 19,946,670	\$ 19,698,761	\$ 18,330,412
Contributions as a percentage of covered payroll	12.58%	12.18%	10.59%	8.66%

*Amounts do not include on behalf contributions

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS—PERS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,204,306	\$ 1,287,525	\$ 1,005,716	\$ 1,398,158
Contributions in relation to the contractually required contribution	(1,204,306)	(1,287,525)	(1,005,716)	(1,398,158)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,689,076	\$ 9,289,375	\$ 8,489,613	\$ 7,998,284
Contributions as a percentage of covered payroll	13.86%	13.86%	11.85%	17.48%

See accompanying note to supplementary information.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – PURPOSE OF THE SCHEDULE

A. 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, including the total OPEB liability as a percentage of covered-employee payroll.

B. 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-employee payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

C. 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-employee 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-employer payroll.

D. Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

E. Changes in Assumptions

The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

SUPPLEMENTARY INFORMATION

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 LOCAL EDUCATIONAL AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2018**

The Imperial Community College District (the District) is in the city of Imperial, California. The District presently operates one primary campus within the County of Imperial. There have been no changes in the District’s boundaries during the current year.

The Governing Board for the fiscal year ended June 30, 2018 was comprised of the following members:

Board of Trustees

NAME	OFFICE	TERM EXPIRES
Romualdo Medino	Board President	November 2020
Steven M. Taylor	Clerk of the Board	November 2018
Rudy Cardenas	Member	November 2020
Mark Edney	Member	November 2018
Jerry Hart	Member	November 2020
Louis Wong	Member	November 2020
Karla Sigmond	Member	November 2018

District Executive Officers

Name	Title
Dr. Martha O. Garcia, Ed.D.	President/Superintendent
Josanna Garcia	Vice President of Administrative Services
Dr. Christina Tafoya	Vice President of Academic Affairs
Dr. Lennor Johnson	Interim Vice President of Student Services
Clint Dougherty	Chief Human Resource Officer

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Programs:			
U.S. Department of Education:			
Direct Programs:			
Student Financial Aid Cluster			
Pell Grant	84.063	*	\$ 22,265,167
Pell Administration	84.063	*	24,725
Supplemental Educational Opportunity Grant	84.007	*	209,493
Federal College Work Study	84.033	*	478,797
Total Student Financial Aid Cluster			22,978,182
TRIO Cluster			
Student Support Services	84.042	*	456,643
Talent Search	84.044	*	355,374
Upward Bound	84.047	*	720,409
Total TRIO Cluster			1,532,426
Title V – TALCAS Grant	84.031S	*	438,471
Passed Through California Department of Education:			
CTE-Title IC	84.048	14-C01-022	311,298
CTE Transitions (Old Tech Prep)	84.048	14-C01-022	41,592
State Vocational Rehabilitation Services Program	84.126A	28370	63,791
Total U.S. Department of Education			25,365,760
 U.S. Department of Health and Human Services:			
Passed Through CCC State Chancellors Office:			
Temporary Assistance For Needy Families	93.558	*	56,701
Passed Through Health and Human Services			
Foster and Kinship Care Education	93.658	*	34,580
Total U.S Department of Health and Human Services:			91,281
 U.S. Department of Agriculture:			
Direct Program:			
Nutrition Program	10.555	*	88,012
Passed Through California Department of Education			
Summer Food Service Program	10.559	13158	21,105
Total U.S Department of Agriculture			109,117
 U.S. Department of Veterans Affairs			
Direct Program:			
Vocational Rehabilitation for Disabled Veterans	64.116	*	490
Total Expenditures of Federal Awards			\$ 25,566,648

* Pass-Through Entity Identifying Number not available or not applicable

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Program Name	Cash Received	Accounts Receivable	Deferred Revenue	Total	Total Program Expenditures
State Awards:					
Additional Enrollment Growth Grant (15905)	\$ 97,000	\$ -	\$ 22,506	\$ 74,494	\$ 74,494
Basic Skills 16-17 (18307)	172,488	-	-	172,488	172,488
Basic Skills 17-18 (18308)	424,981	-	424,725	256	256
Basic Skills Pilot Prog Yr 2 (15120)	56,000	-	49,084	6,916	6,916
Basic Skills Pilot Program (15119)	68,669	-	-	68,669	68,669
BFAP (15201)	347,831	-	-	347,831	347,831
Ca Wellness Foundation-DREAM proj (17351)	170,000	-	158,450	11,550	11,550
Cal Grants (74701)	2,719,621	11,335	-	2,730,956	2,730,956
Cal Works - Coordination (15501)	303,982	-	-	303,982	303,982
Cal Works - Coordination c/o (155018)	5	-	-	5	5
Cal Works Assessment (17308)	316,084	74,557	-	390,641	390,641
Campus Safety & Sexual Assault (16620)	17,952	-	17,952	-	-
CARE Program (15801)	273,171	-	-	273,171	273,171
CCPT Ca Career Pathways Grant (15625)	3,129,575	-	1,547,404	1,582,171	1,582,171
CCTR-General Childcare (33001)	432,918	65,525	-	498,443	432,408
Community College Completion Grant (74301)	531,544	7,456	-	539,000	539,000
County Behavioral Health Grant (15403)	190,500	19,933	-	210,433	210,433
CSPP-CA State Preschool (33002)	226,587	4,754	-	231,341	194,209
CTE Data Unlocked Grant (15651)	50,000	-	47,121	2,879	2,879
DSPS - Direct Services (15401)	395,893	-	-	395,893	395,893
DSPS - Direct Services Carry Over (154018)	4,456	-	-	4,456	4,456
Emergency Aid for Dreamer Students (74703)	37,597	-	10,057	27,540	27,540
Enrollment Fee Administration (15902)	137,898	-	-	137,898	137,898
EOPS 500 - Transition Services (15305)	1,308,291	-	-	1,308,291	1,308,291
Foster Care (16202)	73,162	4,107	-	77,269	77,269
Foster Care - CSEC Allocation (16214)	4,250	-	-	4,250	4,250
Full-Time Incentive Grant (74702)	1,363,500	-	60,775	1,302,725	1,302,725
Full-Time Incentive Grant c/o (747028)	112,275	-	-	112,275	112,275
Guided Pathways (15921)	282,520	-	236,237	46,283	46,283
ICOE/AEBG (16009)	158,224	59	-	158,283	158,283
IEPI Leadership Dev Fund Award (15624)	15,768	-	15	15,753	15,753
Independent Living c/o (162068)	4,437	-	4,437	-	-
Innovation Award 2018-2021 (16621)	2,250,000	-	2,250,000	-	-
Institutional Effectiveness Grant (15118)	119,811	-	-	119,811	119,811
Instruct Equip / Library Mat c/o (163018)	280	-	-	280	280

Continued on next page

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

Program Name	Cash Received	Accounts Receivable	Deferred Revenue	Total	Total Program Expenditures
Nursing Retention Grant 10-107-012 (15917)	-	57,000	-	57,000	57,000
OER Grant (15420)	9,000	1,000	-	10,000	10,000
Other Student Services (15922)	8,000	-	2,663	5,337	5,337
Phys Plant & Instr Support Gr 15-16 (16302)	410,180	-	-	410,180	410,180
Phys Plant & Instr Support Gr 16-17 (16303)	308,428	-	-	308,428	308,428
Phys Plant & Instr Support Gr 17-18 (16304)	416,895	-	115,782	301,113	301,113
Prop 39 - Grossmont-Cuyamaca MOU (15622)	22,120	24,193	-	46,313	46,313
Prop 39 14-15 Energy Funds (15611)	17,452	-	-	17,452	17,452
Prop 39 15-16 Energy Funds (15612)	91,424	-	-	91,424	91,424
Prop 39 16-17 Energy Funds (15613)	253,742	-	96,036	157,706	157,706
Prop 39 17-18 Energy Funds (15614)	232,512	-	232,512	-	-
Scheduled Maintenance (16501)	112,579	-	-	112,579	112,579
Staff Diversity c/o (159018)	1,849	-	-	1,849	1,849
Strong Workforce Job Readiness/Plac (15632)	100,000	-	36,234	63,766	63,766
Strong Workforce Marketing (15633)	25,000	-	21,734	3,266	3,266
Strong Workforce Program (15631)	870,936	-	870,451	485	485
Strong Workforce Program c/o (156318)	674,611	-	-	674,611	674,611
Student Equity (16005)	1,048,577	-	122,876	925,701	925,701
Student Equity c/o (160058)	257,070	-	-	257,070	257,070
Student Hunger Program (15307)	14,452	-	12,841	1,611	1,611
Student Success & Support Program (16004)	1,320,112	-	570,564	749,548	749,548
Student Success & Support Program (160048)	680,506	-	-	680,506	680,506
Student Support and Success Program - Non-Credit c/o (160048)	6,043	-	-	6,043	6,043
Student Support and Success Program - Non-Credit c/o (160048)	30,231	-	30,231	-	-
Veterans Resource Center (15920)	23,527	-	19,802	3,725	3,725
Total State Programs	\$ 22,732,516	\$ 269,919	\$ 6,960,489	\$16,041,950	\$ 15,938,783

See accompanying note to supplementary information.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Reported Data</u>	<u>Audit Adjustment</u>	<u>Revised Data</u>
A. Summer Intersession (Summer Only)			
1. Noncredit	1.78	-	1.78
2. Credit	6.82	-	6.82
B. Summer Intersession (Summer - Prior to July 1)			
1. Noncredit	0.91	-	0.91
2. Credit	515.36	-	515.36
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedures Courses			
(a) Weekly Census Contact Hours	5,441.33	-	5,441.33
(b) Daily Census Contact Hours	638.28	-	638.28
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	45.63	-	45.63
(b) Credit	238.23	-	238.23
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	399.67	-	399.67
(b) Daily Census Procedure Courses	114.61	-	114.61
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES			
Total Credit FTES	7,354.30	-	7,354.30
Total Noncredit FTES	48.32	-	48.32
Total	<u>7,402.62</u>	<u>-</u>	<u>7,402.62</u>
Supplemental Information (subset of information above)			
In-service Training Courses (FTES)	5.01		
Basic Skills Courses and Immigrant Education			
1. Noncredit	24.22		
2. Credit	1,066.13		

See accompanying note to supplementary information.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2018.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE GOVERNEMENTAL FUND BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

General Fund	\$	11,345,284
Bond Interest and Redemption Fund		4,487,625
Child Development Fund		300,442
Capital Outlay Fund		1,155,524
Revenue Bond Construction Fund		262,498
Self Insurance Fund		53,943
Total Audited Fund Balances as reported on the Annual Financial and Budget Report (CCFS-311)	\$	17,605,316

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used for governmental activities are not financial resources and therefore are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.

86,745,242

Unamatured interest

(1,122,104)

Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds. Long-termed liabilities are added to the statement of net assets which reduces the total net assets reported. Long-term liabilities at year-end consist of:

General Obligation Bonds Payable	(74,834,828)
Premium on issuance of bonds	(2,451,102)
Current year accreted interest	(17,969,910)
Compensated absences	(860,469)
OPEB Obligation	(63,451,633)
Pension liabilities	(50,202,721)
Net amounts included in net assets related to GASB 75	1,947,165
Net amounts included in net assets related to GASB 68	12,017,927

Total Net Assets	\$	<u>(92,577,117)</u>
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**IMPERIAL COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ESCB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	8,781,337	-	8,781,337	8,781,337	-	8,781,337
Other	1300	5,496,501	-	5,496,501	5,496,501	-	5,496,501
Total Instructional Salaries		14,277,838	-	14,277,838	14,277,838	-	14,277,838
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	4,322,244	-	4,322,244
Other	1400	-	-	-	285,386	-	285,386
Total Non-Instructional Salaries		-	-	-	4,607,630	-	4,607,630
Total Academic Salaries		14,277,838	-	14,277,838	18,885,468	-	18,885,468
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	7,036,458	-	7,036,458
Other	2300	-	-	-	139,812	-	139,812
Total Non-Instructional Salaries		-	-	-	7,176,270	-	7,176,270
Instructional Aides							
Regular Status	2200	362,480	-	362,480	362,480	-	362,480
Other	2400	109,186	-	109,186	109,186	-	109,186
Total Instructional Aides		471,666	-	471,666	471,666	-	471,666
Total Classified Salaries		471,666	-	471,666	7,647,936	-	7,647,936
Employee Benefits	3000	5,889,079	-	5,889,079	12,023,442	-	12,023,442
Supplies and Materials	4000	-	-	-	408,637	-	408,637
Other Operating Expenses	5000	-	-	-	3,256,644	-	3,256,644
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		20,638,583	-	20,638,583	42,222,127	-	42,222,127
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900	705,862	-	705,862	706,862	-	706,862
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-instructional Staff-Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,161,931	-	1,161,931
Object to Exclude							
Rents and Leases	5060	-	-	-	196,338	-	196,338
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	9,080	-	9,080
Non-instructional Supplies & Materials	4400	-	-	-	140,221	-	140,221
Total Supplies and Materials		-	-	-	149,301	-	149,301
Other Operating Expenses and Services	5000	-	-	-	898,361	-	898,361
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment	6420	-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 705,862	\$ -	\$ 705,862	\$ 3,111,793	\$ -	\$ 3,111,793
Total for ECS 84362, 50% Law		\$ 19,932,721	\$ -	\$ 19,932,721	\$ 39,110,334	\$ -	\$ 39,110,334
Percent of CEE (Instructional Salary Cost/Total CEE)		50.97%	0.00%	50.97%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ 19,555,167	\$ -	\$ 19,555,167	\$ 19,555,167	\$ -	\$ 19,555,167

See accompanying note to supplementary information.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2018**

EPA Revenue	\$ 5,991,077
-------------	--------------

Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	Total
Instructional Activities	0100-5900	\$ 5,991,077	\$ -	\$ -	\$ 5,991,077
Total		\$ 5,991,077	\$ -	\$ -	\$ 5,991,077

See accompanying note to supplementary information.

IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – PURPOSE OF THE SCHEDULE

A. **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.

B. **Schedule of Expenditures of Federal Awards**

Basis of Presentation

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of the District for the year ended 2018. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. The District did not use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance. The District has no federal loan programs. The District did not provide federal awards to subrecipients during the year ended June 30, 2017.

C. **Schedule of Expenditures of State Awards**

The accompanying schedule of expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of financial statements.

D. **Schedule of Workload Measures for State General Apportionment—Annual/Actual Attendance**

Full-Time Equivalent Students (FTES) 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 community college districts. This schedule provides information regarding the attendance of students throughout the District.

E. **Reconciliation of Annual Financial and Budget Report with Fund Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the fund financial statements.

F. **Reconciliation of Governmental Fund Balance Sheets to the Statement of Net Position**

This schedule provides a reconciliation of the adjustments necessary to bring the District's fund financial statements, prepared on a modified accrual basis, to the accrual basis required under GASB Statement No. 35.

G. **Reconciliation of the ECS 84632 (50 Percent Law) Calculation**

This schedule reports any audit adjustments made to the reported date to ensure that a minimum of 50 percent of the District's current expense of education is expended for salaries of classroom instructors.

H. **Details of the Education Protection Account**

This schedule reports the District revenue and expenditure classification of the Proposition 30 Education Protection Account funds.

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

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

Independent Auditors' Report

Board of Trustees
Imperial Community College District
Imperial, 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 Imperial Community College District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Imperial Community College District's basic financial statements, and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of financial statements, we considered Imperial Community College District's internal control over financial reporting (internal control) to determine the 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 Imperial Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Imperial Community College 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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*Licensed by the California
State Board of Accountancy*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Imperial Community College District's financial statements are free of 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 determination of financial statement amounts. 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 cursive script that reads "Christy White Associates".

San Diego, California
December 14, 2018

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200,
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

Independent Auditors' Report

Board of Trustees
Imperial Community College District
Imperial, California

Report on Compliance for Each Major Federal Program

We have audited Imperial Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Imperial Community College District's major federal programs for the year ended June 30, 2018. Imperial Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Imperial Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Imperial Community College Districts compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Imperial Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Imperial Community College 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, 2018.

Report on Internal Control Over Compliance

Management of Imperial Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Imperial Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Imperial Community College District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Other Matters

This is a reissue of Uniform Guidance compliance report due to the identification of additional major programs subsequent to the previous issue date that required testing.



San Diego, California
August 5, 2019

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Board of Trustees
Imperial Community College District
Imperial, California

Report on State Compliance

We have audited Imperial Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2017-2018*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2018 that could have a direct and material effect on each of Imperial Community College District's state programs for the fiscal year ended June 30, 2018, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on Imperial Community College District's compliance with the requirements referred to above. 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 *California Community Colleges Contracted District Audit Manual (CDAM) 2017-2018*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about Imperial Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Imperial Community College District's compliance with those requirements.

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

SAN DIEGO

LOS ANGELES

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Opinion on State Compliance

In our opinion, Imperial Community College District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2018.

Procedures Performed

In connection with the audit referred to above, we selected and tested transactions and records to determine Imperial Community College District's compliance with the state laws and regulations applicable to the following items:

- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 - Apportionment for Instructional Service Agreements/Contracts
- Section 424 - State General Apportionment Funding System
- Section 425 - Residency Determination for Credit Courses
- Section 426 - Students Actively Enrolled
- Section 427 – Dual Enrollment
- Section 428 – Student Equity
- Section 429 – Student Success and Support Program Funds
- Section 430 – Scheduled Maintenance Program
- Section 431 - Gann Limit Calculation
- Section 435 - Open Enrollment
- Section 439 – Proposition 39 Clean Energy
- Section 440 – Intercession Extension Program
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI)
- Section 475 - Disabled Student Programs and Services (DSPS)
- Section 479 - To Be Arranged Hours (TBA)
- Section 490 - Proposition 1D State Bond Funded Projects
- Section 491- Proposition 30 Education Protection Account Funds

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2017-2018*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 14, 2018

FINDINGS AND QUESTIONED COSTS

**IMPERIAL COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS

Internal control over financial reporting:	<u>Unmodified</u>
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033, 84.063</u>	<u>Student Financial Aid Cluster</u>
<u>84.042, 84.044, 84.047</u>	<u>TRIO Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$766,999</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings or questioned costs noted during the fiscal year ended June 30, 2018.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, *continued*
FOR THE YEAR ENDED JUNE 30, 2018**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs noted during the fiscal year ended June 30, 2018.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs noted during the fiscal year ended June 30, 2018.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

There were no findings or questioned costs for the prior fiscal year ended June 30, 2017.

APPENDIX B

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Refunding Bonds is payable from the General Fund of the District. The Refunding Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the front part of this Official Statement. See "SECURITY FOR THE REFUNDING BONDS" herein.

GENERAL DISTRICT INFORMATION

General

Established in 1959, the District maintains one main campus in Imperial, California, consisting of 28 buildings totaling approximately 286,840 square feet of facilities located on a 160-acre site. Located in the County, the District serves the communities of the Imperial Valley and certain unincorporated areas of the County, with the main campus located approximately 200 miles from Los Angeles and 120 miles from San Diego. The College is currently fully accredited by the Commission. The District provides collegiate level instruction across a wide spectrum of subjects in grades 13 and 14. Seven high school districts are considered feeder districts to the District. The District serves a resident population of approximately 188,000, and in fiscal year 2019-20 the District has a full-time equivalent student goal 7,450 students.

In 2014, the District opened the Career Technical Center to train the local workforce in automotive technology, building construction technology and welding technology. The District's Small Business Development Center provides business owners with various training opportunities. Growth industries in the community include renewable energy, construction materials, logistics/international trade, call centers, manufacturing, tourism, biotechnology and agribusiness. In 2017, the District opened a 3-megawatt solar field, using 17 acres of land north of the main campus, which is expected to save the District \$8 million over the next 25 years.

Renewable energy is a growing industry in Imperial County. Major projects include:

- CalEnergy Geothermal Project, consisting of 10 plants in the Salton Sea Known Geothermal Resource Area, uses naturally occurring underground steam to generate power.
- Centinela Solar Energy, joined with other solar developers to develop 30 solar projects (10 are currently in operation). Estimated production is approximately 2,500 total megawatts and over \$8 billion in capital investment.
- Ocotillo Express Wind Project, constructed 112 wind turbines, the region's first wind energy facility, and generating approximately 265 megawatts of energy.

- California Ethanol and Power, proposes to build a biofuel processing plant, which is expected to produce 66 million gallons of ethanol per year from 55,000 acres of locally-grown sugar cane. The plant will also have the capacity to generate up to 50 megawatts of electricity, produce biogas and provide about 300 full-time jobs once it is fully operational.

Administration

The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board of Trustees, together with their office and the date their term expires, are listed below:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Jerry D. Hart	President	November 2020
Mark Edney	Clerk	November 2022
Rudy Cardenas, Jr.	Member	November 2020
Romualdo J. Medina	Member	November 2020
Karla Sigmond	Member	November 2022
Steven M. Taylor	Member	November 2022
Louis Wong	Member	November 2020

Brief biographies of certain key administrative staff follows:

Dr. Martha Garcia, Superintendent/President. Dr. Garcia was appointed Superintendent/Principal on July 1, 2018, following the retirement of Dr. Victor Jaime, who had served the District for over 38 years. Dr. Garcia is the first woman to lead the District. Prior to her appointment as Superintendent/Principal, Dr. Garcia served as Vice President of Student Services, and was also recently serving as acting Vice President for Academic Services. Dr. Garcia graduated from Brawley Union High School, earned an associate degree from Imperial Valley College, holds a bachelor's degree from San Diego State University, a master's degree from National University and a doctorate in education from San Diego State University.

Josanna (Deedee) Garcia, Vice President of Administrative Services. Ms. Garcia was appointed Vice President of Administrative Services on July 1, 2018, following the retirement of John Lau, who had served the District for over 34 years. Ms. Garcia has nearly 18 years experience in the California Community College system, and most recently served as the Director of Budget and Planning and Risk Management. She is a member of the Association of California Community College Administrators and Association of Chief Business Officials. Ms. Garcia has a Bachelor's degree in Business Administration. She plans to pursue a Master's degree in Organizational Leadership.

Cecilia Duron, Director of Fiscal Services. Mrs. Cecilia Duron was hired as the Director of Fiscal Services on September 1, 2017. Mrs. Duron holds a bachelor's degree in public administration from San Diego State-Imperial Valley Campus and has more than 24 years of fiscal management experience in the public sector. Her experience includes serving as the Director of Business and Human Services in K-12 education with the Imperial Valley Regional Occupational Program and serving as the Department Fiscal Manager and Assistant Director with the County of Imperial.

Recent Enrollment Trends

The following table shows a history of the number of resident full-time equivalent students (“FTES”) for the District for the last ten fiscal years and the projected figures through fiscal year 2019-20. Non-resident students pay full tuition and not counted within the current State funding formula for community college districts. See “DISTRICT FINANCIAL INFORMATION” herein. One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

IMPERIAL COMMUNITY COLLEGE DISTRICT Resident Full-Time Equivalent Students Fiscal Years 2007-08 through 2018-19 (actual) and 2019-20 (projected)

Fiscal Year	FTES	Percent Change
2007-08	7,086	--
2008-09	7,426	4.8%
2009-10	7,132	-4.0%
2010-11	7,290	2.2%
2011-12	6,119	-16.1%
2012-13	6,053	-1.1%
2013-14	6,625	9.4%
2014-15	6,873	3.7%
2015-16	6,812	-0.9%
2016-17	6,854	0.6%
2017-18	7,403	8.0%
2018-19	7,451	0.6%
<u>Projected</u> 2019-20	7,450	0.0%

Source: Imperial Community College District.

Employee Relations

The District is governed by regulations published by the Public Employees Relations Board (“PERB”). The Superintendent/President directs the collective bargaining negotiations between the District and the collective bargaining units representing employees of the District and ensures implementation of PERB regulations in this process. The below table summarizes the District’s bargaining units and existing contracts.

IMPERIAL COMMUNITY COLLEGE DISTRICT Labor Organizations

<u>Labor Organization</u>	<u>Type of Employee Represented</u>	<u># of FTE Employees Represented</u>	<u>Contract Expiration Date</u>
California Teacher’s Assn.	Certificated	153	June 30, 2021
California School Employees Association	Classified	160	June 30, 2020
IV Part Time Faculty Association	Certificated	153	June 30, 2022

Source: Imperial Community College District.

DISTRICT FINANCIAL INFORMATION

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

Funding of Community College Districts in California

Major Revenues. California community college districts (other than Basic Aid/community-supported districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery, and other minor sources. Local sources include property taxes, student fees, and miscellaneous sources.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for most of the remainder. A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Community supported" community college districts (also referred to "basic aid" districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, community supported districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for community supported districts is that the legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not a community supported district.

Enrollment Based Funding – SB 361 (FY 2017-18 and Prior). From fiscal years 2006-07 to 2017-18, California community college districts were funded pursuant to the provisions of Senate Bill 361 ("**SB 361**"). Under SB 361, general apportionment revenues to community college districts were allocated based on criteria developed by the Board of Governors of the California Community Colleges in accordance with prescribed statewide minimum requirements. Annual allocations were based on the number of colleges and comprehensive centers in each district, plus funding received based on the number of credit and noncredit FTES in each district.

Under SB 361, minimum funding per FTES was: (a) not less than \$4,367 per credit FTES; (b) a uniform rate of \$2,626 per noncredit FTES; and (c) \$3,092 per FTES for the instructional category known as "career development and college preparation," all subject to cost of living adjustments.

Local revenues, consisting of local property taxes and student enrollment fees, were first used to satisfy a community college district’s expenditures. Once these sources were exhausted, State funds were used to determine a district’s revenue limit under SB 361.

Student Centered Funding Formula -- SB 1809 (Commencing FY 2018-19). Assembly Bill 1809 (“**AB 1809**”), a trailer bill to the 2018-19 State Budget, created a Student-Centered Funding Formula for general purpose apportionments, which will be implemented over the next three years. The new formula allocates funding to community college districts based upon FTES, as well as additional factors. The three calculations in the formula are:

- (1) a **base allocation** consistent with the SB 361 formula described above;
- (2) a **supplemental allocation** based on the number of students who receive a California Promise Grant, Pell Grant or are AB 540 students; and
- (3) a **student success allocation** which will allocate funds for outcomes related to completion of associate degree transfers, associate degrees and bachelor’s degrees, credit certificates, completion of transfer-level math and English within the first academic year of enrollment, transfer to four-year universities, completion of nine or more career technical education units and attainment of a regional living wage.

Formula Structure and Transition. The table below illustrates how community college district funding will be allocated over the next three years:

**Student-Focused Funding Formula
Implemented by State Budget for Fiscal Year 2018-19**

Funding Allocation	2018-19	2019-20*	2020-21
Base Grant	70%	65%	60%
Supplemental Grant	20	20	20
Student Success Incentive Grant	10	15	20

**Allocation subject to revision as part of the Fiscal Year 2019-20 State Budget. See the following paragraph.*

The Proposed State Budget for fiscal year 2019-20 includes a provision that provides that the funding allocation identified for Fiscal Year 2018-19 shall also apply to Fiscal Year 2019-20. See “STATE FUNDING OF EDUCATION - 2019-20 Proposed State Budget.”

Hold Harmless Provision. In order to facilitate the transition of districts to the new funding formula, the legislation provides that during the initial three years of implementation, no community college district will receive less funding than it received in 2017-18, and each district will receive an increase to reflect a cost-of-living adjustment. The formula includes a “stability” provision that delays any decrease in revenue by one year.

Advisory Committees. Under the legislation, two advisory committees will be established reporting to the Chancellor’s Office and the Legislature.

District Accounting Practices

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been prepared using the economic focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant interfund transactions are eliminated. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Budget and Accounting Manual issued by the Chancellor's Office of the California Community College. For more information on the District's accounting policies, see Note 2 of "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2017-18" attached hereto.

Financial Statements

Audited Financial Statements - District-Wide. The District's Audited Financial Statements for the fiscal year ending fiscal year 2017-18 were prepared by Christy White & Associates, San Diego, California. Audited financial statements for the District for the fiscal year ended June 30, 2018 and prior fiscal years are on file with the District and available for public inspection at the Vice-President, Business Services Office. See Appendix A hereto for the 2017-18 Audited Financial Statements.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

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The following table shows the revenues, expenses and changes in net assets for all District Governmental Funds, as presented in the District's audited financial statements for fiscal years 2013-14 through 2017-18.

IMPERIAL COMMUNITY COLLEGE DISTRICT
District Revenues, Expenses and Changes in Net Assets
For Fiscal Years 2013-14 through 2017-18 (Audited)

	<u>Audited 2013-14</u>	<u>Audited 2014-15</u>	<u>Audited 2015-16</u>	<u>Audited 2016-17</u>	<u>Audited 2017-18</u>
<u>Operating Revenues</u> ⁽¹⁾					
Tuition and fees	\$2,149,470	\$2,353,129	\$24,377,329	\$21,899,876	\$24,306,937
Grants and contracts, non-capital:					
Federal	21,477,575	22,723,261	2,808,252	2,815,668	3,115,080
State	5,952,839	8,144,542	7,363,109	11,521,241	13,703,921
Local	428,498	404,859	302,553	113,278	821,807
Sales and Commissions	122,595	109,954	-	92,416	95,019
Total Operating Revenues	<u>30,130,977</u>	<u>33,735,745</u>	<u>34,851,243</u>	<u>36,442,479</u>	<u>42,042,764</u>
<u>Operating Expenses</u>					
Academic Salaries	19,071,914	19,440,711	-	-	-
Classified Salaries	8,663,933	9,121,773	-	-	-
Salaries	-	-	31,174,879	32,659,851	34,552,413
Employee Benefits	11,804,411	14,439,254	13,086,637	21,011,316	17,202,120
Supplies, materials and other operating expenses	6,125,508	5,737,117	8,063,449	8,651,577	10,493,131
Financial aid	20,184,912	21,956,467	22,526,265	22,217,851	27,174,063
Utilities	802,038	933,824	-	-	-
Interest and fiscal charges	3,534,131	4,001,649	-	-	-
Capital outlay	-	-	1,448,955	-	-
Depreciation	2,497,144	2,779,936	2,731,153	2,900,647	1,154,220
Total Operating Expenses	<u>72,683,991</u>	<u>78,410,731</u>	<u>79,031,338</u>	<u>87,441,242</u>	<u>90,575,947</u>
Operating Loss	(42,553,014)	(44,674,986)	(44,180,095)	(50,998,763)	(48,533,183)
<u>Non-Operating Revenues</u>					
State apportionments, non-capital	27,708,347	29,011,065	24,232,091	25,184,336	27,867,816
Local property taxes	8,015,710	8,666,350	11,623,457	11,523,876	12,033,344
State taxes and other revenue	1,798,174	2,571,097	14,909,909	12,929,433	10,682,489
Interest and investment income	85,830	71,296	82,942	111,273	150,373
Other financing sources	-	-	-	285,000	(3,010,327)
Interest expense	-	-	(2,169,132)	(494,699)	-
Other non-operating revenues	-	-	(9,241,450)	-	-
Total Non-Operating Revenues	<u>37,608,061</u>	<u>40,499,808</u>	<u>39,437,817</u>	<u>45,096,928</u>	<u>43,363,170</u>
Increase (Decrease) in Net Position	(4,944,953)	(4,175,178)	(4,742,278)	(5,901,835)	(5,170,013)
Net Position, Beginning of Year	<u>6,261,515</u>	<u>1,316,562</u>	<u>(35,482,886)</u>	<u>(40,225,164)</u>	<u>(46,126,999)</u>
Restatement of Beginning Net Position ⁽²⁾	-	(32,624,270)	-	-	(41,280,105)
<u>Net Position, End of Year</u>	<u>\$1,316,562</u>	<u>\$(35,482,886)</u>	<u>\$(40,225,164)</u>	<u>\$(46,126,999)</u>	<u>\$(92,577,117)</u>

(1) The discrepancy between Tuition and Fees and Federal revenues figures between FY 2015-16 and prior years is due to a change in the presentation of such figures by the District in the FY 2015-16 and 2016-17 audited financials.

(2) FY 2014-15 adjustment pursuant to GASB 68 and 71; FY 2017-18 adjustment pursuant to GASB 75, which requires including the District's total other post-employment benefit liability in the beginning net position.

Source: Imperial Community College District.

District Budget

The District is required by provisions of the State Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The Board of Governors of the California Community Colleges imposes a uniform budgeting format for all California community college districts. Under current law, the District Board of Trustees approves a tentative budget by July 1 and an adopted budget by September 15 of each fiscal year. The presentation of the District's audits as summarized in the previous section is used only for District's external audit. The District manages its funds in a different format, including with respect to its budgets and unaudited actuals. The following table shows the District's estimated actual figures for fiscal year 2018-19 and the adopted unrestricted general fund budget for fiscal year 2019-20.

IMPERIAL COMMUNITY COLLEGE DISTRICT Unrestricted General Fund Summary Fiscal Year 2018-19 (Estimated Actuals) And Fiscal Year 2019-20 (Budgeted)

	Estimated Actuals 2018-19	Budgeted 2019-20
<u>Beginning Fund Balance</u>	\$11,755,847	\$11,829,296
<u>Revenues</u>		
Federal	1,020	1,200
State (Apportionment)	30,751,950	30,030,339
Educational Protection Act (EPA)	7,147,516	7,275,264
State (All Other)	2,077,271	2,080,753
STRS on-behalf payments (GASB 24)	3,059,648	2,674,765
Local (Property Tax Included)	9,591,820	9,916,004
Total Revenues	52,629,225	51,978,325
<u>Expenditures</u>		
Academic Salaries	20,341,011	21,572,065
Classified Salaries	8,421,162	8,496,185
Employee Benefits	11,093,760	12,647,533
STRS on-behalf payments (GASB 24)	3,059,648	2,674,765
Supplies, Software, Subscriptions	512,139	642,099
Services and Operations	3,195,448	4,649,991
Capital Outlay	480,174	347,010
Transfers, Reserves	2,505,700	474,337
Total Expenditures	59,609,042	51,503,985
Excess/(Deficiency) of Revenues over Expenditures	3,020,183	474,340
Ending Fund Balance	14,776,030	12,306,636
Allocations to be Board Approved		(1,500,000)
Designated PERS/STRS	(2,326,734)	
Designated OPEB	(620,000)	
Undesignated Ending Fund Balance	\$11,829,296	\$10,803,636

Source: Imperial Community College District Adopted Budget for FY 2019-20.

District General Fund Reserve Policy

The California Community College Chancellor's Office recommends a prudent general fund unrestricted reserve of at least five percent of expenditures. District's falling below the five percent may be subject to fiscal monitoring by the Chancellor's Office. The District has adopted an ending balance policy of six percent of general fund expenditures, with a goal of eight percent.

Financial Review by Accrediting Commission

In August 2013, the District was notified by the Commission that it was identified for additional financial review by the Financial Review Task Force. In a letter dated February 7, 2014, the Commission directed the District to provide a special report to the Commission by April 15, 2014 to provide more current information about the District's compliance with certain accreditation standards. The underlying issue surrounded the District's financial stability and reliance on temporary expense measures in the aftermath of the State budget crisis. In response, the District addressed its planning processes and developed a fiscal strategy to produce a balanced budget. In June 2015, the Commission removed the District from accreditation warning status and granted full accreditation to the District.

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.*

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, as amended by GASB Statement No. 71, which imposes certain new pension accounting and financial reporting requirements in the notes to its audited financial statements commencing with financial statements for fiscal years ending after June 30, 2014. Statement No. 68, as amended, generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District was required to restate its beginning net position as of July 1, 2014.

At June 30, 2018, the District's net pension liability for STRS and PERS was \$32,985,542 and \$17,217,179, respectively. See "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2018 – NOTE 8."

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set

contributions from three sources: employees, employers and the State. See “Pension Reform Act of 2013 (Assembly Bill 340)” below for further discussion.

The District’s contribution to STRS for recent, current and projected future fiscal years are set forth in the following table.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
STRS Contributions**

Fiscal Year	Contribution
2011-12	\$1,401,185
2012-13	1,346,215
2013-14	1,440,201
2014-15	1,605,151
2015-16	2,086,304
2016-17	2,429,435
2017-18	2,366,836
2018-19	3,528,880
2019-20*	4,422,655

* Projected.

Source: Imperial Community College District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$107.2 billion as of June 30, 2018 (the date of the last actuarial valuation). In connection with the State’s adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (“**AB 1469**”), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.25% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

On February 1, 2017, the STRS Teacher’s Retirement Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in most recent actuarial valuation, and include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. Based on these changes, recent investment experience and the insufficiency of the contributions received in fiscal year 2015-16 to cover interest on the unfunded actuarial obligation, the 2016 actuarial valuation reports that the unfunded actuarial obligation increased by \$20.5 billion since the last valuation and the funded ratio decreased by 4.8% to 63.7% over such time period. Had the investment rate of return been lowered to 7.00% for the 2016 actuarial valuation, the unfunded actuarial obligation and the funded ratio would have been \$105.1 billion and 61.8%, respectively.

As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, and 2018-19 were 10.73%, 12.58%, 14.43% and 16.28% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2019-20 through fiscal year 2022-23 are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2019-20 through 2022-23**

Fiscal Year	Employer Contribution Rate⁽¹⁾
2019-20	18.13%
2020-21	18.10
2021-22 ⁽²⁾	18.10
2022-23 ⁽²⁾	18.10

(1) Expressed as a percentage of covered payroll.
 (2) The employer contribution rate is projected to decrease in fiscal years 2021-22 and 2022-23. Projections may change based on actual experience.
 Source: AB 1469

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, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

**IMPERIAL COMMUNITY COLLEGE DISTRICT
CalPERS Contributions**

Fiscal Year	Contribution
2011-12	\$827,027
2012-13	798,267
2013-14	874,142
2014-15	941,264
2015-16	1,005,716
2016-17	1,287,525
2017-18	1,204,306
2018-19	1,860,656
2019-20*	2,173,824

*Projected.
 Source: Imperial Community College District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$27.2 billion as of June 30, 2018 (the date of the last actuarial valuation). To address this issue,

the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

**PERS Discount Rate
Fiscal Years 2018-19 through 2020-21**

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new contribution rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, were implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, and 2018-19 were 11.847%, 13.888%, 15.531%, and 18.062% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2019-20 through fiscal year 2022-23 are set forth in the following table.

**PROJECTED EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2022-23⁽¹⁾**

Fiscal Year	Employer Contribution Rate ⁽²⁾
2019-20	19.721%
2020-21	23.500
2021-22	24.600
2022-23	25.300

(1) Rates were estimated by PERS in 2017. The FY 2019-20 employer contribution rate was reduced pursuant to Circular Letter 200-029-19 dated June 27, 2019. The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.

(2) Expressed as a percentage of covered payroll.

Source: PERS

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. PEPRAs 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. PEPRAs 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. Additional information regarding the District's retirement programs is available in Note 10 to the District's audited financial statements attached hereto as APPENDIX A. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Benefits (OPEB)

The District provides post-employment health care benefits, in accordance with District employment contracts to all employees who retire from the District.

Eligibility and benefits provided are described in Note 7 of the 2017-18 Audited Financials at APPENDIX A.

Membership. Membership of the plan as of June 30, 2018 consisted of approximately 289 eligible active employees and 203 eligible retirees.

Total OPEB Liability. The District's total OPEB liability of \$63,451,633 was measured as of June 30, 2017, as determined by an actuarial valuation as of that date.

The following table shows the changes in total OPEB liability at June 30, 2018:

Service Cost	\$2,697,576
Interest on total OPEB liability	2,131,765
Benefits payments	(1,947,165)
Net change in total OPEB liability	2,882,176
Total OPEB obligation, beginning of year	<u>60,569,457</u>
Total OPEB obligation, end of year	<u>\$63,451,633</u>

OPEB Expense. For fiscal year ended June 30, 2018, the District recognized OPEB expense of \$2,697,576.

PARS Public Agencies Post-employment Benefits Trust. In September 2018, the District formed the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations. In November 2018, the District made an initial deposit to the Trust of \$620,000. In October or November of each year the Board will evaluate the reserve balance and determine an amount to be contributed to the Trust, and will be made from available surplus funds, if any.

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Outstanding Indebtedness

General Obligation Bonds. The District has issued general obligations bonds pursuant to voter authorizations received in 2004 and 2010. In addition, the District has two series of Refunding General Obligation Bonds outstanding. The following table summarizes the District's outstanding debt:

IMPERIAL COMMUNITY COLLEGE DISTRICT Summary of Outstanding General Obligation Bond Indebtedness

Issue	Issue Date	Original Principal Amount	Amount Outstanding August 1, 2019†
<i>Election of 2004</i>			
Series 2006B	December 2006	\$13,285,473.05	\$7,822,700.25
Series 2007C	November 2007	11,915,815.95	5,790,815.95
Series 2009D	May 2009	3,031,779.30	2,599,239.35
Series 2009E	May 2009	5,866,919.15	5,866,919.15
<i>Election of 2010</i>			
Series 2010A	January 2011	9,405,512.20	1,166,894.00*
Series 2014A	March 2014	16,642,939.15	15,791,703.10*
Series 2018C	August 2018	32,208,655.25	31,003,655.25
<i>Refunding Bonds</i>			
2012 Ref. GO Bonds	December 2012	19,420,000.00	16,345,000.00*
2017 Ref. GO Bonds	December 2017	16,200,000.00	14,480,000.00

† Does not include accreted interest relating to capital appreciation bonds and convertible capital appreciation bonds.

* Includes portions to be refunded with proceeds of the Refunding Bonds.

Debt service on the bonds set forth in the foregoing table is secured by *ad valorem* taxes on all taxable property within the District. See "DEBT SERVICE SCHEDULES" in the body of this Official Statement.

Imperial County Investment Pool

Under the California Education Code, the District is required to pay all monies received from any source, including the proceeds of the Refunding Bonds, into the County of Imperial Treasury to be held on behalf of the District. Pursuant to the County Charter and subject to annual review and renewal by the Board of Supervisors of the County, the County Director of Finance is authorized to invest and reinvest the funds. The County's General Fund, among other funds, is invested in the Imperial County Pooled Investment Fund (the "**County Pool**"), which is managed by the County Director of Finance. The County Pool is governed by the Imperial County Annual Investment Policy for the Pooled Investment Fund (the "**Investment Policy**") as authorized by the Sections 53601 et seq. and 53635 et seq. of the Government Code, which the Treasurer annually renders to the Board of Supervisors. The Board of Supervisors review and approve the Investment Policy at a public meeting. This policy defines investible funds, authorized instruments, credit quality required, maximum maturities and concentrations, collateral requirements, and provides the approved credit standards, investment objectives and specific constraints of the portfolios managed. The Investment Policy also authorizes the establishment and periodic review of investment guidelines which provide specific guidance to the portfolio

managers. These investment guidelines are fully consistent with and subordinate to the Investment Policy.

Authorized investments are required to match the general categories established by Sections 53601 et seq., 53635 et seq., and 16429.1 et seq. of the California Government Code; including the specific categories of financial futures and financial options contracts established by California Government Code Section 53601.1. No investments are authorized having the possibility of returning a zero or negative investment yield.

See "APPENDIX G - IMPERIAL COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT."

STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS

As described herein, California community college districts' principal funding formulas and revenue sources are derived from the budget of the State. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter take any responsibility as to the accuracy or completeness thereof and have not independently verified such information.

State Funding of Education and Recent State Budgets

General. The largest percentage of community college district revenues comes from the State in accordance with the State's formula for funding community college districts and the Proposition 98 minimum funding guarantee with respect to education appropriations. The following description of the State's budget has been obtained from publicly available information which the District believes to be reliable; however, none of the District, its counsel or the Financial Advisor guarantees the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov and www.lao.ca.gov. These websites are not incorporated herein by reference and none of the District, its counsel, or the Financial Advisor make any representation as to the accuracy of the information provided herein.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor is required to propose a budget for the next fiscal year (the "**Governor's Budget**") to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor's Budget projections and budgetary proposals by May 14 of each year (the "**May Revision**"). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than Jun 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the "**Budget Act**").

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 State Legislature takes up the proposal. The primary source of the annual expenditure authorizations is the Budget Act, as approved by the State Legislature and signed by the Governor. 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 State Legislature. Appropriations also may be included in the legislation other than the Budget Act. Bills containing appropriations (except for K-12 school districts and community college districts (collectively, “**K-14 districts**”) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing education appropriations for K-14 districts require only a simple majority vote. Continuing appropriations, available without regard for 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. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse.

Recent State Budgets. Certain information about the State budgeting process and the State budget is available through several State of California sources. A convenient source of information is the State’s website, where recent official statements for State bonds are posted. *The references to Internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.*

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading “Bond Information,” posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.
- The California State Treasurer’s Office Internet home page at www.treasurer.ca.gov, under the heading “Financial Information,” posts the State’s audited financial statements. In addition, the Financial Information section includes the State’s Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State’s most current Official Statement, which discusses the State budget and its impact on school districts.
- The California Department of Finance’s Internet home page at www.dof.ca.gov, under the heading “California Budget,” includes the text of proposed and adopted State Budgets.
- The State Legislative Analyst’s Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst’s Internet home page at www.lao.ca.gov under the heading “Subject Area – Budget (State).”

2018-19 State Budget Established Student-Focused Funding Formula. The 2018-19 State Budget adopted a new Student-Focused Funding Formula for general purpose apportionments to be implemented over the next three years, reflecting the following core components:

- (1) Formula Structure and Transition – In 2018-19, 70% of funding will be distributed based on enrollment, 20% based on enrollment of low-income students and 10% based on student success metrics. In 2019-20, 65% of funding will be distributed based on enrollment, 20% based on enrollment of low-income students and 15%

based on student success metrics. In 2020-21, 60% of funding will be based on enrollment, 20% based on enrollment of low-income students and 20% based on student success metrics.

- (2) Hold Harmless Provision – In 2018-19, 2019-20 and 2020-21, no district will receive less funding than it received in 2017-18, and each district will receive an increase to reflect a cost-of-living adjustment. In 2021-22 and future years, districts will receive no less apportionment funding than is currently provided. The funding formula includes stability provisions that provide districts with additional revenue protection by allowing them to receive the greater of their past-year or current-year total revenue.
- (3) Advisory Committee - Corresponding with the implementation of the Student-Focused Funding Formula, an advisory committee will be established to monitor implementation of the funding formula. The 2018-19 State Budget also creates the California Online College. The first three programs are to be developed by July 1, 2019 and enroll students by the last quarter of 2019. The Chancellor's Office has announced that the first two pathways will be an information technology support credential program and a medical coding credential program.

2019-20 State Budget

On June 27, 2019, Governor Newsom signed the 2019-20 State budget (the “**2019-20 State Budget**”) into law. The 2019-20 State Budget calls for total spending of \$214.8 billion, with \$147.9 billion in general fund spending. The 2019-20 State Budget provides for \$81.1 billion of funding through Proposition 98, the primary source of funding for K-12 school districts and community college districts, an increase of \$2.7 billion, or 3.4%, from the 2018-19 State budget. Of that \$81.1 billion, \$62.9 billion will be distributed to K-12 school districts through the LCFF, which will be fully funded during fiscal year 2019-20, restoring every school district in the State to at least pre-recession funding levels.

The 2019-20 State Budget continues to build State reserves, with the rainy-day fund balance projected to grow to \$16.5 billion by the end of the budget year. Additionally, revenues have been set aside in new savings funds, including a \$900 million reserve for safety net programs. Other significant features of the 2019-20 State Budget include:

- \$3.15 billion one-time payment on behalf of school districts and community college districts to STRS and PERS pools;
- \$1.5 billion anticipated in in Proposition 51 bond funds for school facilities and an additional \$1.2 million of ongoing Proposition 51 bond funds;
- \$5 million one-time funding for a long-term strategic plan to provide childcare and preschool for children from birth through age twelve;
- \$300 million one-time funding to construct new or retrofit existing facilities to support full-date kindergarten programs;

- \$645.3 million ongoing funding for special education, including \$152.6 million to provide all Special Education Loan Plan Areas with at least the statewide target rate for base special education funding.
- \$147.4 million one-time and ongoing funding to address the shortage of teachers;
- \$918 million in additional funding to identify and implement recommendations and solutions to reduce wildfire risk, bolster the state's emergency preparedness capacity and protect vulnerable communities;
- \$518,000 one-time funding to reimburse cities, counties and special districts for 2018-2019 property tax losses and a corresponding \$530,000 that will be used to backfill property tax revenue losses for K-14 schools in those cities, counties and districts;
- \$460 million one-time general funding to increase the quality and availability of child care, including \$263 million for child care and preschool facilities expansion and \$195 million for childcare and preschool workforce development;
- one-time funding of \$750 million to support local governments in increasing and accelerating housing production; and
- one-time funding of \$650 million to support local governments in addressing homelessness, to be used for emergency shelters and navigation centers, rapid rehousing, permanent supportive housing, job programs and hotel/motel conversions.

Disclaimer Regarding State Budgets. The implementation of the foregoing 2019-20 State Budget and future 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 associated with proposed spending reductions, (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 2018-19 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Refunding Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Refunding Bonds to provide State budget information to the District or the owners of the Refunding Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of State budget information set forth or referred to or incorporated in this Official Statement.

Availability of State Budgets. The complete 2019-20 State Budget is available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the

budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Refunding Bonds.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures, or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. College 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 and college 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, 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 (which provided the authority for the issuance of the Prior Bonds). Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment”. This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

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

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

Article XIII B of the California Constitution

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

for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

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

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

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

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

Unitary Property

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

Articles XIII C and XIII D

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

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

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (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 XIII D. 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 XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became

effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

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

Proposition 111

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

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

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

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

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there

are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

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

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (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 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond

funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (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 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 provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

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

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “**Proposition 30**”), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$500,000 but less than \$600,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

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

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

California Senate Bill 222

Senate Bill 222 (“**SB 222**”) was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Refunding Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The

lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 2

Voters in California approved Proposition 2 on November 4, 2014, which altered the State's existing requirements for the Budget Stabilization Account created in 2004. Proposition 2 created a distinct budget stabilization fund known as the Public School System Stabilization Account (the Proposition 98 reserve), which is to be funded by a transfer of capital gains-related revenues in excess of 8% of general fund revenues.

Future Initiatives

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

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APPENDIX C

IMPERIAL COUNTY DEMOGRAPHIC INFORMATION

The following information concerning Imperial County is included only for the purpose of supplying general information regarding the area of the District. The Refunding Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State or any of its political subdivisions is liable therefor.

General Information

Imperial County is located in the southeast corner of California. It is bordered on the north by Riverside County, on the west by San Diego County, on the south by Mexico and on the east by the Colorado River, which forms the boundary between California and Arizona. It covers an area of 4,482 square miles. The county has an average annual rainfall of less than three inches, and three fourths of the area is desert sand and rugged mountains. Parts of the county are below sea level.

Imperial County is one of the state's major agricultural producers. Farming is done in the Imperial Valley, an approximately one thousand square mile area. An extensive irrigation system has been developed and adequate water is supplied from the Colorado River through the All-American Canal. There is a year-round growing season with a mean monthly temperature ranging from 55 degrees to 90 degrees. The City of El Centro, the largest of three major cities in the Imperial Valley, is the county seat and the principal trading center of the county.

Population

The following table shows population estimates for the City and County for the past five years as of January 1.

**COUNTY OF IMPERIAL
Population Estimates
Calendar Years 2015 through 2019
As of January 1**

Area	2015	2016	2017	2018	2019
Brawley	26,526	26,837	27,116	27,073	27,337
Calexico	40,329	40,436	40,732	42,034	42,198
Calipatria	7,387	7,486	7,537	7,551	7,281
El Centro	44,941	45,221	45,413	46,193	46,248
Holtville	6,211	6,228	6,349	6,738	6,779
Imperial	17,267	17,897	18,341	19,511	19,929
Westmoreland	2,256	2,257	2,279	2,460	2,461
Unincorporated	39,652	39,657	40,154	38,063	38,033
Total County ⁽¹⁾	184,569	186,019	187,921	189,623	190,266

(1) Totals may not add due to rounding.
Source: U.S. Census and State of California, Department of Finance.

Employment and Industry

The District is included in the El Centro Metropolitan Statistical area (“MSA”). The unemployment rate in the County was 16.2% in April 2019, down from a revised 17.6% in March 2019, and above the year-ago estimate of 15.5%. This compares with an unadjusted unemployment rate of 3.9% for California and 3.3% for the nation during the same period.

The following table shows the average annual estimated numbers of wage and salary workers by industry. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

**EL CENTRO METROPOLITAN STATISTICAL AREA
(COUNTY OF IMPERIAL)
Annual Average Civilian Labor Force,
Unemployment and Employment by Industry
Calendar Years 2014 through 2018
(March 2018 Benchmark)**

	2014	2015	2016	2017	2018
Civilian Labor Force ⁽¹⁾	78,300	76,700	75,200	72,100	71,100
Employment	59,500	57,900	57,000	58,000	58,200
Unemployment	18,800	18,800	18,200	14,100	12,900
Unemployment Rate	24.0%	24.5%	24.1%	19.5%	18.1%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	12,300	13,200	11,700	11,800	11,700
Mining, Logging, Construction	2,300	2,600	1,800	1,800	1,700
Manufacturing	1,600	1,000	1,000	1,100	1,100
Wholesale Trade	1,800	1,800	1,900	2,000	2,100
Retail Trade	8,100	8,200	8,000	8,000	8,100
Transportation, Warehousing and Utilities	2,100	2,100	2,400	2,600	2,500
Information	300	300	300	300	300
Finance and Insurance	1,500	1,500	1,400	1,300	1,300
Professional and Business Services	2,600	2,300	2,400	2,600	2,600
Educational and Health Services	7,500	7,500	7,800	8,100	8,400
Leisure and Hospitality	4,000	4,200	4,400	4,400	4,200
Other Services	800	800	900	900	900
Federal Government	2,300	2,200	2,100	2,100	2,100
State Government	2,600	2,600	2,700	2,700	2,700
Local Government	13,000	13,100	13,400	13,700	14,000
Total all Industries ⁽³⁾	62,800	63,300	62,100	63,500	63,700

(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) Totals may not add due to rounding.

Source: California Employment Development Department.

Major Employers

The following table lists the major employers within the County as of May 2019.

COUNTY OF IMPERIAL Major Employers (Listed Alphabetically)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
8A Packing LLC	El Centro	Labor Organizations
Academic Services	Imperial	University-College Dept/Facility/Office
Allstar Seed Co	El Centro	Seeds & Bulbs-Wholesale
Calipatria State Prison	Calipatria	Government Offices-State
Centinela State Prison	Imperial	Government Offices-State
Central Union High School	El Centro	Schools
El Centro Naval Air Facility	El Centro	Federal Government-National Security
El Centro Regional Medical Ctr	El Centro	Hospitals
Imperial County Behavioral	El Centro	Mental Health Services
Imperial County Coroner	El Centro	Government Offices-County
Imperial County Ofc-Edu Fndtn	El Centro	Educational Associations
Imperial County Sheriff	El Centro	Government Offices-County
Imperial Date Gardens	Winterhaven	Nurserymen
Imperial Irrigation District	El Centro	Distribution Services
Jjall LLC	Calexico	Labor Contractors
Paradise Casino	Winterhaven	Casinos
Pioneers Memorial Healthcare	Brawley	Health Care Management
Spreckels Sugar Co Inc	Brawley	Sugar Refiners (mfrs)
Target	El Centro	Department Stores
United States Gypsum Co	Imperial	Gypsum & Gypsum Products (mfrs)
US Border Patrol	El Centro	Government Offices-Us
Vulcan-Bn Geothermal Power	Calipatria	Power Plants
Walmart Supercenter	Calexico	Department Stores
Walmart Supercenter	El Centro	Department Stores
Walmart Supercenter	Brawley	Department Stores

Source: California Employment Development Department, extracted from the America's Labor Market Information System Employer Database, 2019 2nd Edition.

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Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the median household effective buying income for the County, the State and the United States for the period 2015 through 2019:

**CITY OF EL CENTRO; IMPERIAL COUNTY;
STATE OF CALIFORNIA; UNITED STATES
Effective Buying Income
2015 through 2019**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	Imperial County	\$2,374,243	\$36,760
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2016	Imperial County	\$2,691,905	\$40,946
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2017	Imperial County	\$2,662,288	\$37,868
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	Imperial County	\$2,754,282	\$39,772
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Imperial County	\$ 2,916,886	\$43,330
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841

Source: The Nielsen Company (US), Inc for years 2015 through 2018; Claritas, LLC for 2019.

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Commercial Activity

Summaries of historic taxable sales within the County during the past five years in which data is available are shown in the following table. Figures are not yet available for calendar year 2018.

Total taxable sales during the first quarter of calendar year 2018 in the County were reported to be \$803,811,114, an 36.84% increase from the total taxable sales of \$587,425,874 reported during the first quarter of calendar year 2017.

IMPERIAL COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2013	2,222	\$1,561,647	3,239	\$3,661,582
2014	2,293	1,615,754	3,266	2,893,261
2015 ⁽¹⁾	1,153	1,612,423	3,509	2,652,906
2016	2,360	1,600,491	3,557	2,458,984
2017	2,247	1,686,409	3,444	2,537,636

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Board of Equalization. *Taxable Sales in California (Sales & Use Tax) for years 2013-2016*. State Department of Tax and Fee Administration for year 2017.

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Construction Activity

Provided below are the building permits and valuations for the County, for calendar years 2014 through 2018.

IMPERIAL COUNTY Total Building Permit Valuations (Valuations in Thousands)

Permit Valuation	2014	2015	2016	2017	2018
New Single-family	\$33,809.0	\$26,492.3	\$48,224.3	\$36,490.5	\$53,710.4
New Multi-family	9,582.3	20,797.8	7761.8	733.7	10,626.7
Res. Alterations/Additions	<u>4,211.5</u>	<u>6,386.9</u>	<u>10004.3</u>	<u>5,166.4</u>	<u>5,183.1</u>
Total Residential ⁽¹⁾	47,602.8	53,677.0	65,990.4	42,390.6	69,520.2
New Commercial	6,833.1	18,009.0	22,447.5	94,732.4	51,531.1
New Industrial	10,009.0	2,000.0	1,239.2	1,977.2	160.0
New Other	3,971.0	13,405.1	48,814.3	62,770.4	69893.8
Com. Alterations/Additions	<u>12,257.6</u>	<u>13,616.3</u>	<u>18,720.0</u>	<u>12,701.0</u>	<u>29,858.4</u>
Total Nonresidential ⁽¹⁾	33,070.7	47,030.4	91,221.0	172,181.0	151,443.3
<u>New Dwelling Units</u>					
Single Family	179	125	230	191	279
Multiple Family	<u>59</u>	<u>33</u>	<u>41</u>	<u>8</u>	<u>133</u>
TOTAL	238	158	271	199	412

(1) Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

_____, 2019

Board of Trustees
Imperial Community College District
380 East Aten Road
Imperial, California 92251

OPINION: \$_____ Imperial Community College District (Imperial County, California) 2019 General Obligation Refunding Bonds (Federally Taxable)

Members of the Board of Trustees:

We have acted as bond counsel to the Imperial Community College District (the "District") in connection with the issuance by the District of its Imperial Community College District (Imperial County, California) 2019 General Obligation Refunding Bonds (Federally Taxable) in the aggregate principal amount of \$_____ dated the date hereof (the "Bonds"), pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a resolution of the Board of Trustees of the District (the "Board") adopted on September 11, 2019 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and 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 duly created and validly existing as a community college district with the power to issue the Bonds and to perform its obligations under the Bond Resolution and the Bonds.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Imperial is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
**IMPERIAL COMMUNITY COLLEGE
DISTRICT**
(Imperial County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Imperial Community College District (the "District") in connection with the issuance of the above-captioned bonds (the "Bonds"). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District on September 11, 2019 (the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms 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 that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means Piper Jaffray & Co., the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2020 with the report for the 2018-19 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 of this Disclosure Certificate. 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 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the 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) to the MSRB, in an electronic format as prescribed by the MSRB, a timely notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information:

- (i) The District's most recently adopted Budget;

- (ii) Assessed value of taxable property in the jurisdiction of the District as shown on the most recent equalized assessment roll;
- (iii) Changes, if any, in the operation of Imperial County's Teeter Plan affecting the District;
- (iv) Changes, if any, in the operation of Imperial County Investment Pool which would affect the District's access to property taxes used to pay debt service on the Bonds;
- (v) Property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in Imperial County's Teeter Plan;
- (vi) In addition to any of the information expressly required to be provided under paragraphs (i) through (vi), of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(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.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.

- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, 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 obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 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 Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (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 Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, 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 Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under 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 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. 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 it 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 obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2019

IMPERIAL COMMUNITY COLLEGE DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Imperial Community College District

Name of Bond Issue: \$_____ aggregate principal amount of Imperial Community College District (Imperial County, California) 2019 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Refunding Bonds as required by the Continuing Disclosure Certificate, dated _____, 2019. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____

Its: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions 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, the Underwriter nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue 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 and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or 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. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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APPENDIX G

IMPERIAL COUNTY INVESTMENT POLICY

The following information concerning the County Pool and the County Investment Policy has been provided by the Treasurer-Tax Collector (the "Treasurer") of the County, and has not been confirmed or verified by the District or the Underwriter. The District and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer's website at www.co.imperial.ca.us/TaxCollectorTreasurer/TCTR/Default.htm, however, the information presented on such website is not incorporated herein by any reference.

IMPERIAL COUNTY
ANNUAL INVESTMENT POLICY
FOR THE
POOLED INVESTMENT FUND



TREASURER-TAX COLLECTOR

*Approved: Imperial County Board of Supervisors
On August 14, 2018*

Imperial County Investment Policy

Authority

In accordance with the laws and regulations of the State of California and authority granted by the Imperial County Board of Supervisors the County Treasurer-Tax Collector is responsible for investing all the funds in the County Treasury.

Policy Statement

The Treasurer-Tax Collector shall establish investment policy procedures for the operation of the investment program and a system of controls to regulate the activities of the subordinate officials. Each transaction and the entire portfolio must comply with the California Government Code section 53635 et seq., and this policy.

Scope

This investment policy applies to all financial assets of the County of Imperial as accounted for in the comprehensive annual financial report and shall apply to all other funds under the County Treasurer-Tax Collector's span of control unless specifically exempted by resolution.

Outside local agencies, where the County Treasurer-Tax Collector does not serve as the agency's Treasurer-Tax Collector, may invest in the Pooled Investment Fund through California Government Code section 53684 et seq. Deposits are subject to the consent of the County Treasurer-Tax Collector. The local agency legislative body must approve the Imperial County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. This agreement should spell out the exact rules for participating in the pool and provide the County Treasurer-Tax Collector with reasonable predefined discretion to establish the frequency and amount of voluntary funds that can be removed from the pool at a particular time.

The County Treasurer-Tax Collector may honor all requests to withdraw funds for normal cash flow purposes. Any requests to withdraw funds for purposes other than cash flow such as for external investing shall be subject to the consent of the Treasurer-Tax Collector. In accordance with California Government Code section 27136 et seq., and 27133(h) et seq., such requests for withdrawals must first be made in writing to the County Treasurer-Tax Collector. These requests are subject to the County Treasurer-Tax Collector consideration of the stability and predictability of the Pooled Investment Fund, or the adverse affect on the interests of the other depositors in the Pooled Investment Fund. Any withdrawal for such purposes shall be at the market value of the Pooled Investment Fund as of the date of the withdrawal.

Standards

The County Treasurer-Tax Collector is the trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The County Treasurer-Tax Collector and employees involved in the investment process shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with the California State law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Treasurer-Tax Collector shall act with the care, skill, prudence and diligence in order to meet the investment objectives.

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

Objectives

Investment Objectives: The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are listed in order of importance.

Safety of Principal: The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they are from securities default or erosion of market value.

Liquidity: As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the County Treasurer-Tax Collector to meet all operating requirements that may be reasonably anticipated in any depositor’s fund.

Public Trust: In managing the Pooled Investment fund, the County Treasurer-Tax Collector and the authorized investment traders should try and avoid any transactions that might impair public confidence in the Imperial County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

Return on Investments: The Pooled Investment Fund shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the County’s investment risk constraints and the cash flow characteristics of the portfolio.

Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Auditor/Controller will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

Internal Controls

The County Treasurer-Tax Collector shall establish internal controls to provide reasonable assurance the investment objectives are met and to ensure that the assets are protected from loss, theft or misuse. To assist in implementation and internal controls, the Treasurer-Tax Collector shall establish written policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transaction. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the County Treasurer-Tax Collector.

Authorized Personnel: The following is a list of delegated staff responsible for investment transactions, County Treasurer-Tax Collector, Assistant Treasurer Tax-Collector, Accounting Supervisor and the Accounting Technician's. Authorized personnel may be changed from time to time at the discretion of the County Treasurer-Tax Collector.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Auditor/Controller's office on a monthly basis.

An independent audit shall be conducted annually to review internal control, account activity and compliance with policies, procedures and applicable laws.

The County Treasurer-Tax Collector, or Assistant Treasurer-Tax Collector, should, from time to time perform a review of the investment function. This review should consist of:

- Comparison of the investment records to the independent statements and confirmations received from brokers, dealers, banks and other financial institutions.
- Review of the contents of the investment portfolio to assure that it conforms to this policy.
- Review of the financial institution with which investments have been made to assure that the County Treasurer-Tax Collector or authorized staff has approved them.
- Confirmations resulting from securities purchased under a repurchase agreement should clearly state the exact and complete nomenclature of the underlying securities purchased and that said securities have been sold to the County with a promise of resale by the County back to the seller.

The County Treasurer-Tax Collector shall establish and define authorized investments as well as credit, marketability, maturity and diversification criteria for County investments. Where possible, County investments should be placed, confirmed, held and accounted for, and audited by different people.

Ethics and Conflicts of Interest

In accordance with California Government Code section 27133(d) et seq., officers and employees involved in the investment process shall refrain from personal business activity that could cause conflict with the investment program, or which could impair their ability to make impartial investment decisions.

Any individual who receives a aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker-dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms. No individual may receive aggregate gifts, honoraria gratuities in excess of \$460 in a calendar year. Any violation must be reported to the State Fair Political Practices Commission.

Investment Parameters

Safekeeping and Custody: All securities purchased, with the exception of time deposits, LAIF and bank short term Investment Funds (bank's overnight investment fund), can be delivered to the independent third-party custodian selected by the County Treasurer-Tax Collector. This includes all collateral for repurchase agreement. All trades, where applicable, will be executed by delivery versus payment by the designated party.

Qualified Broker/Dealers: All financial institutions, whether investment banks and dealers, commercial banks, or savings and loans must be approved by the County Treasurer-Tax Collector or authorized staff before they receive County funds. All firms with whom the County does business should have a strong capital base and be deemed credit-worthy before any investments or deposits are placed with such firms. In accordance with California Government Code section

27133(c) et seq., the County Treasurer-Tax Collector or authorized staff will prescribe minimum standards.

The County Treasurer shall not select brokers and dealers who individually, or as a firm, have contributed more than \$250 or the current limit established under Municipal Securities Regulatory Board (MSRB) Rule G-37.

The Treasurer-Tax Collector's staff shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the County. Receipt of this policy shall be considered confirmation that the broker/dealer understands the County's investments authorized by this investment policy.

The Treasurer-Tax Collector will maintain a list of financial institutions authorized to provide investment services. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer-Tax Collector.

Collateral Requirements: Collateral is required for investments in certificates of deposit (over the standard maximum deposit insurance amount "SMDIA" in FDIC regulations), repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be a least 102% of market value or principal and accrued interest.

The only securities acceptable as collateral shall be direct obligations of, or fully guaranteed as to principal and interest by, the United States or any agency of the United States.

Diversification: The County Treasurer-Tax Collector will diversify its investments by security type and institution. With the exception of U.S. Treasury, U.S. Agency securities and authorized pools, no more than 50% of the County's total investment portfolio should be invested in a single security type.

Investable Fund: Total investable funds for purposes of this policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Bond proceeds may be invested in accordance with the Government Code provisions, or they may be invested in alternative vehicles if authorized by Bond documents.

Compliance: The portfolio must be in compliance with statute at the time that the investment is purchased. It is recommended that the portfolio be monitored, as practical, for subsequent changes in percentages resulting from non-purchase activity or changes in credit rating of existing securities.

Rebalancing is not required in the case where subsequent maturities, sales, withdrawals, or similar non-purchase activities result in the remaining portfolio having one or more of the categories of investment rise above the percentage restrictions applicable at the time of purchase.

In the event the portfolio or individual investments are deemed to be out of compliance with either statute or the investment policy, the Treasurer-Tax Collector and staff shall analyze and take appropriate course of action to rebalance the portfolio with the preservation of principal being the primary objective.

Authorized Investments: As stated earlier, authorized investment shall match the general categories established by the California Government Code section 53635 et seq. Authorized investments shall also include, in accordance with California Government Code section 16429.1, investment into LAIF.

The chart on the next page provides a list of the permitted securities and conditions for using them. Only the County Treasurer-Tax Collector or authorized staff will be authorized to invest in the approved investment. (See FIGURE 1 and Table of notes)

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2017)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations—CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers' Acceptances	180 days	40% ^E	None
Commercial Paper—Pooled Funds ^I	270 days	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H
Commercial Paper—Non-Pooled Funds ^F	270 days	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H
Negotiable Certificates of Deposit	5 years	30% ^J	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30% ^K	None
Placement Service Certificates of Deposit	5 years	30% ^K	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M
Medium-Term Notes ^N	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better ^R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^S
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^T	N/A	None	None
Supranational Obligations ^U	5 years	30%	"AA" rating category or its equivalent or better

TABLE OF NOTES FOR FIGURE 1

- ^A Sources: Sections 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.
- ^B Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- ^C Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- ^D Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- ^E No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- ^F "Select Agencies" are defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."
- ^G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.
- ^H Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, has program wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- ^I "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set for "Select Agencies," above.
- ^J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- ^K No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(ii)).
- ^L Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- ^M Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- ^N "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"
- ^O No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- ^P A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Sections 53601 and 53635.
- ^Q A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years experience investing in money market instruments with assets under management in excess of \$500 million.
- ^R Issuer must be rated in a rating category of "A" or its equivalent or better as provided by a nationally recognized statistical rating organization.
- ^S A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- ^T Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- ^U Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

Prohibited Investments: No investment should be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

Implementation

In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy at least annually during open session.

Monthly, the Treasurer-Tax Collector shall present and file with the Board of Supervisors during public session the Imperial County Treasurer-Tax Collector's Portfolio Master Summary.

Summary

The County Treasurer-Tax Collector, or Assistant Treasurer-Tax Collector, is to have express authority to invest County funds in any investments, securities and other instruments as described herein as the County Treasurer-Tax Collector, or Assistant Treasurer-Tax Collector deems appropriate.

The County Treasurer-Tax Collector will develop, interpret, clarify and maintain this Statement of Investment Policy. As the California Government Code and legislation is amended this Policy shall likewise become amended.

**IMPERIAL COUNTY TREASURER
Portfolio Management
Portfolio Summary
August 31, 2019**

Investments	Par Value	Market Value	Book Value	% of Portfolio	YTM 360 Equiv.	YTM 365 Equiv.	Days to Maturity	Term
LAIF / HIGHMARK CAPITAL / ZBA	64,500,000.00	64,500,000.00	64,500,000.00	11.71	2.535	2.570	1	1
Certificates of Deposit - Bank	14,455,000.00	14,455,000.00	14,455,000.00	2.62	2.090	2.119	394	668
Negotiable CD's	104,573,000.00	105,578,891.24	104,571,978.85	18.98	2.217	2.248	706	1,321
Federal Agency Issues - Coupon	367,627,000.00	372,878,360.47	367,316,457.77	66.68	2.120	2.150	854	1,499
Investments	551,155,000.00	557,212,251.71	550,843,436.62	100.00%	2.186	2.217	714	1,268
Cash								
Passbook/Checking (not included in yield calculations)	99,210,008.94	99,210,008.94	99,210,008.94		0.000	0.000	1	1
Total Cash and Investments	650,365,008.94	656,422,260.65	650,053,445.56		2.186	2.217	714	1,268

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	1,028,523.94	2,033,433.03
Average Daily Balance	648,343,401.96	663,143,480.32
Effective Rate of Return	1.87%	1.81%

In accordance with the provisions of Section 53607 and 53646 of the Government Code, the laws and regulations of the State of California and authority granted by the Imperial County Board of Supervisors the County Treasurer is responsible for investing all the funds in the County Treasury not needed for current commitment. This statement denotes the ability of the local agency to meet its pool's expenditure requirements for the next six months.

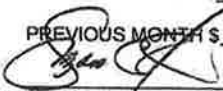
3 MONTH HISTORY OF CASH AND INVESTMENTS:

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CURRENT \$ 650,053,445.56

LAST MONTH \$ 662,680,171.24

PREVIOUS MONTH \$ 704,591,202.70


Karen Vogel, Treasurer-Tax Collector

9-5-19

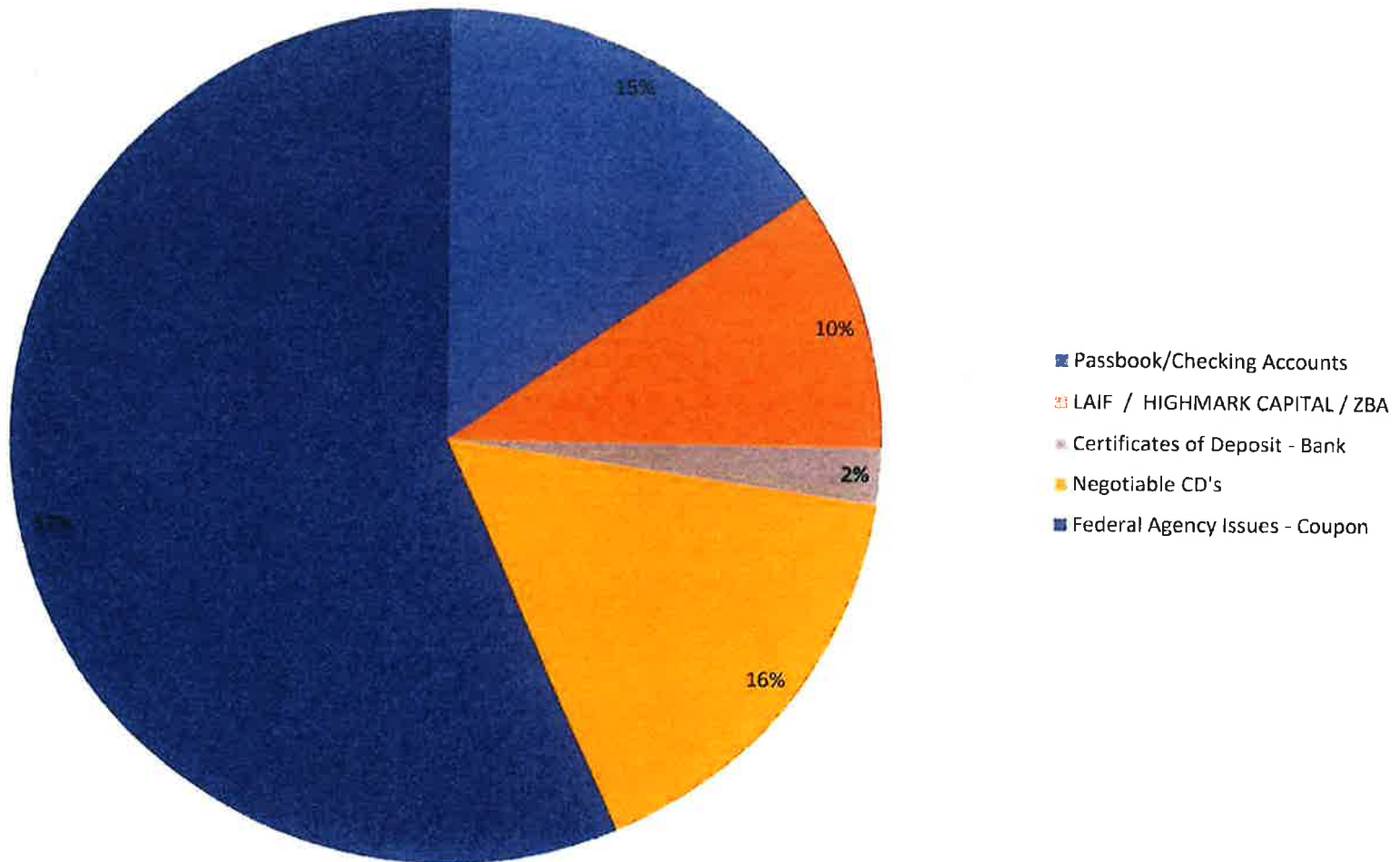
Reporting period 08/01/2019-08/31/2019

Run Date: 09/04/2019 - 15:17

Portfolio PTS
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PM (PRF_PM1) 7.3.0
Report Ver. 7.3.3b

IMPERIAL COUNTY TREASURER
Portfolio Management
Portfolio Summary

**Book Value by Investment Type
As of August 31, 2019**



IMPERIAL COUNTY TREASURER
Portfolio Management
Portfolio Details - Investments
August 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
LAIF / HIGHMARK CAPITAL / ZBA												
SYS1-05015	1-05015	Local Agency Invstmt Fund			64,500,000.00	64,500,000.00	64,500,000.00	2.570	2.535	2.570	1	
SYS17-RABOMM	17-RABOMM	Rabobank, N.A.			0.00	0.00	0.00	0.200	0.197	0.200	1	
Subtotal and Average			64,500,000.00		64,500,000.00	64,500,000.00	64,500,000.00		2.535	2.570	1	
Certificates of Deposit - Bank												
SYS 4-053118	4-053118	1st Oklahoma Bank		05/31/2018	245,000.00	245,000.00	245,000.00	2.220	2.190	2.220	273	05/31/2020
4-022219	4-022219	Academy Bank N.A.		02/22/2019	245,000.00	245,000.00	245,000.00	2.900	2.860	2.900	540	02/22/2021
SYS 4-060718	4-060718	Asian Pacific National Bank		06/07/2018	245,000.00	245,000.00	245,000.00	2.350	2.318	2.350	280	06/07/2020
SYS4-040219	4-040219	Banc of California		04/02/2019	245,000.00	245,000.00	245,000.00	2.620	2.584	2.620	397	10/02/2020
SYS4-060319	4-060319	Bar Harbor Savings & Loan		06/03/2019	245,000.00	245,000.00	245,000.00	2.450	2.416	2.450	641	06/03/2021
SYS 4-102618	4-102618	Bank of the Valley		10/26/2018	245,000.00	245,000.00	245,000.00	3.000	2.959	3.000	296	06/23/2020
SYS 4-081618	4-081618	Bank Of The West		08/16/2018	245,000.00	245,000.00	245,000.00	2.390	0.000	0.000	362	08/28/2020
4-021319B	4-021319B	Broadway Federal Bank		02/13/2019	100,000.00	100,000.00	100,000.00	2.600	2.564	2.600	347	06/13/2020
SYS 4-071318	4-071318	Broadway Federal Bank		07/13/2018	145,000.00	145,000.00	145,000.00	2.220	2.190	2.220	316	07/13/2020
4-012619	4-012619	Cathay Bank		01/26/2019	245,000.00	245,000.00	245,000.00	2.400	2.367	2.400	147	01/26/2020
SYS 4-032218	4-032218	Central Bank		03/22/2018	245,000.00	245,000.00	245,000.00	2.200	2.170	2.200	203	03/22/2020
SYS 4-010819	4-010819	CEN TRUST BANK		01/08/2019	245,000.00	245,000.00	245,000.00	2.850	2.811	2.850	464	12/08/2020
SYS4-070319	4-070319	Ciizens State Bank		07/03/2019	245,000.00	245,000.00	245,000.00	2.570	2.535	2.570	580	04/03/2021
SYS4-061019	4-061019	Commonwealth Business Bank		06/10/2019	245,000.00	245,000.00	245,000.00	2.500	2.500	2.535	646	06/08/2021
SYS 4-030218A	4-030218A	Community West Bank		03/02/2018	245,000.00	245,000.00	245,000.00	2.350	0.000	0.000	183	03/02/2020
SYS4-0708119	4-070819	Commerce State Bank		07/08/2019	245,000.00	245,000.00	245,000.00	2.250	2.219	2.250	311	07/08/2020
SYS4-062419	4-062419	Community Valley Bank		06/24/2019	245,000.00	245,000.00	245,000.00	2.300	2.268	2.300	480	12/24/2020
SYS 4-032218A	4-032218A	Dickinson County Bank		03/22/2018	245,000.00	245,000.00	245,000.00	2.000	1.973	2.000	203	03/22/2020
SYS 4-101518	4-101518	DMB Community Bank		10/15/2018	245,000.00	245,000.00	245,000.00	2.700	2.663	2.700	410	10/15/2020
SYS4-011019	4-011019	EH NATIONAL BANK		01/10/2019	245,000.00	245,000.00	245,000.00	2.660	0.000	0.000	222	04/10/2020
SYS4-052319	4-052319	First Internet Bank of Indiana		05/23/2019	245,000.00	245,000.00	245,000.00	2.750	2.712	2.750	630	05/23/2021
SYS 4-031218	4-031218	Flagstar Bank, FSB		03/12/2018	245,000.00	245,000.00	245,000.00	2.100	0.000	0.000	193	03/12/2020
SYS4-101818S	4-101818S	First Natnl Bank		10/18/2018	245,000.00	245,000.00	245,000.00	2.400	2.367	2.400	47	10/18/2019
SYS4-112918	4-112918	FIRST CAROLINA BK		11/29/2018	245,000.00	245,000.00	245,000.00	2.700	0.000	0.000	455	11/29/2020
SYS4-102518	4-102518	Great Midwest Bank		10/25/2018	245,000.00	245,000.00	245,000.00	3.070	3.070	3.113	421	10/26/2020
4-020519	4-020519	HAB Bank		02/05/2019	245,000.00	245,000.00	245,000.00	2.750	2.712	2.750	523	02/05/2021
4-012319	4-012319	Harvard State Bank		01/23/2019	245,000.00	245,000.00	245,000.00	2.780	2.742	2.780	510	01/23/2021
SYS4-062019	4-062019	Harbor Bank of Maryland		06/20/2019	245,000.00	245,000.00	245,000.00	2.500	2.466	2.500	658	06/20/2021
4-020619	4-020619	Heritage Bank of St. Tammany		02/06/2019	245,000.00	245,000.00	245,000.00	2.700	2.663	2.700	524	02/06/2021
SYS4-090618	4-090618	Israel Discount Bank of NY		09/06/2018	245,000.00	245,000.00	245,000.00	2.716	0.000	0.000	373	09/08/2020

Portfolio PTS
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IMPERIAL COUNTY TREASURER
Portfolio Management
Portfolio Details - Investments
August 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
SYS4-051718	4-051718	International City Bank NA		05/17/2018	245,000.00	245,000.00	245,000.00	2.350	2.318	2.350	260	05/18/2020
SYS4-070119	4-070119	Kansas State Bank of Manhattan		07/01/2019	245,000.00	245,000.00	245,000.00	2.150	2.121	2.150	304	07/01/2020
SYS4-021218	4-021218	Latino Community CU		02/12/2018	245,000.00	245,000.00	245,000.00	2.300	2.268	2.300	164	02/12/2020
SYS - 4-073019	4-073019	Marlin Business Bnk		07/30/2019	245,000.00	245,000.00	245,000.00	2.760	2.722	2.760	698	07/30/2021
4-021319A	4-021319A	Modern Bank National Associati		02/13/2019	245,000.00	245,000.00	245,000.00	3.010	2.969	3.010	531	02/13/2021
SYS4-101018	4-101018	Midwest Regional Bank		10/10/2018	245,000.00	245,000.00	245,000.00	3.000	0.000	0.000	252	05/10/2020
4-021319	4-021319	Northern Bank & Trust Company		02/13/2019	245,000.00	245,000.00	245,000.00	2.750	2.712	2.750	347	08/13/2020
4-020619A	4-020619A	Northwest Bank		02/06/2019	245,000.00	245,000.00	245,000.00	2.700	2.663	2.700	524	02/06/2021
SYS4-070518	4-070518	Origin Bank		07/05/2018	245,000.00	245,000.00	245,000.00	2.000	1.973	2.000	308	07/05/2020
SYS4-040518	4-040518	Pacific Alliance Bank		04/05/2018	245,000.00	245,000.00	245,000.00	2.130	2.101	2.130	217	04/05/2020
SYS4-010818	4-010818	Pacific Enterprise Bank		01/08/2018	245,000.00	245,000.00	245,000.00	2.000	1.973	2.000	128	01/07/2020
SYS4-06179	4-061719	Pacific Mercantile		06/17/2019	245,000.00	245,000.00	245,000.00	3.000	3.000	3.042	655	06/17/2021
SYS4-120718	4-120718	PARAMOUNT BANK		12/07/2018	245,000.00	245,000.00	245,000.00	2.700	0.000	0.000	280	06/07/2020
SYS4-091418	4-091418	Plains State Bank		09/14/2018	245,000.00	245,000.00	245,000.00	2.360	2.328	2.360	13	09/14/2019
SYS4-030918	4-030918	Pacific Premier Bank		03/09/2018	245,000.00	245,000.00	245,000.00	2.150	2.150	2.180	190	03/09/2020
SYS4-011619	4-011619	PREFERRED BANK		01/16/2019	245,000.00	245,000.00	245,000.00	2.800	2.800	2.839	503	01/16/2021
SYS4-081618S	4-081618S	Royal Business Bank		08/16/2018	245,000.00	245,000.00	245,000.00	2.600	2.564	2.600	350	08/16/2020
SYS4-050418	4-050418	Security State Bank of Wewoka		05/04/2018	245,000.00	245,000.00	245,000.00	2.250	2.219	2.250	246	05/04/2020
4-012319A	4-012319A	Sargent County Bank		01/23/2019	245,000.00	245,000.00	245,000.00	2.750	2.712	2.750	510	01/23/2021
SYS4-101018S	4-101018S	Seaside National Bank & Trust		10/10/2018	245,000.00	245,000.00	245,000.00	2.700	2.663	2.700	405	10/10/2020
SYS 4-071919	4-071919	State Bank of Chandler		07/19/2019	245,000.00	245,000.00	245,000.00	2.700	2.663	2.700	565	03/19/2021
SYS4-101918	4-101918	State Bank of Texas		10/19/2018	245,000.00	245,000.00	245,000.00	2.800	2.762	2.800	414	10/19/2020
SYS4-040219A	4-040219a	Sterling SB and Trust		04/02/2019	245,000.00	245,000.00	245,000.00	2.470	2.470	2.504	302	06/29/2020
4-012319B	4-012319B	Summit State Bank		01/23/2019	245,000.00	245,000.00	245,000.00	2.860	2.860	2.900	510	01/23/2021
SYS4-081019A	4-081019A	SBK Bank, SSB		06/10/2019	245,000.00	245,000.00	245,000.00	2.930	2.890	2.930	648	06/10/2021
SYS4-051519	4-051519	Union Bank and Trust		05/15/2019	245,000.00	245,000.00	245,000.00	2.750	2.712	2.750	622	05/15/2021
SYS4-092118	4-092118	US Metro Bank		09/21/2018	245,000.00	245,000.00	245,000.00	2.650	2.614	2.650	386	09/21/2020
SYS4-112918A	4-112918A	VERITEX COMMUNITY BANK		11/29/2018	245,000.00	245,000.00	245,000.00	2.820	0.000	0.000	455	11/29/2020
SYS4-121118	4-121118	WELCH STATE BANK		12/11/2018	245,000.00	245,000.00	245,000.00	2.800	0.000	0.000	467	12/11/2020
SYS4-071519	4-071519	Woorl Amerca Bank		07/15/2019	245,000.00	245,000.00	245,000.00	2.200	2.170	2.200	683	07/15/2021
Subtotal and Average			14,573,548.39		14,465,000.00	14,455,000.00	14,465,000.00	2.090	2.119	394		
Negotiable CD's												
319428AG3	7-021017	FIRST CENTURY BANK		02/10/2017	245,000.00	245,311.15	245,000.00	1.850	1.826	1.851	528	02/10/2021
31904JAE0	7-022618	FIRST BANK & TRUST OF FULLERTO		02/26/2018	245,000.00	250,380.20	245,000.00	2.550	2.516	2.551	1,272	02/24/2023

Portfolio PTS
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IMPERIAL COUNTY TREASURER
Portfolio Management
Portfolio Details - Investments
August 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Negotiable CD's												
320636AC7	7-073117	First Iowa State Bank		07/31/2017	245,000.00	245,492.45	245,000.00	1.900	1.877	1.903	883	01/31/2022
32110YHC2	7-051116	First National Bank of America		05/11/2016	245,000.00	243,461.40	245,000.00	1.400	1.382	1.401	618	05/11/2021
33625CCP2	7-073019	1st Security Bank of Washington		07/30/2019	245,000.00	245,673.75	245,000.00	2.000	1.975	2.002	1,794	07/30/2024
33640RCR6	7-032417	FIRST SENTRY BANK, INC.		03/24/2017	245,000.00	246,092.70	245,000.00	2.000	1.974	2.001	935	03/24/2022
33646CKQ6	7-121718A	1ST SOURCE BANK		12/17/2018	245,000.00	249,142.95	245,000.00	3.000	2.960	3.001	502	01/15/2021
33732TBJ0	7-062819	1ST TRUST BANK INC.		06/28/2019	245,000.00	248,759.10	245,000.00	2.300	2.275	2.306	484	12/28/2020
35085FAB6	7-012419A	4FRONT		01/24/2019	245,000.00	245,850.15	245,000.00	2.750	2.712	2.750	145	01/24/2020
00287RCH5	7-110618	ABBY BANK		11/06/2018	245,000.00	249,779.95	245,000.00	2.950	2.908	2.948	613	05/06/2021
00257TBD7	7-072819	ABACUS FEDERAL SAVINGS BANK		07/28/2019	245,000.00	245,098.00	245,000.00	1.950	1.925	1.952	1,790	07/26/2024
00432KDZ3	7-072518	ACCESS NAT'L BANK		07/25/2018	245,000.00	250,110.70	245,000.00	2.900	2.791	2.830	694	07/26/2021
02554DBG1	7-040116	AMERICAN EAGLE BANK OF CHICAGO		04/01/2016	245,000.00	245,041.65	245,000.00	1.450	1.431	1.451	304	07/01/2020
02007GEY5	7-091318	ALLY BANK		09/13/2018	245,000.00	250,882.45	245,000.00	3.000	2.959	3.000	743	09/13/2021
020080AZ0	7-061016	Alma Bk Astoria New York		06/10/2016	245,000.00	244,135.15	245,000.00	1.300	1.283	1.301	283	08/10/2020
02082CBE9	7-012916	Alpine Bank & Trust Co.		01/29/2016	245,000.00	245,139.65	245,000.00	1.800	1.777	1.802	516	01/29/2021
02554BCL3	7-032816	AMERICAN EAGLE BANK		03/28/2016	245,000.00	245,039.20	245,000.00	1.450	1.406	1.425	302	06/29/2020
02519TAW6	7-082319A	AMERICAN COMMERCE BANK NA		08/23/2019	245,000.00	243,086.55	245,000.00	1.750	1.727	1.751	1,452	08/23/2023
02587DXK9	7-042915	American Express Centurion Bnk		04/29/2015	245,000.00	245,335.65	245,000.00	1.850	1.825	1.850	241	04/29/2020
02771PNR4	7-061217A	AMERICAN NATIONAL BANK FOX CIT		06/12/2017	245,000.00	245,298.90	245,000.00	1.850	1.826	1.851	652	06/14/2021
02600ADL8	7-072419A	AMERICAN FEDERAL BANK		07/24/2019	249,000.00	249,873.99	247,978.85	2.000	2.095	2.125	1,258	02/10/2023
02587CEM8	7-050317	AMERICAN EXPRESS BANK FSB		05/03/2017	245,000.00	247,364.25	245,000.00	2.350	2.318	2.350	975	05/03/2022
02616AAB5	7-022819	AMERICAN FIRST		02/28/2019	245,000.00	246,972.25	245,000.00	2.550	2.513	2.547	362	08/28/2020
02769QCR8	7-122118C	AMERICAN NATIONAL BANK OF MINN		12/21/2018	245,000.00	247,170.70	245,000.00	2.850	2.673	2.710	295	06/22/2020
029728AP7	7-102315B	American State Bank- IA		10/23/2015	245,000.00	245,017.15	245,000.00	1.750	1.726	1.750	418	10/23/2020
029733CH3	7-071919B	AMERICAN STATE BANK		07/19/2019	245,000.00	244,522.25	245,000.00	1.900	1.876	1.902	1,783	07/19/2024
03753XAC4	7-051116A	Apex Bank		05/11/2016	245,000.00	243,461.40	245,000.00	1.400	1.400	1.419	618	05/11/2021
05765LAQ0	7-013118B	BALBOA THRIFT AND LOAN ASSOCIA		01/31/2018	245,000.00	250,838.35	245,000.00	2.450	2.418	2.451	1,248	01/31/2023
06653LAE0	7-050819A	BANK3		05/08/2019	245,000.00	250,049.45	245,000.00	2.500	2.468	2.502	1,345	05/08/2023
06610PBV4	7-113018	BANKERS BANK OF KANSAS		11/30/2018	245,000.00	250,145.00	245,000.00	3.000	2.957	2.998	635	05/28/2021
06610QDH1	7-093016	THE BANKERS BANK		09/30/2016	245,000.00	243,307.05	245,000.00	1.350	1.332	1.351	760	09/30/2021
06740KLP0	7-110817B	BARCLAYS BANK DELAWARE		11/08/2017	245,000.00	248,655.40	245,000.00	2.350	2.318	2.350	1,164	11/08/2022
066851VV4	7-062819G	BAR HARBOR BANK & TRUST		06/28/2019	245,000.00	246,398.95	245,000.00	2.100	2.074	2.103	666	06/28/2021
06653ABL7	7-122916	BANKVISTA		12/29/2016	245,000.00	245,014.70	245,000.00	1.750	1.727	1.751	424	10/29/2020
12325EJB9	7-022718	BUSINESS BANK OF ST LOUIS		02/27/2018	245,000.00	250,032.30	245,000.00	2.550	2.514	2.549	1,090	08/26/2022
099703EH9	7-022817C	BORDER STATE BNK		02/28/2017	245,000.00	244,951.00	245,000.00	1.750	1.727	1.751	544	02/26/2021
084601LB7	7-110917A	BERKSHIRE BANK		11/09/2017	245,000.00	245,151.90	245,000.00	1.800	1.775	1.800	435	11/09/2020

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Negotiable CD's												
08883AAXO	7-103015	Biddeford Savings Bank		10/30/2015	245,000.00	244,730.50	245,000.00	1.300	1.283	1.301	59	10/30/2019
06062QWJ9	7-103116A	BANK OF BARODA NEW YORK		10/31/2016	245,000.00	243,618.20	245,000.00	1.400	1.381	1.400	425	10/30/2020
061785CL3	7-093014A	Bank of Deerfield		09/30/2014	245,000.00	245,009.80	245,000.00	2.000	1.974	2.001	29	09/30/2019
06424LCH9	7-031618	THE BANK OF DELMARVA		03/16/2018	245,000.00	251,673.80	245,000.00	2.700	2.665	2.702	1,292	03/16/2023
061803AG7	7-032318	BANK OF DELIGHT		03/23/2018	245,000.00	249,775.05	245,000.00	2.600	2.566	2.602	934	03/23/2022
062114AR4	7-053018B	BANK FIRST NATIONAL		05/30/2018	245,000.00	254,944.55	245,000.00	3.050	3.010	3.052	1,367	05/30/2023
06279WAA8	7-022817	BANK IOWA		02/28/2017	245,000.00	244,683.95	245,000.00	1.800	1.578	1.600	180	02/28/2020
06426JAL5	7-031218	BANK OF LAKE MILLS		03/12/2018	245,000.00	251,649.30	245,000.00	2.700	2.665	2.702	1,286	03/10/2023
063615AV0	7-061215	Bank Midwest		06/12/2015	245,000.00	244,799.10	245,000.00	1.650	1.629	1.652	285	06/12/2020
063847AH0	7-061716A	Bank of New England - Salem		06/17/2016	245,000.00	244,213.55	245,000.00	1.400	1.382	1.401	655	06/17/2021
06647JAF1	7-012116	BankNewport		01/21/2016	245,000.00	245,142.10	245,000.00	1.800	1.777	1.802	508	01/21/2021
065847CW3	7-081215	Bank of Wisconsin Dells		08/12/2015	245,000.00	244,865.25	245,000.00	1.750	1.729	1.753	164	02/12/2020
90984FAR8	7-022818	UNITED COMMUNITY BANK OF WEST		02/28/2018	245,000.00	245,411.60	245,000.00	2.200	2.170	2.200	180	02/28/2020
05549CGQ7	7-051718	BLC COMMUNITY BANK		05/17/2018	245,000.00	250,804.05	245,000.00	2.800	2.768	2.807	900	02/17/2022
08016PCL1	7-051517	BELMONT BK & TRUST COMPANY		05/15/2017	245,000.00	244,701.10	245,000.00	1.600	1.580	1.601	257	05/15/2020
095067AL8	7-083018B	BLOOMSDALE BANK		08/30/2018	245,000.00	247,349.55	245,000.00	2.700	2.670	2.707	365	08/31/2020
05580ARK2	7-051619	BMW BANK OF NORTH AMERICA		05/16/2019	245,000.00	248,986.15	245,000.00	2.450	2.416	2.450	982	05/10/2022
06610TEB7	7-111618	BARKERS BANK OF THE WEST		11/16/2018	245,000.00	251,619.90	245,000.00	3.050	3.011	3.053	807	11/16/2021
06160AAF7	7-061417	BANK OF COMMERCE		06/14/2017	245,000.00	245,298.90	245,000.00	1.850	1.826	1.851	652	06/14/2021
062163BB5	7-082318	BANK FOWARD		08/23/2018	245,000.00	253,891.05	245,000.00	3.050	3.011	3.052	1,146	10/21/2022
062683AR8	7-030918	BANK OF HOPE		03/09/2018	245,000.00	245,578.20	245,000.00	2.300	2.272	2.303	190	03/09/2020
8562846V1	7-031417	STATE BANK OF INDIA		03/14/2017	245,000.00	248,204.60	245,000.00	2.350	2.318	2.350	925	03/14/2022
06051VC79	7-120518B	BANK OF AMERICA NATIONAL ASSOC		12/05/2018	245,000.00	247,033.50	245,000.00	2.850	2.811	2.850	278	06/05/2020
064520AS8	7-042718A	THE BANK OF PRINCETON		04/27/2018	245,000.00	247,126.60	245,000.00	2.500	2.470	2.504	422	10/27/2020
064577DX4	7-112818	BANK RHODE ISLAND		11/28/2018	245,000.00	248,628.45	245,000.00	2.950	2.913	2.954	453	11/27/2020
06427LCF0	7-112917	BANK OF RUSTON		11/29/2017	245,000.00	245,303.80	245,000.00	1.850	1.780	1.804	456	11/30/2020
065084AA3	7-091418A	BANK OF SOUTH TEXAS		09/14/2018	245,000.00	247,432.85	245,000.00	2.700	2.667	2.704	379	09/14/2020
065284FW6	7-122217	BANK OF TENNESSEE		12/22/2017	245,000.00	245,090.65	245,000.00	1.900	1.810	1.835	204	03/23/2020
06652CHA2	7-072619B	BankWest Inc.		07/26/2019	245,000.00	245,671.30	245,000.00	2.000	1.975	2.002	1,790	07/26/2024
10801DAN1	7-082318B	BRICKELL BANK		08/23/2018	245,000.00	247,285.85	245,000.00	2.700	2.666	2.704	355	08/21/2020
108622FR7	7-061617A	BRIDGE WATER BANK		06/16/2017	245,000.00	245,298.90	245,000.00	1.850	1.826	1.851	654	06/16/2021
11373QFJ2	7-081718A	BROOKLINE BANK		08/17/2018	245,000.00	247,256.45	245,000.00	2.700	2.667	2.704	351	08/17/2020
130524AB7	7-053117	CALIFORNIA PACIFIC BANK		05/31/2017	245,000.00	245,186.20	245,000.00	1.850	1.825	1.850	911	02/28/2022
13303DR8	7-022615	The Camden National Bank		02/26/2015	245,000.00	245,213.15	245,000.00	1.800	1.776	1.801	178	02/28/2020
139797GC2	7-083017	THE CAPITAL BK		08/30/2017	245,000.00	244,894.65	245,000.00	1.700	1.677	1.700	271	05/29/2020

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Negotiable CD's												
14042E6A3	7-082715	Capital One, Natl Assn		08/27/2015	245,000.00	246,386.70	245,000.00	2.350	2.318	2.350	360	08/26/2020
139805AP0	7-113018A	CAPITAL BANK NATIONAL ASSOCIAT		11/30/2018	245,000.00	248,944.50	245,000.00	3.050	3.012	3.054	456	11/30/2020
144153AZ6	7-020817	CAROLINA PREMIER BANK		02/08/2017	245,000.00	244,696.20	245,000.00	1.600	1.578	1.598	250	05/08/2020
144200AK8	7-012115	Carolina Trust Bank		01/21/2015	245,000.00	245,281.75	245,000.00	1.800	1.776	1.801	142	01/21/2020
204161BF9	7-071919	COMMUNITY BANK OF TEXAS N.A.		07/19/2019	245,000.00	245,899.15	245,000.00	2.000	1.976	2.004	1,236	01/19/2023
20369AAD2	7-112917A	COMMUNITY CREDIT UNION OF LYNN		11/29/2017	245,000.00	247,516.15	245,000.00	2.200	2.170	2.200	1,185	11/29/2022
15118RPU5	7-082418	CELTIC BANK		08/24/2018	245,000.00	250,292.00	245,000.00	2.900	2.863	2.903	723	08/24/2021
15135TAL6	7-032118	CENDERA BANK, NATL ASSN		03/21/2018	245,000.00	249,767.70	245,000.00	2.600	2.566	2.602	932	03/21/2022
152577AD4	7-013019	CENTRAL BANK		01/30/2019	245,000.00	249,838.75	245,000.00	2.650	2.616	2.652	883	01/31/2022
15721UCW7	7-021419	CF BANK NATIONAL ASSOCIATION		02/14/2019	245,000.00	252,915.95	245,000.00	2.800	2.761	2.799	1,443	08/14/2023
147005BG6	7-032918A	CARVER FEDERAL SAVINGS BANK		03/29/2018	245,000.00	250,416.95	245,000.00	2.700	2.663	2.700	940	03/29/2022
17037VAZ5	7-113015	Choice Bank - Oshkosh		11/30/2015	245,000.00	245,041.65	245,000.00	1.550	1.530	1.551	89	11/29/2019
16116PHV6	7-080417	CHARTER BANK		08/04/2017	245,000.00	246,082.90	245,000.00	2.000	1.973	2.000	915	03/04/2022
12556LBB1	7-082319B	CIT BANK NATIONAL ASSOCIATION		08/23/2019	245,000.00	245,752.15	245,000.00	1.950	1.923	1.950	1,087	08/23/2022
176688CB3	7-111816B	Citizens State Bank of La Cros		11/18/2016	245,000.00	243,113.50	245,000.00	1.450	0.000	0.000	809	11/18/2021
17286TAC9	7-103018	CITADEL		10/30/2018	245,000.00	248,557.40	245,000.00	3.000	2.963	3.004	425	10/30/2020
17312QH69	7-032916C	CITIBANK, NATIONAL ASSOCIATION		03/29/2018	245,000.00	252,945.35	245,000.00	2.850	2.811	2.850	1,305	03/29/2023
187337AB6	7-123015A	Clinton Bank		12/30/2015	245,000.00	246,082.90	245,000.00	1.700	1.679	1.702	395	09/30/2020
20143PDJ6	7-020818	COMMERCIAL BANK		02/08/2018	245,000.00	247,148.65	245,000.00	2.300	2.266	2.298	617	05/10/2021
20056QRA3	7-052418A	COMMERCE BANK		05/24/2018	245,000.00	252,913.50	245,000.00	2.900	2.817	2.857	1,181	11/25/2022
23062KBL5	7-010218	CUMBERLAND FEDERAL BANK FSB		01/02/2018	245,000.00	245,423.85	245,000.00	1.900	1.874	1.900	397	10/02/2020
201282JA9	7-072619A	Commercial Bank		07/26/2019	245,000.00	246,242.15	245,000.00	2.050	2.024	2.052	1,790	07/26/2024
17476TAE5	7-013118A	CITIZENS NATIONAL BANK OF ALBI		01/31/2018	245,000.00	245,908.95	245,000.00	2.150	2.119	2.149	333	07/30/2020
15523RBH8	7-022217	CENTRAL STATE BANK		02/22/2017	245,000.00	244,571.25	245,000.00	1.500	1.479	1.500	173	02/21/2020
151855AC7	7-052419A	CENTERBANK		05/24/2019	245,000.00	247,606.80	245,000.00	2.400	2.371	2.403	631	05/24/2021
20033AXM3	7-101217A	COMENITY CAPITAL BANK		10/12/2017	245,000.00	248,278.10	245,000.00	2.300	2.270	2.301	1,137	10/12/2022
219240BV9	7-052319A	CORNERSTONE COMMUNITY BANK		05/23/2019	245,000.00	247,374.05	245,000.00	2.350	2.321	2.353	624	05/17/2021
19646PAD6	7-022819D	COLORADO FEDERAL SAVINGS BANK		02/28/2019	245,000.00	247,859.15	245,000.00	2.550	2.515	2.550	544	02/26/2021
201372AB5	7-031919	THE COMMERCIAL BANK		03/19/2019	245,000.00	246,960.00	245,000.00	2.500	2.477	2.511	386	09/21/2020
20368TCH1	7-122818A	COMMUNITY FIRST BANK OF INDIAN		12/28/2018	245,000.00	247,227.05	245,000.00	2.850	2.873	2.710	302	06/29/2020
202291AE0	7-112318A	COMMERCIAL SAVINGS BANK		11/23/2018	245,000.00	258,413.75	245,000.00	3.300	3.209	3.253	1,545	11/24/2023
203507BA5	7-061516B	Community Bank - Pasadena		06/15/2016	245,000.00	244,218.45	245,000.00	1.550	1.530	1.551	653	06/15/2021
20451PVV3	7-102818A	COMPASS BANK		10/28/2018	245,000.00	248,510.85	245,000.00	3.000	2.959	3.000	421	10/26/2020
20416TAH5	7-051117	COMMUNITYWIDE		05/11/2017	245,000.00	244,865.25	245,000.00	1.700	1.680	1.703	436	11/10/2020
20786ABX2	7-121317A	CONNECT ONE BANK		12/13/2017	245,000.00	245,377.30	245,000.00	1.950	1.924	1.951	288	06/15/2020

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Negotiable CD's												
20726ABD9	7-072419	CONGRESSIONAL BANK		07/24/2019	245,000.00	246,805.65	245,000.00	2.100	2.071	2.100	1,788	07/24/2024
211163FA3	7-102115A	Continental Bank		10/21/2015	245,000.00	244,326.25	245,000.00	1.500	1.479	1.500	416	10/21/2020
20402JAC4	7-061016A	Community Point Bank		06/10/2016	245,000.00	244,267.45	245,000.00	1.300	1.282	1.300	283	06/10/2020
21923LAH6	7-091418B	CORNERSTONE COMMUNITY FINANCIA		09/14/2018	245,000.00	247,812.60	245,000.00	2.850	2.815	2.854	379	09/14/2020
219255AB2	7-060515C	Cornhusker Bank		06/05/2015	245,000.00	245,360.15	245,000.00	1.650	1.629	1.652	278	06/05/2020
22230PBX7	7-012519A	COUNTRY BANK		01/25/2019	245,000.00	250,392.45	245,000.00	2.750	2.715	2.752	877	01/25/2022
222297BX0	7-110918A	COUNTRY BANK FOR SAVINGS		11/09/2018	245,000.00	248,628.45	245,000.00	3.000	2.963	3.004	435	11/09/2020
20084TJL8	7-061716	Commerce West Bank		06/17/2016	245,000.00	244,213.55	245,000.00	1.400	1.382	1.401	655	06/17/2021
22766AAV7	7-022817A	Cross First Bank		02/28/2017	245,000.00	244,951.00	245,000.00	1.750	1.727	1.751	544	02/26/2021
227563AP8	7-050819	CROSS RIVER BANK		05/08/2019	245,000.00	249,304.65	245,000.00	2.500	2.127	2.156	981	05/09/2022
147021AL3	7-100417	CARVER STATE BANK		10/04/2017	245,000.00	246,433.25	245,000.00	2.050	2.023	2.051	1,129	10/04/2022
22239MAQ1	7-022717	COUNTRYSIDE FEDERAL CREDIT UN		02/27/2017	245,000.00	246,318.10	245,000.00	2.050	2.022	2.050	820	11/29/2021
17670BBB3	7-092917A	CITIZENS STATE BANK		09/29/2017	245,000.00	245,761.95	245,000.00	1.950	1.923	1.950	1,062	07/29/2022
140420Y53	7-030117	CAPITAL ONE BANK		03/01/2017	245,000.00	247,873.85	245,000.00	2.300	2.268	2.300	912	03/01/2022
17658QAY7	7-042018	CITIZENS SAVINGS BANK		04/20/2018	245,000.00	246,947.75	245,000.00	2.450	2.416	2.450	415	10/20/2020
17670DAD6	7-063017A	CITIZEN ST BANK		06/30/2017	245,000.00	245,294.00	245,000.00	1.850	1.826	1.851	668	06/30/2021
23020PAF9	7-032519	CULLMAN SAVINGS BANK		03/25/2019	245,000.00	252,095.20	245,000.00	2.750	2.712	2.750	1,303	03/27/2023
24390AAD7	7-071318A	DEER VALLEY		07/13/2018	245,000.00	246,759.10	245,000.00	2.800	2.765	2.804	255	05/13/2020
249398BU1	7-062119	DENVER SAVINGS BANK		06/21/2019	245,000.00	248,452.05	245,000.00	2.250	2.222	2.252	1,755	06/21/2024
25432JAG8	7-053019A	DIME COMMUNITY BANK		05/30/2019	245,000.00	246,815.45	245,000.00	2.350	2.322	2.354	456	11/30/2020
25460FAT3	7-062817	DIRECT FEDERAL CREDIT UNION		06/28/2017	245,000.00	245,100.45	245,000.00	1.800	1.732	1.756	302	06/29/2020
25590AAF7	7-061617	DNB FIRST NATIONAL ASSOCIATION		06/16/2017	245,000.00	245,771.75	245,000.00	1.950	1.924	1.951	1,019	06/16/2022
25665QBA2	7-012419	Dollar Bank, FSB		01/24/2019	245,000.00	251,240.15	245,000.00	2.900	2.860	2.900	876	01/24/2022
254673BZ8	7-090717	DISCOVER BANK		09/07/2017	245,000.00	248,601.50	245,000.00	2.350	2.318	2.350	1,102	09/07/2022
27002YDY9	7-090718	EAGLE BANK		09/07/2018	245,000.00	248,995.95	245,000.00	2.800	2.677	2.714	554	03/08/2021
286283AA4	7-091918	ELGA		09/19/2018	245,000.00	247,719.50	245,000.00	2.800	2.765	2.804	383	09/18/2020
292079AM2	7-022318	EMPIRE STATE BANK		02/23/2018	245,000.00	246,925.70	245,000.00	2.300	2.270	2.302	541	02/23/2021
29278TKQ2	7-081919	ENERBANK USA		08/19/2019	245,000.00	245,404.25	245,000.00	1.900	1.876	1.902	1,079	08/15/2022
29367QCH9	7-012516	Enterprise Bank NA Omaha		01/25/2016	245,000.00	244,617.80	245,000.00	1.500	1.480	1.501	148	01/27/2020
300185HA6	7-072718	EVERGREEN BK GROUP		07/27/2018	245,000.00	247,116.80	245,000.00	2.700	2.667	2.704	330	07/27/2020
29367RHR0	7-032416	ENTERPRISE BK		03/24/2016	245,000.00	243,985.70	245,000.00	1.500	1.480	1.501	570	03/24/2021
29888PBJ8	7-011516B	EvaBank		01/15/2016	245,000.00	244,811.35	245,000.00	1.700	1.679	1.702	502	01/15/2021
299547AB5	7-072718A	EVANSVILLE TEACHERS		07/27/2018	245,000.00	247,116.80	245,000.00	2.700	2.667	2.704	330	07/27/2020
29976DYJ3	7-061915	Ever Bank		06/19/2015	245,000.00	245,186.20	245,000.00	1.850	1.825	1.850	292	06/19/2020
30246AFW3	7-032318A	F AND M BANK		03/23/2018	245,000.00	252,112.35	245,000.00	2.750	2.714	2.752	1,299	03/23/2023

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Negotiable CD's												
306275AF5	7-111717	FALL RIVER FIVE CENTS SAVINGS		11/17/2017	245,000.00	247,148.65	245,000.00	2.150	2.122	2.151	1,173	11/17/2022
30810NBN5	7-022219B	FARMERS AND MERCHANT BANK		02/22/2019	245,000.00	248,853.85	245,000.00	2.600	2.485	2.520	722	08/23/2021
307660LC2	7-121718	FARM BUREAU BANK FSB		12/17/2018	245,000.00	249,165.00	245,000.00	3.000	2.858	2.898	505	01/18/2021
31938QN34	7-071715	First Business Bank - WI		07/17/2015	245,000.00	245,007.35	245,000.00	1.900	1.874	1.900	138	01/17/2020
33767AQ53	7-123016	FirstBank Puerto Rico		12/30/2016	245,000.00	247,462.25	245,000.00	2.250	2.220	2.251	851	12/30/2021
336460CQ1	7-062819A	FIRST STATE BANK OF DEQUEEN		06/28/2019	245,000.00	249,032.70	245,000.00	2.300	2.271	2.303	1,762	06/28/2024
32024JAC7	7-102017	FIRST FEDERAL CREDIT UNION		10/20/2017	245,000.00	246,026.55	245,000.00	2.000	1.974	2.001	780	10/20/2021
32021SEU6	7-032218	FIRST FINANCIAL BANK		03/22/2018	245,000.00	245,776.65	245,000.00	2.400	1.905	1.932	204	03/23/2020
32022MAC2	7-101615A	First Financial Northwest Bank		10/16/2015	245,000.00	244,808.90	245,000.00	1.350	1.332	1.351	45	10/16/2019
31931TFU4	7-122818	FIRST BANK		12/28/2018	245,000.00	246,462.65	245,000.00	2.850	2.810	2.849	211	03/30/2020
32057GAE9	7-101615	First International Bank Trust		10/16/2015	245,000.00	244,730.50	245,000.00	1.600	1.580	1.602	137	01/16/2020
31617CAR4	7-052219A	FIDELITY BANK		05/22/2019	245,000.00	247,606.80	245,000.00	2.400	2.371	2.404	631	05/24/2021
32018YBE7	7-013019B	FIRST FEDERAL SAVINGS AND LOAN		01/30/2019	245,000.00	247,900.80	245,000.00	2.600	2.564	2.600	516	01/29/2021
32114LBK4	7-101018	FIRST NATIONAL BANK		10/10/2018	245,000.00	256,571.35	245,000.00	3.150	3.109	3.152	1,500	10/10/2023
319461CB3	7-052219	FIRST CHOICE BANK		05/22/2019	245,000.00	246,945.30	245,000.00	2.400	2.259	2.290	449	11/23/2020
32008JAJ2	7-110714	First Eagle Bank		11/07/2014	245,000.00	245,066.15	245,000.00	1.750	1.726	1.750	67	11/07/2019
31860PAL2	7-053019	THE FIRST AND FARMERS BANK		05/30/2019	245,000.00	250,069.05	245,000.00	2.400	2.370	2.403	1,733	05/30/2024
32021MFE4	7-053018	FIRST FINANCIAL BNK		05/30/2018	245,000.00	251,362.65	245,000.00	2.800	2.766	2.804	1,003	05/31/2022
32024FAB7	7-091418	FIRST FIDELITY BANK		09/14/2018	245,000.00	250,178.85	245,000.00	2.850	2.813	2.852	744	09/14/2021
319141HG5	7-081617	FIRST BK OF HIGHLAND BANK		08/16/2017	245,000.00	247,518.60	245,000.00	2.200	2.170	2.200	1,080	08/16/2022
319137AH8	7-052419	FIRST BANK		05/24/2019	245,000.00	247,606.80	245,000.00	2.400	2.371	2.403	631	05/24/2021
319513CA3	7-112818A	FIRST CITIZENS NATIONAL BANK		11/28/2018	245,000.00	252,653.80	245,000.00	3.100	3.058	3.101	911	02/28/2022
336386BA4	7-012919	FIRST SECURITY STATE BANK		01/29/2019	245,000.00	247,881.20	245,000.00	2.600	2.471	2.505	516	01/29/2021
320165JD6	7-022719	FIRST FARMERS B&TC		02/27/2019	245,000.00	249,966.15	245,000.00	2.650	2.550	2.586	911	02/28/2022
32021JHG4	7-051419	FIRST FEDERAL SAVINGS BANK		05/14/2019	245,000.00	247,256.45	245,000.00	2.400	2.379	2.412	534	02/16/2021
32100LBY0	7-021319	FIRST MISSOURI STATE BANK OF C		02/13/2019	245,000.00	253,364.30	245,000.00	2.850	2.547	2.583	1,443	08/14/2023
32118GAA4	7-101718A	FIRST NATIONAL BANK AT DARLIN		10/17/2018	245,000.00	248,035.55	245,000.00	2.850	2.815	2.854	411	10/16/2020
32021YDF7	7-082818	FIRST FEDERAL SAVINGS BANK		08/28/2018	245,000.00	247,334.85	245,000.00	2.700	2.667	2.704	362	08/28/2020
33766LAJ7	7-082319C	FIRSTIER BANK		08/23/2019	245,000.00	245,112.70	245,000.00	1.950	1.925	1.952	1,818	08/23/2024
33640VCF3	7-111618A	FIRST SERVICE BANK		11/16/2018	245,000.00	245,144.55	245,000.00	3.300	3.254	3.299	1,353	05/16/2023
33715LAD2	7-063016	First Technology		06/30/2016	245,000.00	244,189.05	245,000.00	1.750	1.726	1.750	668	06/30/2021
337504AF1	7-122118B	FIRST WESTERN TRUST BANK		12/21/2018	245,000.00	247,170.70	245,000.00	2.850	2.673	2.710	295	06/22/2020
330459BB3	7-071315	FNB Bank, Inc. - KY		07/13/2015	245,000.00	245,134.75	245,000.00	1.700	1.700	1.724	134	01/13/2020
30257JAL9	7-072018	FNB BANK, INC.		07/20/2018	245,000.00	255,610.95	245,000.00	3.100	3.059	3.102	1,418	07/20/2023
332135HH8	7-022118	FIRST NATIONAL BANK OF OMAHA		02/21/2018	245,000.00	245,504.70	245,000.00	2.300	2.268	2.300	173	02/21/2020

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Negotiable CD's												
32114VBG1	7-011218	FIRST NATIONAL BANK OF MICHIGA		01/12/2018	245,000.00	247,202.55	245,000.00	2.200	2.171	2.201	864	01/12/2022
34415LAP6	7-112717A	FOCUS BANK		11/27/2017	245,000.00	247,516.15	245,000.00	2.200	2.170	2.200	1,180	11/24/2022
35637RCU9	7-012816	Freedom Finl Bk West		01/28/2016	245,000.00	245,791.35	245,000.00	1.750	1.728	1.752	515	01/28/2021
307811BZ1	7-041118	THE FARMERS & MERCHANTS BANK		04/11/2018	245,000.00	251,521.90	245,000.00	2.700	2.667	2.704	1,235	01/18/2023
30781TBD9	7-011817	FARMERS AND MERCHANTS BANK		01/18/2017	245,000.00	244,465.66	245,000.00	2.050	2.022	2.050	870	01/18/2022
31034PAM1	7-102315	Farmers State Bank		10/23/2015	245,000.00	244,600.65	245,000.00	1.600	1.580	1.602	418	10/23/2020
310567AB8	7-011918B	FARM STATE BANK		01/19/2018	245,000.00	248,628.45	245,000.00	2.350	2.319	2.351	1,114	09/19/2022
33650EAN3	7-022217A	FIRST STATE BNK		02/22/2017	245,000.00	244,953.45	245,000.00	1.750	1.727	1.751	540	02/22/2021
31911QFJ9	7-081018A	First Bank Financial Centre		08/10/2018	245,000.00	250,436.55	245,000.00	2.950	2.912	2.953	709	08/10/2021
334342CD2	7-083019A	THE FIRST NB OF SYRACUSE		08/30/2019	245,000.00	243,948.95	245,000.00	1.850	1.827	1.852	1,825	08/30/2024
32063KAS1	7-110817	FIRST JACKSON BANK, INC.		11/08/2017	245,000.00	246,423.45	245,000.00	2.050	1.987	2.015	981	05/09/2022
355576AP4	7-082517	FRAZER BANK		08/25/2017	245,000.00	245,276.85	245,000.00	1.850	1.826	1.851	724	08/25/2021
33648XAR7	7-012816B	First State Bank SD		01/28/2016	245,000.00	244,791.75	245,000.00	1.650	1.627	1.650	331	07/28/2020
32112UCJ8	7-111616B	The First National Bank of McG		11/16/2016	245,000.00	243,118.40	245,000.00	1.450	1.431	1.451	807	11/16/2021
33610RQY2	7-082117	FIRST PREMIER BK		08/21/2017	245,000.00	246,462.65	245,000.00	2.050	1.848	1.873	1,086	08/22/2022
337630BD8	7-062317	FIRSTRUST SAVINGS BANK		06/23/2017	245,000.00	245,514.50	245,000.00	1.900	1.875	1.901	661	06/23/2021
35471TEB4	7-042018A	FRANKLIN SYNERGY BK		04/20/2018	245,000.00	245,041.65	245,000.00	2.250	2.223	2.254	19	09/20/2019
33612JHA0	7-061917	FIRST PRIORITY BANK		06/19/2017	245,000.00	244,992.65	245,000.00	1.750	1.726	1.750	292	06/19/2020
35907XDL8	7-032818	FRONTIER BANK		03/28/2018	245,000.00	251,703.20	245,000.00	2.700	2.665	2.702	1,304	03/28/2023
38058KDW3	7-022818A	GOLD COAST BANK		02/28/2018	245,000.00	249,071.90	245,000.00	2.500	2.467	2.501	911	02/28/2022
37148LAA6	7-063017	GENERATIONS COMMUNITY FEDERAL		06/30/2017	245,000.00	245,200.90	245,000.00	1.850	1.826	1.852	303	06/30/2020
062268AE7	7-012216	Bank of Geneva		01/22/2016	245,000.00	244,879.95	245,000.00	1.700	1.678	1.701	417	10/22/2020
39103QAB2	7-051818	GREAT NORTH BANK		05/18/2018	245,000.00	254,013.55	245,000.00	2.950	2.911	2.952	1,355	05/18/2023
36198JEK6	7-122118A	GNB BANK		12/21/2018	245,000.00	247,170.70	245,000.00	2.850	2.673	2.710	295	06/22/2020
38148PSD0	7-110117	GOLDMAN SACHS BANK, USA		11/01/2017	245,000.00	248,650.50	245,000.00	2.350	2.318	2.350	1,157	11/01/2022
38644ABM0	7-110118	GRAND RIVER BANK		11/01/2018	245,000.00	250,612.95	245,000.00	3.000	2.879	2.919	701	08/02/2021
39115UBA0	7-090617	GREAT PLAIN BANK		09/06/2017	245,000.00	246,100.05	245,000.00	2.000	1.974	2.001	1,101	09/06/2022
400820CN4	7-083018	GUARANTY BANK AND TRUST COMPAN		08/30/2018	245,000.00	248,768.10	245,000.00	2.800	2.680	2.717	547	03/01/2021
401228AW1	7-123015	Guaranty State Bank & Trust		12/30/2015	245,000.00	245,671.30	245,000.00	1.600	1.580	1.601	303	06/30/2020
410493CW8	7-021618	HANMI BANK		02/16/2018	245,000.00	245,379.75	245,000.00	2.200	2.169	2.200	170	02/16/2020
412022BP9	7-103015B	Hardin County Savings Bank		10/30/2015	245,000.00	245,036.75	245,000.00	1.400	1.382	1.401	59	10/30/2019
426336BF9	7-012717	THE HENRY COUNTY BANK		01/27/2017	245,000.00	245,494.90	245,000.00	1.900	1.875	1.901	879	01/27/2022
429882EV1	7-021017B	HIGHLAND BANK		02/10/2017	245,000.00	245,784.00	245,000.00	1.950	1.924	1.951	893	02/10/2022
43719LAB1	7-071919A	HOME LOAN INVESTMENT BANK F.S		07/19/2019	245,000.00	245,663.95	245,000.00	2.000	1.975	2.002	1,783	07/19/2024
440392FD5	7-122816	HORICON BANK		12/28/2016	245,000.00	244,669.25	245,000.00	1.500	1.479	1.500	120	12/30/2019

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Negotiable CD's												
42724JEA9	7-041218	HERITAGE BANK USA, INC.		04/12/2018	245,000.00	247,462.25	245,000.00	2.500	2.471	2.506	499	01/12/2021
45083AHT2	7-053018C	IBERIA BANK		05/30/2018	245,000.00	247,876.30	245,000.00	2.700	2.666	2.703	456	11/30/2020
45776NCM6	7-032918B	INSBANK		03/29/2018	245,000.00	249,018.00	245,000.00	2.600	2.569	2.605	759	09/29/2021
45581EAK7	7-092017	INDUSTRIAL & COMMERCIAL BK OF		09/20/2017	245,000.00	248,265.85	245,000.00	2.300	2.270	2.301	1,115	09/20/2022
45487PAB7	7-062719	INDIANA LAKES		06/27/2019	249,000.00	254,268.84	249,000.00	2.200	2.172	2.202	1,761	06/27/2024
45383USS5	7-111617A	INDEPENDENT BANK		11/16/2017	245,000.00	245,512.05	245,000.00	1.900	1.832	1.858	624	05/17/2021
45842PAP6	7-032818B	INTERAUDI BANK		03/28/2018	245,000.00	252,114.80	245,000.00	2.750	2.714	2.752	1,304	03/28/2023
458657LT8	7-022219A	INTERCREDIT BANK NA		02/22/2019	245,000.00	249,939.20	245,000.00	2.650	2.616	2.652	905	02/22/2022
46176PKZ7	7-050219	INVESTORS BANK		05/02/2019	245,000.00	246,835.05	245,000.00	2.400	1.781	1.806	422	10/27/2020
46147UQL7	7-061715A	Investors Community Bank		06/17/2015	245,000.00	245,284.20	245,000.00	1.900	1.876	1.902	290	06/17/2020
46256YAZ2	7-052319	IOWA STATE BANK		05/23/2019	245,000.00	250,024.95	245,000.00	2.400	2.367	2.400	1,726	05/23/2024
46603WAA1	7-012618	IXONIA BANK		01/26/2018	245,000.00	245,218.05	245,000.00	2.100	1.993	2.020	148	01/27/2020
466682AQ4	7-083117	JACKSON COUNTY BANK		08/31/2017	245,000.00	246,457.75	245,000.00	2.050	2.022	2.050	1,095	08/31/2022
472376AF9	7-041118A	JEFFERSON BANK & TRUST CO		04/11/2018	245,000.00	247,046.20	245,000.00	2.500	2.068	2.096	407	10/12/2020
474067AE5	7-111017	JEFFERSON FINANCIAL		11/10/2017	245,000.00	246,528.80	245,000.00	2.150	2.121	2.150	617	05/10/2021
47804GEK5	7-061919	JOHN MARSHALL BANK		06/19/2019	245,000.00	246,310.75	245,000.00	2.350	2.163	2.193	323	07/20/2020
48128HAY4	7-011819A	JP MORGAN CHASE BANK NAT'L		01/18/2019	245,000.00	246,251.95	245,000.00	3.250	3.205	3.250	1,600	01/18/2024
49254FAB2	7-122118	KEESLER		12/21/2018	245,000.00	250,968.20	245,000.00	3.150	3.109	3.152	659	06/21/2021
49228XAA8	7-022719A	KERN SCHOOLS		02/27/2019	245,000.00	250,862.85	245,000.00	2.800	2.695	2.732	911	02/28/2022
49306SYN0	7-080917	KEY BANK NATIONAL ASSOCIATION		08/09/2017	245,000.00	245,134.75	245,000.00	1.800	1.775	1.800	341	08/07/2020
499724AD4	7-083018A	KNOXVILLE TVA EMPLOYEES		08/30/2018	245,000.00	257,196.10	245,000.00	3.250	3.207	3.252	1,459	08/30/2023
48714LAD1	7-022817B	KEARNY BANK		02/28/2017	245,000.00	245,485.10	245,000.00	1.900	1.874	1.900	911	02/28/2022
50625LAD5	7-092718A	LAFAYETTE		09/27/2018	245,000.00	254,496.20	245,000.00	3.150	3.109	3.152	1,122	09/27/2022
51210SMR5	7-051017A	LAKESIDE BANK		05/10/2017	245,000.00	245,009.80	245,000.00	1.750	1.729	1.753	436	11/10/2020
501798LJ9	7-011918C	LCA BANK CORPORATION		01/19/2018	245,000.00	247,763.60	245,000.00	2.300	2.269	2.300	864	01/12/2022
524680CG8	7-030819	LEGACY TEXAS BANK		03/08/2019	245,000.00	247,469.60	245,000.00	2.600	2.459	2.494	435	11/09/2020
52465JGC5	7-081415A	Legends Bank		08/14/2015	245,000.00	245,882.00	245,000.00	1.700	1.652	1.675	288	06/15/2020
524661BX2	7-012517	LEGACY BANK		01/25/2017	245,000.00	244,970.60	245,000.00	1.750	1.727	1.751	512	01/25/2021
53362LAM6	7-111816D	Lincoln First Bank		11/18/2016	245,000.00	243,439.35	245,000.00	1.400	1.381	1.400	625	05/18/2021
508178CK8	7-090817	LAKE CITY BNK		09/08/2017	245,000.00	245,281.75	245,000.00	1.850	1.826	1.852	373	09/08/2020
51507LBG8	7-030317	LANDMARK COMMUNITY BANK		03/03/2017	245,000.00	244,985.30	245,000.00	1.450	1.433	1.452	2	09/03/2019
538036DR2	7-081518	Live Oak Banking Company		08/15/2018	245,000.00	247,947.35	245,000.00	2.750	2.624	2.661	442	11/16/2020
54111LAC0	7-020918	LOGAN STATE BANK		02/09/2018	245,000.00	248,716.65	245,000.00	2.350	2.319	2.351	1,257	02/09/2023
542249BA4	7-071919C	Lone Star Capital Bank NA		07/19/2019	245,000.00	246,349.95	245,000.00	2.050	2.022	2.050	871	01/19/2022
549104EH6	7-010419	LUANA SAVINGS BANK		01/04/2019	245,000.00	246,974.70	245,000.00	2.700	2.663	2.700	309	07/06/2020

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Negotiable CD's												
554479DQ5	7-091714	Nachias Savings Bank		09/17/2014	245,000.00	245,004.90	245,000.00	1.900	1.875	1.901	16	09/17/2019
560507AJ4	7-101918	MAINE SAVINGS		10/19/2018	245,000.00	257,093.20	245,000.00	3.300	3.255	3.300	1,356	05/19/2023
560358BP0	7-012819	MAIN STREET BANK		01/28/2019	245,000.00	247,878.30	245,000.00	2.600	2.568	2.603	515	01/28/2021
56817TAB7	7-062917	MARINE BANK		06/29/2017	245,000.00	245,296.45	245,000.00	1.800	1.777	1.801	667	06/29/2021
58117WAC1	7-072018A	MCHENRY SAVINGS BANK		07/20/2018	245,000.00	256,069.10	245,000.00	3.150	3.109	3.152	1,418	07/20/2023
58321JCD8	7-062819E	MEADOWS BANK		06/28/2019	245,000.00	246,592.50	245,000.00	2.250	2.219	2.250	484	12/28/2020
583626AE6	7-020518	MECHANICS COOPERATIVE BANK		02/05/2018	245,000.00	250,345.90	245,000.00	2.550	2.479	2.513	1,254	02/06/2023
583686BR0	7-020416	Mechanics Savings Bank		02/04/2016	245,000.00	245,798.70	245,000.00	1.650	1.627	1.650	522	02/04/2021
58404DEG2	7-061019A	MEDALLION BANK		06/10/2019	245,000.00	251,193.60	245,000.00	2.500	2.466	2.500	1,744	06/10/2024
590290AC6	7-092316	MERRIMACK COUNTY SAVINGS BANK		09/23/2016	245,000.00	244,855.45	245,000.00	1.150	1.134	1.150	22	09/23/2019
59101LFC6	7-110218A	METABANK		11/02/2018	245,000.00	245,301.35	245,000.00	2.650	2.613	2.650	61	11/01/2019
59452WADD	7-110918	MICHIGAN LEGACY		11/09/2018	245,000.00	257,470.50	245,000.00	3.350	3.303	3.349	1,346	05/09/2023
595226AX9	7-051118	MID AMERICA BANK		05/11/2018	245,000.00	247,631.30	245,000.00	2.650	2.542	2.577	438	11/12/2020
596689EGO	7-072915B	Middleton Community Bank		07/29/2015	245,000.00	245,053.90	245,000.00	1.750	1.729	1.753	89	11/29/2019
596608BB4	7-090817A	MIDDLESEX FEDERAL SAVINGS, F.A		09/08/2017	245,000.00	246,097.60	245,000.00	2.000	1.974	2.001	1,103	09/08/2022
59541KBP1	7-011918A	MID-MISSOURI BANK		01/19/2018	245,000.00	248,711.75	245,000.00	2.350	2.319	2.351	1,236	01/19/2023
59805FAD1	7-092618	MIDSOUTH BANK, NATIONAL ASSOCI		09/26/2018	245,000.00	255,980.90	245,000.00	3.100	3.059	3.102	1,486	09/26/2023
59828QBB3	7-091218	MIDWEST BANKCENTRE		09/12/2018	245,000.00	250,171.95	245,000.00	2.850	2.743	2.781	743	09/13/2021
59828PBX7	7-061217	MIDWESTBANK		06/12/2017	245,000.00	246,107.40	245,000.00	2.000	1.974	2.001	1,013	06/10/2022
598315BH1	7-070215	Midwest Community Bank- IL		07/02/2015	245,000.00	245,717.85	245,000.00	1.900	1.900	1.926	305	07/02/2020
598580AJ7	7-121515	Mifflinburg BK & Trust Company		12/15/2015	245,000.00	245,629.65	245,000.00	1.650	1.629	1.652	288	06/15/2020
59980RAC4	7-011118	MILL CITY CREDIT UNION		01/11/2018	245,000.00	248,844.05	245,000.00	2.400	2.366	2.399	1,044	07/11/2022
56034WAS0	7-020119	MAIN STREET BANK CORP		02/01/2019	245,000.00	251,580.70	245,000.00	2.950	2.912	2.952	884	02/01/2022
60781RAA7	7-071619	MODESTOS FIRST		07/16/2019	245,000.00	246,195.60	245,000.00	2.050	2.025	2.053	684	07/16/2021
619165HZ9	7-022819A	MORTON COMMUNITY BANK		02/28/2019	245,000.00	251,171.55	245,000.00	2.750	2.711	2.748	1,031	06/28/2022
61690UJX9	7-080819	MORGAN STANLEY BANK NA		08/08/2019	245,000.00	247,979.20	245,000.00	2.200	2.170	2.200	1,803	08/08/2024
58740XYZ7	7-051017	MERCANTILE BANK OF MICHIGAN		05/10/2017	245,000.00	244,781.95	245,000.00	1.650	1.401	1.421	253	05/11/2020
59013JZW2	7-082117A	MERRICK BNK		08/21/2017	245,000.00	246,817.90	245,000.00	2.100	2.041	2.070	1,086	08/22/2022
61760AV55	7-082219	MORGAN STANLEY PRIVATE BANK NA		08/22/2019	245,000.00	245,690.90	245,000.00	2.000	1.973	2.000	1,817	08/22/2024
62384RAB2	7-101217	MOUNTAIN AMERICA		10/12/2017	245,000.00	248,278.10	245,000.00	2.300	2.270	2.301	1,137	10/12/2022
624786FU8	7-061119	MUFG UNICN BANK NA		06/11/2019	245,000.00	246,119.65	245,000.00	2.350	2.318	2.350	283	06/10/2020
62847HAK5	7-012816C	MutualOne Bank		01/28/2016	245,000.00	248,688.05	245,000.00	1.650	1.627	1.650	515	01/28/2021
598276BQ5	7-032918	MIDWEST BANK		03/29/2018	245,000.00	251,705.65	245,000.00	2.700	2.663	2.700	1,305	03/29/2023
55406JAJ1	7-081715	M.Y. Safra Bank, FSB		08/17/2015	245,000.00	245,350.35	245,000.00	1.700	1.677	1.700	168	02/14/2020
634116CF2	7-113015A	National Bank of NYC		11/30/2015	245,000.00	246,369.55	245,000.00	1.750	1.728	1.752	456	11/30/2020

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Negotiable CD's												
66742UAE7	7-070115	Northwest Community Bank		07/01/2015	245,000.00	244,985.30	245,000.00	1.600	1.580	1.602	61	11/01/2019
635573AC2	7-103015C	National Cooperative Bank		10/30/2015	245,000.00	246,445.50	245,000.00	1.750	1.726	1.750	425	10/30/2020
63970QFS0	7-062819F	NEBRASKALAND NATIONAL BANK		06/28/2019	245,000.00	246,445.50	245,000.00	2.050	2.024	2.052	1,031	06/28/2022
63970BAJ8	7-083019	NEBRASKA STATE BANK		08/30/2019	245,000.00	243,963.65	245,000.00	1.700	1.678	1.702	1,094	08/30/2022
63983RBC2	7-022819B	NEEDHAM BANK		02/28/2019	245,000.00	247,819.95	245,000.00	2.550	2.515	2.550	540	02/22/2021
64017AAG9	7-091918A	NEIGHBORS		09/19/2018	245,000.00	251,178.90	245,000.00	3.050	2.597	2.634	750	09/20/2021
666613GQ1	7-031918	NORTHPOINTE BANK		03/19/2018	245,000.00	247,753.80	245,000.00	2.500	2.468	2.502	565	03/19/2021
662228CQ6	7-061516A	The North Salem State Bank		06/15/2016	245,000.00	244,122.90	245,000.00	1.300	1.283	1.301	288	06/15/2020
63861NAC9	7-111816C	Nationwide Bank		11/18/2016	245,000.00	243,378.10	245,000.00	1.500	1.480	1.501	809	11/18/2021
67054NAH6	7-062117	NUMERICA		06/21/2017	245,000.00	246,389.15	245,000.00	2.100	2.073	2.101	659	06/21/2021
649447SK6	7-032219	NEW YORK COMMUNITY BANK		03/22/2019	245,000.00	247,084.95	245,000.00	2.550	2.515	2.550	387	09/22/2020
677721CR1	7-090817B	THE OHIO VALLEY BANK COMPANY		09/08/2017	245,000.00	246,457.75	245,000.00	2.050	2.023	2.051	1,103	09/08/2022
68002LBE7	7-031017	OLD MISSOURI BANK		03/10/2017	245,000.00	244,679.05	245,000.00	1.550	1.530	1.551	191	03/10/2020
68235GAA6	7-101316	ONE AMERICAN BANK		10/13/2016	245,000.00	243,218.85	245,000.00	1.350	1.332	1.351	773	10/13/2021
68621KAN1	7-032917	ORIENTAL BANK		03/29/2017	245,000.00	244,948.55	245,000.00	1.700	1.677	1.700	28	09/29/2019
68956HAB9	7-011918	OTTAWA SAVINGS BANK		01/19/2018	245,000.00	248,175.20	245,000.00	2.300	2.268	2.299	1,052	07/19/2022
69406PCT4	7-121517	PACIFIC CITY BANK		12/15/2017	245,000.00	245,281.75	245,000.00	1.900	1.875	1.901	288	06/15/2020
69417ACH0	7-081519	PACIFIC CREST SAVINGS BANK		08/15/2019	245,000.00	245,686.00	245,000.00	2.000	1.975	2.002	1,810	08/15/2024
70212YAR3	7-033015	Partners Bank of California		03/30/2015	245,000.00	245,000.00	245,000.00	1.500	1.482	1.502	29	09/30/2019
710571DS6	7-073119	PEOPLES BANK		07/31/2019	245,000.00	245,673.75	245,000.00	2.000	1.975	2.002	1,795	07/31/2024
707312AL8	7-022019	PENN COMMUNITY BANK		02/20/2019	245,000.00	248,006.15	245,000.00	2.600	2.564	2.600	541	02/23/2021
712490AE1	7-092316A	THE PEOPLES STATE BANK OF NEWT		09/23/2016	245,000.00	243,277.65	245,000.00	1.350	1.332	1.351	753	09/23/2021
71270QQJ8	7-011817A	PEOPLE'S UNITED BANK, NAT'L		01/18/2017	245,000.00	246,349.95	245,000.00	2.050	2.022	2.050	870	01/18/2022
72143YAC6	7-112315	Pilgrim Bank		11/23/2015	245,000.00	246,352.40	245,000.00	1.750	1.728	1.752	449	11/23/2020
72247PAC0	7-082918	PINE BLUFF COTTON BELT		08/29/2018	245,000.00	247,599.45	245,000.00	2.800	2.766	2.804	365	08/31/2020
72345SHM6	7-121418	PINNACLE BANK		12/14/2018	245,000.00	247,116.80	245,000.00	2.850	2.873	2.710	288	06/15/2020
723605AL5	7-112618	PIONEER BANK SSB		11/26/2018	245,000.00	248,770.55	245,000.00	3.000	2.851	2.891	453	11/27/2020
72940UJB2	7-012618A	PLUS INTERNATIONAL BANK		01/26/2018	245,000.00	246,504.30	245,000.00	2.200	2.172	2.202	513	01/26/2021
732333AK5	7-053117A	PONCE DE LEON FEDERAL BANK		05/31/2017	245,000.00	246,104.95	245,000.00	2.000	1.974	2.001	1,003	05/31/2022
700654AT3	7-091214	The Park National Bank		09/12/2014	245,000.00	245,004.90	245,000.00	2.150	2.122	2.151	11	09/12/2019
73565NBN2	7-072215A	Portage County Bank		07/22/2015	245,000.00	245,994.70	245,000.00	1.800	1.777	1.802	325	07/22/2020
74267GUU9	7-012315	The PrivateBank & Trust Co.		01/23/2015	245,000.00	245,269.50	245,000.00	1.900	1.874	1.900	144	01/23/2020
74048EBS6	7-120718A	PREMIER BANK		12/07/2018	245,000.00	247,643.55	245,000.00	2.900	2.863	2.903	341	08/07/2020
74160NGP9	7-082318A	PRIME ALLIANCE BANK		08/23/2018	245,000.00	250,047.00	245,000.00	2.850	2.814	2.853	722	08/23/2021
74163LAG6	7-101718	PRIMEBANK		10/17/2018	245,000.00	248,057.80	245,000.00	2.850	2.815	2.854	414	10/19/2020

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Negotiable CD's												
74374MAG9	7-111518	FROVIDENCE BANK		11/15/2018	245,000.00	252,141.75	245,000.00	3.150	3.110	3.153	806	11/15/2021
74269KBS4	7-042018C	FRIORITY BANK		04/20/2018	245,000.00	246,817.90	245,000.00	2.400	2.371	2.404	415	10/20/2020
70337MCS5	7-073018	FATRIOT BANK, NATIONAL ASSOCIA		07/30/2018	245,000.00	251,573.35	245,000.00	2.950	2.564	2.600	883	01/31/2022
744562AA7	7-102618	FUBLIC SERVICE		10/26/2018	245,000.00	248,650.50	245,000.00	3.050	3.008	3.050	421	10/26/2020
747133CC8	7-103015A	FyraMax Bank		10/30/2015	245,000.00	245,036.75	245,000.00	1.350	1.332	1.351	59	10/30/2019
74909QAJ8	7-122817	QUONTIC BANK		12/28/2017	245,000.00	244,990.20	245,000.00	1.900	1.875	1.901	26	09/27/2019
75272LAD8	7-030918A	RANDOLPH SAVINGS BANK		03/09/2018	245,000.00	249,699.10	245,000.00	2.600	2.564	2.600	920	03/09/2022
75472RAE1	7-082319D	RAYMOND JAMES BANK NA		08/23/2019	245,000.00	245,690.90	245,000.00	2.000	1.973	2.000	1,818	08/23/2024
74938AAA7	7-053117B	FCS BANK		05/31/2017	245,000.00	245,776.65	245,000.00	1.950	1.924	1.951	1,003	05/31/2022
75902GAX3	7-020618	REGIONAL MISSOURI BANK		02/06/2018	245,000.00	248,410.40	245,000.00	2.400	2.324	2.356	890	02/07/2022
75950XAB5	7-060315	Reliance Savings Bank		06/03/2015	245,000.00	245,357.70	245,000.00	1.700	1.679	1.702	276	06/03/2020
761402BY1	7-062819C	REVERE BANK		06/28/2019	245,000.00	249,015.55	245,000.00	2.300	2.268	2.300	1,762	06/28/2024
749622AE6	7-121317	R.I.A. FEDERAL CREDIT UNION		12/13/2017	245,000.00	245,071.05	245,000.00	1.900	1.873	1.899	194	03/13/2020
76951GAJ2	7-082119	RIVERWIND BANK		08/21/2019	245,000.00	245,039.20	245,000.00	1.800	1.778	1.803	722	08/23/2021
77315PBR2	7-072618	ROCKFORD BANK AND TRUST COMPAN		07/28/2018	245,000.00	247,116.80	245,000.00	2.700	2.566	2.602	330	07/27/2020
77311TAB4	7-102518	ROCKET		10/25/2018	245,000.00	251,465.55	245,000.00	3.050	3.011	3.053	785	10/25/2021
773709AP5	7-052919A	ROCKLAND TRUST CO.		05/29/2019	245,000.00	246,967.35	245,000.00	2.400	1.787	1.811	456	11/30/2020
76951DAU4	7-050517A	RIVERWOOD BANK		05/05/2017	245,000.00	244,419.35	245,000.00	1.500	1.482	1.503	369	09/04/2020
78658Q3S0	7-071618	SAFRA NATIONAL BK OF NY		07/16/2018	245,000.00	245,056.35	245,000.00	2.450	2.418	2.451	15	09/16/2019
795450D36	7-082317	SALLIE MAE BNK		08/23/2017	245,000.00	248,591.70	245,000.00	2.350	2.318	2.350	1,087	08/23/2022
800523AL6	7-033115A	Sanford Institution For Saving		03/31/2015	240,000.00	240,261.60	240,000.00	1.600	1.580	1.602	212	03/31/2020
804375DH3	7-032216	Sauk Valley Bank & Trust Co.		03/22/2016	245,000.00	245,502.25	245,000.00	1.500	1.480	1.501	568	03/22/2021
805337AM4	7-103118	SAVINGS INSTITUTE BANK AND TRU		10/31/2018	245,000.00	254,689.75	245,000.00	3.150	3.109	3.152	1,156	10/31/2022
805508BL1	7-052919	SAWYER SAVINGS BANK		05/29/2019	245,000.00	250,620.30	245,000.00	2.450	2.419	2.453	1,732	05/29/2024
78414TAQ5	7-120518A	SB ONE BANK		12/05/2018	245,000.00	246,198.05	245,000.00	2.800	2.764	2.802	186	03/05/2020
78577TBA2	7-042018B	SACO & BIDDEFORD SAVINGS INSTI		04/20/2018	245,000.00	246,526.35	245,000.00	2.450	2.419	2.452	323	07/20/2020
814107AR9	7-112717B	SECURITY BANK		11/27/2017	245,000.00	247,160.90	245,000.00	2.150	2.121	2.151	1,150	10/25/2022
81406RAG5	7-122818B	SECURITY BANK		12/28/2018	245,000.00	246,359.75	245,000.00	2.800	2.760	2.799	208	03/27/2020
81500MAA4	7-071719	SECURITY STATE BANK		07/17/2019	245,000.00	246,068.20	245,000.00	2.000	1.918	1.944	870	01/18/2022
81425PAV3	7-013119	SECURITY FIRST BANK		01/31/2019	245,000.00	246,367.10	245,000.00	3.250	3.207	3.252	1,607	01/25/2024
82669LFJ7	7-072215	Signature Bank of Arkansas		07/22/2015	245,000.00	245,009.80	245,000.00	1.650	1.629	1.652	51	10/22/2019
82669VBY6	7-110817A	SIGNATURE BANK		11/08/2017	245,000.00	247,143.75	245,000.00	2.150	2.121	2.150	1,164	11/08/2022
828373GK0	7-061419	SILVERGATE BANK		06/14/2019	245,000.00	245,519.40	245,000.00	2.600	2.566	2.602	1,382	06/14/2023
831587AA0	7-102617	SLOVAK SAVINGS BANK		10/26/2017	245,000.00	246,788.50	245,000.00	2.100	2.072	2.101	1,145	10/20/2022
843355BF4	7-051818A	SOUTHERN MICHIGAN BANK & TRUST		05/18/2018	245,000.00	254,013.55	245,000.00	2.950	2.911	2.952	1,355	05/18/2023

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Negotiable CD's												
814414AA6	7-111615	Security National Bank of SD		11/16/2015	245,000.00	245,031.85	245,000.00	1.400	1.382	1.401	78	11/18/2019
845182BQ6	7-082418A	SOUTHWEST NATIONAL BANK		08/24/2018	245,000.00	250,292.00	245,000.00	2.900	2.863	2.903	723	08/24/2021
839145AA7	7-092917	SOUTH OTTUMWA SAVINGS BANK		09/29/2017	245,000.00	246,438.15	245,000.00	2.050	2.023	2.051	1,124	09/29/2022
84287PFU1	7-120718	SOUTHERN FIRST BANK		12/07/2018	245,000.00	247,893.45	245,000.00	2.900	2.743	2.781	373	09/08/2020
84470QJG3	7-012319	SOUTHSIDE BANK		01/23/2019	245,000.00	245,627.20	245,000.00	2.550	2.515	2.550	144	01/23/2020
849430AS2	7-090817C	SPRING BANK		09/08/2017	245,000.00	246,097.60	245,000.00	2.000	1.974	2.001	1,103	09/08/2022
81488PAY1	7-083117A	SECURITY SAVINGS BANK		08/31/2017	245,000.00	245,514.50	245,000.00	1.900	1.875	1.901	730	08/31/2021
81489TAW6	7-032818A	SECURITY STATE BANK		03/28/2018	245,000.00	252,550.90	245,000.00	2.800	2.763	2.802	1,304	03/28/2023
85512RBM3	7-021219A	STAR FINANCIAL BANK		02/12/2019	245,000.00	247,944.90	245,000.00	2.600	2.568	2.603	530	02/12/2021
856309AL3	7-101316A	STATE BANK OF LITZON		10/13/2016	245,000.00	244,289.50	245,000.00	1.200	1.184	1.201	134	01/13/2020
856487AX1	7-062819B	STATE BANK OF REESEVILLE		06/28/2019	245,000.00	248,469.20	245,000.00	2.250	2.222	2.252	1,762	06/28/2024
857894SWO	7-021317	Stearns Bk NA St. Cloud		02/13/2017	245,000.00	244,696.20	245,000.00	1.600	1.578	1.600	162	02/10/2020
843879BD8	7-122917	SOUTHERN STATE BANK		12/29/2017	245,000.00	245,504.70	245,000.00	2.000	1.974	2.001	302	06/29/2020
86063QAB1	7-041218A	STIFEL BANK AND TRUST		04/12/2018	245,000.00	248,559.85	245,000.00	2.700	2.662	2.699	575	03/29/2021
85916VCM5	7-030218	STERLING BANK		03/02/2018	245,000.00	246,006.95	245,000.00	2.300	2.269	2.301	275	06/02/2020
86158RAT6	7-100318	STONE BANK		10/03/2018	245,000.00	253,795.50	245,000.00	3.050	3.010	3.052	1,128	10/03/2022
45157PAG5	7-051117A	ST. PAUL POSTAL EMPLOYEES		05/11/2017	245,000.00	245,009.80	245,000.00	1.750	1.729	1.753	446	11/20/2020
864088DL0	7-110917	STURGIS BANK & TRUST COMPANY		11/09/2017	245,000.00	245,445.90	245,000.00	1.900	1.876	1.902	435	11/09/2020
86604KKP0	7-011516A	Summit Community Bank		01/15/2016	245,000.00	246,984.50	245,000.00	1.800	1.777	1.802	502	01/15/2021
86801MAL5	7-011118A	SUNSTATE BANK		01/11/2018	245,000.00	245,970.20	245,000.00	2.050	2.024	2.052	498	01/11/2021
867352AA4	7-012519	SUNFLOWER BANK NATIONAL ASSOCI		01/25/2019	245,000.00	246,896.30	245,000.00	2.600	2.562	2.598	330	07/27/2020
86789VXR3	7-021219	SUNTRUST BANK		02/12/2019	245,000.00	246,264.20	245,000.00	3.000	2.958	2.999	1,076	08/12/2022
87043DAB3	7-090718A	SWEET WATER STATE BANK		09/07/2018	245,000.00	250,377.75	245,000.00	2.900	2.863	2.903	737	09/07/2021
87164XPQ3	7-022417	SYNCHRONY BANK		02/24/2017	245,000.00	247,864.05	245,000.00	2.300	2.268	2.300	907	02/24/2022
89388CCH9	7-030518	TRANSPORTATION ALLIANCE BANK I		03/05/2018	245,000.00	245,561.05	245,000.00	2.300	2.272	2.303	186	03/05/2020
87227RCJ1	7-122618	TCF NAT'L BANK		12/26/2018	245,000.00	246,898.75	245,000.00	2.700	2.663	2.700	299	06/26/2020
872308CR0	7-081018	TCM Bank National Association		08/10/2018	245,000.00	247,092.30	245,000.00	2.650	2.617	2.654	344	08/10/2020
17801GBU2	7-080618	THE CITY NATIONAL BANK OF METR		08/06/2018	245,000.00	253,469.65	245,000.00	3.050	3.010	3.052	1,072	08/08/2022
062847BP2	7-051316	The Bank of Kaukauna		05/13/2016	245,000.00	244,936.30	245,000.00	1.400	1.382	1.401	620	05/13/2021
21685NAL1	7-110218	THE COOPERATIVE BANK		11/02/2018	245,000.00	247,396.10	245,000.00	2.800	2.763	2.801	337	08/03/2020
303117CR4	7-011119	THE FAHEY BANKING COMPANY		01/11/2019	245,000.00	246,788.50	245,000.00	2.600	2.562	2.598	313	07/10/2020
32117WAD4	7-011819	THE FIRST NATIONAL BANK OF ALB		01/18/2019	245,000.00	248,334.45	245,000.00	2.750	2.614	2.650	506	01/19/2021
366526AT8	7-100218	THE GARRETT STATE BANK		10/02/2018	245,000.00	247,045.75	245,000.00	2.750	2.713	2.751	305	07/02/2020
372348CG5	7-062819D	THE GENOA BANKING COMPANY		06/28/2019	245,000.00	246,210.30	245,000.00	2.050	2.024	2.052	1,762	06/28/2024
43732LAA6	7-101018A	THE HOME SAVINGS AND LOAN COM		10/10/2018	245,000.00	248,001.25	245,000.00	2.850	2.811	2.850	408	10/13/2020

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Negotiable CD's												
743837DR4	7-112318	THE PROVIDENT BANK		11/23/2018	245,000.00	250,326.30	245,000.00	3.050	2.916	2.957	631	05/24/2021
88413QCC0	7-092718	THIRD FEDERAL SAVINGS AND LOA		09/27/2018	245,000.00	250,982.90	245,000.00	3.000	2.959	3.000	757	09/27/2021
88563LAE7	7-100518	THREE RIVERS		10/05/2018	245,000.00	248,091.90	245,000.00	2.900	2.864	2.904	400	10/05/2020
88714RBV3	7-010816	Timberwood Bank		01/08/2016	245,000.00	246,962.45	245,000.00	1.700	1.679	1.702	495	01/08/2021
89153HCX6	7-042916	Total Bank		04/29/2016	245,000.00	245,308.70	245,000.00	1.400	1.382	1.401	606	04/29/2021
89214PBP3	7-052418	TOWNE BANK		05/24/2018	245,000.00	248,138.45	245,000.00	2.800	2.762	2.800	450	11/24/2020
89269FDE2	7-052518	TRADE CAPITAL BANK		05/25/2018	245,000.00	249,076.80	245,000.00	2.750	2.715	2.753	632	05/25/2021
89269CBV3	7-013118	TRADITIONS BANK		01/31/2018	245,000.00	249,118.45	245,000.00	2.400	2.368	2.401	1,248	01/31/2023
89579NBY8	7-092818A	TRIAD BANK		09/28/2018	245,000.00	253,535.80	245,000.00	3.050	3.009	3.051	1,031	06/28/2022
89677DET9	7-013118C	TRISTATE CAPITAL BANK		01/31/2018	245,000.00	247,033.50	245,000.00	2.350	1.998	2.026	519	02/01/2021
89678LGM3	7-053119	TRIUMPH BANK		05/31/2019	245,000.00	246,857.10	245,000.00	2.400	2.376	2.409	425	10/30/2020
89287TAC7	7-013019A	Trall West Bank		01/30/2019	245,000.00	251,553.75	245,000.00	2.700	2.665	2.702	1,247	01/30/2023
90348JCR9	7-053018A	UBS BANK JSA		05/30/2018	245,000.00	255,829.00	245,000.00	3.150	3.109	3.152	1,367	05/30/2023
90385LCR8	7-092818	ULTIMA BANK MINNESOTA		09/28/2018	245,000.00	254,136.05	245,000.00	3.100	3.060	3.102	1,123	09/28/2022
91435LAG2	7-051418	UNIVERSITY OF IOWA COMMUNITY		05/14/2018	245,000.00	254,878.40	245,000.00	3.050	2.966	3.007	1,352	05/15/2023
91103MDN3	7-081718	UNITED NATIONAL BANK		08/17/2018	245,000.00	250,010.25	245,000.00	2.850	2.814	2.853	716	08/17/2021
90919TAT4	7-011516	Unison Bank		01/15/2016	245,000.00	246,984.50	245,000.00	1.800	1.777	1.802	502	01/15/2021
91527PBM8	7-032019	UNIVEST BANK AND TRUST CO.		03/20/2019	245,000.00	246,960.00	245,000.00	2.500	2.353	2.386	386	09/21/2020
909557HM5	7-073118	UNITED BANKERS BANK		07/31/2018	245,000.00	248,564.75	245,000.00	2.800	2.766	2.805	516	01/29/2021
91134CBM2	7-042718	UNITED PRAIRIE BANK		04/27/2018	245,000.00	246,563.10	245,000.00	2.450	2.419	2.452	330	07/27/2020
90352RAA3	7-111717A	USALLIANCE		11/17/2017	245,000.00	244,926.50	245,000.00	1.800	1.427	1.447	78	11/18/2019
91944RAT5	7-071019	VALLEY CENTRAL BANK		07/10/2019	245,000.00	245,967.75	245,000.00	2.000	1.975	2.003	680	07/12/2021
919853CL3	7-120518	VALLEY NATIONAL BANK		12/05/2018	245,000.00	246,198.05	245,000.00	2.800	2.764	2.802	186	03/05/2020
92023LAK9	7-092818B	VALLIANCE BANK		09/28/2018	245,000.00	250,990.25	245,000.00	3.000	2.959	3.000	758	09/28/2021
928066AV1	7-033017	VIRGINIA PARTNERS BANK		03/30/2017	245,000.00	244,679.05	245,000.00	1.600	1.580	1.602	211	03/30/2020
91823MAH8	7-030619	VCC BANK		03/06/2019	245,000.00	248,050.25	245,000.00	2.600	2.568	2.604	551	03/05/2021
92326XDS7	7-021218	VENTURE BANK		02/12/2018	245,000.00	247,153.55	245,000.00	2.300	2.266	2.298	619	05/12/2021
92535LCC6	7-022219	VERUS BANK OF COMMERCE		02/22/2019	245,000.00	253,947.40	245,000.00	2.800	2.763	2.801	1,635	02/22/2024
92559TAA6	7-113018B	VIBRANT		11/30/2018	245,000.00	247,187.85	245,000.00	2.950	2.910	2.950	274	06/01/2020
92834CCB6	7-113016	VISIONBANK OF IOWA		11/30/2016	245,000.00	244,696.20	245,000.00	1.750	1.726	1.750	821	11/30/2021
928784EQ6	7-092118	VOLUNTEER STATE BANK		09/21/2018	245,000.00	246,675.80	245,000.00	2.600	2.455	2.489	295	06/22/2020
938828BJ8	7-082319	WASHINGTON FEDERAL NA		08/23/2019	245,000.00	246,276.45	245,000.00	2.050	2.024	2.052	1,818	08/23/2024
92937CGZ5	7-032318B	WEX BANK		03/23/2018	245,000.00	245,776.65	245,000.00	2.400	2.367	2.400	204	03/23/2020
949763D60	7-061019	WELLS FARGO BANK NA		06/10/2019	245,000.00	252,825.30	245,000.00	2.700	2.666	2.703	1,744	06/10/2024
969294CB1	7-112717	WILLIAMETTE VALLEY BANK		11/27/2017	245,000.00	246,085.35	245,000.00	2.000	2.000	2.028	911	02/28/2022

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Negotiable CD's												
975875AH8	7-021017A	WINTER HILL BANK, FSB		02/10/2017	245,000.00	244,593.30	245,000.00	1.500	1.479	1.500	162	02/10/2020
981571BN1	7-062515	World's Foremost Bank		06/25/2015	200,000.00	200,404.00	200,000.00	2.300	2.271	2.303	298	06/25/2020
956310AE6	7-092316B	WEST TOWN BANK AND TRUST		09/23/2016	245,000.00	243,760.30	245,000.00	1.250	1.234	1.251	388	09/23/2020
95960NJH1	7-102115	Western State Bank -Devils Lak		10/21/2015	245,000.00	244,299.30	245,000.00	1.750	1.726	1.750	416	10/21/2020
98970LBA0	7-022819C	ZIONS BANCORPORATION N.A		02/28/2019	245,000.00	246,817.90	245,000.00	2.500	2.466	2.500	355	08/21/2020
Subtotal and Average			103,331,172.40		104,573,000.00	105,578,891.24	104,571,978.85	2.217	2.248	706		
Federal Agency Issues - Coupon												
3133EJ7C7	10-020619	Federal Farm Credit Bank		02/06/2019	5,000,000.00	5,261,250.00	5,000,000.00	2.700	2.663	2.700	1,619	02/06/2024
3133EJ4Q9	10-020619A	Federal Farm Credit Bank		02/06/2019	5,000,000.00	5,061,250.00	5,001,800.00	2.550	2.496	2.530	498	01/11/2021
3133EJDE6	10-021618	Federal Farm Credit Bank		02/16/2018	10,000,000.00	10,368,800.00	10,000,000.00	2.570	2.535	2.570	1,264	02/16/2023
3133EKAT3	10-021919	Federal Farm Credit Bank		02/19/2019	7,000,000.00	7,119,560.00	6,996,628.52	2.500	2.485	2.520	718	08/19/2021
3133EFK63	10-030416	Federal Farm Credit Bank		03/04/2016	5,000,000.00	4,980,550.00	5,000,000.00	1.250	1.233	1.250	185	03/04/2020
3133EJHC6	10-032118	Federal Farm Credit Bank		03/21/2018	8,000,000.00	8,209,360.00	8,000,000.00	2.600	2.564	2.600	932	03/21/2022
3133EJHD4	10-032218	Federal Farm Credit Bank		03/22/2018	5,000,000.00	5,064,450.00	5,000,000.00	2.480	2.446	2.480	568	03/22/2021
3133EHEC3	10-033017	Federal Farm Credit Bank		03/30/2017	10,000,000.00	10,027,300.00	10,000,000.00	1.800	1.775	1.800	576	03/30/2021
3133EF3Y1	10-042116	Federal Farm Credit Bank		04/21/2016	4,000,000.00	3,993,960.00	4,000,000.00	1.020	1.006	1.020	50	10/21/2019
3133EF5T0	10-050316	Federal Farm Credit Bank		05/03/2016	7,000,000.00	7,000,000.00	7,000,000.00	1.700	1.677	1.700	610	05/03/2021
3133EHHG1	10-050317	Federal Farm Credit Bank		05/03/2017	4,952,000.00	4,962,448.72	4,952,000.00	1.750	1.726	1.750	610	05/03/2021
3133EHJA2	10-050817	Federal Farm Credit Bank		05/08/2017	10,000,000.00	9,976,700.00	10,000,000.00	1.550	1.529	1.550	250	05/08/2020
3133EKKU9	10-050819	Federal Farm Credit Bank		05/08/2019	10,000,000.00	10,342,100.00	9,990,000.00	2.300	2.292	2.324	1,529	11/08/2023
3133EKMV5	10-052319	Federal Farm Credit Bank		05/23/2019	10,000,000.00	10,208,300.00	10,000,000.00	2.200	2.170	2.200	1,179	11/23/2022
3133EHLH4	10-060117	Federal Farm Credit Bank		06/01/2017	8,000,000.00	8,073,920.00	8,000,000.00	1.875	1.849	1.875	1,004	06/01/2022
3133EET83	10-060315	Federal Farm Credit Bank		06/03/2015	5,000,000.00	4,989,500.00	5,000,000.00	1.650	1.627	1.650	276	06/03/2020
3133EKPS9	10-060719	Federal Farm Credit Bank		06/07/2019	10,000,000.00	10,091,700.00	10,000,000.00	2.125	2.096	2.125	645	06/07/2021
3133EJTB5	10-062718	Federal Farm Credit Bank		06/27/2018	10,000,000.00	10,330,500.00	10,000,000.00	2.800	2.762	2.801	969	04/27/2022
3133EJTF6	10-070618	Federal Farm Credit Bank		07/06/2018	10,000,000.00	10,194,900.00	10,000,000.00	2.700	2.663	2.700	670	07/02/2021
3133EKVQ6	10-072319	Federal Farm Credit Bank		07/23/2019	5,000,000.00	5,036,650.00	5,000,000.00	2.040	2.012	2.040	1,783	07/19/2024
3133EJSD2	10-072418	Federal Farm Credit Bank		07/24/2018	10,000,000.00	10,525,800.00	10,000,000.00	2.890	2.850	2.890	1,387	06/19/2023
3133EKWW4	10-072619	Federal Farm Credit Bank		07/26/2019	8,000,000.00	8,131,920.00	7,990,496.00	1.850	1.849	1.875	1,790	07/26/2024
3133EJD48	10-100218	Federal Farm Credit Bank		10/02/2018	10,000,000.00	10,823,100.00	10,000,000.00	3.050	3.008	3.050	1,492	10/02/2023
3133EFKY2	10-102815	Federal Farm Credit Bank		10/28/2015	5,000,000.00	4,994,750.00	5,000,000.00	1.360	1.341	1.360	57	10/28/2019
3133EFND5	10-110515	Federal Farm Credit Bank		11/05/2015	5,000,000.00	4,994,700.00	4,992,250.00	1.370	1.391	1.410	65	11/05/2019
3133EJS83	10-110918	Federal Farm Credit Bank		11/09/2018	8,000,000.00	8,345,200.00	8,000,000.00	3.050	3.009	3.051	1,073	08/09/2022
3133EGL60	10-112916	Federal Farm Credit Bank		11/29/2016	5,675,000.00	5,693,784.25	5,651,108.25	1.760	1.823	1.849	820	11/29/2021

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Federal Agency issues - Coupon												
3133EHW58	10-120117	Federal Farm Credit Bank		12/01/2017	7,000,000.00	7,021,560.00	7,000,000.00	1.900	1.874	1.900	453	11/27/2020
3133EGX34	10-122016	Federal Farm Credit Bank		12/20/2016	5,000,000.00	5,000,050.00	5,000,000.00	2.080	2.052	2.080	841	12/20/2021
313380WG8	10-010417	Federal Home Loan Bank		01/04/2017	8,000,000.00	7,970,400.00	7,940,000.00	1.375	1.563	1.585	376	09/11/2020
3130AAKB3	10-011017	Federal Home Loan Bank		01/10/2017	10,000,000.00	10,017,100.00	10,000,000.00	2.140	2.111	2.140	862	01/10/2022
3130ADEV0	10-011718	Federal Home Loan Bank		01/17/2018	10,000,000.00	10,300,800.00	10,000,000.00	2.380	2.347	2.380	1,234	01/17/2023
3130A3XB5	10-012115	Federal Home Loan Bank		01/21/2015	6,500,000.00	6,484,985.00	6,488,300.00	1.400	1.418	1.437	142	01/21/2020
3130AFNZ6	10-012919	Federal Home Loan Bank		01/29/2019	6,000,000.00	6,018,780.00	6,000,000.00	3.000	2.959	3.000	1,611	01/29/2024
3130ADN32	10-020918	Federal Home Loan Bank		02/09/2018	10,000,000.00	10,011,600.00	9,989,300.00	2.120	2.145	2.175	163	02/11/2020
3130AFT31	10-021419	Federal Home Loan Bank		02/14/2019	5,750,000.00	5,777,657.50	5,750,000.00	3.000	2.959	3.000	1,627	02/14/2024
3130AATR9	10-022417	Federal Home Loan Bank		02/24/2017	7,000,000.00	7,016,870.00	7,000,000.00	2.070	2.042	2.070	907	02/24/2022
3130A7CV5	10-030216	Federal Home Loan Bank		03/02/2016	5,000,000.00	4,986,900.00	4,983,750.00	1.375	1.423	1.443	536	02/18/2021
3130AB2F2	10-032917	Federal Home Loan Bank		03/29/2017	5,000,000.00	5,000,100.00	5,000,000.00	2.200	2.170	2.200	940	03/29/2022
3130AGAM7	10-042519	Federal Home Loan Bank		04/25/2019	10,000,000.00	10,172,500.00	10,000,000.00	2.250	2.219	2.250	785	10/25/2021
3130A7T88	10-042916	Federal Home Loan Bank		04/29/2016	10,000,000.00	9,972,600.00	10,000,000.00	1.440	1.420	1.440	606	04/29/2021
3130AECJ7	10-052318	Federal Home Loan Bank		05/23/2018	7,000,000.00	7,038,360.00	7,000,000.00	2.625	2.589	2.625	270	05/28/2020
3130A7CV5	10-053116	Federal Home Loan Bank		05/31/2016	4,000,000.00	3,989,520.00	3,996,000.00	1.375	1.378	1.397	536	02/18/2021
3130A8H48	10-070116	Federal Home Loan Bank		07/01/2016	7,000,000.00	6,964,300.00	7,000,000.00	1.150	1.134	1.150	304	07/01/2020
3130AGSU0	10-072619A	Federal Home Loan Bank		07/26/2019	10,000,000.00	10,045,300.00	10,000,000.00	2.150	2.121	2.150	1,790	07/26/2024
3130A9B75	10-082916	Federal Home Loan Bank		08/29/2016	6,750,000.00	6,707,475.00	6,746,625.00	1.250	1.252	1.269	362	08/28/2020
313380GJ0	10-102017	Federal Home Loan Bank		10/20/2017	7,000,000.00	7,098,350.00	7,000,000.00	2.000	1.972	2.000	1,104	09/09/2022
3130AEYYO	10-102618	Federal Home Loan Bank		10/26/2018	10,000,000.00	10,404,200.00	10,000,000.00	2.950	2.910	2.951	1,038	07/05/2022
3130AABG2	10-121616	Federal Home Loan Bank		12/16/2016	10,000,000.00	10,076,500.00	9,848,200.00	1.875	2.171	2.201	820	11/29/2021
Subtotal and Average			371,671,296.48		367,627,000.00	372,678,360.47	367,316,457.77	2.120	2.150	854		
Total and Average			648,343,401.96		651,155,000.00	657,212,251.71	650,843,436.62	2.186	2.217	714		

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Treasurer's Cash											
SYS17-	17-	Treasurers Cash			99,110,008.94	99,110,008.94	99,110,008.94	0.000	0.000		1
SYS17-ZBA01VEND	17-ZBA01VEND	Treasurers Cash		07/01/2019	50,000.00	50,000.00	50,000.00	0.000	0.000		1
SYS17-ZBA06VEND	17-ZBA06VEND	Treasurers Cash		07/01/2019	50,000.00	50,000.00	50,000.00	0.000	0.000		1
		Average Balance	0.00								1
Total Cash and Investments			648,343,401.96		650,366,008.94	656,422,260.65	650,053,445.56	2.186	2.217		714

IMPERIAL COUNTY TREASURER
Portfolio Management
Activity By Type
August 1, 2019 through August 31, 2019

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
LAIF / HIGHMARK CAPITAL / ZBA (Monthly Summary)								
Subtotal			64,500,000.00					64,500,000.00
Certificates of Deposit - Bank								
SYS4-082219	4-082219	Hingham Institution for Saving		2.370	08/22/2019	245,000.00	0.00	
SYS4-082219	4-082219				08/27/2019	0.00	245,000.00	
SYS 4-021218	4-021218A	Bank of Hope BBC		1.600	08/11/2019	0.00	245,000.00	
Subtotal			14,700,000.00			245,000.00	490,000.00	14,455,000.00
Negotiable CD's								
02519TAW6	7-082319A	AMERICAN COMMERCE BANK NA		1.750	08/23/2019	245,000.00	0.00	
05581WL45	7-021519	BMO HARRIS BANK NATIONAL ASSOC		3.000	08/15/2019	0.00	245,000.00	
12556LBB1	7-082319B	CIT BANK NATIONAL ASSOCIATION		1.950	08/23/2019	245,000.00	0.00	
29278TKQ2	7-081919	ENERBANK USA		1.900	08/19/2019	245,000.00	0.00	
29266NB55	7-081914	EnerBank, USA		2.050	08/19/2019	0.00	245,000.00	
33766LAJ7	7-082319C	FIRSTIER BANK		1.950	08/23/2019	245,000.00	0.00	
334342CD2	7-083019A	THE FIRST NB OF SYRACUSE		1.850	08/30/2019	245,000.00	0.00	
41166HAR7	7-022117	HARBOR ONE BANK		1.400	08/21/2019	0.00	245,000.00	
61690UJX9	7-080819	MORGAN STANLEY BANK NA		2.200	08/08/2019	245,000.00	0.00	
61760ACZ0	7-081717	MORGAN STANLEY PRIVATE BANK		1.700	08/19/2019	0.00	245,000.00	
61747MXQ9	7-080317	Morgan Stanley Bank NA		1.700	08/05/2019	0.00	245,000.00	
61760AV55	7-082219	MORGAN STANLEY PRIVATE BANK NA		2.000	08/22/2019	245,000.00	0.00	
63970BAJ8	7-083019	NEBRASKA STATE BANK		1.700	08/30/2019	245,000.00	0.00	
69417ACH0	7-081519	PACIFIC CREST SAVINGS BANK		2.000	08/15/2019	245,000.00	0.00	
710311AT8	7-081415	Peoples Bank of Commerce		1.550	08/14/2019	0.00	245,000.00	
75472RAE1	7-082319D	RAYMOND JAMES BANK NA		2.000	08/23/2019	245,000.00	0.00	
75946AAL0	7-050317A	RELIANCE BANK		1.400	08/05/2019	0.00	245,000.00	
76951GAJ2	7-082119	RIVERWIND BANK		1.800	08/21/2019	245,000.00	0.00	
938828BJ8	7-082319	WASHINGTON FEDERAL NA		2.050	08/23/2019	245,000.00	0.00	
Subtotal			103,346,978.85			2,940,000.00	1,715,000.00	104,571,978.85
Federal Agency Issues - Coupon								
3130A7M85	10-033016	Federal Home Loan Bank		1.250	08/28/2019	0.00	5,000,000.00	
3130A7M85	10-033016	Federal Home Loan Bank		1.250	08/28/2019	0.00	5,000,000.00	
Subtotal			532,058,632.77			0.00	10,000,000.00	522,058,632.77

IMPERIAL COUNTY TREASURER
Portfolio Management
Activity By Type
August 1, 2019 through August 31, 2019

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
Treasurer's Cash (Monthly Summary)								
SYS17-	17-	Treasurers Cash				84,144,485.58	92,751,211.26	
		Subtotal	107,816,734.62			84,144,485.58	92,751,211.26	99,210,008.94
		Total	822,422,346.24			87,329,485.58	104,956,211.26	804,795,620.56

**IMPERIAL COUNTY TREASURER
Portfolio Management
Activity Summary
August 2018 through August 2019**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
August	2018	464	494,113,062.25	1.819	1.844	1.900	18	12	1,223	702
September	2018	444	487,348,483.25	1.871	1.897	2.160	19	29	1,220	695
October	2018	449	498,573,483.25	1.947	1.974	2.160	22	17	1,237	725
November	2018	477	497,478,483.25	1.991	2.019	2.160	20	7	1,241	731
December	2018	478	496,398,483.25	2.036	2.064	2.400	19	4	1,237	712
January	2019	493	496,564,733.25	2.071	2.099	2.400	23	7	1,243	715
February	2019	517	516,234,961.77	2.114	2.144	2.400	28	8	1,246	732
March	2019	509	510,499,961.77	2.145	2.175	2.550	6	10	1,246	714
April	2019	519	520,744,961.77	2.148	2.177	2.550	3	1	1,240	693
May	2019	526	536,164,961.77	2.164	2.194	2.550	20	5	1,253	708
June	2019	530	542,154,961.77	2.178	2.208	2.570	22	18	1,245	698
July	2019	539	554,863,436.62	2.178	2.208	2.570	26	16	1,266	728
August	2019	541	550,843,436.62	2.186	2.217	2.570	13	10	1,268	714
	Average	499	515,537,185.43	2.065%	2.094%	2.380	18	11	1,243	713

**IMPERIAL COUNTY TREASURER
Portfolio Management
Distribution of Investments By Type
August 2018 through August 2019**

Security Type	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	Average by Period
LAIF / HIGHMARK CAPITAL / ZBA Repurchase Agreements	13.1	13.2	12.9	13.0	13.0	13.0	12.5	12.6	12.4	12.0	11.9	11.6	11.7	12.5%
Certificates of Deposit - S & L														
Certificates of Deposit - Bank	2.0	2.1	2.4	2.5	2.5	2.8	2.8	2.7	2.8	2.7	2.7	2.7	2.6	2.6%
Treasury Securities - Coupon														
Mortgage Backed Securities														
Negotiable CD's	17.7	17.5	17.0	17.6	18.4	19.0	19.0	19.1	18.7	18.8	18.8	18.6	19.0	18.4%
Treasury Securities - Discount														
Mutual Funds														
Federal Agency Issues - Coupon	67.3	67.2	67.7	67.0	66.1	65.3	65.7	65.5	66.1	66.5	66.7	67.1	66.7	66.5%
Commercial Paper - Interest Bearing														
Commercial Paper - Discount														
Miscellaneous Securities - Coupon														
Miscellaneous Securities - Discount														
Bankers Acceptances														
Federal Agency Issues - Discount														
Treasurer's Cash														

IMPERIAL COUNTY TREASURER
Portfolio Management
Interest Earnings Summary
August 31, 2019

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	1,039,962.97	2,149,136.11
Plus Accrued Interest at End of Period	2,000,735.54	2,003,282.04
Less Accrued Interest at Beginning of Period	(2,152,961.29)	(2,400,558.56)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	887,737.22	1,751,859.59
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	887,737.22	1,751,859.59
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	412,613.13
Plus Accrued Interest at End of Period	410,811.78	410,811.78
Less Accrued Interest at Beginning of Period	(270,025.06)	(541,851.47)
Interest Earned during Period	140,786.72	281,573.44
Total Interest Earned during Period	1,028,523.94	2,033,433.03
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	1,028,523.94	2,033,433.03

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APPENDIX H
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



CALIFORNIA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer

SPECIMEN