

SUPPLEMENT TO OFFICIAL STATEMENT DATED FEBRUARY 13, 2020

\$4,045,273.80
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D

\$13,700,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2016, Series 2020C

PLEASE BE ADVISED that the above-referenced Official Statement is hereby amended to make the following changes:

1. In order to correct the original denominational amount of the captioned Series 2020D Bonds (the “**Series 2006D Bonds**”) shown on the cover page, page 1, pages D-1, E-1 and E-8 of the Official Statement, the original denominational amount of the captioned Series 2020D Bonds on said pages is hereby changed to \$4,045,273.80.

2. In order to correct the original denominational amount of each maturity of the Series 2006D Bonds and the CUSIP for the 2042 maturity, the **MATURITY SCHEDULE** on the inside cover page of the Official Statement is hereby replaced in its entirety as follows:

MATURITY SCHEDULE

SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D

Base CUSIP[†]: 816547

\$4,045,273.80 Denominational Amount
(\$7,120,000 Maturity Value)

Maturity Date (August 1)	Initial Principal Amount	Reoffering Yield To Maturity	Maturity Value	CUSIP[†]
2031	\$548,191.00	2.150%	\$700,000.00	GY3
2039	527,108.40	2.830	910,000.00	GZ0
2040	951,660.00	2.860	1,700,000.00	HA4
2041	959,707.00	2.890	1,775,000.00	HB2
2042	962,942.40	2.920	1,845,000.00	HC0
2043	95,665.00	2.950	190,000.00	HD8

[†] CUSIP Copyright 2020, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

3. In order to correct the pricing information for the Series 2006D Bonds, the section of the Official Statement entitled “**SOURCES AND USES OF FUNDS**” is hereby replaced in its entirety as follows:

SOURCES AND USES OF FUNDS

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

Sources of Funds	Series 2006D Bonds	Series 2016C Bonds
Principal Amount of Bonds	\$4,045,273.80	\$13,700,000.00
Net Original Issue Premium	--	1,293,492.50
Total Sources	\$4,045,273.80	\$14,993,492.50
Uses of Funds		
Deposit to Building Fund	\$3,970,112.56	\$13,534,012.14
Deposit to Debt Service Fund	--	1,204,944.28
Costs of Issuance ⁽¹⁾	75,161.24	254,536.08
Total Uses	\$4,045,273.80	\$14,993,492.50

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, bond insurance premium, and the rating agency.

4. In order to correct the debt service schedule for the Series 2006D Bonds and the combined debt service schedule, the sections of the Official Statement entitled “**DEBT SERVICE SCHEDULES – Series 2006D Bonds**” and “**– Combined Debt Service Schedule**” are hereby replaced in their entirety as follows:

Series 2006D Bonds. The following table shows the annual debt service schedule with respect to the Series 2006 D Bonds (assuming no optional redemptions).

SELMA UNIFIED SCHOOL DISTRICT Annual Debt Service Schedule Series 2006D Bonds

Period Ending August 1	Principal	Compounded Interest	Total Debt Service
2031	\$548,191.00	\$151,809.00	\$700,000.00
2032	--	--	--
2033	--	--	--
2034	--	--	--
2035	--	--	--
2036	--	--	--
2037	--	--	--
2038	--	--	--
2039	527,108.40	382,891.60	910,000.00
2040	951,660.00	748,340.00	1,700,000.00
2041	959,707.00	815,293.00	1,775,000.00
2042	962,942.40	882,057.60	1,845,000.00
2043	95,665.00	94,335.00	190,000.00
Total	\$4,045,273.80	\$3,074,726.20	\$7,120,000.00

SELMA UNIFIED SCHOOL DISTRICT
Combined Annual Debt Service Schedule
All Outstanding General Obligation Debt

Bond Year Ending August 1	Series 2006B Bonds	Series 2006C Bonds	2014 Refunding Bonds	Series 2016A Bonds	Series 2016B Bonds	Series 2006D Bonds	Series 2016C Bonds	Total Debt Service
2020	\$364,350.00	\$60,000.00	\$765,031.26	\$406,843.76	\$785,962.50	-	\$196,115.36	\$2,578,302.88
2021	350,000.00	60,000.00	832,943.76	421,343.76	701,862.50	-	455,493.76	2,821,643.78
2022	375,000.00	60,000.00	863,343.76	430,543.76	289,862.50	-	835,493.76	2,854,243.78
2023	375,000.00	65,000.00	917,543.76	444,543.76	289,862.50	-	514,093.76	2,606,043.78
2024	350,000.00	75,000.00	993,743.76	458,243.76	289,862.50	-	441,993.76	2,608,843.78
2025	375,000.00	70,000.00	1,035,943.76	470,843.76	289,862.50	-	441,993.76	2,683,643.78
2026	375,000.00	70,000.00	1,102,693.76	487,993.76	289,862.50	-	441,993.76	2,767,543.78
2027	375,000.00	75,000.00	1,164,193.76	499,543.76	289,862.50	-	441,993.76	2,845,593.78
2028	375,000.00	75,000.00	1,240,443.76	514,343.76	289,862.50	-	501,993.76	2,996,643.78
2029	375,000.00	75,000.00	1,315,443.76	533,343.76	289,862.50	-	534,593.76	3,123,243.78
2030	400,000.00	65,000.00	1,383,543.76	548,093.76	289,862.50	-	575,793.76	3,262,293.78
2031	400,000.00	60,000.00	216,825.00	562,243.76	289,862.50	\$700,000.00	620,193.76	2,849,125.02
2032	1,950,000.00	65,000.00	-	580,525.00	309,862.50	--	637,593.76	3,542,981.26
2033	-	2,000,000.00	-	597,425.00	329,212.50	--	663,293.76	3,589,931.26
2034	-	2,200,000.00	-	618,481.26	342,912.50	--	693,393.76	3,854,787.52
2035	-	2,300,000.00	-	633,156.26	366,125.00	--	722,793.76	4,022,075.02
2036	-	2,400,000.00	-	651,956.26	388,525.00	--	746,100.00	4,186,581.26
2037	-	2,500,000.00	-	674,706.26	405,112.50	--	782,300.00	4,362,118.76
2038	-	2,500,000.00	-	695,750.00	431,050.00	--	806,500.00	4,433,300.00
2039	-	1,000,000.00	-	714,750.00	455,818.76	910,000.00	839,100.00	3,919,668.76
2040	-	-	-	736,750.00	479,112.50	1,700,000.00	874,700.00	3,790,562.50
2041	-	-	-	756,500.00	506,318.76	1,775,000.00	913,100.00	3,950,918.76
2042	-	-	-	779,000.00	537,256.26	1,845,000.00	949,100.00	4,110,356.26
2043	-	-	-	804,000.00	561,743.76	190,000.00	987,700.00	2,543,443.76
2044	-	-	-	831,250.00	589,962.50	-	1,028,700.00	2,449,912.50
2045	-	-	-	855,500.00	625,800.00	-	1,061,900.00	2,543,200.00
2046	-	-	-	876,750.00	663,750.00	-	1,106,100.00	2,646,600.00
2047	-	-	-	-	1,598,550.00	-	1,153,200.00	2,751,750.00
2048	-	-	-	-	1,662,950.00	-	1,203,050.00	2,866,000.00
2049	-	-	-	-	-	-	2,935,500.00	2,935,500.00
Total	\$6,439,350.00	\$15,775,000.00	\$11,831,693.86	\$16,584,425.16	\$14,640,512.54	\$7,120,000.00	\$24,105,871.76	\$96,496,853.32

5. In order to correct the purchase price information for the Series 2006D Bonds, the section of the Official Statement entitled “**UNDERWRITING – Series 2006D Bonds**” is hereby replaced in its entirety as follows:

Series 2006D Bonds. The Underwriter has agreed to purchase the Series 2006D Bonds at a price of \$4,029,092.70, representing the principal amount of the Series 2006D Bonds, less an Underwriter’s discount of \$16,181.10.

[END OF SUPPLEMENT]

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$5,527,875.35
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D

\$13,700,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2016, Series 2020C

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Authority and Purpose. The captioned General Obligation Bonds Election of 2006, Series 2020D (the "Series 2006D Bonds") and the captioned General Obligation Bonds Election of 2016, Series 2020C (the "Series 2016C Bonds" and, together with the Series 2006D Bonds, the "Bonds") are being issued by the Selma Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Trustees of the District adopted on January 21, 2020. The Series 2006D Bonds were authorized at an election of the registered voters of the District held on November 7, 2006 (the "2006 Authorization") which authorized the issuance of \$23,800,000 principal amount of general obligation bonds to finance the renovation, construction and improvement of school facilities. The Series 2006D Bonds are the fourth and final series of bonds to be issued under the 2006 Authorization. The Series 2016C Bonds were authorized at an election of the registered voters of the District held on November 8, 2016 (the "2016 Authorization") which authorized the issuance of \$30,800,000 principal amount of general obligation bonds to finance the renovation, construction and improvement of school facilities. The Series 2016C Bonds are the third and final series of bonds to be issued under the 2016 Authorization. See "THE BONDS – Authority for Issuance" and "– Purpose of Issue; Financing Plan."

Security. The Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of Fresno 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 Bonds. See "SECURITY FOR THE BONDS."

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

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

Payments. The Series 2006D Bonds are being issued as Capital Appreciation Bonds, as described herein. The Series 2016C Bonds are being issued as Current Interest Bonds. Interest with respect to the Current Interest Bonds accrues from the date of delivery and is payable at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2020. The Capital Appreciation Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2020. Payments of principal of (or Maturity Value), and interest on the Bonds will be paid by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. The Bonds will be issued in denominations of \$5,000 principal amount (or Maturity Value in the case of Capital Appreciation Bonds) or any integral multiple thereof. See "THE BONDS - Description of the Bonds."

Bond Insurance. The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP. See "BOND INSURANCE."



MATURITY SCHEDULE
(see inside front cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall, A Professional Law Corporation is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Irvine, California, is serving as Underwriter's Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about February 26, 2020.

STIFEL

MATURITY SCHEDULES

**SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D**

Base CUSIP[†]: 816547

**\$5,527,875.35 Denominational Amount
(\$9,730,000.00 Maturity Value)**

Maturity Date (August 1)	Initial Principal Amount	Reoffering Yield To Maturity	Maturity Value	CUSIP[†]
2031	\$747,889.15	2.150%	\$955,000.00	GY3
2039	721,153.80	2.830	1,245,000.00	GZ0
2040	1,301,535.00	2.860	2,325,000.00	HA4
2041	1,311,149.00	2.890	2,425,000.00	HB2
2042	1,315,238.40	2.920	2,520,000.00	HC9
2043	130,910.00	2.950	260,000.00	HD8

[†] CUSIP Copyright 2020, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

MATURITY SCHEDULES, cont'd.

SELMA UNIFIED SCHOOL DISTRICT (Fresno County, California) General Obligation Bonds Election of 2016, Series 2020C

Base CUSIP[†]: 816547

\$4,190,000 Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP [†]
2022	\$380,000	3.000%	0.950%	HE6
2023	70,000	3.000	0.950	HF3
2028	60,000	4.000	1.160	HG1
2029	95,000	4.000	1.230	HH9
2030	140,000	4.000	1.310	HJ5
2031	190,000	4.000	1.410 ^c	HK2
2032	215,000	2.000	2.120	HL0
2033	245,000	2.000	2.180	HM8
2034	280,000	2.000	2.250	HN6
2035	315,000	2.125	2.310	HP1
2036	345,000	4.000	1.800 ^c	HQ9
2037	395,000	4.000	1.880 ^c	HR7
2038	435,000	4.000	1.930 ^c	HS5
2039	485,000	4.000	1.970 ^c	HT3
2040	540,000	4.000	2.000 ^c	HU0

\$2,780,000 4.000% Term Bonds due August 1, 2044; Yield: 2.120^c %; CUSIP[†]: HV8

\$6,730,000 3.000% Term Bonds due August 1, 2049; Yield: 2.580^c %; CUSIP[†]: HW6

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^c Yield to the par call date of August 1, 2030.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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.

Bond Insurance. Assured Guaranty Municipal Corp. (“AGM” or the “Bond Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “Appendix I – 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 pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

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

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

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

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

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

SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)

BOARD OF TRUSTEES OF THE DISTRICT

Jennifer Winter, *President*
Diane S. Jensen, *Vice President*
Paul Green, *Clerk*
Roger Orosco, *Trustee*
Karl Salazar, *Trustee*

DISTRICT ADMINISTRATION

Dr. Tanya A. Fisher, *Superintendent*
Larry Teixeira, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

FINANCIAL ADVISOR
CFW Advisory Services, LLC
Emeryville, California

BOND AND DISCLOSURE COUNSEL
Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL
Kutak Rock LLP
Irvine, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT
U.S. Bank National Association
Los Angeles, California

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\$5,527,875.35
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D

\$13,700,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2016, Series 2020C

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 Selma Unified School District (the “**District**”) of (i) the Selma Unified School District (Fresno County, California) General Obligation Bonds, Election of 2006, Series 2020D, in the principal amount of \$5,527,875.35 (the “**Series 2006D Bonds**”) and (ii) the Selma Unified School District (Fresno County, California) General Obligation Bonds, Election of 2016, Series 2020C, in the principal amount of \$13,700,000 (the “**Series 2016C Bonds**” and, together with the Series 2006D Bonds, the “**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 and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District was established on July 1, 1966 and is located in the southeast portion of Fresno County (the “**County**”). The District serves the City of Selma and surrounding rural area. The District operates seven elementary schools, one K-1st grade school, one middle school, one high school, one adult high school and one alternative school. Total enrollment in the District for the 2019-20 school year is approximately 6,273 students.

See “APPENDIX A – General and Financial Information About the District” and “APPENDIX C - General Information about the City of Selma and Fresno County.”

Authority and Purpose of Issue; Financing Plan. The Bonds will be issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53506) (the “**Bond Law**”) and pursuant to resolutions adopted by the Board of Trustees of the District on January 21, 2020 (the “**Series 2006D Bond Resolution**,” the “**Series 2016C Bond Resolution**” and collectively, the “**Bond Resolutions**”).

The Series 2006D Bonds are the fourth and final series of bonds issued by the District pursuant to an election held by the District on November 7, 2006 (the “**2006 Bond Election**”) in which more than 55% of the qualified electors of the District authorized the District to issue general obligation bonds in a principal amount of \$23,800,000 (the “**2006 Authorization**”). The net proceeds of the Series 2006D Bonds will be used to finance school facilities of the District as approved by District voters at the Bond Election.

The Series 2016C Bonds are the third and final series of bonds issued by the District pursuant to an election held by the District on November 8, 2016 (the “**2016 Bond Election**”) in which more than 55% of the qualified electors of the District authorized the District to issue general

obligation bonds in a principal amount of \$30,800,000 (the “**Authorization**”). The net proceeds of the Series 2016C Bonds will be used to finance school facilities of the District as approved by District voters at the Bond Election.

See “THE BONDS – Authority for Issuance” and “– Purpose of Issue; Financing Plan,” and “SOURCES AND USES OF FUNDS” herein.

Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes levied and collected by the County. The Board of Supervisors of the County has the power and is obligated to annually levy an *ad valorem* tax for the payment of the 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 BONDS” herein.

Form of Bonds. The Series 2006D Bonds are being issued as capital appreciation bonds (the “**Capital Appreciation Bonds**”). The Series 2016C Bonds are being issued as current interest bonds (the “**Current Interest Bonds**”).

Interest with respect to the Current Interest Bonds accrues from the date of delivery and is payable at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2020. The Capital Appreciation Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2020. See “THE BONDS – Description of the Bonds.”

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

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

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

Tax Matters. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from State of California personal income taxes. See “TAX MATTERS.”

Bond Insurance. Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“**AGM**” or the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy

for the Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due, as set forth in the form of the Policy included as Appendix I to this Official Statement. See “BOND INSURANCE” and APPENDIX I.

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

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District from the Superintendent’s Office at 3036 Thompson Avenue, Selma, California 93662, Telephone: (559) 898-6500. The District may impose a charge for copying, mailing and handling.

[END OF INTRODUCTION]

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THE BONDS

Authority for Issuance

Series 2006D Bonds. The Series 2006D Bonds will be issued under the provisions of the Bond Law and the Series 2006D Bond Resolution. The District received authorization at the 2006 Bond Election, by more than the requisite fifty-five percent vote of the qualified electors to issue general obligation bonds in a principal amount of \$23,800,000. On January 31, 2007, the District issued its General Obligation Bonds, Election of 2006, Series 2007A in the aggregate principal amount of \$11,500,000 (the “**Series 2006A Bonds**”). On November 20, 2007 the District issued its General Obligation Bonds, Election of 2016, Series 2007B in the aggregate principal amount of \$3,772,060.75 (the “**Series 2006B Bonds**”). On September 29, 2009, the District issued its General Obligation Bonds, Election of 2016, Series 2009C in the aggregate principal amount of \$3,000,008.05 (the “**Series 2006C Bonds**”). The Series 2006D Bonds are the fourth and final series of bonds issued by the District pursuant to the 2006 Authorization.

Series 2016C Bonds. The Series 2016C Bonds will be issued under the provisions of the Bond Law and the Series 2016C Bond Resolution. The District received authorization at the 2016 Bond Election, by more than the requisite fifty-five percent vote of the qualified electors to issue general obligation bonds in a principal amount of \$30,800,000. On February 23, 2017, the District issued its General Obligation Bonds, Election of 2016, Series 2017A in the aggregate principal amount of \$10,100,000 (the “**Series 2016A Bonds**”). On January 29, 2019, the District issued its General Obligation Bonds, Election of 2016, Series 2019B in the aggregate principal amount of \$7,000,000 (the “**Series 2016B Bonds**”). The Series 2016C Bonds are the third and final series of bonds issued by the District pursuant to the 2016 Authorization.

Purpose of Issue; Financing Plan

Series 2006D Bonds. The proceeds of bonds issued pursuant to the 2006 Authorization, including the Series 2006D Bonds, will be used to finance projects approved by the District's voters at the Bond Election. The abbreviated summary of the ballot measure is as follows:

“To improve the quality of education, shall Selma Unified School District be authorized to construct and modernize classrooms and school facilities to relieve student overcrowding, replace deteriorating plumbing and sewer systems, upgrade fire alarm systems, install outdoor lighting to improve safety and security, and make the District eligible to receive up to \$4,000,000 in State-matching funds by issuing \$23,800,000 in bonds, at legal rates with annual audits, an independent citizens’ oversight committee and NO money for administrators’ salaries? tor salaries?”

After the Series 2006D Bonds are issued, there will be no remaining 2006 Authorization.

Series 2016C Bonds. The proceeds of bonds issued pursuant to the 2016 Authorization, including the Series 2016C Bonds, will be used to finance projects approved by the District's voters at the Bond Election. The abbreviated summary of the ballot measure is as follows:

“To modernize and construct additional classrooms and support facilities, replace portable classrooms with new permanent facilities, increase student access to computers and modern classroom technology, improve security and student safety, provide the local match for State grants, and reduce operating costs, shall the Selma Unified School District be authorized to issue up to \$30.8 million in bonds at legal interest rates, with an

independent Citizens' Oversight Committee, annual audits, and no money for administrator salaries?

After the Series 2016C Bonds are issued, there will be no remaining 2016 Authorization.

General Description of the Bonds

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. The Series 2006D Bonds will be issued as Capital Appreciation Bonds. The Series 2016C Bonds will be issued as Current Interest Bonds.

Capital Appreciation Bonds. The Capital Appreciation Bonds will be dated their date of delivery (the “**Dated Date**”), and accrete interest from such date until the maturity thereof. The initial principal amounts (the “**Denominational Amount**”) of each maturity of the Capital Appreciation Bonds shall be as shown on the inside cover page hereof. The Capital Appreciation Bonds are issued in denominations such that the Maturity Value (defined below) thereof shall equal \$5,000 or an integral multiple thereof. The Capital Appreciation Bonds are payable only at maturity, in the years and amounts set forth on the inside cover page hereof.

Interest on the Capital Appreciation Bonds is compounded on February 1 and August 1 of each year, commencing August 1, 2020. Each Capital Appreciation Bond accretes in value daily over the term to its maturity, from its Denominational Amount on the Dated Date to its accreted value (the “**Accreted Value**”) on its maturity date (the “**Maturity Value**”). The Accreted Value payable on any date shall be determined solely by reference to the Table of Accreted Values attached to such Capital Appreciation Bond. See “APPENDIX H – Accreted Value Tables.”

The interest portion of the Accreted Value of any Capital Appreciation Bond which is payable on the date of maturity shall represent interest accreted and coming due on such date. The Accreted Value of any Capital Appreciation Bond at maturity shall be payable by check or draft mailed by first-class mail, in lawful money of the United State of America upon presentation and surrender of such Bond at the Office of U.S. Bank National Association, Los Angeles, California, acting as the registrar, transfer agent and paying agent for the Bonds (the “**Paying Agent**”). See “APPENDIX F- Book-Entry Only System.”

Current Interest Bonds. The Current Interest Bonds will be dated the Dated Date, and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Current Interest Bonds will mature on August 1 in the years indicated on the inside cover page hereof. Interest with respect to the Current Interest 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 August 1, 2020. Each Current Interest 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 July 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 Current Interest Bond, interest is in default thereon, such Current Interest 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 Current Interest Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Current Interest Bonds, including the final interest payment upon maturity, is payable by 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 Current Interest Bonds, by wire transfer.

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

Paying Agent

U.S. Bank National Association, Los Angeles, California, will act as the registrar, transfer agent, and paying agent for the Bonds (the "**Paying Agent**"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send all payments with respect to principal and interest on the Bonds, and any notice of redemption or other notices to owners of the Bonds, only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any ultimate purchaser of the Bonds (each a "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 Bonds called for redemption or of any other action covered by such notice.

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

Optional Redemption

The Bonds maturing on or before August 1, 2030 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 2031 are subject to redemption prior to their respective maturity dates, at the option of the District, on such basis as designated by the District and by lot within a maturity, in each case on any date on and after August 1, 2030, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

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

Mandatory Sinking Fund Redemption

Series 2016C Bonds. The Series 2016C Bonds maturing on August 1, 2044 and August 1, 2049 (together, the “**Term Bonds**”) are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedules set forth below, respectively. 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.

\$2,780,000 Term Bond Maturing August 1, 2044

Redemption Date (August 1)	Sinking Fund Redemption
2041	\$600,000
2042	660,000
2043	725,000
2044 (maturity)	795,000

\$6,730,000 Term Bond Maturing August 1, 2049

Redemption Date (August 1)	Sinking Fund Redemption
2045	\$860,000
2046	930,000
2047	1,005,000
2048	1,085,000
2049 (maturity)	2,850,000

If any Term Bonds are optionally redeemed as described above, the total amount of all future sinking fund payments with respect to such Term Bonds will be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 (principal amount or Maturity Value, as applicable).

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, 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 Bonds designated for redemption, at their addresses appearing on the records maintained by the Paying Agent for the registration of ownership and registration of transfers of the Bonds under the Bond Resolution. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to such mailing to the Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for the payment of the Bonds and the administration of its duties under the Bond Resolution as designated therein (“**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.

Partial Redemption

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

Right to Rescind Notice of Redemption

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

Book-Entry Only System

The Bonds will be registered initially in the name of "Cede & Co.," as nominee of DTC, which has been appointed as securities depository for the Bonds, and registered ownership may not be transferred thereafter except as provided in the Bond Resolution. Purchasers will not receive certificates representing their interests in the Bonds. Principal of the Bonds will be paid by the Paying Agent to DTC, which in turn is obligated to remit such principal to its participants for subsequent disbursement to beneficial owners of the Bonds as described herein. See "APPENDIX F – DTC and the Book-Entry System."

In the event that the securities depository (either DTC or its successor depository) determines not to continue to act as securities depository for the Bonds, or the District determines to terminate the depository as such, then the District will thereupon discontinue the book-entry system with such securities depository. In such event, the securities depository will cooperate with the District and the Paying Agent in the issuance of replacement Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the nominee of the securities depository, to the Paying Agent on or before the date such replacement Bonds are to be issued.

Registration, Transfer and Exchange of Bonds

Registration. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Bond Resolution.

Transfers of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the registration books required to be kept pursuant to the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond

for cancellation at the Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Bond issued upon any transfer.

Whenever any Bond or Bonds is surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfers of Bonds will be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond which has been selected for redemption.

Exchange of Bonds. Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. The District may charge a reasonable sum for each new Bond issued upon any exchange (except in the cases of any exchange of temporary Bonds for definitive Bonds). No exchange of Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after it has been selected for redemption.

Defeasance

Any or all of the Bonds may be paid by the District in any of the following ways, provided the District also pays or causes to be paid any other sums payable under the Bond Resolution by the District:

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

If the District pays all the Bonds that are outstanding and also pays or causes to be paid all other sums payable under the Bond Resolution by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and the Bond Resolution), and notwithstanding that any Bonds have not been surrendered for payment, the Bond Resolution and other assets made under the Bond Resolution and all covenants, agreements and other obligations of the District under the Bond Resolution will cease, terminate, become void and be completely discharged and satisfied, except only as provided and described in the following paragraph.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described below) to pay or redeem any Bond that is outstanding (whether upon or prior to its maturity date or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given or proven satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond will cease and be completely discharged, except only that thereafter the Owner thereof will be entitled only to payment of the principal of and interest on such Bond by the

District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to 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 has been given as provided the Bond Resolution or provision satisfactory to the Paying Agent has been 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 District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice.

The Bond Resolution defines the term “**Federal Securities**” to mean United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

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SOURCES AND USES OF FUNDS

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

<u>Sources of Funds</u>	Series 2006D Bonds	Series 2016C Bonds
Principal Amount of Bonds	\$5,527,875.35	\$13,700,000.00
Net Original Issue Premium	--	1,293,492.50
Total Sources	\$5,527,875.35	\$14,993,492.50
<u>Uses of Funds</u>		
Deposit to Building Fund	\$5,430,330.90	\$13,546,810.95
Deposit to Debt Service Fund	--	1,204,944.28
Costs of Issuance ⁽¹⁾	97,544.45	241,737.27
Total Uses	\$5,527,875.35	\$14,993,492.50

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, bond insurance premium, and the rating agency.

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APPLICATION OF PROCEEDS OF BONDS

Building Funds

The proceeds from the sale of the Series 2006D Bonds and the Series 2016C Bonds, to the extent of the principal amount thereof, will be paid to the County Treasurer to the credit of the funds created and established in the Series 2006D Bond Resolution and known as the "Selma Unified School District, Election of 2006, Series 2020D Building Fund" and the "Selma Unified School District, Election of 2016, Series 2020C Building Fund" (each, a "**Building Fund**"), which will be accounted for as separate and distinct from all other District and County funds. The County Treasurer will maintain separate accounting for the proceeds of each series of Bonds, including all earnings received from the investment thereof. Amounts credited to each Building Fund will be expended by the District solely for the financing of projects for which each series of Bond proceeds are authorized to be expended under the applicable Bond Measure (which includes costs of issuance). All interest and other gain arising from the investment of proceeds of each series of Bonds shall be retained in the applicable Building Fund and used for the purposes thereof. At the written request of the District filed with the County Treasurer, any amounts remaining on deposit in a Building Fund and not needed for the purposes thereof will be withdrawn from such Building Fund and transferred to the Debt Service Fund established for the applicable series of Bonds, to be applied to pay the principal of and interest on such series of Bonds. If excess amounts remain on deposit in a Building Fund after payment in full of a series of Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which such series of Bonds have been authorized or otherwise in accordance with the Bond Law.

Debt Service Funds

As described herein under the heading "SECURITY FOR THE BONDS – Debt Service Fund," the County Treasurer will establish, hold and maintain a debt service fund for each series of Bonds to be designated the "Selma Unified School District Election of 2006, Series 2020D General Obligation Bonds Debt Service Fund" and the "Selma Unified School District Election of 2016, Series 2020C General Obligation Bonds Debt Service Fund" (each, a "**Debt Service Fund**"), which the County will maintain as a separate account distinct from all other funds of the County and the District. The County Treasurer will administer each Debt Service Fund and make disbursements therefrom in the manner set forth in the applicable Bond Resolution. Accrued interest and premium, if any, received by the County Office of Education from the sale of the a series of Bonds will be deposited in the applicable Debt Service Fund which, together with the collections of *ad valorem* taxes, will be used only for payment of principal of and interest on the such series of Bonds. Interest earnings on the investment of monies held in a Debt Service Fund will be retained in such Debt Service Fund and used to pay the principal of and interest on the applicable series of Bonds when due. Any moneys remaining in a Debt Service Fund after the series of Bonds and the interest thereon have been paid, or provision for such payment has been made, will be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, will be transferred to the District's general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

Investment of Proceeds of Bonds

Under California law, the District is generally required to pay all monies received from any source into the County Treasury to be held on behalf of the District. All amounts deposited into a

Debt Service Fund, as well as proceeds of taxes held therein for payment of such series of Bonds, shall be invested in the County Investment Pool, the Local Agency Investment Fund of the California State Treasurer, any investments authorized pursuant to Sections 53601 and 53635 of the California Government Code, and investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements comply with the requirements of Section 148 of the Tax Code) in accordance with the investment policy of the County.

DEBT SERVICE SCHEDULES

Series 2006D Bonds. The following table shows the annual debt service schedule with respect to the Series 2006 D Bonds (assuming no optional redemptions).

SELMA UNIFIED SCHOOL DISTRICT Annual Debt Service Schedule Series 2006D Bonds

Period Ending August 1	Principal	Compounded Interest	Total Debt Service
2031	\$747,889.15	\$207,110.85	\$955,000.00
2032	--	--	--
2033	--	--	--
2034	--	--	--
2035	--	--	--
2036	--	--	--
2037	--	--	--
2038	--	--	--
2039	721,153.80	523,846.20	1,245,000.00
2040	1,301,535.00	1,023,465.00	2,325,000.00
2041	1,311,149.00	1,113,851.00	2,425,000.00
2042	1,315,238.40	1,204,761.60	2,520,000.00
2043	130,910.00	129,090.00	260,000.00
Total	\$5,527,875.35	\$4,202,124.65	\$9,730,000.00

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Series 2016C Bonds. The following table shows the annual debt service schedule with respect to the Series 2016C Bonds (assuming no optional redemptions).

**SELMA UNIFIED SCHOOL DISTRICT
Annual Debt Service Schedule
Series 2016C Bonds**

Period Ending August 1	Principal	Interest	Total Debt Service
2020	--	\$196,115.36	\$196,115.36
2021	--	455,493.76	455,493.76
2022	\$380,000.00	455,493.76	835,493.76
2023	70,000.00	444,093.76	514,093.76
2024	--	441,993.76	441,993.76
2025	--	441,993.76	441,993.76
2026	--	441,993.76	441,993.76
2027	--	441,993.76	441,993.76
2028	60,000.00	441,993.76	501,993.76
2029	95,000.00	439,593.76	534,593.76
2030	140,000.00	435,793.76	575,793.76
2031	190,000.00	430,193.76	620,193.76
2032	215,000.00	422,593.76	637,593.76
2033	245,000.00	418,293.76	663,293.76
2034	280,000.00	413,393.76	693,393.76
2035	315,000.00	407,793.76	722,793.76
2036	345,000.00	401,100.00	746,100.00
2037	395,000.00	387,300.00	782,300.00
2038	435,000.00	371,500.00	806,500.00
2039	485,000.00	354,100.00	839,100.00
2040	540,000.00	334,700.00	874,700.00
2041	600,000.00	313,100.00	913,100.00
2042	660,000.00	289,100.00	949,100.00
2043	725,000.00	262,700.00	987,700.00
2044	795,000.00	233,700.00	1,028,700.00
2045	860,000.00	201,900.00	1,061,900.00
2046	930,000.00	176,100.00	1,106,100.00
2047	1,005,000.00	148,200.00	1,153,200.00
2048	1,085,000.00	118,050.00	1,203,050.00
2049	2,850,000.00	85,500.00	2,935,500.00
Total	\$13,700,000.00	\$10,405,871.76	\$24,105,871.76

Combined Debt Service Table. The following table shows the combined annual debt service schedule with respect to obligations of the District secured by *ad valorem* taxes, assuming no optional redemptions. See Appendix A under the heading “DISTRICT FINANCIAL INFORMATION – General Obligation Debt” for additional information.

SELMA UNIFIED SCHOOL DISTRICT
Combined Annual Debt Service Schedule
All Outstanding General Obligation Debt

Bond Year Ending August 1	Series 2006B Bonds	Series 2006C Bonds	2014 Refunding Bonds	Series 2016A Bonds	Series 2016B Bonds	Series 2006D Bonds	Series 2016C Bonds	Total Debt Service
2020	\$364,350.00	\$60,000.00	\$765,031.26	\$406,843.76	\$785,962.50	-	\$196,115.36	\$2,578,302.88
2021	350,000.00	60,000.00	832,943.76	421,343.76	701,862.50	-	455,493.76	2,821,643.78
2022	375,000.00	60,000.00	863,343.76	430,543.76	289,862.50	-	835,493.76	2,854,243.78
2023	375,000.00	65,000.00	917,543.76	444,543.76	289,862.50	-	514,093.76	2,606,043.78
2024	350,000.00	75,000.00	993,743.76	458,243.76	289,862.50	-	441,993.76	2,608,843.78
2025	375,000.00	70,000.00	1,035,943.76	470,843.76	289,862.50	-	441,993.76	2,683,643.78
2026	375,000.00	70,000.00	1,102,693.76	487,993.76	289,862.50	-	441,993.76	2,767,543.78
2027	375,000.00	75,000.00	1,164,193.76	499,543.76	289,862.50	-	441,993.76	2,845,593.78
2028	375,000.00	75,000.00	1,240,443.76	514,343.76	289,862.50	-	501,993.76	2,996,643.78
2029	375,000.00	75,000.00	1,315,443.76	533,343.76	289,862.50	-	534,593.76	3,123,243.78
2030	400,000.00	65,000.00	1,383,543.76	548,093.76	289,862.50	-	575,793.76	3,262,293.78
2031	400,000.00	60,000.00	216,825.00	562,243.76	289,862.50	\$955,000.00	620,193.76	3,104,125.02
2032	1,950,000.00	65,000.00	-	580,525.00	309,862.50	-	637,593.76	3,542,981.26
2033	-	2,000,000.00	-	597,425.00	329,212.50	-	663,293.76	3,589,931.26
2034	-	2,200,000.00	-	618,481.26	342,912.50	-	693,393.76	3,854,787.52
2035	-	2,300,000.00	-	633,156.26	366,125.00	-	722,793.76	4,022,075.02
2036	-	2,400,000.00	-	651,956.26	388,525.00	-	746,100.00	4,186,581.26
2037	-	2,500,000.00	-	674,706.26	405,112.50	-	782,300.00	4,362,118.76
2038	-	2,500,000.00	-	695,750.00	431,050.00	-	806,500.00	4,433,300.00
2039	-	1,000,000.00	-	714,750.00	455,818.76	1,245,000.00	839,100.00	4,254,668.76
2040	-	-	-	736,750.00	479,112.50	2,325,000.00	874,700.00	4,415,562.50
2041	-	-	-	756,500.00	506,318.76	2,425,000.00	913,100.00	4,600,918.76
2042	-	-	-	779,000.00	537,256.26	2,520,000.00	949,100.00	4,785,356.26
2043	-	-	-	804,000.00	561,743.76	260,000.00	987,700.00	2,613,443.76
2044	-	-	-	831,250.00	589,962.50	-	1,028,700.00	2,449,912.50
2045	-	-	-	855,500.00	625,800.00	-	1,061,900.00	2,543,200.00
2046	-	-	-	876,750.00	663,750.00	-	1,106,100.00	2,646,600.00
2047	-	-	-	-	1,598,550.00	-	1,153,200.00	2,751,750.00
2048	-	-	-	-	1,662,950.00	-	1,203,050.00	2,866,000.00
2049	-	-	-	-	-	-	2,935,500.00	2,935,500.00
Total	\$6,439,350.00	\$15,775,000.00	\$11,831,693.86	\$16,584,425.16	\$14,640,512.54	\$9,730,000.00	\$24,105,871.76	\$99,106,853.32

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing in the Bond Resolution prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Other Debt Payable from Ad Valorem Property Taxes. In addition to the District's general obligation bonds, 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 – Typical Tax Rates" and "– Direct and Overlapping Debt."

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, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

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

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

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

Economic and other factors beyond the District's control, such as economic recession, deflation of 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, flood, fire or other natural disaster, could

cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The County will establish the Debt Service Fund for the Bonds, 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, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund is pledged for the payment of the principal of and interest on the Bonds when and as the same become due, including the principal of any Bonds required to be paid upon the mandatory sinking fund redemption thereof. The County Treasurer shall administer the Debt Service Fund and make disbursements therefrom in accordance with the Bond Resolution. Amounts in the Debt Service Fund will be transferred by the County Treasurer to the Paying Agent to the extent necessary to pay the principal of and interest and redemption premium (if any) on the Bonds when due. In addition, amounts on deposit in the Debt Service Fund will be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

If, after payment in full of the Bonds and any other general obligation bond indebtedness of the District, any amounts remain on deposit in the Debt Service Fund, the County will transfer such amounts to the general fund of the District, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

No part of any fund or account of the County is pledged or obligated to the payment of the Bonds. The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment by the District of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

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

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 are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the local Superior Court 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 of the State 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 Valuations

Assessed Valuation History. The table following shows a recent history of the District’s assessed valuation.

SELMA UNIFIED SCHOOL DISTRICT Assessed Valuation Fiscal Years 2006-07 through 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2006-07	\$1,207,713,507	\$1,192,325	\$44,087,765	\$1,252,993,597	--
2007-08	1,344,291,186	976,511	49,671,611	1,394,939,308	11.3%
2008-09	1,381,503,579	976,511	43,930,073	1,426,410,163	2.3
2009-10	1,325,406,412	976,511	50,130,212	1,376,513,135	(3.5)
2010-11	1,307,350,215	976,511	47,871,755	1,356,198,481	(1.5)
2011-12	1,313,515,699	1,042,008	43,478,990	1,358,036,697	0.1
2012-13	1,309,287,974	1,042,008	52,506,699	1,362,836,681	0.4
2013-14	1,369,347,314	1,042,008	44,441,684	1,414,831,006	3.8
2014-15	1,405,828,960	1,042,008	43,152,345	1,450,023,313	2.5
2015-16	1,473,289,259	806,979	46,587,782	1,520,684,020	4.9
2016-17	1,562,753,746	806,979	56,811,736	1,620,372,461	6.6
2017-18	1,632,125,813	806,979	59,384,000	1,692,316,792	4.4
2018-19	1,717,668,191	806,979	52,092,652	1,770,567,822	4.6
2019-20	1,785,529,926	644,330	63,614,424	1,849,788,680	4.5

Source: California Municipal Statistics, Inc.

As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation may result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

Split Roll Initiative. An initiative measure (the “Split Roll Initiative”) to amend Article XIII A has qualified for the State’s November 2020 ballot. If adopted, the Split Roll Initiative would base property taxes for commercial and industrial properties on market values beginning in tax year 2020-21. Such market values would be reassessed by the applicable county assessor’s office at least once every three years. The Split Roll Initiative includes exceptions for businesses

with a total market value of less than \$2 million (adjusted for inflation), which would continue to be subject to property taxes based on purchase price, and exempts from property tax assessments up to \$500,000 of the value of personal property, or all personal property for businesses with fewer than 50 employees. There can be no assurance that the Split Roll Initiative will be adopted. Moreover, if the Split Roll Initiative is adopted, the District is unable to predict how it would affect the level of commercial building activity within the District and the relationship of the assessed value between land use types (i.e. residential versus commercial) in the District, or what other impacts the Split Roll Initiative might have on the local economy or the District's financial condition.

Assessed Valuation by Land Use. The property in the District is largely residential, with approximately 57.26% of secured assessed valuation of property in the District used for residential purposes, and almost 81.83% of all parcels used for residential purposes. The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2019-20.

SELMA UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-20

	2019-20	% of	No. of	% of
	<u>Assessed Valuation (1)</u>	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Non-Residential:				
Agricultural	\$291,312,145	16.32%	863	10.47%
Commercial	256,881,068	14.39	354	4.29
Vacant Commercial	37,902,322	2.12	69	0.84
Industrial	157,932,411	8.85	89	1.08
Vacant Industrial	9,580,640	0.54	79	0.96
Government/Social/Institutional	9,465,999	0.53	44	0.53
Subtotal Non-Residential	\$763,074,585	42.74%	1,498	18.17%
Residential:				
Single Family Residence	\$ 867,028,310	48.56%	5,532	67.09%
Mobile Home	26,434,450	1.48	375	4.55
2-4 Residential Units	23,954,085	1.34	175	2.12
5+ Residential Units/Apartments	60,422,463	3.38	280	3.40
Vacant Residential	44,616,033	2.50	386	4.68
Subtotal Residential	\$1,022,455,341	57.26%	6,748	81.83%
Total	\$1,785,529,926	100.00%	8,246	100.00%

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

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Reassessments and Appeals of Assessed Value

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

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

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

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

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

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

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Typical Tax Rates

Below are historical typical tax rates in a typical tax rate area (TRA 11-1) within the District for fiscal years 2015-16 through 2019-20.

SELMA UNIFIED SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation
(TRA 11-1 - 2019-20 Assessed Valuation: \$403,480,713)
Fiscal Years 2015-16 through 2019-20

	<u>FY</u> <u>2015-16</u>	<u>FY</u> <u>2016-17</u>	<u>FY</u> <u>2017-18</u>	<u>FY</u> <u>2018-19</u>	<u>FY</u> <u>2019-20</u>
General	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
City of Selma	-	-	.021600	.021600	.017500
Selma Unified School District	.099128	.057970	.118814	.109658	.111922
State Center Community College District	.008064	.008480	.025934	.022966	.025786
Total	\$1.107192	\$1.066450	\$1.166348	\$1.154224	\$1.155208

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies; 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%. On July 8, 2008, the County adopted Resolution No. 08-322, which determined that, because the “...County of Fresno Supplemental Secured Property Tax Roll is now severely delinquent and, by such delinquency, impairs, impedes and disrupts the County of Fresno’s general fund cash flow...”, the County discontinues the use of the Teeter Plan as it applies to the supplemental secured property tax rolls. 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.

The table below shows the secured tax charge and delinquency rate for fiscal years 2009-10 through 2018-19.

SELMA UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquency Rates
Fiscal Years 2009-10 through 2018-19

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30)	% Delinquent (June 30)
2009-10	\$14,528,015.30	\$537,130.08	3.70%
2010-11	14,351,499.06	411,350.82	2.87
2011-12	14,393,672.70	329,530.95	2.29
2012-13	14,315,026.46	312,112.85	2.18
2013-14	19,784,395.02	427,528.25	2.16
2014-15	20,208,199.32	429,352.13	2.12
2015-16	21,817,902.16	530,330.29	2.43
2016-17	22,525,263.68	408,747.46	1.81
2017-18	25,214,091.60	499,583.89	1.98
2018-19	26,301,910.62	514,716.78	1.96

(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects county-wide delinquency rate.
Source: California Municipal Statistics, Inc.

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Major Taxpayers

The following table shows the 20 largest taxpayers in the District as determined by local secured assessed valuation 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.

SELMA UNIFIED SCHOOL DISTRICT Largest Fiscal Year 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. Guardian Industries Corporation	Industrial	\$ 71,948,550	4.03%
2. Dwight Grant Nelson, Trustee	Commercial	14,914,805	0.84
3. Wal-Mart Real Estate Business Trust	Commercial	14,772,187	0.83
4. Selma-Veto LLC	Commercial	14,590,128	0.82
5. California Water Service Company	Water Company	13,608,500	0.76
6. Daniel L. Serimian	Residential Properties	11,937,962	0.67
7. Fahrney Land Management LLC	Commercial	11,000,000	0.62
8. George J. & Louise N.L. Alves, Trustees	Industrial	10,930,344	0.61
9. Home Depot USA Inc.	Commercial	10,806,500	0.61
10. Magellan Central Valley I LLC	Industrial	9,662,542	0.54
11. Quinn Company	Industrial	9,159,864	0.51
12. Selma Crossings LLC	Commercial	8,304,212	0.47
13. Kosla Properties LLC	Commercial	8,166,310	0.46
14. Sun Valley Packing LP	Agricultural	8,021,571	0.45
15. Clarence & Mary Jo Unruh, Trustees	Agricultural	7,923,348	0.44
16. Kaiser Foundation Health Plan Inc.	Office Building	7,778,710	0.44
17. Swan Court Hotel Inc.	Hotel	7,598,821	0.43
18. VK Nijjar Farms LLC	Agricultural	7,427,194	0.42
19. Roger D & Larinda L. Van Groningen, Trustees	Industrial	6,743,080	0.38
20. Kragen Properties LLC	Commercial	5,867,535	0.33
		<u>\$261,162,163</u>	<u>14.63%</u>

(1) Fiscal year 2019-20 local secured assessed valuation: \$1,785,529,926.

Source: California Municipal Statistics, Inc.

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Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. dated as of December 1, 2020. The Debt Report is included for general information purposes only. Neither the District nor the Underwriter has reviewed the Debt Report for completeness or accuracy and make 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.

SELMA UNIFIED SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt Dated as of December 1, 2019

2019-20 Assessed Valuation: \$1,849,788,680

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/1/19</u>	
State Center Community College District	2.047%	\$ 3,186,565	
Selma Unified School District	100.000	30,052,662	(1)
City of Selma	99.998	3,839,923	
City of Selma 1915 Act Bonds	100.000	365,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$37,444,150	
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Fresno County General Fund Obligations	2.228%	\$ 788,266	
Fresno County Pension Obligations	2.228	5,080,347	
Selma Unified School District Certificates of Participation	100.000	2,800,522	
Selma Unified School District Qualified Zone Academy Bonds (QZABs)	100.000	9,642,856	
City of Kingsburg General Fund Obligations	8.061	169,281	
City of Selma General Fund Obligations	99.998	3,576,510	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$22,057,782	
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$1,755,000	
 COMBINED TOTAL DEBT		\$61,256,932	(2)

Ratios to 2019-20 Assessed Valuation:

Direct Debt (\$30,052,662)	1.62%
Total Direct and Overlapping Tax and Assessment Debt	2.02%
Combined Direct Debt (\$42,496,040)	2.30%
Combined Total Debt	3.31%

Ratios to Redevelopment Incremental Valuation (\$186,372,102):

Total Overlapping Tax Increment Debt	0.94%
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(1) Excludes Bonds to be issued.

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

Source: California Municipal Statistics, Inc.

BOND INSURANCE

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

Bond Insurance Policy

Concurrently with the issuance of the Bonds, AGM will issue the Policy. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix I 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.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “**AGO**”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance, (including infrastructure), and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “**AA**” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”), “**AA+**” (stable outlook) by Kroll Bond Rating Agency, Inc. (“**KBRA**”) and “**A2**” (stable outlook) by Moody’s Investors Service, Inc. (“**Moody’s**”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On December 19, 2019, KBRA announced it had affirmed AGM’s insurance financial strength rating of “**AA+**” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On November 7, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At September 30, 2019:

- The policyholders' surplus of AGM was approximately \$2,473 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("**MAC**") (as described below) were approximately \$1,100 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,829 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("**AGE**"), and (iii) 60.7% of the net unearned premium reserve of MAC.

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

Incorporation of Certain Documents by Reference

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

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (filed by AGL with the SEC on August 8, 2019); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 (filed by AGL with the SEC on November 8, 2019).

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

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

Miscellaneous Matters

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

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TAX MATTERS

Tax Exemption

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

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the Bonds. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. The issue price for original issue discount (as further discussed below) and market discount purposes (the “**OID Issue Price**”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the 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 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the “**OID Bonds**”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. An OID Bond would be treated in a similar manner for purposes of California personal income taxes.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the “**Revised Issue Price**”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is

recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

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 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 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 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

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

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

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

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

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

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine (9) months following the end of the District's fiscal year (which currently is June 30), commencing March 31, 2021 with the report for the 2019-20 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events pursuant to the Continuing Disclosure Certificate in the form attached to this Official Statement in "APPENDIX E – Form of Continuing Disclosure Certificate." The Annual Report and any event notices will be filed by the District with the Municipal Securities Rulemaking Board (the "**MSRB**"). The specific nature of the information to be contained in each Annual Report or other notices is summarized in "APPENDIX E – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**Rule**").

The District has existing disclosure undertakings made pursuant to the Rule in connection with the issuance of prior obligations of the District. In the previous five years, the District failed to include certain information in its 2015-16 Annual Report filed on March 6, 2017. An amended Annual Report was filed on March 27, 2018 which corrected information relating to total assessed valuation in the District.

To assist the District to comply with its continuing disclosure undertakings with respect to the Bonds pursuant to the Continuing Disclosure Certificate, the District has engaged Government Financial Strategies, Inc. to serve as its dissemination agent with respect to its prior undertaking, including the Continuing Disclosure Certificate to be executed in connection with the Bonds.

RATINGS

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

In addition, S&P has assigned an underlying rating of "A+" to the Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained only from S&P. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). There is no assurance that such ratings will continue for any given period of time or that the ratings 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 Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), pursuant to a bond purchase agreement for the Bonds (the “**Bond Purchase Agreement**”).

Series 2006D Bonds. The Underwriter has agreed to purchase the Series 2006D Bonds at a price of \$5,505,763.85, representing the principal amount of the Series 2006D Bonds, less an Underwriter’s discount of \$22,111.50.

Series 2016C Bonds. The Underwriter has agreed to purchase the Series 2016C Bonds at a price of \$14,938,692.50, representing the principal amount of the Series 2016C Bonds, plus net original issue premium of \$1,293,492.50, less an Underwriter’s discount of \$54,800.00.

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

MISCELLANEOUS

Legality for Investment

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

Litigation

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

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

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, Kutak Rock LLP, as counsel to the Underwriter, and CFW Advisory Services, LLC, as financial advisor to the District, is contingent upon issuance of the Bonds.

Information Relating to Potential Community Reinvestment Act Credit

The National School Lunch Program (the “**NSLP**”) provides free or reduced price school meals to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program) or whose median household income falls below certain federal poverty thresholds. The table below indicates schools at which Bond proceeds are being expended with a majority of students who receive free and reduced-priced meals. The District makes no representation as to the status of any investment in the Bonds under the Community Reinvestment Act.

Selma Unified School District Participation of District Students in National School Lunch Program

Facility	Eligibility Percentage
Andrew Jackson Elementary School	81.9%
Eric White Elementary School	95.3
George Washington Elementary School	96.3
Indianola Elementary School	81.7
James Garfield Elementary School	89.0
Theodore Roosevelt Elementary School	89.5
Terry Elementary School	92.1
Woodrow Wilson Elementary School	85.0
Abraham Lincoln Middle School	84.0
Selma High School	78.1
Selma Independent School	78.4
Heartland High School	91.4

Additional Information

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

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

APPENDIX A

DISTRICT GENERAL AND FINANCIAL INFORMATION

The information in this section concerning the operations of the District, its operating budget and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the main body of the Official Statement.

DISTRICT GENERAL INFORMATION

General Information

The District was established on July 1, 1966 and is located in the southeast portion of Fresno County (the "**County**"). The District serves the City of Selma and surrounding rural area. The District operates seven elementary schools, one K-1st grade school, one middle school, one high school, one adult high school and one alternative school. Total enrollment for the 2019-20 school year is 6,273 students.

Administration

Board of Trustees. The District is governed by a five-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. 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>
Jennifer Winter	President	December 2022
Diane S. Jensen	Vice President	December 2022
Paul Green	Clerk	December 2020
Roger Orosco	Trustee	December 2022
Karl Salazar	Trustee	December 2020

Superintendent and Administrative Personnel. The Superintendent of the District is appointed by the Board and is responsible for management of the day-to-day operations and supervises the work of other District administrators. Dr. Tanya A. Fisher and Larry Teixeira currently serve as the Superintendent and Assistant Superintendent, Business Services, respectively, of the District.

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Recent Enrollment Trends

The following table shows enrollment and average daily attendance history for the District for fiscal years 2009-10 through 2018-19, together with estimates for fiscal year 2019-20.

ANNUAL ENROLLMENT and AVERAGE DAILY ATTENDANCE Fiscal Years 2009-10 through 2019-20 Selma Unified School District

School Year	Enrollment	Percent Change	ADA	Percent Change
2009-10	6,369	--	6,042	--
2010-11	6,420	0.8%	6,124	1.4%
2011-12	6,415	(0.1)	6,147	0.4
2012-13	6,453	0.6	6,134	(0.2)
2013-14	6,485	0.5	6,156	0.4
2014-15	6,447	(0.6)	6,190	0.6
2015-16	6,541	1.5	6,246	0.9
2016-17	6,459	(1.3)	6,169	(1.2)
2017-18	6,451	(0.1)	6,145	(0.2)
2018-19	6,393	(0.9)	6,107	(0.6)
2019-20*	6,273	(1.9)	5,990	(1.9)

* Budgeted.

Source: Selma Unified School District.

Like many school districts in California, the District has experienced declining enrollment in the past few years. In light of these declines, the District worked with a consultant to estimate enrollment three years out, and has begun instituting program reductions in order to achieve budget savings.

Employee Relations

The District currently has 364 certificated, 374 classified and 55 management full-time equivalent positions. The certificated and classified employees of the District are represented by their respective bargaining units, as set forth in the following table. Negotiations with both the certificated and classified bargaining units are currently at an impasse. Meetings with State-appointed mediators are scheduled for February, 2020.

BARGAINING UNITS Selma Unified School District

Employee Group	Number of Employees Represented	Contract Expiration Date
Selma Unified Teachers Association (CTA/NEA)	364.0	June 30, 2019*
California Schools Employees Association	374.0	June 30, 2021

*The District and employees operate pursuant to the terms of expired contracts until new terms are settled.

Source: Selma Unified School District.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

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

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid District" and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded its revenue limit funding entitlement.

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

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

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

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**"), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

Funding levels used in the LCFF target entitlement calculations, not including any supplemental or concentration grant funding entitlements, for fiscal year 2019-20 are set forth in the following table. Full implementation occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

**Fiscal Year 2019-20 Base Grant* Under LCFF by Grade Span
(Targeted Entitlement)**

Grade Span	2019-20 Base Grant Per ADA	2019-20 COLA (3.26%)	Grade Span Adjustments (K-3: 10.4%; 9-12: 2.6%)	2019-20 Base Grant/Adjusted Base Grant Per ADA
K-3	\$7,459	\$243	\$801	\$8,503
4-6	7,571	247	n/a	7,818
7-8	7,796	254	n/a	8,050
9-12	9,034	295	243	9,572

*Does not include supplemental and concentration grant funding entitlements.

Source: California Department of Education.

The new legislation included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

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

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

District Accounting Practices

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

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

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

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

Financial Statements

General. The District's Audited Financial Statements for the fiscal year ending June 30, 2019, were prepared by Linger, Peterson & Shrum, Certified Public Accountants, Fresno, California (the "**Auditor**"). Audited financial statements for the District for the fiscal year ended June 30, 2019 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for the Audited Financial Statements for fiscal year 2018-19. The District has not requested, and the auditor has not provided, any additional review of such financial statements in connection with their inclusion in the Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2014-15 through 2018-19.

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2014-15 through 2018-19 (Audited)
Selma Unified School District

	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19
<u>Revenues</u>					
LCFF ⁽¹⁾	\$49,699,945	\$57,893,454	\$62,489,762	\$63,511,148	\$68,645,463
Federal Revenue	5,040,845	5,369,176	5,162,418	5,665,084	5,703,045
Other State Revenue	5,017,676	8,414,424	8,068,670	7,673,075	10,444,182
Other Local Revenue	2,587,477	3,124,955	3,539,281	2,889,704	3,420,702
Total Revenues	62,345,943	74,802,009	79,260,131	79,739,011	88,213,392
<u>Expenditures</u>					
Instruction	39,087,188	43,815,982	48,917,902	49,994,738	53,064,653
Instruction-Related Services	6,614,514	7,834,524	8,885,101	8,765,992	10,552,607
Pupil Services	4,642,048	5,070,616	5,421,442	5,415,794	6,785,700
Ancillary services	454,860	600,177	658,850	688,793	826,243
General Administration	4,188,776	4,557,748	4,675,111	4,472,332	5,012,753
Plant services	7,466,535	7,243,431	7,819,899	7,756,046	8,480,959
Other Outgo	649,474	791,183	1,131,852	1,118,377	1,360,765
Capital Outlay	--	639,382	622,413	445,991	1,804,050
Debt Service:					
Principal	521,578	1,520,745	1,412,419	1,763,122	1,726,692
Interest	107,065	739,073	782,886	712,105	650,784
Total Expenditures	63,732,038	72,812,861	80,327,875	81,133,290	90,265,206
Excess of Revenues Over/(Under) Expenditures	(1,386,095)	1,989,148	(1,067,744)	(1,394,279)	(2,051,814)
<u>Other Financing Sources (Uses)</u>					
Transfer In	--	--	--	--	2,900,000
Transfers Out	(150,262)	(169,193)	(262,042)	(277,252)	(1,858,669)
Other sources	236,733	886,321	543,857	544,000	463,647
Total Other Financing Sources (Uses)	86,471	417,128	281,815	266,748	1,504,978
Net Change in Fund Balance	(1,299,624)	2,406,276	(785,929)	(1,127,531)	(546,836)
Fund Balances, beginning of fiscal year (July 1)	6,723,024	5,423,400	7,920,787	7,043,747	5,916,216
Fund Balance, end of fiscal year (June 30)	\$5,423,400	\$7,829,676	\$7,043,747	\$5,916,216	\$5,369,380

(1) LCFF commenced in fiscal year 2013-14.

Source: District Audited Financial Statements for fiscal years 2014-15 through 2018-19.

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District Budget and Interim Financial Reporting

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

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Fresno County Superintendent of Schools (the "**County Superintendent**"), which is part of the organizational structure of the California Department of Education (not the County of Fresno).

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

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

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

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

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

Interim Certifications Regarding Ability to Meet Financial Obligations. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

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

District's Budget Approval/Disapproval and Certification History. During the past five years, the District received positive certifications on all interim reports.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the Superintendent's Office at 3036 Thompson Avenue, Selma, California 93662; telephone (559) 898-6500. The District may impose charges for copying, mailing and handling.

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District's Fiscal Year 2019-20 Budget and First Interim Projections. The following table shows the income and expense statements for the District for fiscal year 2019-20 (adopted budget and first interim projections).

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE*
Fiscal Year 2019-20 (Adopted Budget and First Interim Report)
Selma Unified School District

	Adopted Budget 2019-20	First Interim Projections Fiscal Year 2019-20
<u>Revenues</u>		
LCFF	\$70,773,767	\$70,773,767
Federal Revenues	5,664,169	6,266,814
Other State Revenues	5,123,115	6,157,431
Other Local Revenues	2,365,341	2,591,938
Total Revenues	<u>83,926,392</u>	<u>85,789,950</u>
<u>Expenditures</u>		
Certificated Salaries	36,344,223	35,009,884
Classified Salaries	12,846,026	12,283,019
Employee Benefits	20,332,571	22,023,778
Books and Supplies	4,801,019	7,119,531
Contract Services & Operating Exp.	5,773,356	7,055,507
Capital Outlay	106,000	218,617
Other Outgo (excluding indirect costs)	3,781,926	3,779,290
Other Outgo – Transfers of Indirect Costs	(140,351)	(141,660)
Total Expenditures	<u>83,844,769</u>	<u>87,347,966</u>
Excess of Revenues Over/(Under) Expenditures	81,623	(1,558,016)
<u>Other Financing Sources (Uses)</u>		
Operating transfers in	0	0
Operating transfers out	0	0
Sources	449,360	449,360
Contributions	0	0
Total Other Financing Sources/(Uses)	<u>449,360</u>	<u>449,360</u>
Net change in fund balance	530,983	(1,108,656)
Fund Balance, July 1⁽¹⁾	<u>6,223,349</u>	<u>5,009,565</u>
Fund Balance, June 30	<u>\$6,754,332</u>	<u>\$3,900,910</u>

* Totals may not foot due to rounding.

⁽¹⁾ Budget and interim fund balances shown do not include certain funds included in the District's audited financial statements.

Source: Selma Unified School District.

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

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget ("**SB 858**"), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the school district level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

On October 11, 2017, the Governor signed new legislation ("**SB 751**") amending Section 42127.01 of the Education Code, effective January 1, 2018. SB 751 raises the reserve cap established under SB 858 to no more than 10% of a school district's combined assigned or unassigned ending general fund balance and provides that the reserve cap will be triggered only if there is a minimum balance of 3% of the Proposition 98 reserve. Basic aid school districts, such as the District, and small districts with 2,500 or fewer ADA are exempt from the reserve cap.

Attendance - LCFF Funding

As previously described, prior to fiscal year 2013-14, school districts in the State derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth LCFF funding per ADA for the District for fiscal years 2013-14 through 2019-20 (Budgeted).

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ADA AND LCFF FUNDING
Fiscal Years 2013-14 through 2019-20 (Budgeted)
Selma Unified School District

Fiscal Year	ADA⁽¹⁾	Total LCFF Revenue
2013-14	6,156	\$43,145,447
2014-15	6,190	49,699,945
2015-16	6,246	57,893,454
2016-17	6,169	62,489,762
2017-18	6,145	63,511,150
2018-19	6,107	68,645,463
2019-20 ⁽²⁾	5,990	70,773,767

(1) P-2 for Fiscal Year 2013-14 through 2018-19; Budgeted for Fiscal Year 2019-20.

(2) Budgeted.

Source: Selma Unified School District.

The District's unduplicated pupil count for fiscal year 2018-19 for purposes of calculating entitlement under the LCFF for supplemental funding and concentration grant funding is 85.5%.

Revenue Sources

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

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

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

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

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

Other State Revenues. Other State Revenues consist primarily of apportionments for mandated costs reimbursements, special education master plan, and State lottery apportionments.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

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

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. 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. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

STRS Contributions Selma Unified School District

Fiscal Year	Amount
2011-12	\$2,044,317
2012-13	2,198,701
2013-14	2,216,157
2014-15	2,518,932
2015-16	3,399,458
2016-17 ⁽¹⁾	5,197,730
2017-18 ⁽¹⁾	6,661,379
2018-19 ⁽¹⁾	11,059,805
2019-20 ⁽¹⁾⁽²⁾	9,183,221

(1) Figures includes State on-behalf payments of \$1.9 million, \$2.4 million, \$5.3 million and \$2.9 million in fiscal years 2016-17, 2017-18, 2018-19 and 2019-20, respectively.

(2) Budgeted.

Source: Selma Unified School 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 8.88%

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.

The District's employer contribution rates for fiscal years 2015-16 through 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	17.10%
2020-21	18.40
2021-22	18.60
2022-23	18.10

(1) Expressed as a percentage of covered payroll.
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.

PERS Contributions
Selma Unified School District

Fiscal Year	Amount
2011-12	\$780,407
2012-13	842,740
2013-14	880,363
2014-15	1,060,592
2015-16	1,202,342
2016-17	1,207,323
2017-18	1,534,221
2018-19	3,016,251
2019-20 ⁽¹⁾	2,605,849

(1) Projected.
Source: Selma Unified School District.

Like the STRS program, the PERS program has maintained 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 such unfunded liability, 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 rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be 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.

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

Fiscal Year	Employer Contribution Rate⁽²⁾
2019-20	19.721%
2020-21	22.900
2021-22	24.600
2022-23	25.300

(1) 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. PEPPRA 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. PEPPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPPRA through collective bargaining.

PERS has predicted that the impact of PEPPRA 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 PEPPRA, 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 PEPPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

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

Other Post-Employment Benefit Obligation

Plan Description. The District provides a self-funded, single employer, defined benefit plan (the "**Plan**") to provide health insurance to retirees. All coverages are self-insured on a pooled basis through Self Insured Schools of California. The amount and duration of District-paid contributions for retiree health insurance vary by employment classification, age and date of hire.

As of June 30, 2019, there are 31 retirees currently receiving benefits, and approximately 522 active employees who may become eligible to receive benefits. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB No. 75.

Total OPEB Liability. A summary of the changes to the District's OPEB liability, as shown in the District's audited financial statements as of June 30, 2019, is as follows:

OPEB LIABILITY AS OF JUNE 30, 2019
Selma Unified School District

Balance at June 30, 2018	<u>\$13,125,625</u>
Changes for the year:	
Service cost	444,020
Interest	499,873
Difference between expected and actual experience	(34,284)
Changes in assumptions and other inputs	764,328
Benefit payments	<u>(553,436)</u>
Net changes	1,120,501
 Balance at June 30, 2019	 <u><u>\$14,246,126</u></u>

Source: District 2018-19 Audited Financial Statements.

For fiscal year 2018-19, the District recognized OPEB expense of \$801,831.

See "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2019 - Note N" for further information.

The District received a supplemental report dated December 10, 2019 pursuant to GASB Statement No. 75 (the "**GASB 75 Report**"). The GASB 75 Report confirmed the June 30, 2019 total OPEB liability shown in the table above.

Early Retirement

The District is considering offering an early retirement incentive package to employees who qualify. The early retirement package would be financed over five years. It is expected that savings from not filling vacated positions will more than offset the financing costs. Implementation will depend upon employee interest.

Insurance – Joint Powers Agreement

The District participates in four public entity risk pools under JPAs; the Self Insured Schools of California III ("**S.I.S.C. III**"), the Organization of Self-Insured Schools ("**OSS**"), Fresno County Self-Insurance Group ("**FCSIG**") and Valley Regional Occupational Program ("**Valley ROP**"). The relationship between the District and the JPAs is such that note of the JPAs are a component unit of the District for financial reporting purposes.

Existing Debt Obligations

General Obligation Bonds. The District has five series of general bonds currently outstanding, as summarized in the following table and as described in more detail below.

GENERAL OBLIGATION BONDS Selma Unified School District

Dated Date	Series	Original Principal Amount	Principal Outstanding January 1, 2020
<u>2006 Authorization</u>			
11/20/2007	General Obligation Bonds, Election of 2006, Series 2007B	\$3,772,060.75	\$2,297,060.75
09/29/2009	General Obligation Bonds, Election of 2006, Series 2009C	3,000,008.05	2,810,601.90
<u>2016 Authorization</u>			
02/23/2017	General Obligation Bonds, Election of 2016, Series 2017A	10,100,000.00	8,705,000.00
01/29/2019	General Obligation Bonds, Election of 2016, Series 2019B	7,000,000.00	6,530,000.00
<u>Refunding Bonds</u>			
12/18/2014	2014 General Obligation Refunding Bonds	10,460,000.00	9,180,000.00
Total		\$34,332,068.80	\$29,522,662.65

Source: District's Audits; the Financial Advisor.

2006 GO Bond Authorization. On November 7, 2006, the District's voters approved an authorization of \$23,800,000 principal amount of general obligation bonds (the "**2006 Authorization**"). The District has issued three series of bonds pursuant to the 2006 Authorization as shown above. The first series of bonds under the 2006 Authorization (the "**2006 Series 2007 Bonds**") was refunded by the 2014 Refunding Bonds described below.

On November 20, 2007, the District issued its \$3,772,060.75 original principal amount of General Obligation Bonds, Election of 2006, Series 2007B (the "**2006 Series 2007B Bonds**") as the second series of bonds issued pursuant to the 2006 Authorization. The 2006 Series 2007B Bonds are currently outstanding in the aggregate principal amount of \$2,297,060.75.

On September 29, 2009, the District issued its \$3,000,008.05 General Obligation Bonds, Election of 2006, Series 2009C (the "**2006 Series 2009C Bonds**") as the third series of bonds issued pursuant to the 2006 Authorization. The 2006 Series 2009C Bonds are currently outstanding in the aggregate principal amount of \$2,810,601.90.

2016 GO Bond Authorization. On November 8, 2016, the District's voters approved an authorization of \$30,800,000 principal amount of general obligation bonds (the "**2016 Authorization**").

On February 23, 2017, the District issued its \$10,100,000 General Obligation Bonds, Election of 2016, Series 2017A (the "**Series 2017A Bonds**") as the first series of bonds issued pursuant to the 2016 Authorization. The Series 2017A Bonds are currently outstanding in the aggregate principal amount of \$8,705,000.

On January 29, 2019, the District issued its \$7,000,000 General Obligation Bonds, Election of 2016, Series 2019B (the "**Series 2019B Bonds**") as the second series of bonds issued pursuant to the 2016 Authorization. The Series 2019B Bonds are currently outstanding in the aggregate principal amount of \$6,530,000.

Refunding Bonds. On December 18, 2014, the District issued its \$10,460,000 2014 General Obligation Refunding Bonds (the “**2014 Refunding Bonds**”). The 2014 Refunding Bonds refunded \$9,880,000 of the 2006 Series 2007 Bonds and are currently outstanding in the aggregate principal amount of \$9,180,000.

See "DEBT SERVICE SCHEDULES" in the body of this Official Statement for the debt service due on all outstanding general obligation bonds and the Bonds.

Certificates of Participation. In August 2001, the Selma Schools Financing Corporation issued Certificates of Participation (“**COPS**”) on behalf of the District in the amount of \$6,235,000. In September 2012, the Selma Schools Financing Corporation refinanced this debt by entering into a lease financing in the amount of \$4,488,379 with a fixed interest rate of 3.2%. The principal balance outstanding as of January 1, 2020 is \$2,480,528.

In October 2013, the 2012 lease financing was supplemented to provide for an additional stream of payments in the aggregate principal amount of \$1,062,125 with an interest rate of 3.1%. The supplement to lease was issued at a premium, net of related discounts, of \$21,243 and amortized over the life of the financing. The principal balance outstanding as of January 1, 2020 is \$166,642.49. The 2013 supplement to lease financing matures October 1, 2020.

Tax and Revenue Anticipation Notes. The District issued 2019-2020 Tax and Revenue Anticipation Notes in the amount of \$5,000,000 (the “**2019-20 TRAN**”), which were purchased by the California School Cash Reserve Program Authority from a simultaneous issuance of bonds of the same maturity. Proceeds of the 2019-20 TRAN are used by the District for its general fund cash flow purposes in fiscal year 2019-20. The 2019-20 TRAN is payable from taxes, income and revenues of the District received in fiscal year 2019-20. The District expects to participate in a similar TRAN financing for fiscal year 2020-21.

Qualified Zone Academy Bond. In April 2012, the District entered into a \$13,500,000 agreement with the Public Property Financing Corporation of California under a Qualified Zone Academy Bond program for the purchase and installation of solar equipment at various school sites of the District (the “**QZAB**”). The contract is to be repaid over a period of 17 years, at a 4.66% interest rate. Annually the District receives a lease subsidy from the federal government for an amount equal to the annual interest payment. For the fiscal year ended June 30, 2019, the principal amount outstanding of the Qualified Zone Academy Bond was \$9,642,857.71. In 2015, the QZAB was the subject of an IRS examination. On December 9, 2015, the IRS notified the District that it had made a determination to close the examination with no-change to the position that the issuer is allowed a refundable credit with respect to each interest payment for the QZABs.

Energy Conservation Project. In September 2008, the District entered into a \$1,916,873 agreement with the Municipal Finance Corporation of California for the purchase and installation of a mechanical retrofit and energy management project at various school sites of the District. The contract is to be repaid over a period of 15 years, at 4.4% interest. Principal and interest payments total approximately \$175,920 annually through 2024.

Capital Leases. Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments, as follows:

**SELMA UNIFIED SCHOOL DISTRICT
Schedule of Capital Lease Payments**

Year Ending <u>June 30</u>	Total <u>Lease Payment</u>
2020	<u>\$51,979</u>
Total minimum lease payments	\$51,979

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See Appendix G for information regarding the County's investment policy and quarterly report.

Effect of State Budget on Revenues

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

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

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STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources. The primary source of funding for school districts is funding under the LCFF, which is a combination of State funds and local property taxes (see “DISTRICT FINANCIAL INFORMATION – Education Funding Generally” above). State funds typically make up the majority of a district’s LCFF entitlement.

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

The following information concerning the State’s budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter are responsible for the information relating to the State’s budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer’s Office.

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

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

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

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

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 herein 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)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2019-20 State Budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 30 and Proposition 55, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State Budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted

significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2020-21 Proposed State Budget

On January 10, 2020, the Governor released the proposed State budget for fiscal year 2020-21 (the "**2020-21 Proposed State Budget**"), noting that while economic expansion is occurring, there are growing risks facing the State, including risks caused by climate change and uncertainty regarding the political climate and federal policies. The 2020-21 Proposed State Budget projects general fund revenues in fiscal year 2020-21 of approximately \$155 billion (including a prior year balance of approximately \$8.5 billion) and expenditures of approximately \$149.7 billion. The 2020-21 Proposed State Budget continues to build State reserves, with \$21 billion set aside in reserve funds. The 2020-21 Proposed State Budget maintains \$900 million in the Safety Net Reserve, sets aside \$110 million in the Public School System Stabilization Account, and allocates \$3.1 billion in a Special Fund for Economic Uncertainties. In addition, the 2020-21 Proposed State Budget estimates the Rainy Day Fund will have a fund balance of approximately \$18 billion in fiscal year 2020-21 and \$19.4 billion by 2023-24.

The 2020-21 Proposed State Budget raises the Proposition 98 funding for school districts and community college districts for fiscal year 2020-21 to \$84 billion, a new all-time high, which reflects a 2.29% cost of living adjustment and includes an additional \$1.2 billion in Proposition 98 funding for the LCFF. The 2020-21 Proposed State Budget also confirms that school district reserve caps are not required for fiscal year 2021-22. The 2020-21 Proposed State Budget includes a one-time increase in Proposition 98 general fund resources of \$350 million of educator workforce investment grants, \$193 million for workforce development grants, \$18 million to strengthen the capacity of local educational agencies in certain priority areas, and \$10 million for credentialed teacher stipends. The Governor is required to release a revision to the Proposed State Budget by May 14 of each year.

2019-20 State Budget

On June 27, 2019, the Governor 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 \$147.8 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 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-day kindergarten programs;
- \$645.3 million ongoing funding for special education, including \$152.6 million to provide all Special Education Local 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 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 Bonds to provide State budget information to the District or

the owners of the 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 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.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

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CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

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

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

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no

longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

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

Article XIII B of the California Constitution

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

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

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

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

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

Unitary Property

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

Articles XIII C and XIII D of the California Constitution

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

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

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

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

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

Proposition 98

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

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

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 percent 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 percent 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 percent 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 Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also known as “**Proposition 30**”, temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This

excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases for such period the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$340,000 but less than \$408,000 for head of household filers and 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 \$408,000 but less than \$680,000 for head of household filers and over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for head of household filers and over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to 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 the end of 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 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 State 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. Proposition 22 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.

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 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. SB 222 provides that 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.

Split Roll Initiative

An initiative measure (the “Split Roll Initiative”) to amend Article XIII A has qualified for the State’s November 2020 ballot. If adopted, the Split Roll Initiative would base property taxes for commercial and industrial properties on market values beginning in tax year 2020-21. Such market values would be reassessed by the applicable county assessor’s office at least once every three years. The Split Roll Initiative includes exceptions for businesses with a total market value of less than \$2 million (adjusted for inflation), which would continue to be subject to property taxes

based on purchase price, and exempts from property tax assessments up to \$500,000 of the value of personal property, or all personal property for businesses with fewer than 50 employees. There can be no assurance that the Split Roll Initiative will be adopted. Moreover, if the Split Roll Initiative is adopted, the District is unable to predict how it would affect the level of commercial building activity within the District and the relationship of the assessed value between land use types (i.e. residential versus commercial) in the District, or what other impacts the Split Roll Initiative might have on the local economy or the District's financial condition.

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 B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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**SELMA UNIFIED SCHOOL DISTRICT
COUNTY OF FRESNO
SELMA, CALIFORNIA
AUDIT REPORT
JUNE 30, 2019**

**Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720**

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Selma Unified School District
Audit Report
For The Year Ended June 30, 2019

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Financial Section

Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720-2928

Independent Auditor's Report

To the Board of Trustees
Selma Unified School District
Selma, California 93662

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 Selma Unified School District ("the District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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 District'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 District'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.

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 Selma Unified School District as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and Schedule of Changes in the District's Total OPEB Liability And Related Ratios identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Selma Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019 on our consideration of Selma Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Selma Unified School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2019

Management's Discussion and Analysis



SELMA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2019

INTRODUCTION

Our discussion and analysis of Selma Unified School District's (District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2019. It should be read in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999; and GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for the State and Local Governments: Omnibus, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

FINANCIAL HIGHLIGHTS

- Total net position was (\$46,642,752) at June 30, 2019. This was a decrease of \$4,505,388 from the prior year.
- The District's overall revenues were \$104,941,530 which was less than expenses of \$109,446,918 by \$4,505,388 .
- Long-term debt was \$144,997,508 at June 30, 2019.

OVERVIEW OF FINANCIAL STATEMENTS

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

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- Fund financial statements focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
 - Governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

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

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the District include government activities. Most of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local Control Funding Formula (LCFF) and Federal and State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information in the reconciliations following each governmental funds statement that explains the relationship (or differences) between them.
- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others; for the District, the student body activities fund is an agency fund. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was (\$46,642,752) at June 30, 2019. See Table 1.

Table 1:
Net Position

	Governmental Activities		Percentage Change
	2019	2018	
ASSETS:			
Cash	\$ 21,962,594	\$ 20,793,501	5.62%
Accounts Receivable	5,691,625	4,444,028	28.07%
Stores Inventories	58,942	50,769	16.10%
Unamortized Issuance Costs	99,074	112,463	-11.91%
Net investment in capital assets	65,867,065	64,684,427	1.83%
TOTAL ASSETS	\$ 93,679,300	\$ 90,085,187	3.99%
Deferred Outflows of Resources:			
Deferred Outflows	\$ 22,255,557	\$ 21,300,942	4.48%
LIABILITIES			
Accounts Payable	\$ 7,614,895	\$ 7,069,049	7.72%
Unearned Revenue	54,240	193,435	-71.96%
Long-Term Liabilities	144,997,508	136,192,269	
TOTAL LIABILITIES	\$ 152,666,643	\$ 143,454,753	6.42%
Deferred Inflows of Resources:			
Deferred Inflows - Pensions	\$ 9,910,966	\$ 10,068,740	-1.57%
NET POSITION			
Net Investment in Capital Assets	\$ 32,031,634	\$ 35,288,205	-9.23%
Restricted	15,231,216	10,421,752	46.15%
Unrestricted	(93,905,602)	(87,847,321)	6.90%
TOTAL NET POSITION	\$ (46,642,752)	\$ (42,137,364)	10.69%

Changes in Net Position

The District's total revenues were \$104,941,530 . A majority of the revenue comes from General Revenues, which is made up of LCFF and property taxes (65.4%). Federal and State aid for specific programs accounted for another 9.9% of total revenues. Local revenues account for 4.3% of the total revenues. The remaining was received through program revenues made up of charges for services, and operating grants and contributions.

The total cost of all programs and services was \$109,446,918 . The District's expenses are predominately related to educating and caring for students (81.1%). Administrative activities accounted for just 5.4% of total costs. The remaining expenses were for plant services (maintenance and operations), ancillary services, other outgo and interest on long-term obligations.

Table 2:
Changes in Net Position

	Governmental Activities		Percentage
	2019	2018	Change
Revenues			
Program Revenues			
Charges for Services	\$ 881,884	\$ 409,632	115.29%
Operating Grants and Contributions	20,551,037	17,874,855	14.97%
General Revenue			
LCFF Sources	68,645,463	63,511,148	8.08%
Federal Revenue	-	2,165	-100.00%
State Revenue	10,398,206	5,464,822	90.28%
Local Revenue	4,464,940	4,466,486	-0.03%
TOTAL REVENUES	104,941,530	91,729,108	14.40%
Program Expenses:			
Program Expenses			
Instruction	63,496,761	60,076,988	5.69%
Instruction-Related Services	12,515,746	11,264,030	11.11%
Pupil services	12,753,228	12,169,273	4.80%
Ancillary Services	953,295	783,111	21.73%
General Administration	5,918,588	5,737,913	3.15%
Plant Services	10,984,146	12,330,704	-10.92%
Other Outgo	1,578,794	1,131,765	39.50%
Interest on Long-Term Obligations	1,246,360	2,102,528	-40.72%
TOTAL EXPENSES	109,446,918	105,596,312	3.65%
Changes in Net Position	(4,505,388)	(13,867,204)	-67.51%

Governmental Activities

The cost of all governmental activities this year was \$109,446,918 .

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

Table 3:
Net Cost of Governmental Activities

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$ 63,496,761	\$ 53,162,963	\$ 60,076,988	\$ 51,166,117
Instruction-related services	12,515,746	10,400,313	11,264,030	9,585,943
Pupil services	12,753,228	6,860,582	12,169,273	6,724,866
Administration	5,918,588	4,896,719	5,737,913	4,889,414
Plant services	10,984,146	9,057,799	12,330,704	11,036,960
Ancillary services	953,295	810,467	783,111	674,232
Interest on long-term debt	1,246,360	1,246,360	2,102,528	2,102,528
Other outgo	1,578,794	1,578,794	1,131,765	1,131,765
Total Expenses	<u>\$ 109,446,918</u>	<u>\$ 88,013,997</u>	<u>\$ 105,596,312</u>	<u>\$ 87,311,825</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its government funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$19,681,587 compared to last year's ending fund balance of \$18,406,537 .

General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District's original and final budget amounts compared with actual revenues and expenditures is provided in the supplemental section of the audited financial report.

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had invested \$65,867,065 in a broad range of capital assets, including land, land improvements, buildings and equipment. See Table 4. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table 4:
Capital Assets

	Governmental Activities		Total Percentage Change
	2019	2018	
Land	\$ 1,843,632	\$ 1,843,632	0.00%
Work in progress	5,356,983	903,197	493.11%
Land Improvements	-	6,503,453	-100.00%
Buildings	102,590,099	81,684,655	25.59%
Equipment	5,422,337	19,589,677	-72.32%
Totals at Historical Cost	115,213,051	110,524,614	4.24%
Total Accumulated Depreciation	49,345,986	45,840,187	7.65%
NET CAPITAL ASSETS	\$ 65,867,065	\$ 64,684,427	1.83%

Long-Term Debt

At year-end, the District had \$144,997,508 in debt as shown in Table 5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table 5:
Long-Term Debt

	Governmental Activities		Total Percentage Change 2017-16
	2019	2018	
General Obligation Bonds	\$ 31,358,904	\$ 25,830,804	21.40%
Accreted Interest on General Obligation Bonds	4,054,022	3,547,714	14.27%
Compensated Absences	461,038	303,502	51.91%
Capital Leases	50,370	99,180	-49.21%
Certificates of Participation	2,788,596	3,085,515	-9.62%
Early Retirement Incentives	78,680	98,350	-20.00%
Net Pension Liability	81,605,771	78,643,299	3.77%
Other Post-Employment Benefits	14,246,126	13,125,625	8.54%
Qualified Zone Academy Bond Program	9,642,856	10,607,142	-9.09%
Energy Conservation Project	711,145	851,138	-16.45%
TOTAL LONG-TERM DEBT	\$ 144,997,508	\$ 136,192,269	6.47%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

1. The District's students continue to improve but less than half are meeting standards as measured by the statewide test. The school staff continues to focus on providing training to our teaching staff and looking for opportunities to meet in grade-level teams.
2. On November 8, 2016, the voters of the District approved a maximum of \$30.8 million in bonds to provide financing to modernize and construct additional classrooms and support facilities, replace portable classrooms with new permanent facilities, increase student access to computers and modern classroom technology, improve security and student safety, provide the local match for State grants, and reduce operating costs. The District sold \$10.1 million of the authorized bonds in January 2017 to begin upgrading the existing facilities and/or build new facilities in accordance with the bond measure. We intend to sell another \$8 million in January of 2019 to begin the next phase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Assistant Superintendent of Business Services, Mr. Larry Teixeira, at (559) 898-6500 Ext. 46510.

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Basic Financial Statements

SELMA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS:	
Cash in County Treasury	\$ 21,876,627
Cash in Revolving Fund	5,000
Cash with a Fiscal Agent/Trustee	80,967
Accounts Receivable	5,691,625
Stores Inventories	58,942
Unamortized Issuance Costs	99,074
Capital Assets:	
Land	1,843,632
Buildings, Net	58,033,751
Equipment, Net	632,699
Work in Progress	5,356,983
Total Assets	<u>93,679,300</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	21,217,320
Deferred Outflows of Resources - OPEB	1,038,237
Total Deferred Outflows of Resources	<u>22,255,557</u>
LIABILITIES:	
Accounts Payable	7,614,895
Unearned Revenue	54,240
Noncurrent Liabilities:	
Net Pension Liability	81,605,771
Other Postemployment Benefit Obligation	14,246,126
Due within one year	2,818,615
Due in more than one year	46,326,996
Total Liabilities	<u>152,666,643</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources - Pensions	9,880,915
Deferred Inflows of Resources - OPEB	30,051
Total Deferred Inflows of Resources	<u>9,910,966</u>
NET POSITION:	
Net Investment in Capital Assets	32,031,634
Restricted For:	
Debt Service	2,433,560
Capital Projects	10,586,730
Other Purposes	2,210,926
Unrestricted	(93,905,602)
Total Net Position	<u>\$ (46,642,752)</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				
Instruction	\$ 63,496,761	\$ 279,386	\$ 10,054,412	\$ (53,162,963)
Instruction-Related Services	12,515,746	51,899	2,063,534	(10,400,313)
Pupil Services	12,753,228	326,036	5,566,610	(6,860,582)
Ancillary Services	953,295	4,040	138,788	(810,467)
General Administration	5,918,588	32,838	989,031	(4,896,719)
Plant Services	10,984,146	187,685	1,738,662	(9,057,799)
Other Outgo	1,578,794	-	-	(1,578,794)
Interest on Long-Term Obligations	1,246,360	-	-	(1,246,360)
Total Governmental Activities	109,446,918	881,884	20,551,037	(88,013,997)
Total Primary Government	\$ 109,446,918	\$ 881,884	\$ 20,551,037	(88,013,997)
General Revenues:				
LCFF Sources				68,645,463
State Revenues				10,398,206
Local Revenues				4,464,940
Total General Revenues				83,508,609
Change in Net Position				(4,505,388)
Net Position - Beginning				(42,137,364)
Net Position - Ending				\$ (46,642,752)

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Building Fund
ASSETS:		
Cash in County Treasury	\$ 7,923,096	\$ 10,432,515
Cash in Revolving Fund	5,000	-
Cash with a Fiscal Agent/Trustee	-	80,967
Accounts Receivable	4,550,945	70,153
Due from Other Funds	526,726	-
Stores Inventories	3,455	-
Total Assets	<u>13,009,222</u>	<u>10,583,635</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ 7,561,546	\$ 270,131
Due to Other Funds	24,056	-
Unearned Revenue	54,240	-
Total Liabilities	<u>7,639,842</u>	<u>270,131</u>
Fund Balance:		
Nonspendable Fund Balances:		
Revolving Cash	5,000	-
Stores Inventories	3,455	-
Restricted Fund Balances	1,047,069	10,313,504
Assigned Fund Balances	290,314	-
Unassigned:		
Other Unassigned	4,023,542	-
Total Fund Balance	<u>5,369,380</u>	<u>10,313,504</u>
Total Liabilities and Fund Balances	<u>\$ 13,009,222</u>	<u>\$ 10,583,635</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption	Other Governmental Funds	Total Governmental Funds
\$ 2,421,728	\$ 1,099,288	\$ 21,876,627
-	-	5,000
-	-	80,967
11,832	1,058,695	5,691,625
492,317	24,556	1,043,599
-	55,487	58,942
<u>2,925,877</u>	<u>2,238,026</u>	<u>28,756,760</u>
\$ -	\$ 145,657	\$ 7,977,334
492,317	527,226	1,043,599
-	-	54,240
<u>492,317</u>	<u>672,883</u>	<u>9,075,173</u>
-	-	5,000
-	55,487	58,942
2,433,560	1,437,083	15,231,216
-	72,573	362,887
-	-	4,023,542
<u>2,433,560</u>	<u>1,565,143</u>	<u>19,681,587</u>
\$ <u>2,925,877</u>	\$ <u>2,238,026</u>	\$ <u>28,756,760</u>

SELMA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUNDS,
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Balance Sheet, Governmental Funds \$ 19,681,587

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds:

Capital assets	115,213,051
Accumulated depreciation	(49,345,986)

Certain debt issue costs are recognized in the funds as expenditures in the period
the debt was incurred, whereas in the government-wide statements, they are
amortized over the life of the debt:

Unamortized prepaid insurance related to debt	99,074
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Certain liabilities are not due and payable in the current period and therefore
are not reported in the funds:

Accrued interest payable	362,439
General obligation bonds payable	(31,358,904)
Accreted interest	(4,054,022)
Qualified Zone Academic bonds payable	(9,642,856)
Other post-employment benefits payable (OPEB)	(14,246,126)
Net pension liability	(81,605,771)
Compensated absences payable	(461,038)
Certificates of participation payable	(2,788,596)
Capital leases payable	(50,370)
Early Retirement Incentives-PARS	(78,680)
Note payable	(711,145)

Deferred outflows and inflows of resources are not reported in the funds
because they are applicable to future periods:

Deferred outflows of resources related to pensions	21,217,320
Deferred inflows of resources related to pensions	(9,880,915)
Deferred outflows of resources related to OPEB	1,038,237
Deferred inflows of resources related to OPEB	(30,051)

Total Fund Balance of Governmental Activities - Statement of Net Position \$ (46,642,752)

The accompanying notes are an integral part of this statement.

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SELMA UNIFIED SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	\$ 52,119,922	\$ -
Education Protection Account Funds	10,039,300	-
Local Sources	6,486,241	-
Federal Revenue	5,703,045	-
Other State Revenue	10,444,182	-
Other Local Revenue	3,420,702	207,541
Total Revenues	<u>88,213,392</u>	<u>207,541</u>
Expenditures:		
Current:		
Instruction	53,064,653	-
Instruction - Related Services	10,552,607	-
Pupil Services	6,785,700	-
Ancillary Services	826,243	-
General Administration	5,012,753	-
Plant Services	8,480,959	53,425
Other Outgo	1,360,765	-
Capital Outlay	1,804,050	4,623,892
Debt Service:		
Principal	1,726,692	-
Interest	650,784	-
Total Expenditures	<u>90,265,206</u>	<u>4,677,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,051,814)</u>	<u>(4,469,776)</u>
Other Financing Sources (Uses):		
Transfers In	2,900,000	-
Transfers Out	(1,858,669)	-
Proceeds From Sale of Bonds	-	7,000,000
Other Sources	463,647	-
Total Other Financing Sources (Uses)	<u>1,504,978</u>	<u>7,000,000</u>
Net Change in Fund Balance	(546,836)	2,530,224
Fund Balance, July 1	5,916,216	7,783,280
Fund Balance, June 30	<u>\$ 5,369,380</u>	<u>\$ 10,313,504</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 52,119,922
-	-	10,039,300
-	-	6,486,241
-	4,325,712	10,028,757
22,013	401,224	10,867,419
2,115,824	1,042,146	6,786,213
<u>2,137,837</u>	<u>5,769,082</u>	<u>96,327,852</u>
-	376,495	53,441,148
-	231,339	10,783,946
-	4,801,855	11,587,555
-	-	826,243
-	149,034	5,161,787
-	-	8,534,384
-	-	1,360,765
-	19,211	6,447,153
1,471,900	-	3,198,592
832,430	-	1,483,214
<u>2,304,330</u>	<u>5,577,934</u>	<u>102,824,787</u>
(166,493)	191,148	(6,496,935)
-	58,669	2,958,669
-	(1,100,000)	(2,958,669)
-	-	7,000,000
308,339	-	771,986
<u>308,339</u>	<u>(1,041,331)</u>	<u>7,771,986</u>
141,846	(850,183)	1,275,051
2,291,714	2,415,326	18,406,536
<u>\$ 2,433,560</u>	<u>\$ 1,565,143</u>	<u>\$ 19,681,587</u>

SELMA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 1,275,051
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	4,433,871
Depreciation expense	(3,251,233)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	
	3,198,592
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	236,854
Compensated absences	(157,536)
Other post-employment benefits cost in excess of contributions	(112,315)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Amounts recognized in the funds as proceeds from debt were:	
	(7,000,000)
In the funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs recognized in the current period net of the costs amortized for the period was:	
	(13,389)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	(257,015)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	
	(2,858,268)
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u>(4,505,388)</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2019

		Agency Fund
		Student Body Fund
ASSETS:		
Cash on Hand and in Banks	\$	499,407
Total Assets		499,407
LIABILITIES:		
Due to Student Groups	\$	499,407
Total Liabilities		499,407
NET POSITION:		
Total Net Position	\$	-

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

A. Summary of Significant Accounting Policies

Selma Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual." The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities 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 revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes three Funds maintained by the District: The General Fund (Fund 01), the Special Reserve Fund for Other Than Capital Outlay (Fund 17) and the Special Reserve Fund for Postemployment Benefits (Fund 20). Although Fund 17 and Fund 20 are separate funds authorized in the Education Code, they do not meet the definition of Special Revenue Funds under accounting principles generally accepted in the United States of America and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Building Fund. This fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

Bond Interest and Redemption Fund. This fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

The District reports the following nonmajor governmental funds:

Adult Education Fund. This fund is used to account for resources committed to adult education programs maintained by the District.

Cafeteria Fund. This fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Facilities Fund. This fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund. This fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

In addition, the District reports the following fund types:

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governmental entities. Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

4. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code.

5. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Fresno County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Fresno County Treasury was not available.

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b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Examples</u>	<u>Estimated Useful Life in Years</u>
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation AC systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8

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Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

d. Receivable and Payable Balances

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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

f. Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the District.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a

SELMA UNIFIED SCHOOL DISTRICT
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formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

6. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

7. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, as applicable.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2018
Valuation Date (VD) (PERS)	June 30, 2017

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Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

9. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

10. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

11. Implementation of New Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement 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.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

GASB Statement No. 83, *Certain Asset Retirement Obligations*

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

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The District does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

B. Excess of Expenditures Over Appropriations

As of June 30, 2019, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Certificated salaries	\$ 530,676
Classified salaries	726,578
Services and other expenditures	169,406
Capital outlay	207,747
Cafeteria Fund:	
Books and supplies	1,258
Building Fund:	
Services and other operating expenditures	53,425
Capital outlay	2,623,892

General Fund: The District incurred unanticipated expenditures for inflationary salary increases, as well as increases in services and other expenditures. Also, the District incurred more capital outlay expenditures than anticipated.

Cafeteria Fund: The District incurred slightly more expenditures as a result of inflationary cost increases.

Building Fund: The District incurred more expenditures as a result of inflationary costs. Further, the District expended more capital expenditures than previously anticipated.

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool (\$21,876,627 as of June 30, 2019). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$21,876,627. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$0 as of June 30, 2019) and in the revolving fund (\$5,000) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments:

The District's investments at June 30, 2019 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Cash in County Treasury	Less than 12 months	\$ 21,876,627
Cash in Revolving Fund	Less than 12 months	5,000
Cash with a Fiscal Agent/Trustee	Less than 12 months	80,967

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Total Investments

\$ 21,962,594

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

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The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Accounts Receivable

Accounts receivable at June 30, 2019 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Other Governmental Funds
Federal programs	\$ 2,595,502	\$ -	\$ -	\$ 280,935
State categorical aid programs	1,039,634	-	-	119,225
Interest	17,612	70,153	11,832	7,753
Other local receivables	898,197	-	-	650,782
Total	<u>\$ 4,550,945</u>	<u>\$ 70,153</u>	<u>\$ 11,832</u>	<u>\$ 1,058,695</u>
Total Governmental Funds				
Federal programs	\$ 2,876,437			
State categorical aid programs	1,158,859			
Interest	107,350			
Other local receivables	1,548,979			
Total	<u>\$ 5,691,625</u>			

E. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,843,632	\$ -	\$ -	\$ 1,843,632
Work in progress	314,725	5,042,258	-	5,356,983
Total capital assets not being depreciated	<u>2,158,357</u>	<u>5,042,258</u>	<u>-</u>	<u>7,200,615</u>
Capital assets being depreciated:				
Buildings	101,393,639	1,196,460	-	102,590,099
Equipment	5,408,395	13,942	-	5,422,337
Total capital assets being depreciated	<u>106,802,034</u>	<u>1,210,402</u>	<u>-</u>	<u>108,012,436</u>
Less accumulated depreciation for:				
Buildings	(41,434,993)	(3,121,355)	-	(44,556,348)
Equipment	(4,659,760)	(129,878)	-	(4,789,638)
Total accumulated depreciation	<u>(46,094,753)</u>	<u>(3,251,233)</u>	<u>-</u>	<u>(49,345,986)</u>
Total capital assets being depreciated, net	<u>60,707,281</u>	<u>(2,040,831)</u>	<u>-</u>	<u>58,666,450</u>
Governmental activities capital assets, net	<u>\$ 62,865,638</u>	<u>\$ 3,001,427</u>	<u>\$ -</u>	<u>\$ 65,867,065</u>

Depreciation was charged to functions as follows:

Instruction	\$ 1,795,265
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Instruction-Related Services	362,268
Pupil Services	389,909
Ancillary Services	27,756
General Administration	173,401
Plant Services	502,634
	<u>\$ 3,251,233</u>

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2019, consisted of the following:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 526,726	\$ 24,056
Adult Education Fund	-	33,335
Cafeteria Special Revenue Fund	13,705	493,891
County Schools Facilities Fund	10,851	-
Bond Interest and Redemption Fund	492,317	492,317
Total	<u>\$ 1,043,599</u>	<u>\$ 1,043,599</u>

All amounts due relate to short-term borrowing and are scheduled to be repaid within one year.

2. Transfers To and From Funds

Transfers to and from funds at June 30, 2019, consisted of the following:

Transfers In	Transfers Out	Amount	Reason
Cafeteria Special Revenue Fund	General Fund	58,669	To support food service salaries and benefits
General Fund	County Schools Facility Fund	1,100,000	To reimburse general fund for modernization expenditures made in the prior years
	Total	<u>\$ 1,158,669</u>	

G. Accounts Payable

Accounts payable at June 30, 2019 consisted of the following:

	General Fund	Building Fund	All Other Governmental Funds	Total Governmental Funds
Vendor payables	\$ 2,469,120	\$ 270,131	\$ 126,319	\$ 2,865,570
Salaries and benefits	5,093,391	-	19,338	5,112,729
Other	(965)	-	-	(965)
Total	<u>\$ 7,561,546</u>	<u>\$ 270,131</u>	<u>\$ 145,657</u>	<u>\$ 7,977,334</u>

H. Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

Unearned revenue at June 30, 2019 consisted of the following:

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	General Fund
Title III, Immigrant Education Program	\$ 14,282
School Improvement Funding for LEAs	39,612
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	346
Total	\$ 54,240

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 25,830,804	\$ 7,000,000	\$ 1,471,900	\$ 31,358,904	1,306,242
Accreted Interest	3,547,714	529,408	23,100	4,054,022	23,758
Qualified zone academy bonds	10,607,142	-	964,286	9,642,856	964,286
Capital leases	99,180	-	48,810	50,370	50,370
Other post-employment benefits payable	13,125,625	1,120,501	-	14,246,126	-
Net pension liability	78,643,299	2,962,472	-	81,605,771	-
Certificates of participation	3,085,515	-	296,919	2,788,596	308,068
Energy conservation project	851,138	-	139,993	711,145	146,221
Compensated absences	303,502	157,536	-	461,038	-
Early retirement incentives - PARS	98,350	-	19,670	78,680	19,670
Total governmental activities	\$ 136,192,269	\$ 11,769,917	\$ 2,964,678	\$ 144,997,508	\$ 2,818,615

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted Interest	Governmental	Bond Interest and Redemption
Qualified zone academy bonds	Governmental	Bond Interest and Redemption
Capital leases	Governmental	General
Other post-employment benefits payable	Governmental	General
Net pension liability	Governmental	General
Certificates of participation	Governmental	General
Energy conservation project	Governmental	General
Compensated absences	Governmental	General
Early retirement incentives - PARS	Governmental	General

2. General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2019, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
2006, Series 2007 B	11/20/07	8/1/20	4.000-5.000
2006, Series 2009 C	9/29/09	8/1/39	4.910-7.370

SELMA UNIFIED SCHOOL DISTRICT
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2014 Refunding bonds	12/18/14	8/1/31	4.360-10.188
2016, Series 2017 A	2/1/17	2/1/42	1.750-5.000
2016, Series 2019 B	1/16/19	8/1/48	3.000-3.375

Bond	Original Issue	Bonds Outstanding July 1, 2018	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2019
2006, Series 2007 B	3,772,061	2,797,061	-	175,000	2,622,061
2006, Series 2009 C	3,000,008	2,948,743	-	41,900	2,906,843
2014 Refunding bonds	10,460,000	9,985,000	-	445,000	9,540,000
2016, Series 2017 A	10,100,000	10,100,000	-	810,000	9,290,000
2016, Series 2019 B	7,000,000	-	7,000,000	-	7,000,000
	<u>\$ 34,332,069</u>	<u>\$ 25,830,804</u>	<u>\$ 7,000,000</u>	<u>\$ 1,471,900</u>	<u>\$ 31,358,904</u>

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2019 are as follows:

General Obligation Bonds			
Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,306,242	\$ 960,823	\$ 2,267,065
2021	1,283,998	1,087,222	2,371,220
2022	1,131,918	1,229,032	2,360,950
2023	782,296	1,225,555	2,007,851
2024	862,910	1,216,490	2,079,400
2025-2029	5,833,978	5,681,725	11,515,703
2030-2034	4,875,593	7,700,361	12,575,954
2035-2039	4,486,539	12,586,870	17,073,409
2040-2044	4,185,430	3,076,569	7,261,999
2045-2049	6,610,000	1,036,387	7,646,387
Totals	<u>\$ 31,358,904</u>	<u>\$ 35,801,034</u>	<u>\$ 67,159,938</u>

Year Ending June 30,	Accreted Interest
2020	\$ 20,998
2021	20,464
2022	145,079
2023	148,416
2024	144,126
2025-2029	636,033
2030-2034	1,035,257
2035-2039	1,778,452
2040-2044	125,197
Totals	<u>\$ 4,054,022</u>

3. Qualified Zone Academy Bonds

The outstanding qualified zone academy bond debt of the District at June 30, 2019, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
Qualified zone academy bond	4/26/12	4/26/29	4.66

Bond	Original Issue	Bonds Outstanding July 1, 2018	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2019
Qualified zone academy bond	\$ 13,500,000	\$ 10,607,142	\$ -	\$ 964,286	\$ 9,642,856

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The annual requirements to amortize qualified zone academy bonds, payable and outstanding, and interest as of June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 964,286	\$ 449,357	\$ 1,413,643
2021	964,286	404,421	1,368,707
2022	964,286	359,486	1,323,772
2023	964,286	314,550	1,278,836
2024	964,286	269,614	1,233,900
2025-2029	4,821,426	674,036	5,495,462
Totals	<u>\$ 9,642,856</u>	<u>\$ 2,471,464</u>	<u>\$ 12,114,320</u>

4. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2019, as follows:

Year Ending June 30,	Principal	Interest.	Lease Payment
2020	50,370	1,609	51,979

5. Certificates of Participation

Future commitments for certificates of participation as of June 30, 2019 are as follows:

Certificate of Participation	Issue Date	Maturity Date	Interest Rate %
2012 Refunding	9/1/12	8/1/26	3.200

Certificate of Participation	Original Issue	COP Outstanding July 1, 2018	Issued During Year	Redeemed During Year	COP Outstanding June 30, 2019
2012 Refunding	\$ 4,488,379	\$ 3,085,515	\$ -	\$ 296,919	\$ 2,788,596

Year Ending June 30,	Principal	Interest	Total
2020	\$ 308,068	\$ 86,771	\$ 394,839
2021	318,760	76,826	395,586
2022	328,966	66,545	395,511
2023	338,817	55,939	394,756
2024	352,936	44,984	397,920
2025-2029	1,141,049	61,655	1,202,704
Total	<u>\$ 2,788,596</u>	<u>\$ 392,720</u>	<u>\$ 3,181,316</u>

6. Energy Conservation Project

In September 2008, the District entered into a \$1,916,873 agreement with the Municipal Finance Corporation of California for the purchase and installation of a mechanical retrofit and energy management project at various schools sites of the District. The contract is to be repaid over a period of 15 years, at 4.4% interest. The assets acquired with this agreement are in Buildings at June 30, 2016.

Future commitments for the Energy Conservation Project as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 146,221	\$ 29,699	\$ 175,920
2021	152,724	23,195	175,919
2022	159,518	16,401	175,919
2023	166,615	9,305	175,920

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2024	86,067	1,892	87,959
Totals	<u>\$ 711,145</u>	<u>\$ 80,492</u>	<u>\$ 791,637</u>

7. Early Retirement Incentives - PARS

The Board has adopted an early retirement incentive program through the PARS Supplementary Retirement Plan. The District has entered into contracts with certain eligible employees who will receive supplementary retirement benefits.

The annual requirements to amortize early retirement incentives - PARS as of June 30, 2019 will mature as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 19,670	\$ 1,082	\$ 20,752
2021	19,670	1,082	20,752
2022	19,670	1,082	20,752
2023	19,670	1,082	20,752
Totals	<u>\$ 78,680</u>	<u>\$ 4,328</u>	<u>\$ 83,008</u>

J. Compensated Absences

Compensated absences at June 30, 2019 consisted of:

	<u>Compensated Absences</u>	<u>Benefits</u>	<u>Totals</u>
Certificated	\$ 138,713	\$ 36,567	\$ 175,280
Classified	223,003	62,755	285,758
Totals	<u>\$ 361,716</u>	<u>\$ 99,322</u>	<u>\$ 461,038</u>

All amounts due after one year.

K. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2019, as follows:

<u>Year Ending June 30,</u>	
2020	\$ 41,525
2021	41,525
2022	41,525
Total Minimum Rentals	<u>\$ 124,575</u>

The District will receive no sublease rental revenues nor pay any contingent rentals associated with these leases.

L. Pension Plans

1. General Information About the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that

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include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (at June 30, 2019)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2019)	16.280%	16.280%
Required State Contribution Rates (at June 30, 2019)	14.772%	14.772%

*Amounts are limited to 120% of Social Security Wage Base.

**The rate imposed on CalSTRS 2% at 62 members is based on the normal cost of benefits.

	CalPERS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%
Required Employee Contribution Rates (at June 30, 2019)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2019)	18.062%	18.062%

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2019 (measurement date June 30), 2018, Section 22950 of the California Education code requires members to contribute monthly to the system 10.205% (if hired prior to January 1, 2013) or 10.25% (if hired on or after January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.28% of creditable compensation for the fiscal year ended June 30, 2019. Rates are defined in Section 22950.5 through the fiscal year ending June 30, 2021. Beginning in the fiscal year ending June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as

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determined by the Board based upon a recommendation from its actuary.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the employee contribution rate was 7.00% and employer contribution rate was 18.062% of covered payroll.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the State contributed 14.772% of salaries creditable to CalSTRS. The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion to CalSTRS on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB 90 made up 42% of the total contributions made by the State on behalf of the District. Consistent with the requirements of GASB 85, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the State's contribution for the fiscal year.

Contributions made by the State on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2017	7.470%	\$ 2,481,925	\$ 3,370,893
2018	8.292%	2,799,215	2,788,963
2019	14.772%	5,207,929	5,320,083

CalPERS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2019	6.461%	\$ 794,706	\$ 794,706

d. Contributions Recognized

For the fiscal year ended June 30, 2019 (measurement period June 30, 2018), the contributions recognized for each plan were:

Fund Financial Statements (Current Financial Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 5,739,717	\$ 2,221,542	\$ 7,961,259
Contributions - State On Behalf Payments	5,207,929	794,706	6,002,635

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Total Contributions	\$ 10,947,646	\$ 3,016,248	\$ 13,963,894
Government-Wide Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 4,871,084	\$ 1,800,784	\$ 6,671,868
Contributions - State On Behalf Payments	5,207,929	794,706	6,002,635
Total Contributions	\$ 10,079,013	\$ 2,595,490	\$ 12,674,503

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 58,419,763
CalPERS	23,186,008
Total Net Pension Liability	\$ 81,605,771

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2018 and June 30, 2019 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share	Total For District Employees	
Proportion June 30, 2018	0.0628%	0.0373%	0.1001%	0.0860%
Proportion June 30, 2019	0.0636%	0.0365%	0.1001%	0.0870%
Change in Proportion	0.0007%	-0.0008%	-0.0001%	0.0009%

a. Pension Expense

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), pension expense was recognized as follows:

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ 309,799	\$ 2,652,673	\$ 2,962,472
State On Behalf Pension Expense	5,320,083	794,706	6,114,789
Employer Contributions to Pension Expense	5,739,717	2,221,542	7,961,259
(Increase)/Decrease in Deferred Outflows of Resources			
Employer Contributions Subsequent to Measurement Date	(794,365)	(444,283)	(1,238,648)
Difference Between Actual & Expected Experience	50,143	(1,197,519)	(1,147,376)
Change in Assumptions	2,511,892	486,694	2,998,586
Change in Proportionate Shares	(421,410)	(107,530)	(528,940)
Net Difference Between Projected & Actual Earnings	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources			

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Difference Between Actual & Expected Experience	47,322	(21,446)	25,876
Change in Assumptions	-	(49,341)	(49,341)
Change in Proportionate Shares	(33,279)	(132,868)	(166,147)
Net Difference Between Projected & Actual Earnings	608,773	(606,987)	1,786
Total Pension Expense	<u>\$ 13,338,675</u>	<u>\$ 3,595,641</u>	<u>\$ 16,934,316</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 5,739,717	\$ 2,221,542	\$ 7,961,259
Differences between actual and expected experience	150,427	1,563,491	1,713,918
Changes in assumptions	7,535,676	2,712,470	10,248,146
Change in employer's proportionate share	893,151	400,846	1,293,997
Net difference between projected and actual earnings	-	-	-
Total Deferred Outflows of Resources	<u>\$ 14,318,971</u>	<u>\$ 6,898,349</u>	<u>\$ 21,217,320</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (48,755)	\$ (42,893)	\$ (91,648)
Changes in assumptions	-	(98,683)	(98,683)
Change in employer's proportionate share	(66,559)	(265,735)	(332,294)
Net difference between projected and actual earnings	(6,113,102)	(3,245,188)	(9,358,290)
Total Deferred Inflows of Resources	<u>\$ (6,228,416)</u>	<u>\$ (3,652,499)</u>	<u>\$ (9,880,915)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2020	\$ 8,554,522	\$ 3,631,897	\$ (1,918,474)	\$ (1,494,914)	\$ 8,773,031
2021	2,814,805	1,410,355	(1,918,471)	(1,494,910)	811,779
2022	2,814,807	1,410,355	(1,883,214)	(525,822)	1,816,126
2023	134,837	445,742	(508,257)	(136,853)	(64,531)
2024	-	-	-	-	-
Total	<u>\$ 14,318,971</u>	<u>\$ 6,898,349</u>	<u>\$ (6,228,416)</u>	<u>\$ (3,652,499)</u>	<u>\$ 11,336,405</u>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2019 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2018	June 30, 2018
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%

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Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple for DB (annually) maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.

(2) CalSTRS projects mortality by setting the projection scale equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries.

(3) Wage growth is a component of inflation for CalPERS assumptions.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.1000% for CalSTRS and 7.1500% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuations is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM and expects to complete the process by November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

The long-term expected rate of return on pension plan investments was determined using a building-block

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method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year average

CalPERS

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10**	Real Return Years 11+***
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

* In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

** An expected inflation of 2.00% used for this period

*** An expected inflation of 2.92% used for this period

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	\$ 85,578,118	\$ 33,757,718
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 58,419,763	\$ 23,186,008
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 35,902,858	\$ 14,415,260

f. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2018 (Previously Reported)	\$ 303,221,274	\$ 210,603,231	\$ 92,618,043	\$ 34,508,079	\$ 58,109,964
Changes for the year:					
CalSTRS Auditor Adjustment	-	(509,463)	509,463	185,922	323,541
Change in Prop share	(175,607)	(121,968)	(53,639)	(727,820)	674,181
Service Cost	7,148,499	-	7,148,499	2,608,758	4,539,741
Interest	21,515,561	-	21,515,561	7,851,844	13,663,717
Differences between expected and actual experience	(94,086)	-	(94,086)	(34,335)	(59,751)
Contributions:					
Employer	-	4,871,090	(4,871,090)	(1,777,645)	(3,093,445)
Employee	-	3,499,427	(3,499,427)	(1,277,073)	(2,222,353)
State On Behalf Payments	-	2,799,218	(2,799,218)	(1,021,541)	(1,777,677)
Net Investment Income	-	18,690,530	(18,690,530)	(6,820,883)	(11,869,647)
Other Income	-	105,240	(105,240)	(38,406)	(66,834)
Benefit Payments, including refunds of employee contributions	(14,549,924)	(14,549,924)	-	-	-
Administrative expenses	-	(216,280)	216,280	78,929	137,351
Borrowing Costs	-	(94,335)	94,335	34,426	59,909
Other Expenses	-	(1,680)	1,680	613	1,067
Net Changes	13,844,443	14,471,856	(627,412)	(937,211)	309,799
Balance at June 30, 2019	\$ 317,065,717	\$ 225,075,087	\$ 91,990,631	\$ 33,570,868	\$ 58,419,763

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2018	\$ 72,999,267	\$ 52,465,932	\$ 20,533,335

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(Previously Reported)			
Changes for the year:			
Change in Proportionate Share	803,729	577,655	226,074
Service Cost	1,889,355	-	1,889,355
Interest	5,361,644	-	5,361,644
Differences between expected and actual experience	1,611,265	-	1,611,265
Change in Assumptions	391,371	-	391,371
Contributions:			
Employer	-	1,800,775	(1,800,775)
Employee	-	828,701	(828,701)
Net Investment Income	-	4,430,617	(4,430,617)
Plan to Plan Resource Movement	-	1	(1)
Benefit Payments, including refunds of employee contributions	(3,524,552)	(3,524,552)	-
Administrative expenses	-	(80,392)	80,392
Other expenses	-	(152,666)	152,666
Net Changes	<u>6,532,812</u>	<u>3,880,139</u>	<u>2,652,673</u>
Balance at June 30, 2019	<u>\$ 79,532,079</u>	<u>\$ 56,346,071</u>	<u>\$ 23,186,008</u>

M. Other Retirement Plans

Section 403(b) Tax-Sheltered Annuity Plan

Plan Description

The District's Board of Trustees authorized the establishment of a Section 403(b) Tax-Sheltered Annuity Plan. This is a retirement plan funded by elective deferrals made under salary reduction agreements.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees. For the fiscal year ended June 30, 2019, there were 222 employees that had elected to participate, with total compensation deferrals of \$684,694.

N. Postemployment Benefits Other Than Pension Benefits

1. General Information about the OPEB Plan

The District administers a single employer defined benefit healthcare plan, which only provides health insurance. All coverages are self-insured on a pooled basis through the Self-Insured Schools of California (SISC).

There are approximately 31 retirees currently receiving benefits, as well as approximately 522 active employees who may become eligible to retire and receive benefits in the future as of June 30, 2019.

The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Eligibility for District-Paid Benefits

The amount and duration of District-paid contributions for retiree health insurance vary by employment classification, age and date of hire.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Benefits provided. All employees may retire with District-paid healthcare benefits after the later of age 55 and 10 years of service immediately prior to retirement, with the most recent 5 years of service as a fulltime employee, if hired prior to January 1, 1992. If hired on or after January 1, 1992:

Certificated employees may retire with District-paid healthcare benefits after the later of age 55 and 18 years of service immediately prior to retirement, with the most recent 5 years of service as a full-time employee.

Classified employees may retire with District-paid healthcare benefits after the later of age 55 and 15 years of service immediately prior to retirement, with the most recent 2 years of service as a full-time employee.

Employees Covered by Benefit Terms

At June 30, 2018, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	522
Total number of participants	<u>553</u>

2. Total OPEB Liability

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Actuarial Assumptions and Other Inputs

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

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	3.13%
Healthcare Cost Trend Rates	5.00% per year
Retiree's Share of Costs	0.00% of projected health insurance premiums

The discount rate was based on the Bond Buyer 20 Bond Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 13,125,625
Changes for the year:	
Service cost	444,020
Interest	499,873
Difference between expected and actual experience	(34,284)
Changes in assumptions and other inputs	764,328
Benefit payments	<u>(553,436)</u>

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Net changes	1,120,501
Balance at June 30, 2019	<u>\$ 14,246,126</u>

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2019.

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

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

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Total OPEB Liability	\$ 15,327,671	\$ 14,246,126	\$ 13,264,122

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

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

	1% Decrease 4.00%	Healthcare Cost Trend Rate 5.00%	1% Increase 6.00%
Total OPEB Liability	\$ 12,656,563	\$ 14,246,126	\$ 17,677,251

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$801,831.

At June 30, 2019 the District reported deferred inflows of resources related to the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	<u>\$ (30,051)</u>

At June 30, 2019 the District reported deferred outflows of resources related to the following sources:

	Deferred Outflows of Resources
Contributions made subsequent to measurement date	\$ 368,270
Changes in assumptions and other inputs	<u>669,967</u>
Total	<u>\$ 1,038,237</u>

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Year Ending June 30,	Deferred Inflows	Deferred Outflows
2020	\$ (4,233)	462,631
2021	(4,233)	94,361
2022	(4,233)	94,361
2023	(4,233)	94,361
2024	(4,233)	94,361
Thereafter	(8,886)	198,162
Total	\$ (30,051)	1,038,237

O. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

P. Construction in Progress

The District has construction contracts-in-progress as follows:

	Project Authorization	Expended to 6/30/2019	Remaining Commitment
Football stadium	\$ 7,314,736	\$ 2,377,160	\$ 4,937,576
Lighting retrofit	542,287	59,370	482,917
	<u>\$ 7,857,023</u>	<u>\$ 2,436,530</u>	<u>\$ 5,420,493</u>

Q. Restricted Fund Balances

Restricted fund balances at June 30, 2019 are as follows:

ESSA: Title I, Migrant Ed Summer Program	\$ 1,105
ESSA: Title III, English Learner Student Program	86,198
California Clean Energy Jobs Act	7,700
Lottery: Instructional Materials	602,439
Special Education	39,875
Special Ed: Mental Health Services	146,349
Agricultural Career Technical Education Incentive	1,386
College Readiness Block Grant	1,207
Ongoing & Major Maintenance Account	160,810
Building Fund	10,313,504
Bond Interest and Redemption Fund	2,433,560
Adult Education Fund	445,555
Cafeteria Fund	718,303
Capital Facilities Fund	139,613
County Schools Facilities Fund	133,613
Totals	<u>\$ 15,231,217</u>

R. Joint Ventures (Joint Powers Agreements)

The District participates in six joint ventures under joint powers agreements (JPAs) as follows:

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Fresno County Self-Insurance Group (FCSIG)
(workers' compensation insurance)

Northern California Regional Liability Excess Fund (Nor Cal ReLiEF)
(excess liability and excess workers' compensation insurance)

Organization of Self-Insured Schools (OSS)
(property and liability insurance)

Schools Excess Liability Fund (SELF)
(excess liability and excess workers' compensation insurance)

Self-Insured Schools of California III (SISC III)
(health insurance)

Valley Regional Occupational Program
(student R.O.P. classes)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member school districts.

Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2019 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below:

FCSIG	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
Nor Cal ReLiEF	Keenan & Associates 2355 Crenshaw Blvd. Suite 200 Torrance, CA 90501
OSS	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
SELF	Schools Excess Liability Fund 1531 I Street, Suite 300 Sacramento, CA 95814
SISC III	Self-Insured Schools of California

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Kern County Superintendent of Schools
P. O. Box 1847
Bakersfield, CA 93303-1847

Valley Regional
Occupational Program

Valley Regional Occupational Program
1305 Q Street
Sanger, CA 93657

S. Subsequent Events

Implementation of New Accounting Guidance

The District is evaluating accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are not yet effective for the fiscal year ended June 30, 2019. Those newly issued pronouncements are as follows:

GASB Statement No. 84 - Fiduciary Activities

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The District is currently evaluating what impact, if any, the implementation of this pronouncement will have on the financial statements.

GASB Statement No. 87 - Leases

This statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement also clarifies the definition and identification of leases.

The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The District is currently evaluating what impact, if any, the implementation of this pronouncement will have on the financial statements.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT B-1**

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 56,099,416	\$ 52,596,085	\$ 52,119,922	\$ (476,163)
Education Protection Account Funds	7,567,530	10,039,300	10,039,300	-
Local Sources	5,413,028	6,501,533	6,486,241	(15,292)
Federal Revenue	6,005,070	6,511,496	5,703,045	(808,451)
Other State Revenue	6,824,819	11,110,228	10,444,182	(666,046)
Other Local Revenue	2,668,432	2,053,255	3,420,702	1,367,447
Total Revenues	<u>84,578,295</u>	<u>88,811,897</u>	<u>88,213,392</u>	<u>(598,505)</u>
Expenditures:				
Current:				
Certificated Salaries	34,946,816	35,937,629	36,468,305	(530,676)
Classified Salaries	11,126,129	11,580,934	12,307,512	(726,578)
Employee Benefits	20,744,175	24,123,902	23,850,745	273,157
Books And Supplies	7,021,799	7,059,502	5,712,135	1,347,367
Services And Other Operating Expenditures	6,049,980	6,363,846	6,533,252	(169,406)
Other Outgo	1,434,897	1,443,449	1,360,765	82,684
Direct Support/Indirect Costs	(158,574)	(149,034)	(149,034)	-
Capital Outlay	192,980	1,596,303	1,804,050	(207,747)
Debt Service:				
Principal	1,478,327	1,726,692	1,726,692	-
Interest	519,599	655,727	650,784	4,943
Total Expenditures	<u>83,356,128</u>	<u>90,338,950</u>	<u>90,265,206</u>	<u>73,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,222,167</u>	<u>(1,527,053)</u>	<u>(2,051,814)</u>	<u>(524,761)</u>
Other Financing Sources (Uses):				
Transfers In	-	2,900,000	2,900,000	-
Transfers Out	-	(1,858,669)	(1,858,669)	-
Other Sources	494,293	494,293	463,647	(30,646)
Total Other Financing Sources (Uses)	<u>494,293</u>	<u>1,535,624</u>	<u>1,504,978</u>	<u>(30,646)</u>
Net Change in Fund Balance	1,716,460	8,571	(546,836)	(555,407)
Fund Balance, July 1	5,916,216	5,916,216	5,916,216	-
Fund Balance, June 30	<u>\$ 7,632,676</u>	<u>\$ 5,924,787</u>	<u>\$ 5,369,380</u>	<u>\$ (555,407)</u>

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.064%	0.064%	0.062%	0.061%	0.060%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$ 58,419,763	\$ 58,109,964	\$ 49,929,386	\$ 41,203,421	\$ 34,586,665	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	33,570,868	34,508,078	21,697,000	21,792,009	20,885,131	-	-	-	-	-
Total	<u>\$ 91,990,631</u>	<u>\$ 92,618,042</u>	<u>\$ 71,626,386</u>	<u>\$ 62,995,430</u>	<u>\$ 55,471,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.63%	169.56%	110.01%	133.53%	121.93%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	70.99%	69.46%	71.35%	74.02%	74.00%	-	-	-	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 5,739,717	\$ 4,945,352	\$ 5,709,583	\$ 5,096,233	\$ 4,321,993	\$ -	\$ -	\$ -	\$ -	-
Contributions in relation to the contractually required contribution	(5,739,717)	(4,945,352)	(5,709,583)	(5,096,233)	(4,321,993)	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
District's covered-employee payroll	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	\$ -	\$ -	\$ -	\$ -	-
Contributions as a percentage of covered-employee payroll	15.59%	14.43%	12.58%	16.52%	15.24%	-	-	-	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.087%	0.090%	0.080%	0.080%	0.070%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$ 23,186,008	\$ 20,533,335	\$ 16,818,010	\$ 12,140,000	\$ 8,387,501	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,237,410	\$ 11,443,300	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	162.85%	179.44%	153.11%	119.13%	93.09%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.98%	79.43%	73.90%	-	-	-	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,221,542	\$ 1,777,259	\$ 1,525,499	\$ 1,202,342	\$ 1,060,592	\$ -	\$ -	\$ -	\$ -	-
Contributions in relation to the contractually required contribution	(2,221,542)	(1,777,259)	(1,525,499)	(1,202,342)	(1,060,592)	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
District's covered-employee payroll	\$ 14,237,410	\$ 11,443,300	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	\$ -	\$ -	\$ -	\$ -	-
Contributions as a percentage of covered-employee payroll	15.60%	15.53%	13.89%	11.80%	11.77%	-	-	-	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
SINGLE EMPLOYER PLAN
LAST TEN FISCAL YEARS *

	Fiscal Year Ended									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB liability:										
Service cost	\$ 444,020	\$ 455,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	499,873	495,522	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(34,284)	-	-	-	-	-	-	-	-	-
Changes of assumptions or other inputs	764,328	-	-	-	-	-	-	-	-	-
Benefit payments	(553,436)	(530,726)	-	-	-	-	-	-	-	-
Net change in total OPEB liability	1,120,501	419,920	-	-	-	-	-	-	-	-
Total OPEB liability - beginning	13,125,625	12,705,705	-	-	-	-	-	-	-	-
Total OPEB liability - ending	<u>\$ 14,246,126</u>	<u>\$ 13,125,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 51,065,379	\$ 47,078,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered-employee payroll	27.90%	27.88%	-	-	-	-	-	-	-	-

Notes to Schedule:

There were no changes of benefit terms in 2019.

There were no changes of assumptions in 2019. The following are the discount rates used in each period.

2019	3.13%
2018	3.90%
2017	NA
2016	NA
2015	NA
2014	NA
2013	NA
2012	NA
2011	NA
2010	NA

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

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Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL GENERAL FUNDS

JUNE 30, 2019

EXHIBIT C-1

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2019
ASSETS:				
Cash in County Treasury	\$ 7,634,379	\$ 250,012	\$ 38,705	\$ 7,923,096
Cash in Revolving Fund	5,000	-	-	5,000
Accounts Receivable	4,549,348	1,383	214	4,550,945
Due from Other Funds	526,726	-	-	526,726
Stores Inventories	3,455	-	-	3,455
Total Assets	<u>12,718,908</u>	<u>251,395</u>	<u>38,919</u>	<u>13,009,222</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 7,561,546	\$ -	\$ -	\$ 7,561,546
Due to Other Funds	24,056	-	-	24,056
Unearned Revenue	54,240	-	-	54,240
Total Liabilities	<u>7,639,842</u>	<u>-</u>	<u>-</u>	<u>7,639,842</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	-	5,000
Stores Inventories	3,455	-	-	3,455
Restricted Fund Balances	1,047,069	-	-	1,047,069
Assigned Fund Balances	-	251,395	38,919	290,314
Unassigned:				
Other Unassigned	4,023,542	-	-	4,023,542
Total Fund Balance	<u>5,079,066</u>	<u>251,395</u>	<u>38,919</u>	<u>5,369,380</u>
Total Liabilities and Fund Balances	<u>\$ 12,718,908</u>	<u>\$ 251,395</u>	<u>\$ 38,919</u>	<u>\$ 13,009,222</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - ALL GENERAL FUNDS
 YEAR ENDED JUNE 30, 2019

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2019
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 52,119,922	\$ -	\$ -	\$ 52,119,922
Education Protection Account Funds	10,039,300	-	-	10,039,300
Local Sources	6,486,241	-	-	6,486,241
Federal Revenue	5,703,045	-	-	5,703,045
Other State Revenue	10,444,182	-	-	10,444,182
Other Local Revenue	3,414,716	5,184	802	3,420,702
Total Revenues	<u>88,207,406</u>	<u>5,184</u>	<u>802</u>	<u>88,213,392</u>
Expenditures:				
Current:				
Instruction	53,064,653	-	-	53,064,653
Instruction - Related Services	10,552,607	-	-	10,552,607
Pupil Services	6,785,700	-	-	6,785,700
Ancillary Services	826,243	-	-	826,243
General Administration	5,012,753	-	-	5,012,753
Plant Services	8,480,959	-	-	8,480,959
Other Outgo	1,360,765	-	-	1,360,765
Capital Outlay	1,804,050	-	-	1,804,050
Debt Service:				
Principal	1,726,692	-	-	1,726,692
Interest	650,784	-	-	650,784
Total Expenditures	<u>90,265,206</u>	<u>-</u>	<u>-</u>	<u>90,265,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,057,800)</u>	<u>5,184</u>	<u>802</u>	<u>(2,051,814)</u>
Other Financing Sources (Uses):				
Transfers In	2,900,000	-	-	2,900,000
Transfers Out	(58,669)	-	(1,800,000)	(1,858,669)
Other Sources	463,647	-	-	463,647
Total Other Financing Sources (Uses)	<u>3,304,978</u>	<u>-</u>	<u>(1,800,000)</u>	<u>1,504,978</u>
Net Change in Fund Balance	1,247,178	5,184	(1,799,198)	(546,836)
Fund Balance, July 1	3,831,888	246,211	1,838,117	5,916,216
Fund Balance, June 30	<u>\$ 5,079,066</u>	<u>\$ 251,395</u>	<u>\$ 38,919</u>	<u>\$ 5,369,380</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:			
Cash in County Treasury	\$ 858,391	\$ 240,897	\$ 1,099,288
Accounts Receivable	1,037,217	21,478	1,058,695
Due from Other Funds	13,705	10,851	24,556
Stores Inventories	55,487	-	55,487
Total Assets	<u>1,964,800</u>	<u>273,226</u>	<u>2,238,026</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 145,657	\$ -	\$ 145,657
Due to Other Funds	527,226	-	527,226
Total Liabilities	<u>672,883</u>	<u>-</u>	<u>672,883</u>
Fund Balance:			
Nonspendable Fund Balances:			
Stores Inventories	55,487	-	55,487
Restricted Fund Balances	1,163,857	273,226	1,437,083
Assigned Fund Balances	72,573	-	72,573
Total Fund Balance	<u>1,291,917</u>	<u>273,226</u>	<u>1,565,143</u>
Total Liabilities and Fund Balances	<u>\$ 1,964,800</u>	<u>\$ 273,226</u>	<u>\$ 2,238,026</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
Federal Revenue	\$ 4,325,712	\$ -	\$ 4,325,712
Other State Revenue	401,224	-	401,224
Other Local Revenue	900,002	142,144	1,042,146
Total Revenues	<u>5,626,938</u>	<u>142,144</u>	<u>5,769,082</u>
Expenditures:			
Current:			
Instruction	376,495	-	376,495
Instruction - Related Services	231,339	-	231,339
Pupil Services	4,801,855	-	4,801,855
General Administration	149,034	-	149,034
Capital Outlay	19,211	-	19,211
Total Expenditures	<u>5,577,934</u>	<u>-</u>	<u>5,577,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,004</u>	<u>142,144</u>	<u>191,148</u>
Other Financing Sources (Uses):			
Transfers In	58,669	-	58,669
Transfers Out	-	(1,100,000)	(1,100,000)
Total Other Financing Sources (Uses)	<u>58,669</u>	<u>(1,100,000)</u>	<u>(1,041,331)</u>
Net Change in Fund Balance	107,673	(957,856)	(850,183)
Fund Balance, July 1	1,184,244	1,231,082	2,415,326
Fund Balance, June 30	<u>\$ 1,291,917</u>	<u>\$ 273,226</u>	<u>\$ 1,565,143</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
ASSETS:			
Cash in County Treasury	\$ 279,931	\$ 578,460	\$ 858,391
Accounts Receivable	279,293	757,924	1,037,217
Due from Other Funds	-	13,705	13,705
Stores Inventories	-	55,487	55,487
Total Assets	<u>559,224</u>	<u>1,405,576</u>	<u>1,964,800</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 7,762	\$ 137,895	\$ 145,657
Due to Other Funds	33,335	493,891	527,226
Total Liabilities	<u>41,097</u>	<u>631,786</u>	<u>672,883</u>
Fund Balance:			
Nonspendable Fund Balances:			
Stores Inventories	-	55,487	55,487
Restricted Fund Balances	445,554	718,303	1,163,857
Assigned Fund Balances	72,573	-	72,573
Total Fund Balance	<u>518,127</u>	<u>773,790</u>	<u>1,291,917</u>
Total Liabilities and Fund Balances	<u>\$ 559,224</u>	<u>\$ 1,405,576</u>	<u>\$ 1,964,800</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-4)
Revenues:			
Federal Revenue	\$ 216,324	\$ 4,109,388	\$ 4,325,712
Other State Revenue	35,720	365,504	401,224
Other Local Revenue	518,860	381,142	900,002
Total Revenues	<u>770,904</u>	<u>4,856,034</u>	<u>5,626,938</u>
Expenditures:			
Current:			
Instruction	376,495	-	376,495
Instruction - Related Services	231,339	-	231,339
Pupil Services	-	4,801,855	4,801,855
General Administration	14,785	134,249	149,034
Capital Outlay	-	19,211	19,211
Total Expenditures	<u>622,619</u>	<u>4,955,315</u>	<u>5,577,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>148,285</u>	<u>(99,281)</u>	<u>49,004</u>
Other Financing Sources (Uses):			
Transfers In	-	58,669	58,669
Total Other Financing Sources (Uses)	<u>-</u>	<u>58,669</u>	<u>58,669</u>
Net Change in Fund Balance	148,285	(40,612)	107,673
Fund Balance, July 1	369,842	814,402	1,184,244
Fund Balance, June 30	<u>\$ 518,127</u>	<u>\$ 773,790</u>	<u>\$ 1,291,917</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-7**

ADULT EDUCATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Federal Revenue	\$ 216,324	\$ 216,324	\$ -
Other State Revenue	35,720	35,720	-
Other Local Revenue	518,858	518,860	2
Total Revenues	<u>770,902</u>	<u>770,904</u>	<u>2</u>
Expenditures:			
Current:			
Certificated Salaries	359,664	359,664	-
Classified Salaries	76,921	76,921	-
Employee Benefits	110,020	110,020	-
Books And Supplies	36,608	36,557	51
Services And Other Operating Expenditures	24,672	24,672	-
Direct Support/Indirect Costs	14,785	14,785	-
Capital Outlay	132,561	-	132,561
Total Expenditures	<u>755,231</u>	<u>622,619</u>	<u>132,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,671</u>	<u>148,285</u>	<u>132,614</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	15,671	148,285	132,614
Fund Balance, July 1	369,842	369,842	-
Fund Balance, June 30	<u>\$ 385,513</u>	<u>\$ 518,127</u>	<u>\$ 132,614</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-8**

CAFETERIA FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Federal Revenue	\$ 4,109,388	\$ 4,109,388	\$ -
Other State Revenue	365,504	365,504	-
Other Local Revenue	381,142	381,142	-
Total Revenues	<u>4,856,034</u>	<u>4,856,034</u>	<u>-</u>
Expenditures:			
Current:			
Classified Salaries	1,695,441	1,695,441	-
Employee Benefits	869,869	869,869	-
Books And Supplies	76,191	47,709	28,482
Services And Other Operating Expenditures	2,187,578	2,188,836	(1,258)
Direct Support/Indirect Costs	134,249	134,249	-
Capital Outlay	33,584	19,211	14,373
Total Expenditures	<u>4,996,912</u>	<u>4,955,315</u>	<u>41,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(140,878)</u>	<u>(99,281)</u>	<u>41,597</u>
Other Financing Sources (Uses):			
Transfers In	58,669	58,669	-
Total Other Financing Sources (Uses)	<u>58,669</u>	<u>58,669</u>	<u>-</u>
Net Change in Fund Balance	(82,209)	(40,612)	41,597
Fund Balance, July 1	814,402	814,402	-
Fund Balance, June 30	<u>\$ 732,193</u>	<u>\$ 773,790</u>	<u>\$ 41,597</u>

SELMA UNIFIED SCHOOL DISTRICT

BOND INTEREST AND REDEMPTION FUND

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other State Revenue	\$ 988,465	\$ 22,013	\$ (966,452)
Other Local Revenue	2,818,038	2,115,824	(702,214)
Total Revenues	<u>3,806,503</u>	<u>2,137,837</u>	<u>(1,668,666)</u>
Expenditures:			
Debt Service:			
Principal	1,471,900	1,471,900	-
Interest	1,465,370	832,430	632,940
Total Expenditures	<u>2,937,270</u>	<u>2,304,330</u>	<u>632,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>869,233</u>	<u>(166,493)</u>	<u>(1,035,726)</u>
Other Financing Sources (Uses):			
Other Sources	623,036	308,339	(314,697)
Total Other Financing Sources (Uses)	<u>623,036</u>	<u>308,339</u>	<u>(314,697)</u>
Net Change in Fund Balance	1,492,269	141,846	(1,350,423)
Fund Balance, July 1	2,291,714	2,291,714	-
Fund Balance, June 30	<u>\$ 3,783,983</u>	<u>\$ 2,433,560</u>	<u>\$ (1,350,423)</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2019

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-3)
ASSETS:			
Cash in County Treasury	\$ 118,810	\$ 122,087	\$ 240,897
Accounts Receivable	20,803	675	21,478
Due from Other Funds	-	10,851	10,851
Total Assets	<u>139,613</u>	<u>133,613</u>	<u>273,226</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Restricted Fund Balances	\$ 139,613	\$ 133,613	\$ 273,226
Total Fund Balance	<u>139,613</u>	<u>133,613</u>	<u>273,226</u>
Total Liabilities and Fund Balances	<u>\$ 139,613</u>	<u>\$ 133,613</u>	<u>\$ 273,226</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-4)
Revenues:			
Other Local Revenue	\$ 139,613	\$ 2,531	\$ 142,144
Total Revenues	<u>139,613</u>	<u>2,531</u>	<u>142,144</u>
Expenditures:			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,613</u>	<u>2,531</u>	<u>142,144</u>
Other Financing Sources (Uses):			
Transfers Out	-	(1,100,000)	(1,100,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Net Change in Fund Balance	139,613	(1,097,469)	(957,856)
Fund Balance, July 1	-	1,231,082	1,231,082
Fund Balance, June 30	<u>\$ 139,613</u>	<u>\$ 133,613</u>	<u>\$ 273,226</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-12**

BUILDING FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 100,392	\$ 207,541	\$ 107,149
Total Revenues	<u>100,392</u>	<u>207,541</u>	<u>107,149</u>
Expenditures:			
Current:			
Books And Supplies	30,000	-	30,000
Services And Other Operating Expenditures	-	53,425	(53,425)
Capital Outlay	2,000,000	4,623,892	(2,623,892)
Total Expenditures	<u>2,030,000</u>	<u>4,677,317</u>	<u>(2,647,317)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,929,608)</u>	<u>(4,469,776)</u>	<u>(2,540,168)</u>
Other Financing Sources (Uses):			
Other Sources	-	7,000,000	7,000,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,000,000</u>	<u>7,000,000</u>
Net Change in Fund Balance	(1,929,608)	2,530,224	4,459,832
Fund Balance, July 1	7,783,280	7,783,280	-
Fund Balance, June 30	<u>\$ 5,853,672</u>	<u>\$ 10,313,504</u>	<u>\$ 4,459,832</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-13**

CAPITAL FACILITIES FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 117,452	\$ 139,613	\$ 22,161
Total Revenues	<u>117,452</u>	<u>139,613</u>	<u>22,161</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>117,452</u>	<u>139,613</u>	<u>22,161</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	117,452	139,613	22,161
Fund Balance, July 1	-	-	-
Fund Balance, June 30	<u>\$ 117,452</u>	<u>\$ 139,613</u>	<u>\$ 22,161</u>

SELMA UNIFIED SCHOOL DISTRICTCOUNTY SCHOOL FACILITIES FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**EXHIBIT C-14**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other Local Revenue	\$ <u>5,537</u>	\$ <u>2,531</u>	\$ <u>(3,006)</u>
Total Revenues	<u>5,537</u>	<u>2,531</u>	<u>(3,006)</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,537</u>	<u>2,531</u>	<u>(3,006)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,094,463)</u>	<u>(1,097,469)</u>	<u>(3,006)</u>
Fund Balance, July 1	<u>1,231,082</u>	<u>1,231,082</u>	<u>-</u>
Fund Balance, June 30	\$ <u><u>136,619</u></u>	\$ <u><u>133,613</u></u>	\$ <u><u>(3,006)</u></u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-15**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>STUDENT BODY ACTIVITIES</u>				
ASSETS				
Cash and investments	\$ 466,517	\$ 1,308,224	\$ 1,275,334	\$ 499,407
Total Assets	<u>\$ 466,517</u>	<u>\$ 1,308,224</u>	<u>\$ 1,275,334</u>	<u>\$ 499,407</u>
LIABILITIES				
Due to student groups	\$ 466,517	\$ 1,308,224	\$ 1,275,334	\$ 499,407
Total Liabilities	<u>\$ 466,517</u>	<u>\$ 1,308,224</u>	<u>\$ 1,275,334</u>	<u>\$ 499,407</u>

The accompanying notes are an integral part of this statement.

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Supplementary Information Section

SELMA UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY

ORGANIZATION STRUCTURE

JUNE 30, 2019

The District was originally formed in 1878 and serves approximately 6,000 students with eight elementary schools, one middle school, one high school, one continuation school and one adult education school. There were no boundary changes during the year ended June 30, 2019.

Governing Board		
Name	Office	Term and Term Expiration
Jennifer Winter	President	2022
Paul Green	Vice President	2020
Diane Jensen	Clerk	2022
Roger Orosco	Member	2022
Karl Salazar	Member	2020

Administration
Tanya A. Fisher, Ed.D. Superintendent
Teresa Wood Assistant Superintendent - Instruction/Personnel
Larry Teixeira Assistant Superintendent - Business/Support Services
Davinder K. Sidhu, Ed.D. Assistant Superintendent - Educational Services

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2019

TABLE D-1

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	1837.75	1837.13
Extended Year Special Education	0.61	0.61
TK/K-3 Totals	1838.36	1837.74
Grades 4-6:		
Regular ADA	1434.29	1432.46
Extended Year Special Education	0.7	0.7
Grades 4-6 Totals	1434.99	1433.16
Grades 7 and 8:		
Regular ADA	947.19	944.97
Extended Year Special Education	-	-
Grades 7 and 8 Totals	947.19	944.97
Grades 9-12:		
Regular ADA	1890.36	1882.94
Extended Year Special Education	1.21	1.21
Grades 9-12 Totals	1891.57	1884.15
ADA Totals	6112.11	6100.02

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

SELMA UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
 YEAR ENDED JUNE 30, 2019

TABLE D-2

<u>Grade Level</u>	<u>Ed. Code 46207 Minutes Requirement</u>	<u>Ed. Code 46207 Adjusted & Reduced</u>	<u>2018-19 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Transitional Kindergarten	36,000	N/A	49,300	180	N/A	Complied
Kindergarten	50,400	N/A	49,300	180	N/A	Complied
Grade 1	50,400	N/A	52,180	180	N/A	Complied
Grade 2	50,400	N/A	52,180	180	N/A	Complied
Grade 3	50,400	N/A	55,040	180	N/A	Complied
Grade 4	54,000	N/A	55,032	180	N/A	Complied
Grade 5	54,000	N/A	55,032	180	N/A	Complied
Grade 6	54,000	N/A	55,032	180	N/A	Complied
Grade 7	54,000	N/A	56,969	180	N/A	Complied
Grade 8	54,000	N/A	56,969	180	N/A	Complied
Grade 9	64,800	N/A	65,524	180	N/A	Complied
Grade 10	64,800	N/A	65,524	180	N/A	Complied
Grade 11	64,800	N/A	65,524	180	N/A	Complied
Grade 12	64,800	N/A	65,524	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District did not meet its target funding.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2019

TABLE D-3

General Fund	Budget 2020 (see note 1)	2019	2018	2017
Revenues and other financial sources	\$ 85,532,784	\$ 91,577,039	\$ 80,283,011	\$ 79,803,987
Expenditures	85,852,551	90,265,206	81,133,290	80,327,875
Other uses and transfers out	945,658	1,858,669	277,252	262,042
Total outgo	86,798,209	92,123,875	81,410,543	80,589,917
Change in fund balance (deficit)	(1,265,425)	(546,836)	(1,127,531)	(785,930)
Ending fund balance	\$ 4,103,954	\$ 5,369,379	\$ 5,916,215	\$ 7,043,746
Available reserves (see note 2)	\$ 2,539,121	\$ 4,023,542	\$ 1,896,143	\$ 4,370,071
Available reserves as a percentage of total outgo	3%	4%	2%	5%
Total long-term debt	\$ 120,582,704	\$ 122,322,322	\$ 140,973,692	\$ 116,776,300
Average daily attendance at P-2	6,107	6,112	6,169	6,169

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the district's ability to continue as a going concern for a reasonable period of time.

The fund balance of the general fund has decreased by \$1,674,367 (23.8%) over the past two years. The fiscal year 2019-2020 budget projects a decrease of \$1,265,425 (23.6%). For a district of this size, the State recommends available reserves of at least 3% of total general fund expenditures, transfers out and other uses (total outgo).

The District has incurred an operating deficit in all of the past three years, but projects a deficit during the 2019-2020 fiscal year. Total long-term debt has increased by \$5,546,022 over the past two years.

Average daily attendance has decreased by 57 over the past two years. During fiscal year 2019-2020, a decrease of 5 average daily attendance is anticipated.

NOTES:

- 1 The budget for 2020 is included for analytical purposes only and has not been subjected to audit.
- 2 Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

SELMA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

TABLE D-4

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

There were no audit adjustments for any fund impacting the fund balance.

SELMA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF CHARTER SCHOOLS AND OTHER INFORMATION
 YEAR ENDED JUNE 30, 2019

TABLE D-5

No charter schools are chartered by Selma Unified School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
None	N/A

Subrecipients

The District did not provide any awards to subrecipients.

De Minimis Cost Rate

The District did not elect to use the 10% de minimis cost rate.

Excess Sick Leave

The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

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SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

TABLE D-6
Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through California Department of Education (CDE):				
School Breakfast Program	10.553	13525	\$ -	\$ 821,195
National School Lunch Program	10.555	13523,13524	-	2,406,860
Total Passed Through California Department of Education (CDE)			-	3,228,055
Total U. S. Department of Agriculture			-	3,228,055
Total Child Nutrition Cluster			-	3,228,055
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Passed Through California Department of Education (CDE):				
Special Ed: IDEA Basic Local Assistance Entitlement	84.027	13379	-	1,393,581
Special Education - Preschool Grants	84.173	13430	-	38,357
Total Passed Through California Department of Education (CDE)			-	1,431,938
Total U. S. Department of Education			-	1,431,938
Total Special Education (IDEA) Cluster			-	1,431,938
OTHER PROGRAMS:				
<u>U. S. Department of Education</u>				
Direct Program:				
21st Century Community Learning Centers	84.287	14349	-	108,471
Passed Through California Department of Education (CDE):				
Adult Education - Adult Secondary Ed	84.002	13978	-	157,300
Adult Education - English Literacy & Civics	84.002	14109	-	27,200
Adult Education - Basic Ed & ESL	84.002	14508	-	31,824
Title I Grants to Local Educational Agencies	84.010	14329	-	2,991,098
ESSA: School Improvement Funding for LEAs	84.010	15438	-	3,499
Migrant Education - State Grant Program - Regular	84.011	14326	-	132,033
Migrant Education - State Grant Program - Summer	84.011	14326	-	49,951
Career and Technical Education - Basic Grants to States	84.048	13924	-	73,991
Even Start - Migrant Education (MEES)	84.214	10030	-	9,509
English Language Acquisition Grants	84.365	10084	-	146,485
English Language Acquisition Grants	84.365	14346	-	13,945
Improving Teacher Quality State Grants	84.367	14341	-	552,895
ESSA: Title IV, Part A, Student Support and Academic Enrichment G	84.424	15396	-	189,230
Total Passed Through California Department of Education (CDE)			-	4,378,960
Total U. S. Department of Education			\$ -	\$ 4,487,431
<u>U. S. Department of Agriculture</u>				

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

TABLE D-6
Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Passed Through California Department of Education (CDE):				
Child and Adult Care Food Program	10.558	13393	\$ -	\$ 881,333
Total U. S. Department of Agriculture			-	881,333
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 10,028,757

The accompanying notes are an integral part of this schedule.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Basis of Presentation

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

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Selma Unified School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, Code of Federal Regulations, Part 200.502(b) during the year.

Other Independent Auditor's Reports

Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720-2928

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Selma Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Selma Unified School District's basic financial statements and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Selma Unified School 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 the Selma Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Selma Unified School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item(s) 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Selma Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Selma Unified School District's Response to Findings

Selma Unified School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Selma Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 13, 2019

Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720-2928

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Selma Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Selma Unified School District's major federal program for the year ended June 30, 2019. Selma Unified School District's major federal program is 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 Selma Unified School 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 the Selma Unified School 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 for each major federal program. However, our audit does not provide a legal determination of the Selma Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Selma Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Selma Unified School 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 the Selma Unified School 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 the Selma Unified School 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 considered 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.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 13, 2019

Linger, Peterson & Shrum
Certified Public Accountants
575 East Locust Ave., Suite 308
Fresno, California 93720-2928

Independent Auditor's Report on State Compliance

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2019.

Management's Responsibility for State Compliance

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 compliance for each applicable program as identified in the State's audit guide, *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810. 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 State's audit guide, *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

**LOCAL EDUCATION AGENCIES
OTHER THAN CHARTER SCHOOLS:**

Attendance Accounting:

Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials.....	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A

**SCHOOL DISTRICTS, COUNTY OFFICES OF
EDUCATION, AND CHARTER SCHOOLS:**

California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
After School	N/A
Before School	N/A
General Requirements	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A

CHARTER SCHOOLS:

Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study.....	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, Selma Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2019.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linger, Peterson & Shrum".

Linger, Peterson & Shrum

Fresno, California
December 13, 2019

Findings and Recommendations Section

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: 8/1/2019

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

10.553, 10.555	Child Nutrition Cluster
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting? ☐ Yes ☒ No

Type of auditor's report issued on compliance for state programs: Unmodified

B. Financial Statement Findings

2019-001 Internal Control [30000]

Federal Program Information

This finding does not relate to any Federal programs.

Criteria or Specific Requirement

A strong internal control structure is necessary to provide management with reasonable, but not absolute, assurance that financial data are recorded, processed, summarized, and reported consistent with the assertions embodied in the financial statements.

Condition

There is inadequate control over financial transactions of the Student Body Funds because of a general lack of segregation of duties due to a limited number of employees. We believe this to be a significant deficiency.

Questioned Costs

There were no questioned costs related to this finding.

Perspective

This weakness applies to the entire internal control structure over the Student Body Funds.

Effect

If financial data were recorded, processed, summarized, or reported in a manner which was not consistent with the assertions embodied in the financial statements, management may not be able to detect such errors within a reasonable period of time.

Cause

There are not enough District employees involved in these funds to adequately separate the duties. This finding is a repeat finding for this District, and has been reported previously for June 30, 2018. (2018-001)

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Recommendation

While we realize that budgetary considerations may preclude the hiring of additional employees, we still must advise the Administration of this situation and recommend that duties be segregated as much as possible in order to enhance internal controls.

Views of Responsible Officials and Planned Corrective Actions

The Administration has segregated duties as much as possible with existing personnel, and believes that it is impractical and not cost effective to increase the number of employees. Management is aware of the potential risk of not having the proper segregation of duties, and has incorporated controls to reduce the risk.

2019-002 Internal Control [30000]

Federal Program Information

This finding does not relate to any Federal programs.

Criteria or Specific Requirement

A strong internal control structure is necessary to provide management with reasonable, but not absolute, assurance that financial data are recorded, processed, summarized, and reported consistent with the assertions embodied in the financial statements.

Condition

Reconciliations were inadequate or missing for some of the months requested, as listed in the table below. Further, for some of the Student Body Funds tested, beginning balances did not match prior year ending balances as reported. We believe these items represent a significant deficiency.

School Site	Student Body Funds		Variance
	Beginning Balance Per Reconciliation	Ending Balance Per Prior Year Reconciliation	
Indianola	\$16,214	\$16,213	\$1 (a)
Jackson	64,255	39,035	25,220
Roosevelt	11,357	12,250	(893) (b)
Wilson	18,779	18,846	(67)
Lincoln Middle	109,506	137,327	(27,821)
Selma High	\$219,187	\$218,629	558
			(\$3,002)

(a) The District was unable to provide reconciliations for May and June 2019. The activity through April 2019 and the ending balance as of April 2019 were utilized in the report. Therefore, the report is incomplete as it pertains to those two months of activity for Indianola.

(b) The District was unable to provide a reconciliation for July 2019. Therefore, the beginning balance of August 2018 was used for comparison to the ending balance of the prior year. Therefore, the report may be complete as it pertains to that month for Roosevelt.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Questioned Costs

There were no questioned costs related to this finding. However, we were unable to verify the cause of the variances.

Perspective

This weakness applies to the entire internal control structure over the Student Body Funds.

Effect

If financial data were recorded, processed, summarized, or reported in a manner which was not consistent with the assertions embodied in the financial statements, management may not be able to detect such errors within a reasonable period of time.

Cause

During the reconciliation process, the school sites are not always checking beginning balances when performing reconciliations, and in some cases, may not be performing reconciliations at all.

Recommendation

We recommend that reconciliations be performed consistently and be reviewed by someone else other than the person performing the reconciliation. Further, we recommend that the individuals performing the reconciliations agree beginning balances to prior period ending balances to identify and correct any entries that may have been incorrectly recorded and impacting beginning balances.

Views of Responsible Officials and Planned Corrective Actions

The administration will work with the various school sites to provide guidance on performing reconciliations and will enforce existing processes to ensure that reconciliations are performed timely and consistently.

C. Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no Federal award findings or questioned costs.

D. 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.

SELMA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
2018-001 Internal Control [30000] There is inadequate control over financial transactions of the Student Body Funds because of a general lack of segregation of duties due to a limited number of employees.	Not Implemented	See Current-year Finding 2019-001.

APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF SELMA AND FRESNO COUNTY

The following information concerning the City of Selma (the “City”) and the County of Fresno (the “County”) is included only for the purpose of supplying general information regarding the area of the District. No part of any fund or account of the City or the County is pledged or obligated to the payment of the Bonds. The Bonds are not a debt (or a pledge of the full faith and credit) of the City, the County, the State or any of its political subdivisions (other than the District), and none of the County, the State or any of its political subdivisions (other than the District) is liable therefor. The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for the District’s payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the District’s payment of the principal of and interest on Bonds at the time such payment is due.

General

Of the District’s secured assessed valuation for 2018-19, 41% of such assessed valuation is derived from property located in the City, 49% is derived from property located in the City of Fresno, and 10% is derived from property located in the unincorporated areas of the County.

City of Selma. The City is located in southeast Fresno County, 16 miles southeast of the City of Fresno.

The County. The County is California’s fifth-largest county, covering approximately 6,000 square miles. It is located in the geographic center of the State and is the nation’s leading crop-producing county.

Within the County, there are roughly four different agricultural areas. East and south of the City of Fresno, grapes and other fruit and nut crops are grown, harvested and processed for shipment; west of the City of Fresno is a melon-producing area, which lies within the Mendota Unified School District. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, and extensive cattle and sheep ranches.

The County is the trade, financial and commercial center for many surrounding counties in Central California and is a hub of transportation facilities connecting Central California to all parts of the country. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Routes 180 and 145 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

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Population

The most recent estimate of the County's population at January 1, 2019 was 1,018,241 persons according to the State Department of Finance. The City, with an estimated population of 25,045 persons at January 1, 2019, is the fifth largest city in the County. The table below shows population estimates for the cities in the County and for the County for the last five years, as of January 1.

FRESNO COUNTY
Population Estimates
Calendar Years 2015 through 2019
(As of January 1st)

	2015	2016	2017	2018	2019
Clovis	105,490	108,273	110,704	113,895	117,003
Coalinga	16,626	16,693	17,268	17,120	17,600
Firebaugh	7,946	7,930	8,029	8,078	8,132
Fowler	6,041	6,082	6,362	6,520	6,605
Fresno	519,942	524,826	527,527	531,580	536,683
Huron	6,902	7,019	7,271	7,289	7,308
Kerman	14,494	14,596	14,789	15,096	15,495
Kingsburg	11,874	11,953	12,089	12,253	12,392
Mendota	11,467	11,631	11,910	12,255	12,315
Orange Cove	9,476	9,515	9,752	9,924	9,975
Parlier	15,241	15,549	15,764	15,917	16,151
Reedley	25,815	25,898	26,218	26,556	26,666
Sanger	25,462	25,969	26,183	26,489	27,094
San Joaquin	4,119	4,140	4,190	4,200	4,216
Selma	24,156	24,365	24,776	24,932	25,045
Balance of County	171,102	171,132	173,090	175,148	175,561
Total	976,153	985,571	995,922	1,007,252	1,018,241

Source: State Department of Finance, Demographic Research.

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Employment and Industry

The District is included in the Fresno Metropolitan Statistical Area (“MSA”). The unemployment rate in the Fresno MSA was 6.5% in November 2019, down from a revised 5.8% in October 2019, and below the year-ago estimate of 6.8%. This compares with an unadjusted unemployment rate of 3.7% for California and 3.3% for the nation during the same period.

The table below provides information about employment by industry type for Fresno County for calendar years 2014 through 2018.

FRESNO COUNTY Civilian Labor Force, Employment and Unemployment, Unemployment by Industry (Annual Averages)

	2014	2015	2016	2017	2018
Civilian Labor Force ⁽¹⁾	438,300	440,500	445,000	445,300	448,400
Employment	387,500	395,700	402,700	407,400	414,900
Unemployment	50,700	44,900	42,300	37,900	33,400
Unemployment Rate	11.6%	10.2%	9.5%	8.5%	7.5%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	48,800	47,300	46,900	46,100	44,000
Mining and Logging	300	300	300	300	300
Construction	13,900	15,000	16,000	17,400	18,700
Manufacturing	24,000	25,400	25,200	25,600	26,000
Wholesale Trade	13,500	13,500	14,000	14,100	14,300
Retail Trade	36,500	37,600	38,800	38,900	39,200
Trans., Warehousing, Utilities	11,900	12,300	12,800	13,100	14,400
Information	3,900	3,900	3,800	3,600	3,600
Financial and Insurance	8,400	8,500	8,700	9,000	9,200
Professional and Business Services	31,000	31,500	31,900	30,600	31,900
Educational and Health Services	57,000	60,400	64,300	67,700	70,100
Leisure and Hospitality	30,600	31,400	32,800	33,800	34,200
Other Services	11,200	11,500	11,700	11,800	12,000
Federal Government	9,800	9,600	9,800	9,800	10,000
State Government	11,400	11,900	12,100	12,400	12,600
Local Government	45,100	47,200	49,000	50,400	52,000
Total All Industries ⁽³⁾	361,500	371,800	382,800	389,200	397,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Calculations may not foot due to rounding.

Source: State of California Employment Development Department.

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Principal Employers

The following table shows the major employers in the County as of July 2019, in alphabetical order without regard to the number of employees.

FRESNO COUNTY Major Employers (Listed Alphabetically)

Employer Name	Location	Industry
Aetna	Fresno	Insurance
California State Univ Fresno	Fresno	Schools-Universities & Colleges Academic
California Teaching Fellows	Fresno	Employment Service-Govt Co Fraternal
Community Medical Ctr	Fresno	Medical Centers
Community Regional Medical Ctr	Fresno	Hospitals
Foster Farms	Fresno	Poultry Farms
Fresno County Sheriff's Dept	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Kaiser Permanente Fresno Med	Fresno	Hospitals
Lion Dehydrators	Selma	Dehydrating Service (mfrs)
Pelco-Schneider Electric	Fresno	Security Control Equip& Systems-Mfrs
Phebe Conley Art Gallery	Fresno	Art Galleries & Dealers
Pitman Family Farms	Sanger	Farms
Pleasant Valley State Prison	Coalinga	Government Offices-State
Shehadey Pavilion At St Agnes	Fresno	Diagnostic Imaging Centers
St Agnes Medical Ctr	Fresno	Medical Centers
St Agnes Medical Ctr	Fresno	Hospitals
Stamoules Produce Co	Mendota	Fruits & Vegetables & Produce-Retail
State Center Community College	Fresno	Junior-Community College-Tech Institutes
Sun Maid Growers	Kingsburg	Maid & Butler Service
Table Mountain Casino	Friant	Casinos
Taylor Communications	Fresno	Commercial Printing NEC (mfrs)
US Veterans Medical Ctr	Fresno	Hospitals
Via West Insurance	Fresno	Insurance
Zacky Farms	Fresno	Poultry & Eggs NEC

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) 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 City, the County, the State and the United States for the period 2016 through 2020.

**CITY OF SELMA, FRESNO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income
2016 through 2020**

	2016	2017	2018	2019	2020
City of Selma	\$38,088	\$42,116	\$42,116	\$41,543	\$43,146
County of Fresno	40,819	41,237	44,641	46,028	48,980
California	53,589	55,681	59,646	62,637	65,870
United States	46,738	48,043	50,735	52,841	55,303

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 City and the County during the past five years in which data are available are shown in the following tables.

Total taxable sales reported during the first two quarters of calendar year 2018 in the City were \$273,022,348, a 12.7% increase over the total taxable sales of \$242,230,732 reported during the first two quarters of calendar year 2017. Annual figures for 2018 are not yet available.

CITY OF SELMA Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	299	\$345,165	404	\$390,577
2014	301	361,978	409	416,656
2015 ⁽¹⁾	302	378,346	420	446,239
2016	295	395,393	417	462,613
2017	266	437,407	388	504,224

(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: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year of 2018 in the County were reported to be \$7,661,157,009 a 7.4% increase over the total taxable sales of \$7,132,737,866 reported during the first two quarters of calendar year of 2017. Annual figures for 2018 are not yet available.

FRESNO COUNTY Annual Taxable Transactions Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	12,047	\$8,597,480	18,112	\$12,618,111
2014	12,268	8,998,182	18,304	13,328,511
2015 ⁽¹⁾	7,298	9,247,617	20,242	14,080,800
2016	13,128	9,567,618	20,530	14,073,246
2017	13,166	9,943,017	20,655	14,631,309

(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: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax)

Construction Activity

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

CITY OF SELMA Total Building Permit Valuations (Valuations in Thousands) Calendar Years 2014 through 2018

	2014	2015	2016	2017	2018
<u>Permit Valuation</u>					
New Single-family	\$1,063.0	\$8,807.7	\$7,178.5	\$1,619.8	\$1,535.6
New Multi-family	0.0	0.0	0.0	0.0	0.0
Res. Alterations/Additions	<u>345.1</u>	<u>192.2</u>	<u>530.9</u>	<u>478.8</u>	<u>608.1</u>
Total Residential	1,408.1	8,999.9	7,709.4	2,098.6	2,143.7
 New Commercial	1,318.8	2,500.0	8,191.9	2,373.9	3.5
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	270.6	238.7	421.5	404.7	187.9
Com. Alterations/Additions	<u>437.9</u>	<u>2,606.0</u>	<u>3,593.0</u>	<u>1,131.8</u>	<u>2,629.7</u>
Total Nonresidential	2,027.3	5,344.7	12,206.4	3,910.4	2,821.1
 <u>New Dwelling Units</u>					
Single Family	5	60	28	7	10
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	5	60	28	7	10

Source: Construction Industry Research Board, Building Permit Summary.

FRESNO COUNTY Total Building Permit Valuations (Valuations in Thousands) Calendar Years 2014 through 2018

	2014	2015	2016	2017	2018
<u>Permit Valuation</u>					
New Single-family	\$388,564.8	\$580,986.1	\$689,016.6	\$512,951.0	\$703,307.1
New Multi-family	43,654.0	34,183.5	52,363.2	131,175.3	67,589.9
Res. Alterations/Additions	<u>35,354.2</u>	<u>31,800.5</u>	<u>30,648.8</u>	<u>29,478.7</u>	<u>47,115.5</u>
Total Residential	\$467,573.0	\$646,970.1	\$772,028.6	\$673,605.0	\$818,012.5
 New Commercial	\$98,770.4	\$210,280.3	\$184,408.2	\$201,676.5	\$139,662.0
New Industrial	21,368.5	8,359.4	14,895.8	14,087.9	37,564.8
New Other	49,382.5	121,042.6	147,642.2	68,383.0	90,451.9
Com. Alterations/Additions	<u>70,566.8</u>	<u>88,609.5</u>	<u>80,745.4</u>	<u>69,202.2</u>	<u>229,373.0</u>
Total Nonresidential	\$240,088.2	\$428,291.8	\$427,691.6	\$353,349.6	\$497,051.7
 <u>New Dwelling Units</u>					
Single Family	1,140	2,153	2,559	1,886	2,560
Multiple Family	<u>539</u>	<u>343</u>	<u>339</u>	<u>1,135</u>	<u>290</u>
TOTAL	1,949	2,496	2,898	3,021	2,850

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

Two major railroads, a modern system of highways and a growing airport complex have contributed to the industrial, commercial and residential growth of the County. Burlington Northern Santa Fe and Union Pacific provide main line rail freight service to the area. Amtrak has passenger service daily. Fresno Yosemite International Airport in the City of Fresno provides regularly scheduled passenger and freight service to major metropolitan centers in the nation. Fresno-Chandler Executive Airport, also in the City of Fresno, can accommodate approximately 297 general aircraft with approximately 231 currently based at the facility.

State Highway 99 is a north-south artery that passes through the heart of the County and the San Joaquin Valley, connecting many of the Valley's major cities. Interstate Highway 5 runs in a north-south direction through the western part of the County and the San Joaquin Valley. Both State Highway 99 and Interstate Highway 5 are major north-south routes between Los Angeles, San Francisco and Sacramento. State Routes 41,168 and 180 serve the Fresno metropolitan area and connect it to the eastern and western parts of the County. The deep water Port of Stockton is located 122 miles north of Fresno on Interstate Highway 5.

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

February 26, 2020

Board of Trustees
Selma Unified School District
3036 Thompson Avenue
Selma, California 93662

OPINION: \$5,527,875.35 Selma Unified School District (Fresno County, California)
General Obligation Bonds, Election of 2006, Series 2020D

 \$13,700,000 Selma Unified School District (Fresno County, California)
General Obligation Bonds, Election of 2016, Series 2020C

Members of the Board of Trustees:

We have acted as bond counsel to the Selma Unified School District (the "District") in connection with the issuance by the District of \$5,527,875.35 principal amount of Selma Unified School District (Fresno County, California) General Obligation Bonds, Election of 2006, Series 2020D and \$13,700,000 principal amount of Selma Unified School District (Fresno County, California) General Obligation Bonds, Election of 2016, Series 2020C, dated the date hereof (collectively, the "Bonds") under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and resolutions adopted by the Board of Trustees of the District (the "Board") on January 21, 2020 (collectively, the "Bond Resolutions"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolutions and the Bonds.
2. The Bond Resolutions have been duly adopted by the Board and constitute valid and binding obligations of the District enforceable against the District in accordance with their 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 Board of Supervisors of the County of Fresno 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. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

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

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

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

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$5,527,875.35
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2006, Series 2020D

\$13,700,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2016, Series 2020C

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Selma Unified School District (the "District") in connection with the execution and delivery of the captioned bonds (the "Bonds"). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Trustees of the District on January 21, 2020 (the "Bond Resolution"). U.S. Bank National Association, Los Angeles, California, is initially acting as paying agent for the Bonds (the "Paying Agent").

The District hereby covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth above and in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently June 30th), the first being March 31, 2021.

"*Dissemination Agent*" means, initially, Government Financial Strategies, Inc., 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.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

“Paying Agent” means U.S. Bank National Association, Los Angeles, California, or any successor thereto.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2021 with the report for the 2019-20 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). 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) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

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

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

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

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial

statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

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

- (i) Assessed value of taxable property in the jurisdiction of the District for the most recently completed fiscal year;
- (ii) Assessed valuation of the properties of the top 20 secured property taxpayers in the District for the most recently completed fiscal year;
- (iii) Property tax collection delinquencies for the District for the most recently completed fiscal year, or if not available, for the previous fiscal year, but only if available from the County at the time of filing the Annual Report and only if the District's general obligation bond levies are not included in Fresno County's Teeter Plan;
- (iv) The District's most recently adopted Budget or approved interim report with budgeted figures, which is available at the time of filing the Annual Report; and
- (v) Such further information, if any, as may be necessary to make the statements made pursuant to (a) and (b) of this Section 4, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 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 paying agent or the change of name of a paying agent, 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(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Government Financial Strategies, Inc. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of 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 pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

Date: February 26, 2020

SELMA UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

ACCEPTANCE OF DUTIES AS DISSEMINATION AGENT

Government Financial Strategies. Inc.

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Selma Unified School District (the "District")

Name of Bond Issue: \$5,527,875.35 Selma Unified School District (County of Fresno, California) General Obligation Bonds, Election of 2006, Series 2020D

\$13,700,000 Selma Unified School District (County of Fresno, California) General Obligation Bonds, Election of 2016, Series 2020C

Date of Issuance: February 26, 2020

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated February 26, 2020. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT

By: _____
Its: _____

cc: Paying Agent and Participating Underwriter

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 by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

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

1. “DTC will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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APPENDIX G

FRESNO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

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**Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector**

County of Fresno Treasury Investment Pool

INVESTMENT POLICY

Established: 1984

Current Revision: November 5, 2019

**(559) 600-3496
Room 105
Hall of Records
2281 Tulare Street
Fresno, California 93721**

COUNTY OF FRESNO
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR
TREASURY INVESTMENT POOL

INVESTMENT POLICY

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COUNTY OF FRESNO
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR
TREASURY INVESTMENT POOL

INVESTMENT POLICY

1.0 Purpose

The Auditor-Controller/Treasurer-Tax Collector's policy is to invest public funds in a manner that will provide a market average rate of return consistent with the objectives included in this Investment Policy while meeting the daily cash flow demands of the County Treasury, and conform to all applicable state laws governing the investment of public funds.

Investments differing from this policy shall be made only in circumstances where market timing or economic trends indicate such investments are beneficial. Such investments must comply with all applicable laws and may only be made with written approval by the Auditor-Controller/Treasurer-Tax Collector.

This Investment Policy is established under Government Code sections 27133 and 53646.

2.0 Scope

This Investment Policy applies to all financial assets deposited and retained in the County of Fresno Treasury Investment Pool.

3.0 Objective

The primary objectives, in priority order, of the County of Fresno's investment activities shall be the following:

3.1 Safety. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Investments should be made in securities of high quality to avoid credit risk and loss of principal.

3.2 Liquidity. The investment portfolio should remain sufficiently liquid to enable the Treasury Investment Pool to meet all its operating requirements which might be reasonably anticipated.

3.3 Return on Investment. The investment portfolio shall be designed with the objective of attaining the highest interest revenue, taking into consideration the objectives of this Investment Policy and the cash flow characteristics of the portfolio.

3.4 Local Community Reinvestment. When it is in the best interest of the investment portfolio, and within the confines of other objectives enumerated in this Investment Policy, the Auditor-Controller/Treasurer-Tax Collector may give preference to local investment opportunities.

4.0 Delegation of Authority

The authority of the Board of Supervisors to delegate management responsibility for the County of Fresno Treasury Investment Pool is derived from GC 53607. Investment authority, in accordance with this provision, has been delegated to the Auditor-Controller/Treasurer-Tax Collector. The original delegation is in the Ordinance Code of the County of Fresno Section 2.20.080 and is subject to annual renewal by the Board of Supervisors. The Auditor-Controller/Treasurer-Tax Collector shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions (GC 53607).

No person may engage in an investment transaction for the Treasury Investment Pool except as provided under the terms of this policy and the procedures established by the Auditor-Controller/Treasurer-Tax Collector. The Auditor-Controller/Treasurer-Tax Collector shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff.

The County of Fresno Treasury Oversight Committee shall annually review and monitor the Investment Policy. The County of Fresno Treasury Oversight Committee shall also cause an annual audit to determine the Auditor-Controller/Treasurer-Tax Collector's compliance with this Investment Policy. The cost of the audit shall be considered an administrative cost of investing. Audit Reports are available to participants of the Treasury Investment Pool upon request (GC 27133, 27134 and 27135).

5.0 Ethics and Conflict of Interest

The Auditor-Controller/Treasurer-Tax Collector, the County of Fresno Treasury Oversight Committee and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County of Fresno Treasury Oversight Committee shall require the completion of an annual Statement of Economic Interests by each member to be filed with the member's respective agency. This policy sets a \$470 per current filing limit on the amount of honoraria, gifts and gratuities that a committee member may receive from a single source in a calendar year.

6.0 Prudence

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, and not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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

7.0 Borrowing for Purposes of Making Investments

The Fresno County Auditor-Controller/Treasurer-Tax Collector is prohibited from the practice of borrowing for the sole purpose of making investments.

8.0 Authorized Investments and Limits

All investments shall be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Securities shall be valued at amortized cost when determining their percentage to the money in the County of Fresno Treasury Investment Pool. Additions or deviations from this list must be expressly authorized by the Government Code and approved by the Auditor-Controller/Treasurer-Tax Collector. Investments not expressly authorized by law are prohibited.

The Auditor-Controller/Treasurer-Tax Collector interprets the authorized investment limits to be based upon the portfolio allocation at the time a security is purchased. The portfolio allocation may temporarily fall outside of these limits due to maturities and fluctuations in the size of the pool after the purchase of a security. Additionally, the applicable credit ratings are interpreted to be based upon the rating at the time the security is purchased.

8.1 United States Treasury Bills, Notes, Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.2 Obligations issued by Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Mortgage Company, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in obligations, participations, or other instruments of or issued by a federal agency or a United States Government-sponsored enterprise.

8.3 Bills of Exchange or Time Drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Any investment in Bankers Acceptances shall be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical-rating service.

Purchases of Bankers Acceptances may not exceed 180 days maturity or 40 percent of the money in the Treasury Investment Pool.

8.4 Commercial Paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's (P-1; A-1). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and having an "A" or higher rating for the issuer's other outstanding debentures by Standard and Poor's, or its equivalent or better ranking by a nationally recognized statistical rating organization and a maximum maturity limit of 270 days.

Additionally GC 53635 limits the assets held by the Treasury Investment Pool in any single issuer to 10 percent and the total Commercial Paper investments may not exceed 40 percent of the total assets in the Treasury Investment Pool.

8.5 Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. Any investment is to be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher rating as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments.

Investments in Negotiable Certificates of Deposit (including those allowed under section 8.6.1) may not exceed 30 percent of the money in the Treasury Investment Pool. No more than 5 percent of the money shall be invested in any one institution.

8.6 Non-negotiable Time Certificates of Deposit issued by a nationally or state-chartered bank, savings association or federal association (GC 53601 (n)). Unless fully covered by FDIC insurance, including the interest earned, these investments require full collateralization with government securities totaling 110 percent or mortgages totaling 150 percent of the principal amount (GC 53652). Any investment is to be restricted to those institutions whose short term rating is of prime quality of the highest ranking as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments. Any investment will require the approval and execution of a Contract for Deposit by the Auditor-Controller/Treasurer-Tax Collector, as authorized by GC 53682.

Investments in Non-negotiable Time Certificates of Deposit may not exceed 50 percent of the money in the Treasury Investment Pool. No more than 15 percent of the money shall be invested in any one institution.

8.6.1 Investments in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. Investments will be made in compliance with GC 53635.8. Investments shall be initially placed with a nationally or state-chartered commercial bank, savings bank, savings and loan association or a credit union in this state, which shall be known as the selected depository institution. Any investment will require the approval and execution of a Deposit Placement Agreement by the Auditor-Controller/Treasurer-Tax Collector. Investments in certificates of deposit

under sections 8.5 and 8.6.1 may not exceed 30 percent of the money in the Treasury Investment Pool. Additionally, investments under 8.6.1 shall not exceed 15 percent of the money in the Treasury Investment Pool.

8.7 Investments in Repurchase Agreements representing United States Treasury Securities, United States Agency discount and coupon securities, domestic and foreign Banker's Acceptances, commercial paper, and domestic bank/savings associations or federal associations Negotiable Certificates of Deposit.

Investments shall be made only after the execution of a Repurchase and Custody Agreement (Tri-Party Agreement) between the County or the investment manager (if under contract), the dealer and the Custodian. Investments will consist of overnight Repurchase Agreements, which include weekend placements and maturities; however, securities with longer maturities may be used as collateral for these Agreements. (GC 53635.2)

Excluding circumstances of market-timing and known cash demands, investments in Repurchase Agreements shall be limited to not more than 15 percent of the money in the Treasury Investment Pool. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against these securities. Any exceptions to the maturity or investment amount provisions will require written approval by the Auditor-Controller/Treasurer-Tax Collector.

8.8 Medium-term Notes with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or higher, by Standard and Poor's Corporation, or its equivalent or better by a nationally recognized rating service

Investments in Medium-term Notes may not exceed 30 percent of the money in the Treasury Investment Pool.

8.9 Investment of funds in the Local Agency Investment Fund (LAIF) created by law, which the State Treasurer invests through the Pooled Money Investment Account. Money invested in LAIF is available for overnight liquidity; however, it is also subject to a limited number of transactions per month. Money shall be placed in LAIF as alternative liquid investments under the guidelines of this policy pertaining to yield. The County may invest up to the maximum amount permitted by LAIF, not to exceed 10 percent of the portfolio. The Auditor-Controller/Treasurer-Tax Collector may invest any portion of debt proceeds in the LAIF.

8.10 Shares of beneficial interest issued by diversified management companies, otherwise known as Mutual Funds, investing in the securities and obligations as authorized by the GC 53601 et. seq.

To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with at least five years of experience investing in the securities authorized by the GC sections noted above and with assets under management in excess of \$500,000,000.

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000 (GC 53601).

Investment in Mutual Funds shall not include the payment of any commission that diversified management companies may charge and may not exceed 20 percent of the surplus funds in the Treasury Investment Pool. Only 10 percent of the surplus funds may be invested in any one mutual fund (GC 53601, 53635.2).

8.11 Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond of a maximum of five years maturity. Securities eligible for investment shall be rated "AA" or its equivalent or better by a nationally recognized rating service.

Investments in these securities may not exceed 10 percent of the funds in the Treasury Investment Pool.

8.12 Bond proceeds may be invested in accordance with the Government Code provisions, or they may be invested in alternative vehicles if authorized by bond documents (GC 53635.2 and California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines).

8.13 External Investment Managers. The Auditor-Controller/Treasurer-Tax Collector may contract with external investment managers to provide investment management services. These managers may be hired to invest funds not needed for liquidity and to increase the rate of return of the pool by

employing an active investment strategy. The external investment manager is allowed to make specific investment decisions within the framework of this investment policy.

External investment managers are required to provide timely transaction documentation and investment reports to ensure that the manager's actions comply with the requirements of the law and this investment policy. External investment managers shall remit, at least quarterly, the interest earnings to the Pool to allow these earnings to be apportioned to the pool participants.

Selection of External Investment Managers is subject to section 13.0 of this Investment Policy. Additionally, after selection, the manager's performance shall be reviewed against the agreed upon benchmark.

8.14 Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Investments in these securities may not exceed 10 percent of the surplus funds in the Treasury Investment Pool.

9.0 Selection of Investments

Investments, with the exception of California registered state warrants in section 8.14, above, shall only be made following a minimum of three competitive comparisons with offerings documented and retained for each type of investment.

10.0 Diversification

The Treasury Investment Pool shall be diversified by security type and institution.

11.0 Maximum Maturities

To the extent possible, investments shall be made to match anticipated cash requirements. Unless matched to a specific cash flow, normal investments will be in securities such that the average weighted maturity of the Treasury Investment Pool shall not exceed 3.5 years. Proceeds of sales or funds set aside for the repayment of any notes issued for temporary borrowing purposes shall not be invested for a term that exceeds the term of the notes.

12.0 **Selling Securities Prior to Maturity**

Securities purchased shall normally be held until maturity. Occasionally, opportunities will exist to sell securities prior to maturity and purchase other securities (swap/trade). Securities that are no longer in compliance with this Investment Policy may be sold prior to maturity. Securities may also be sold in order to maintain the liquidity of the Treasury Investment Pool.

13.0 **Authorized Financial Dealers and Institutions**

The Auditor-Controller/Treasurer-Tax Collector shall maintain a list of financial institutions authorized to provide investment services. In addition, a list shall also be maintained of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following: audited financial statements, proof of Financial Industry Regulatory Authority membership, trading resolution, proof of state registration, completed broker-dealer questionnaire, certification of having read this Investment Policy, and if applicable, depository contracts. Broker-dealers are evaluated and selected based upon criteria that include: organization experience and credibility, individual broker-dealer qualifications, compliance, product inventory, and economic research.

An annual review of the financial conditions and registrations of selected brokers shall be conducted by the Auditor-Controller/Treasurer-Tax Collector. A current audited financial statement is required to be on file for each authorized financial institution and broker-dealer.

Investment managers are evaluated and selected based upon criteria that include: organization experience and credibility, staff experience, compliance, and performance.

The selection of any broker, brokerage firm, dealer or securities firm that has, within any consecutive 48 month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Auditor-Controller/ Treasurer-Tax Collector or member of the Board of Supervisors or any candidate for those offices is prohibited. The County will, to the best of its ability, monitor and comply with this requirement.

14.0 **Confirmation**

Receipts for confirmation of purchase of authorized securities should include the following information: trade date, par value, maturity, rate, price, yield, settlement date, description of securities purchased, agency's name, net amount due, and third party custodian information. Confirmation of all investment transactions should be received by the Auditor-Controller/Treasurer-Tax Collector within five business days of the transaction.

15.0 **Safekeeping and Custody**

Investments, excluding Non-negotiable Time Certificates of Deposit, Repurchase Agreements and investments that are under the management of contracted parties, shall be held in custody with the Service Bank or its correspondent or other institutions approved by the Auditor-Controller/Treasurer-Tax Collector. Investments in Repurchase Agreements shall be held in custody by the Custodian to the Tri-Party Agreement.

16.0 **Performance Standards**

The investment portfolio shall be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

16.1 Market yield benchmark. The investment strategy is passive. Given this strategy, the basis used by the Auditor-Controller/Treasurer-Tax Collector to determine whether market yields are being achieved shall be the one-year U.S. Treasury note rate.

17.0 **Administrative Cost of Investing**

The Auditor-Controller/Treasurer-Tax Collector may deduct actual administrative costs associated with investing, depositing, banking, auditing, reporting, or otherwise handling or managing of funds. The administrative costs shall be segregated and deducted from the interest earnings of the Treasury Pool each quarter prior to the distribution of interest earnings.

18.0 **Credit of Interest Earnings**

Interest shall be credited based on the average daily cash balance of money on deposit in the County Treasury for the calendar quarter and shall be paid quarterly.

Local Agency Deposit of Excess Funds

The County Auditor-Controller/Treasurer-Tax Collector is authorized to accept deposits of excess funds from local agencies within Fresno County pursuant to Resolution 98-354 and in accordance with Government Code section 53684. Such deposits will be accepted, if at all, subject to the terms and conditions of a written agreement between the depositing agency and the Auditor-Controller/Treasurer-Tax Collector. In deciding whether to accept such deposits, the Auditor-Controller/ Treasurer-Tax Collector considers factors that may include, but are not limited to, the objectives of this policy, the potential effect of such deposits on the volatility of the investment portfolio, the human resources available to conduct investment activities, and the best interests of current depositors.

Withdrawal of Funds from the Treasury Pool

The withdrawal of funds by any depositor/participant in the County of Fresno Treasury Investment Pool shall not adversely affect the interests of the other depositors/participants in the County of Fresno Treasury Investment Pool. All withdrawals that are not considered as funds being utilized for operations shall be presented to the Auditor-Controller/Treasurer-Tax Collector for review and approval. The Auditor-Controller/Treasurer-Tax Collector shall perform an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Treasury Investment Pool as is required by GC 27136 and 27133. Prior to the approving a withdrawal, the Auditor-Controller/Treasurer-Tax Collector shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the Treasury Investment Pool. All requests for withdrawals shall be considered in order of receipt and shall in no way affect the ability of the Auditor-Controller/ Treasurer-Tax Collector to meet the pool's expenditure requirements.

If the Auditor-Controller/Treasurer-Tax Collector's assessment of the effect of the proposed withdrawal does not negatively impact the stability and predictability of the investments and the interests of other depositors, the Auditor-Controller/Treasurer-Tax Collector may authorize a total or partial withdrawal of funds from the Treasury Pool. A total withdrawal of funds from the County of Fresno Treasury Investment Pool by a participant requires a 30-day written notice to the Auditor-Controller/Treasurer-Tax Collector. Withdrawals involving less than the participant's total funds (other than for operational needs) are subject to all of the following constraints:

- each withdrawal shall be limited to a maximum of \$5,000,000

- no more than two withdrawals of a non-operational purpose are allowed per 30 day period
- at least ten days must lapse before the second withdrawal in any 30 day period will be considered by the Auditor-Controller/Treasurer-Tax Collector
- each withdrawal shall be submitted to the Auditor-Controller/Treasurer-Tax Collector at least 2 business days prior to the date of withdrawal

The depositor/participant shall notify the Auditor-Controller/Treasurer-Tax Collector of normal operating expenditures or disbursements in excess of \$1,000,000 as early as possible, preferably three business days in advance of disbursement, in order to adjust the cash position to meet disbursement requirements.

21.0 **Reporting**

The Auditor-Controller/Treasurer-Tax Collector shall provide the Board of Supervisors with a monthly inventory report and a monthly transaction report of the Treasury Investment Pool. The Auditor-Controller/Treasurer-Tax Collector shall provide a quarterly investment report to the Board of Supervisors, the County Administrative Officer and the County of Fresno Treasury Oversight Committee. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report. Monthly inventory reports and quarterly investment reports are available to participants of the pool upon request (GC 53646).

22.0 **Internal Control**

As part of the County of Fresno's annual independent audit, the investment program shall be reviewed for appropriate internal controls that provide assurance of compliance with policies and procedures.

23.0 **Investment Policy Review**

This Investment Policy shall be reviewed on an annual basis by the Auditor-Controller/Treasurer-Tax Collector and rendered annually to the Board of Supervisors and the County of Fresno Treasury Oversight Committee, which consists of the following members:

- The County Auditor-Controller/Treasurer-Tax Collector
- A representative appointed by the County Board of Supervisors
- The County Superintendent of Schools or the Superintendent's designee

- A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County
- A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury

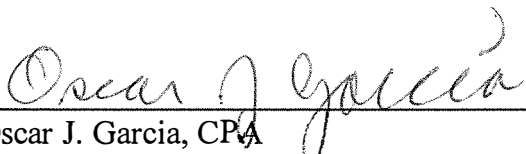
The Board of Supervisors shall accept and approve the investment policy and any changes thereto at a public meeting (GC 27133, 53646).

24.0 **Disaster/Business Continuity Plan**

The County of Fresno Treasurer's banking and investment functions are critical to the function of Treasury Investment Pool and therefore must have a continuity plan to guide operations in the event of a disaster or business interruption.

The objective of the Disaster/Business Continuity Plan is to protect and account for all funds on deposit with the county treasurer and to be able to continue banking and investment functions for all participants in the event of an occurrence; i.e., earthquake, fire, flood, or some other event, which disrupts normal operations. The Plan provides for the ability to perform banking and investment functions at an off-site location under less than optimal conditions.

Approved



Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

10/29/19
Date

APPENDIX A

<u>Permitted Investments/Deposits</u>	<u>Government Code Limits %</u>	<u>Investment Policy Limits %</u>	<u>Investment Policy Term Limit</u>	<u>Minimum Rating</u>
Securities of the U.S. Government	No Limit	No Limit	5 years	N/A
Securities issued by United States Government Sponsored Enterprises	No Limit	No Limit	5 years	N/A
Bankers Acceptances (1)	40%	40%	180 days	N/A
Commercial Paper	40%	40%	270 days	P-1, A-1
Negotiable Certificates of Deposit (2)	30%	30%	13 months	P-1, or A-1 or 4 Star
Non-negotiable Certificates of Deposit (2)	No Limit	50%	13 months	P-1 or A-1 or 4 Star
Account Registry Service Deposits (2)	30%	15%	13 months	N/A
Repurchase Agreements	No Limit	15%	Overnight/Weekend	N/A
Medium Term Notes	30%	30%	5 years	A
LAIF (3)	No Limit	10%	5 years	N/A
Mutual Funds (4)	20%	20%	5 years	AAA,Aaa
Mortgage-Backed Securities	20%	10%	5 years	AA
State of California Debt	No Limit	10%	5 years	N/A

APPENDIX A
(Continued)

- (1) Investment policy limits any investment in bankers acceptances to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt is of prime quality and of the highest ranking as provided for by Moody's or Standard and Poor's (P-1, A-1).
- (2) Banks, savings associations or federal associations having a "4 Star" or higher rating as provided by Bauer Financial, Inc. or a comparable rating service. For negotiable certificates of deposit, no more than 5 percent of the money shall be invested in any one institution. Negotiable certificates of deposit and account registry service deposits combined shall not exceed 30% of the portfolio. For non-negotiable certificates of deposit, no more than 15 percent of the money shall be invested in any one institution.
- (3) LAIF Board of Directors currently limits the investment to \$65,000,000, excluding bond and note proceeds. Government Code does not place a percentage limit on the amount of money that may be invested in LAIF.
- (4) Diversified management companies investing in the securities and obligations as authorized by California Government Code, Sections 53601, et seq., shall either (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the SEC with at least five years of experience investing in the securities authorized by code sections noted in the policy and with assets under management in excess of \$500,000,000.

Diversified management companies issuing shares of beneficial interest that are money market funds registered with the Securities and Exchange Commission (SEC) under the Investment Act of 1940 shall either (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the SEC with not less than five years of experience managing money market mutual funds with assets under management in excess of \$500,000,000. Only 10 percent of the money may be invested in any one mutual fund.

APPENDIX B

RATING SUMMARY

<u>RATING SERVICE</u>	<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Moody's	Aaa	Best Quality
	Aa	High Quality
	A	Upper-medium grade
	Baa	Medium grade obligations
	Ba	Judged to have speculative elements
	B	Lack characteristics of desirable investment
	Caa	Investment in poor standing
	Ca	Speculative in a high degree
	C	Poor prospect of attaining investment standing
Moody's Modifiers	1,2,and 3	Rankings within rating category
Moody's Commercial Paper	Prime-1	Superior ability for repayment
	Prime-2	Strong ability for repayment
	Prime-3	Acceptable ability for repayment
	Not Prime	Do not fall in top 3 rating categories
Standard & Poors	AAA	Highest Rating
	AA	Strong capacity for repayment
	A	Strong capacity for repayment but less than AA category
	BBB	Adequate capacity for repayment
	BB	Speculative
	B	Greater vulnerability to default than BB category
	CCC	Identifiable vulnerability to default
	CC	Subordinated debt of issues ranked in CCC category
	C	Subordinated debt of issues ranked in CCC category
	Cl	Income bonds where no interest is paid
	D	Default
Standard & Poors – Modifiers	(+) or (-)	Rankings within rating category
Standard & Poors – Commercial	A-1	Highest degree of safety
	A-2	Timely repayment characteristics is satisfactory
	A-3	Adequate capacity for repayment
	B	Speculative
	C	Doubtful repayment
	D	Default

APPENDIX B
(Continued)

RATING SUMMARY

<u>RATING SERVICE</u>		<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Fitch		AAA	Highest credit quality
		AA	Very high credit quality
		A	High credit quality
		BBB	Good credit quality
		BB	Speculative
		B	High speculative
		CCC, CC, C	High default risk
		DDD, DD, D	Default
Fitch	Modifiers	“+” or “-”	Relative status within rating categories
Fitch	Commercial Paper	F1	Highest credit quality
		F2	Good credit quality
		F3	Fair credit quality
		B	Speculative
		C	High default risk
		D	Default
Bauer		5 Star	Superior
		4 Star	Excellent
		3 ½ Star	Good
		3 Star	Adequate
		2 Star	Problematic
		1 Star	Troubled
		Zero	Our lowest star rating

APPENDIX C

Glossary of Cash Management Terms

The following is a glossary of key investing terms, many of which appear in County of Fresno Treasury Investment Policy. This glossary has been adapted from the Government Finance Officers Association (GFOA) sample investment policy.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds term bonds, or both, with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance - A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C

(Continued)

Certificate of Deposit (CD) – A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) – A private CD placement service that allows local agencies to purchase more than \$100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating services.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest principal on a security, or both.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

APPENDIX C (Continued)

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms in the United States.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause in investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash without significant loss of value.

Local Agency Investment Fund - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

APPENDIX C

(Continued)

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Medium-Term Note - Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities - Mortgage-backed securities (MBS) are created when a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interest or participations in the pool. MBS owners receive a prorate share of the interest and principal passed through from the pool of mortgages. Most MBS are issued guaranteed, or both, by federal agencies and instrumentalities.

Mortgage Pass-Through Obligations - Securities that are created when residential mortgages are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

APPENDIX C

(Continued)

Negotiable Certificates of Deposit - Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, or state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.) $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit - CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to \$100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C

(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C (Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



Quarterly Investment Report

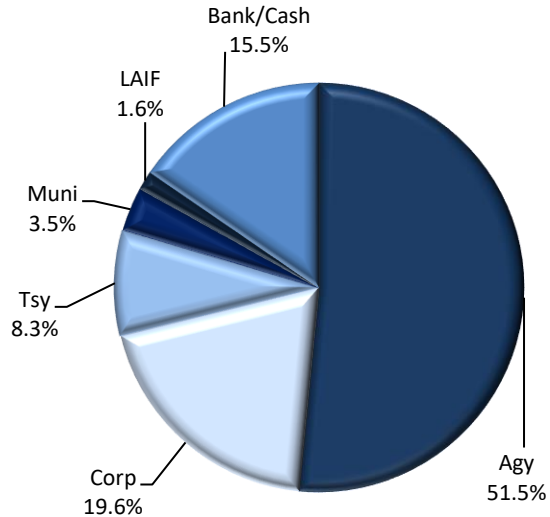
As of December 31, 2019

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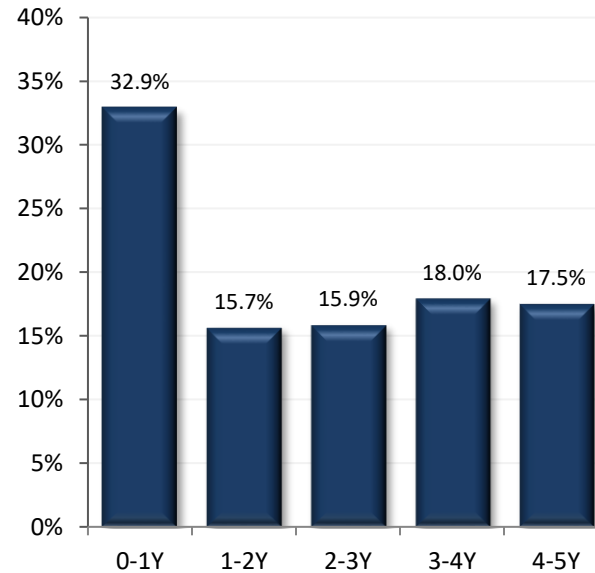
Board of Supervisors: Buddy Mendes, Brian Pacheco, Nathan Magsig, Sal Quintero, Steve Brandau
County Administrative Officer: Jean Rousseau

SECTOR ALLOCATION



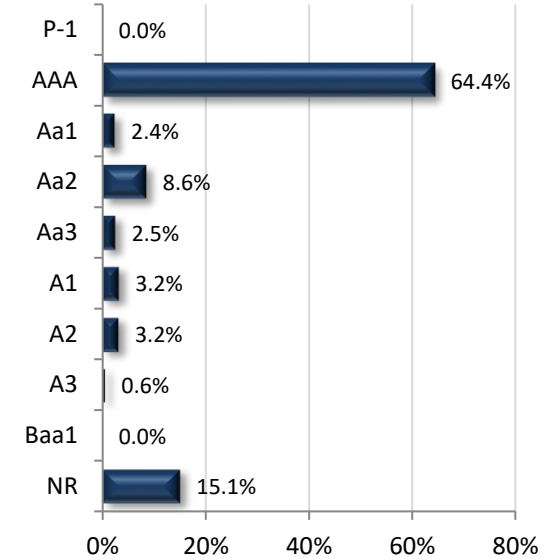
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



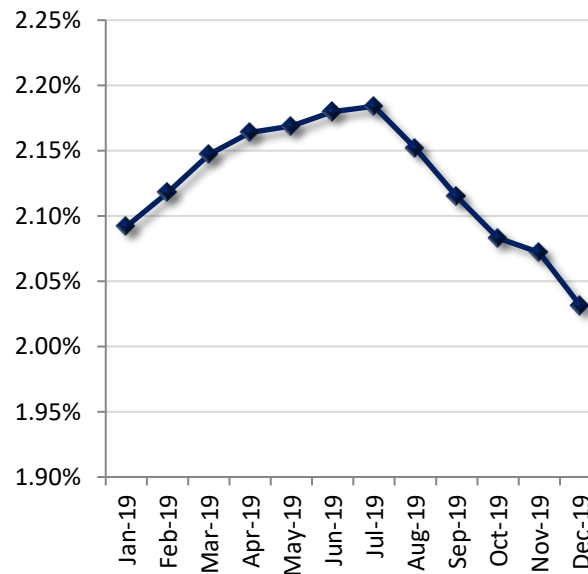
NR: Not Rated

ACCOUNT SUMMARY

	12/31/19	9/30/19
Market Value	\$4,216,158,910	\$3,691,845,342
Book Value*	\$4,179,751,295	\$3,651,702,399
Unrealized G/L	\$36,407,615	\$40,142,943
Par Value	\$4,175,314,810	\$3,651,563,707
Net Asset Value	\$100.871	\$101.099
Book Yield	2.03%	2.12%
Years to Maturity	2.06	2.02
Effective Duration	1.96	1.93

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
FEDERAL HOME LOAN BANK	19.3%
FEDERAL NATIONAL MORTGAGE	18.2%
FEDERAL FARM CREDIT BANK	12.4%
BANK OF THE WEST MM	12.0%
US TREASURY NOTE	8.3%
STATE OF CALIFORNIA	3.5%
JP MORGAN	2.8%
MICROSOFT	2.6%
TOYOTA MOTOR CREDIT	2.5%
US BANK NA	2.5%
APPLE INC	2.4%
FIDELITY 2642	1.9%
WELLS FARGO	1.8%
JOHN DEERE	1.7%
LAIF	1.6%

Per Book Value

Item / Sector	Parameters	In Compliance	
11.0 Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3.5 years.	Yes	2.06 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	8.3%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	51.5%
8.3 Banker Acceptances	40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.	Yes	0.0%
8.4 Commercial Paper	40% limit, corporation organized and operating in the US with total assets of \$500mm. 10% of issuer's CP / 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.	Yes	0.0%
8.5 Negotiable CDs	30% limit (combined with 8.6.1), Issued by national or state chartered bank or savings assoc., or a state licensed branch of a foreign bank that is among 150 largest banks in total asset size; minimum short-term rating of P-1 or A-1 or issuer meets rating requirements; 5% in any one issuer, max maturity 13 months.	Yes	0.0%
8.6 Non-Negotiable CDs	50% limit, Issued by national or state chartered bank or savings association. FDIC insurance OR full collateralization of 110% government or 150% mortgages. Contract for Deposit in place. 15% in any one issuer; short-term rating is a minimum of A-1 by S&P or P-1 by Moody's, max maturity 13 months.	Yes	0.0%
8.6.1 Placement CDs	15% limit (30% combined with 8.5), Issued by national or state chartered bank or savings association or credit union that uses a placement entity. Deposit Placement Agreement in place.	Yes	0.0%
8.7 Repurchase Agreements	15% limit, Tri-party agreement in place. 102% collateralization of US treasuries or agencies, BAs, CP, Negotiable CD's; Overnight or weekend maturities.	Yes	0.0%
8.8 Medium-Term Notes	30% limit, organized and operating in the US or state licensed depository institution; max maturity 5 years; rated A or better by S&P, or its equivalent or better by a nationally recognized rating service.	Yes	19.6%
8.9 L.A.I.F	California State's deposit limit is \$65 million; Current investment policy limit is not to exceed 10% of the portfolio.	Yes	\$65 Mil

Item / Sector	Parameters	In Compliance	
8.10 Mutual Funds/ Money Markets Funds	20% limit, 10% per issuer; Registered with SEC, 5 years experience, \$500mm AUM or rated by AAA-m, Aaa-mf, AAA-m by not less than two nationally recognized rating agencies.	Yes	1.9%
8.11 ABS and MBS	10% limit combined. Security must be AA rated by one rating agency, with an A or better rating for the underlying, max maturity 5 years.	Yes	0.0%
8.12 Money Held from Pledged Assets	Invest according to statutory provision or according to entity providing issuance.	Yes	0.0%
8.13 External Managers	Invest per policy.	Yes	0.0%
8.14 State of California Debt	10% limit, Registered State warrants or CA treasury notes, including revenue producing entities controlled or operated by the State or by a department, board, agency, or authority of the State; 5 years max maturity.	Yes	3.5%
Cash & Bank Account	NA	NA	13.5%

Compliance

The Treasury Investment Pool is in compliance with the County of Fresno Treasury Investment Pool Investment Policy.

The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

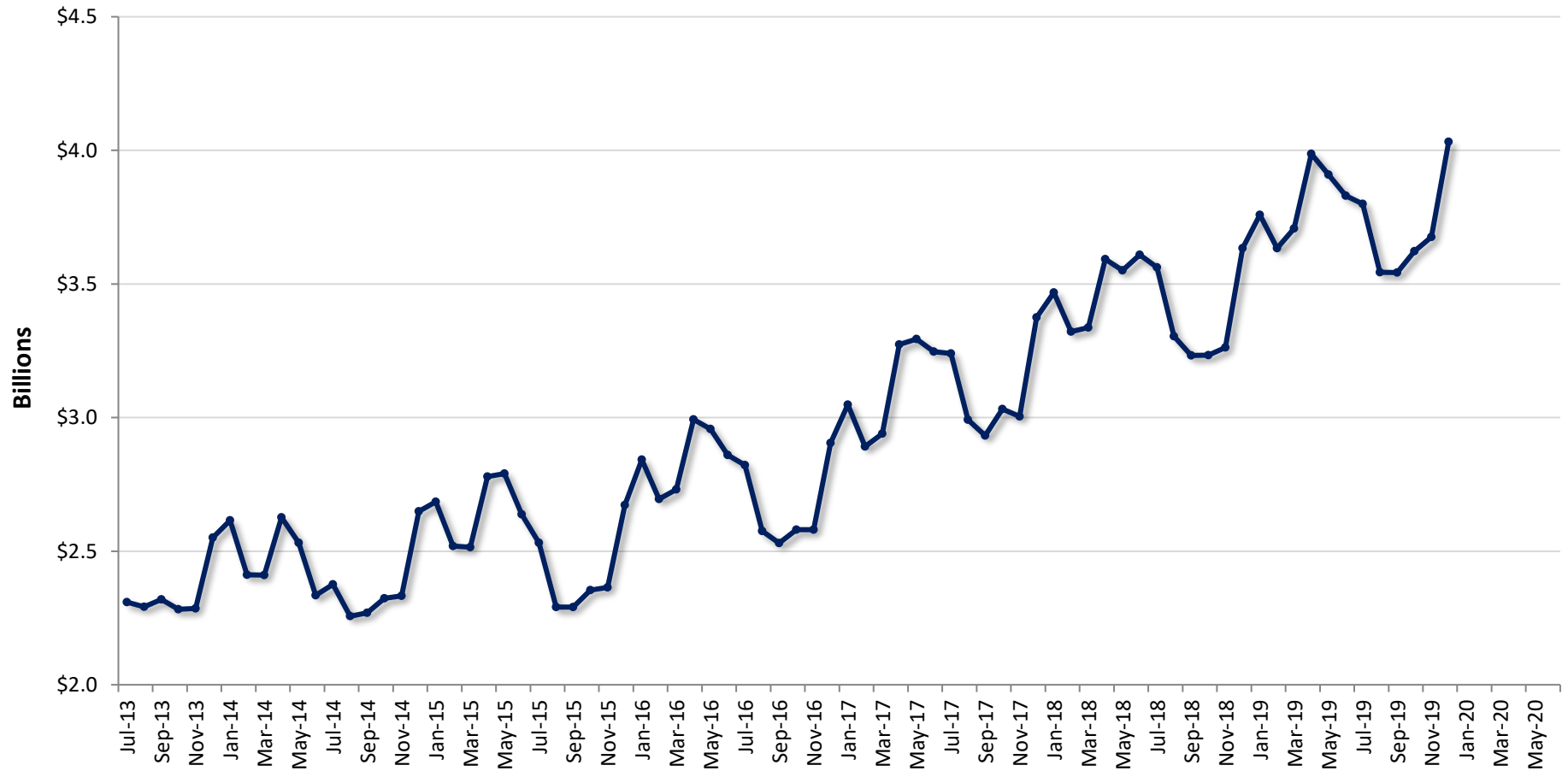
Review and Monitoring

FHN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

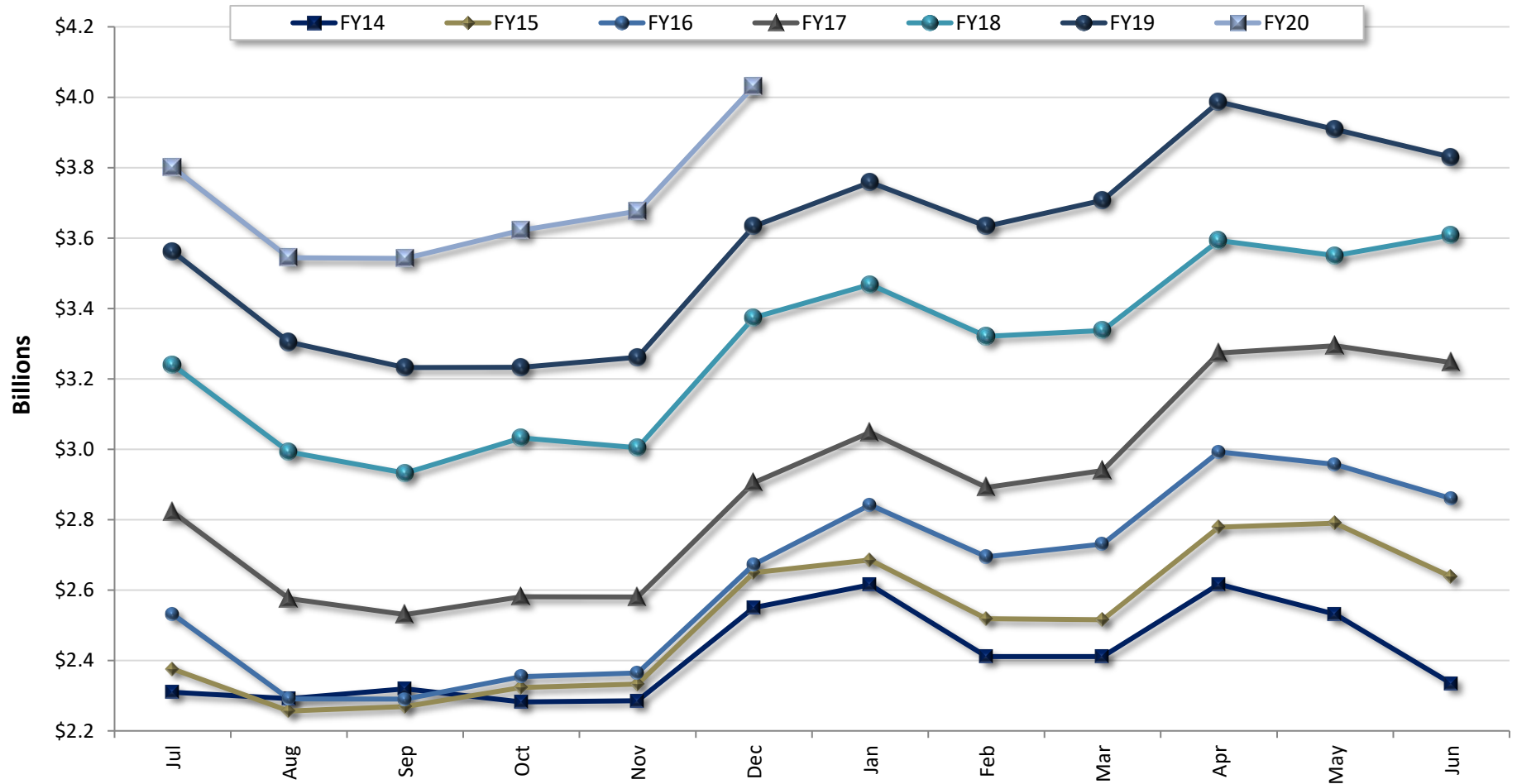
Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Ice Data Services.



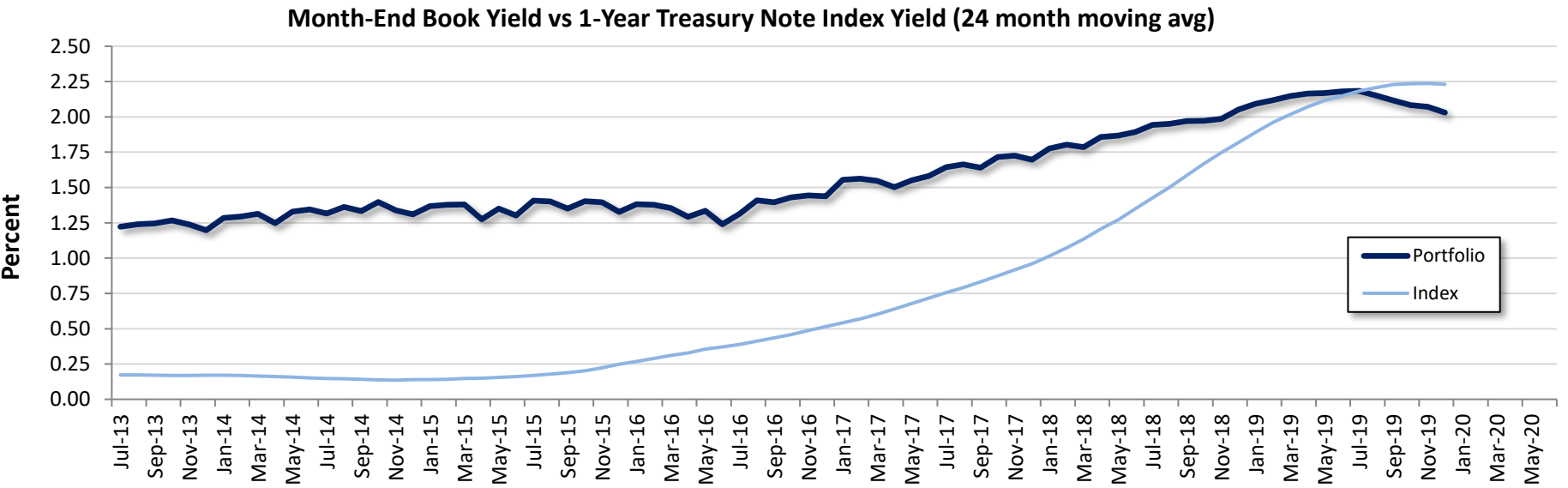
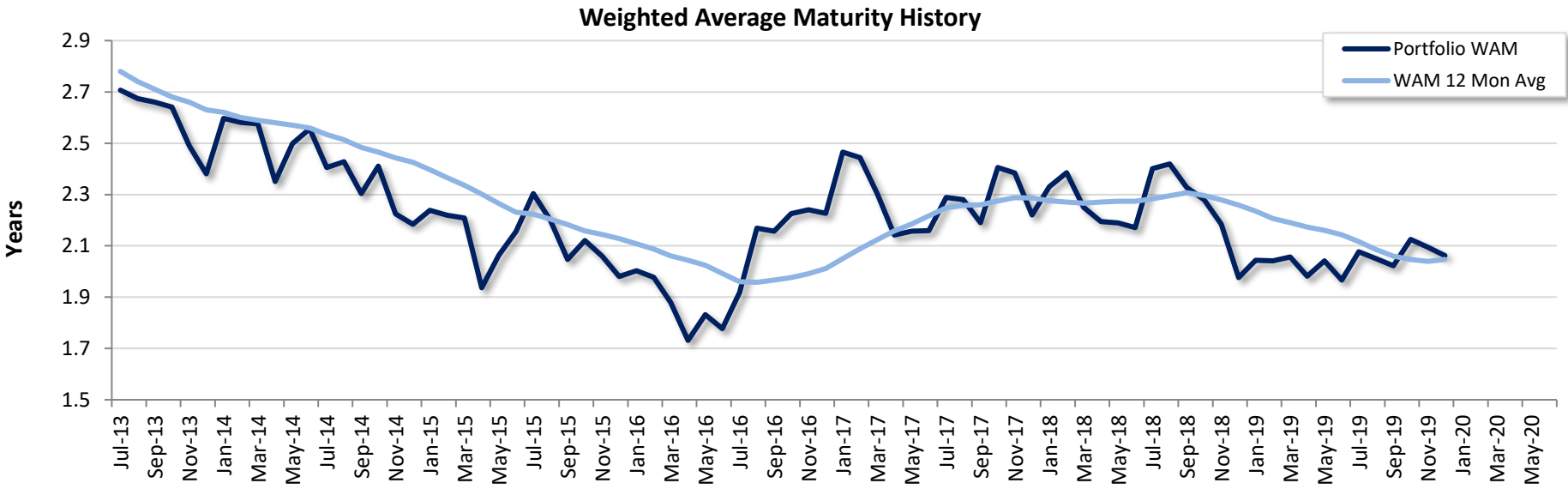
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	\$2.310	\$2.291	\$2.319	\$2.282	\$2.285	\$2.551	\$2.615	\$2.411	\$2.411	\$2.617	\$2.531	\$2.335
Fiscal Year 2015	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
Fiscal Year 2016	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
Fiscal Year 2017	\$2.822	\$2.576	\$2.530	\$2.581	\$2.580	\$2.905	\$3.048	\$2.891	\$2.940	\$3.274	\$3.294	\$3.247
Fiscal Year 2018	\$3.240	\$2.992	\$2.932	\$3.032	\$3.004	\$3.374	\$3.468	\$3.321	\$3.337	\$3.593	\$3.550	\$3.609
Fiscal Year 2019	\$3.562	\$3.305	\$3.232	\$3.233	\$3.262	\$3.634	\$3.759	\$3.634	\$3.707	\$3.987	\$3.909	\$3.830
Fiscal Year 2020	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031						

Figures in Billions, Average Daily Balance

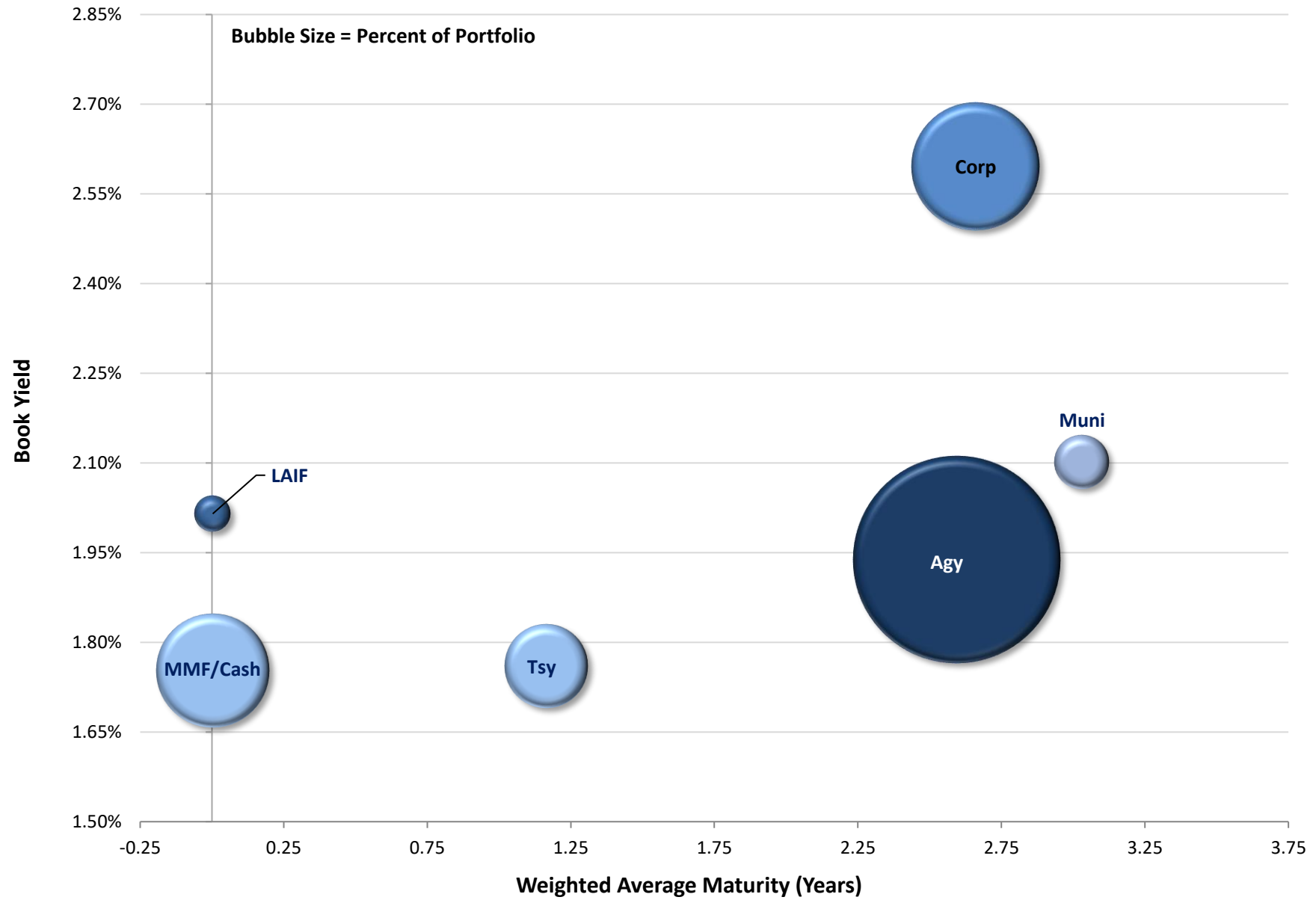


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	\$2.310	\$2.291	\$2.319	\$2.282	\$2.285	\$2.551	\$2.615	\$2.411	\$2.411	\$2.617	\$2.531	\$2.335
Fiscal Year 2015	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
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Fiscal Year 2020	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031						

Figures in Billions, Average Daily Balance

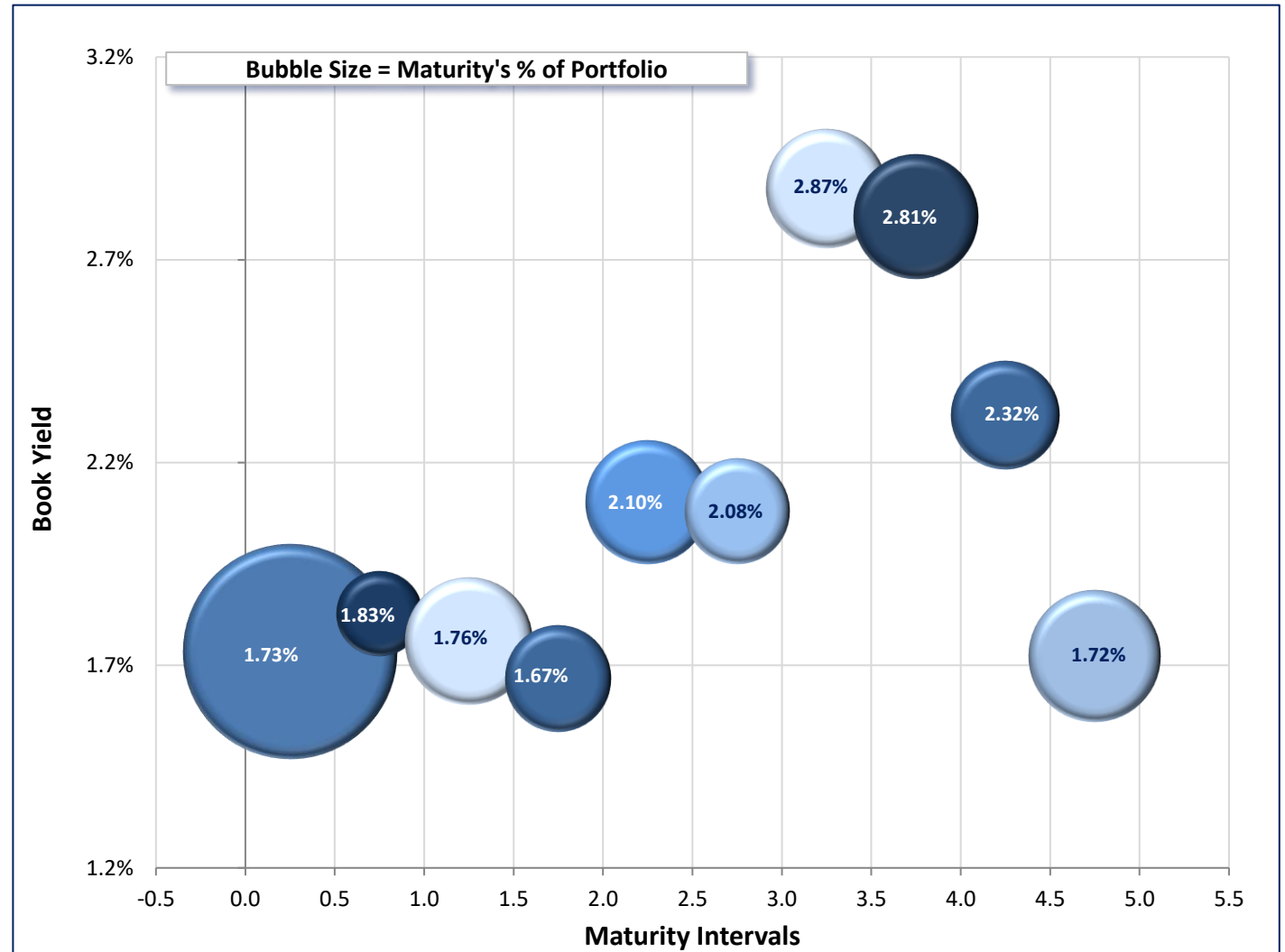


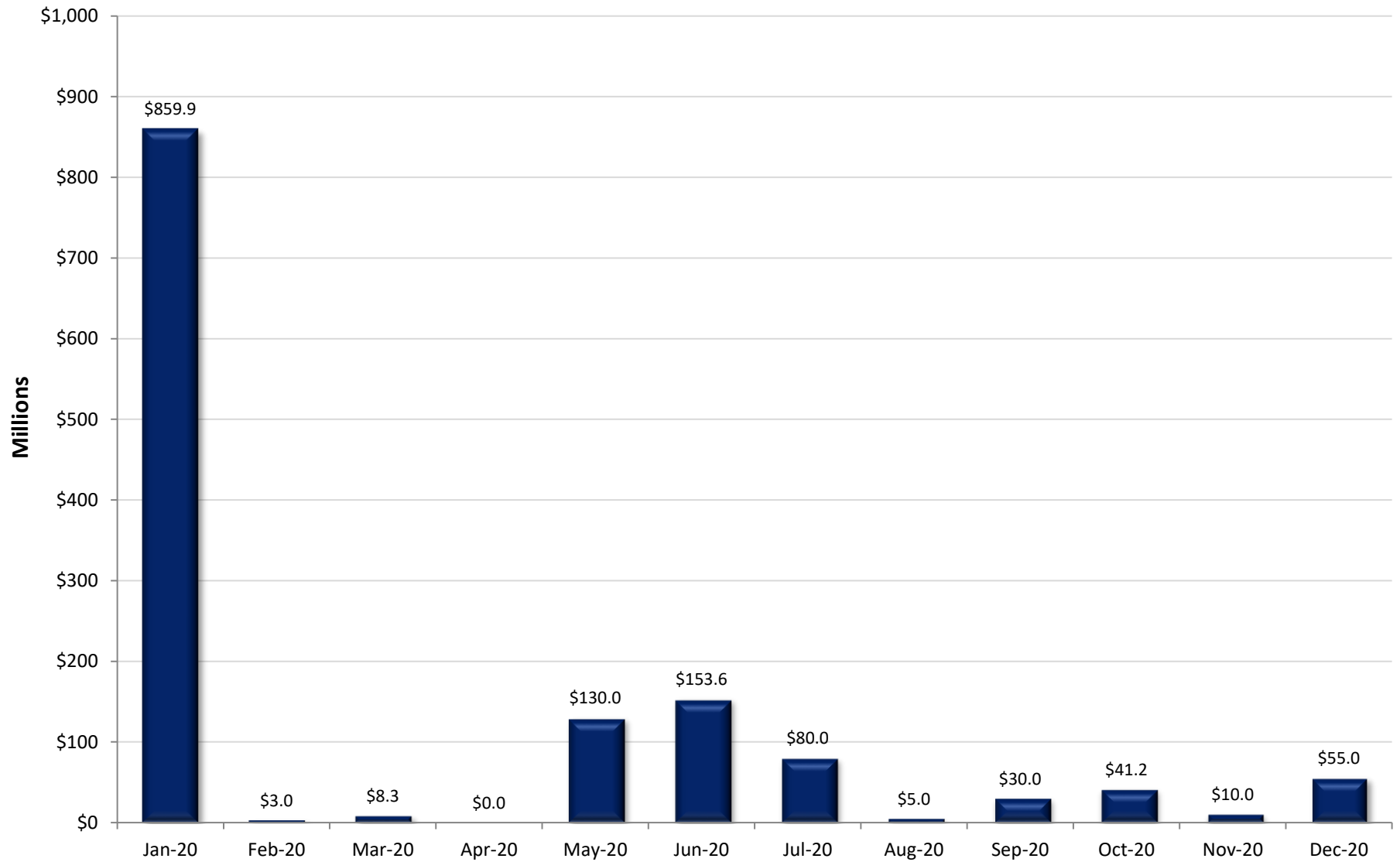
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



Years	Book Yield	% of Portfolio*
0 to .5	1.73%	27.63%
.5 to 1.0	1.83%	4.33%
1.0 to 1.5	1.76%	9.83%
1.5 to 2.0	1.67%	6.80%
2.0 to 2.5	2.10%	9.23%
2.5 to 3.0	2.08%	6.66%
3.0 to 3.5	2.87%	8.67%
3.5 to 4.0	2.81%	9.31%
4.0 to 4.5	2.32%	7.06%
4.5 to 5.0+	1.72%	10.48%
Total	2.03%	100.0%

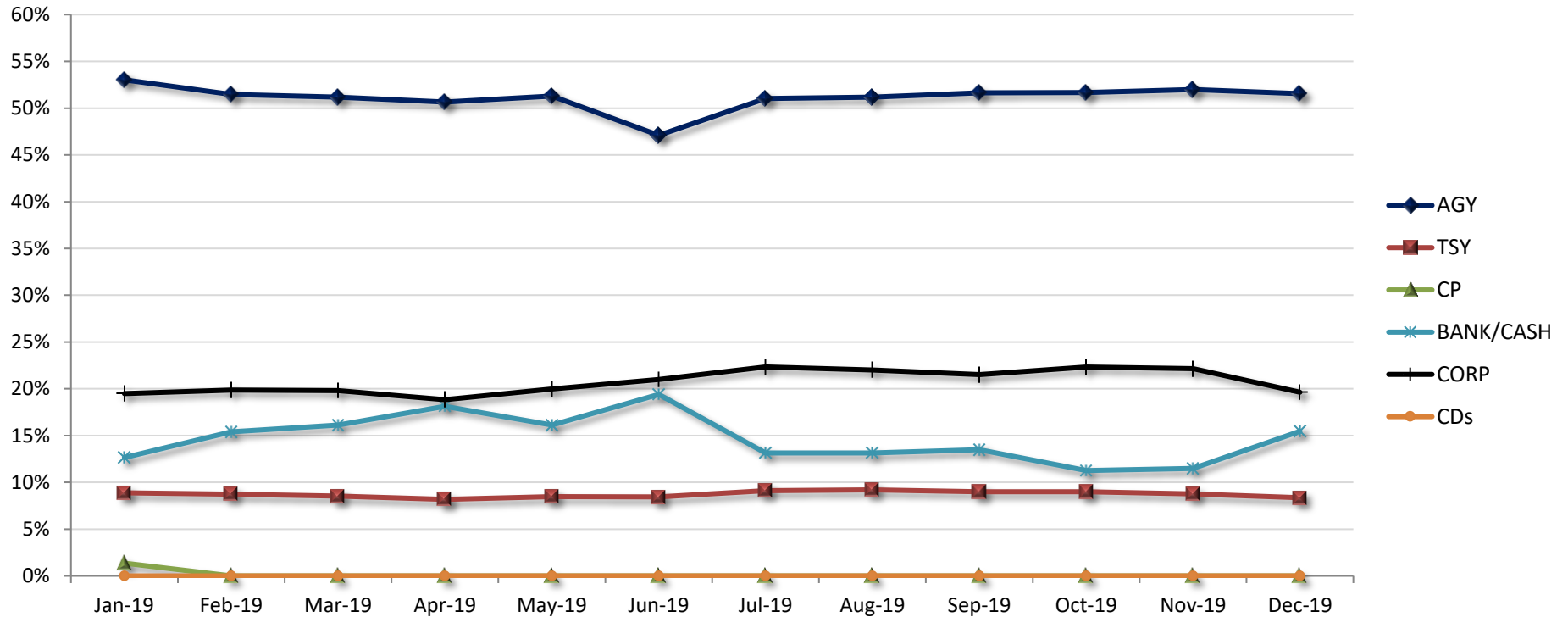
*Based on Book Value



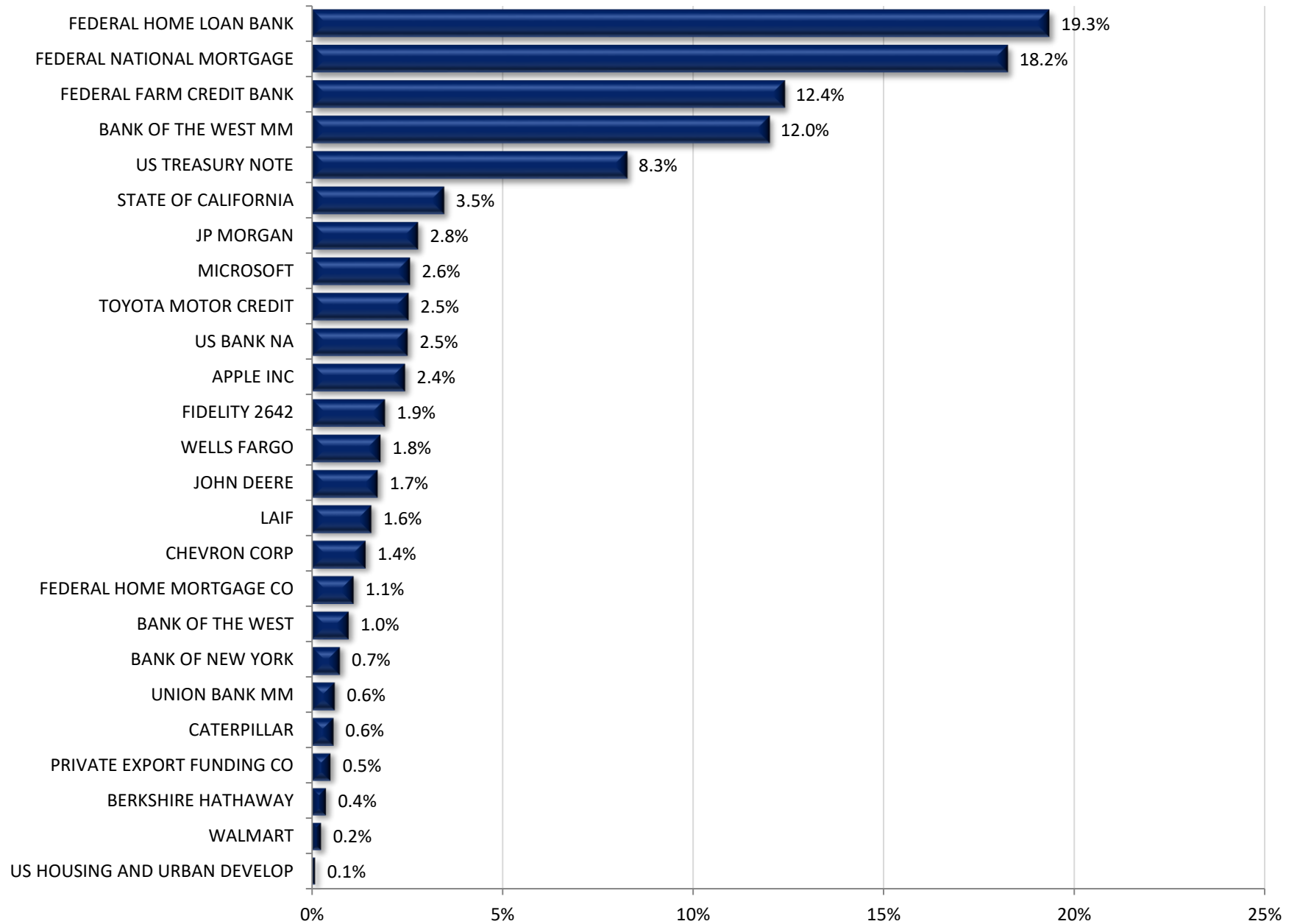


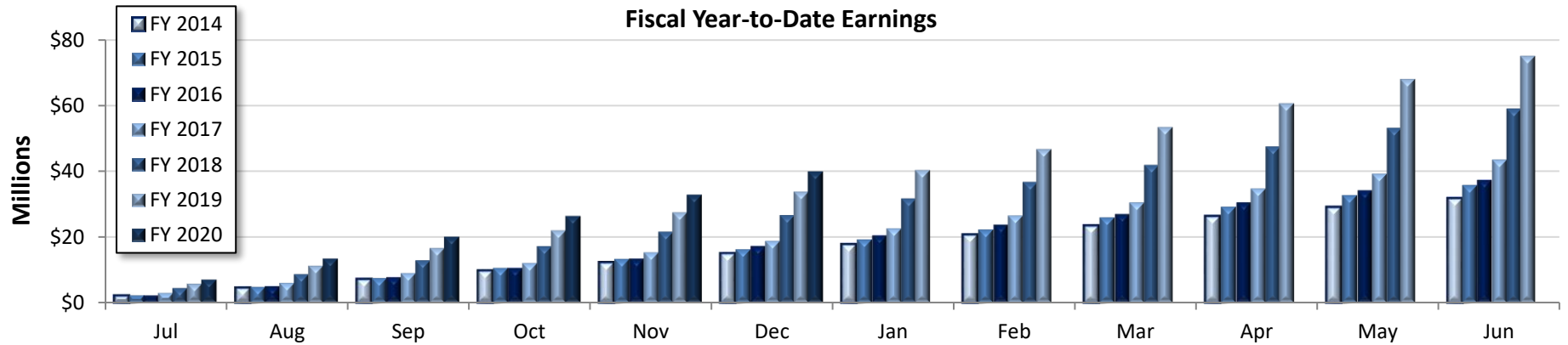
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Maturities	\$859.9	\$3.0	\$8.3	\$0.0	\$130.0	\$153.6	\$80.0	\$5.0	\$30.0	\$41.2	\$10.0	\$55.0

Par Value in Millions

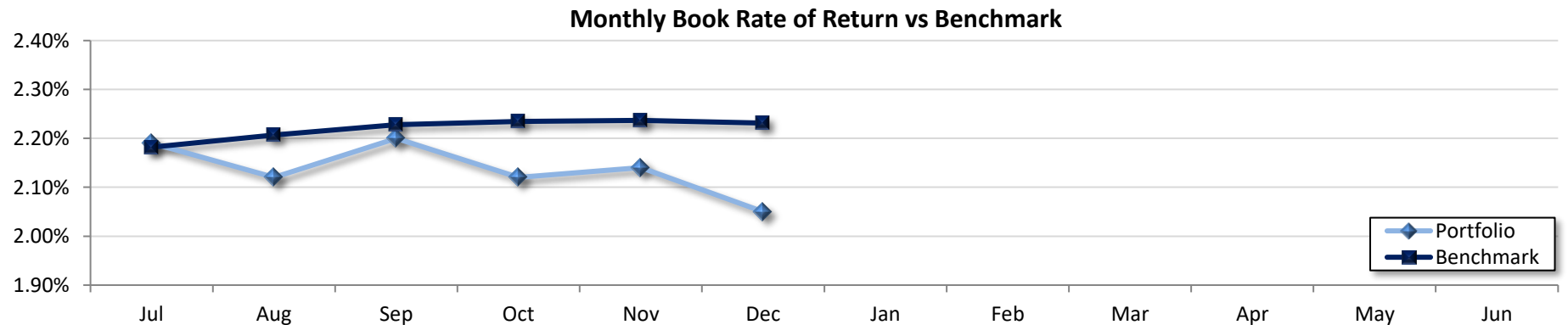


Sector	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Agency	53.0%	51.5%	51.2%	50.7%	51.3%	47.1%	51.0%	51.2%	51.7%	51.7%	52.0%	51.5%
Treasury	8.9%	8.7%	8.5%	8.2%	8.5%	8.4%	9.1%	9.2%	9.0%	9.0%	8.8%	8.3%
Commercial Paper	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LAIF	1.8%	1.7%	1.7%	1.6%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%
Muni	2.8%	2.8%	2.7%	2.6%	2.4%	2.4%	2.6%	2.6%	2.6%	4.0%	3.9%	3.5%
Corporates	19.5%	19.9%	19.8%	18.8%	20.0%	21.0%	22.3%	22.0%	21.5%	22.3%	22.2%	19.6%
CDs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bank/Cash	12.6%	15.4%	16.1%	18.1%	16.1%	19.4%	13.1%	13.2%	13.5%	11.3%	11.5%	15.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





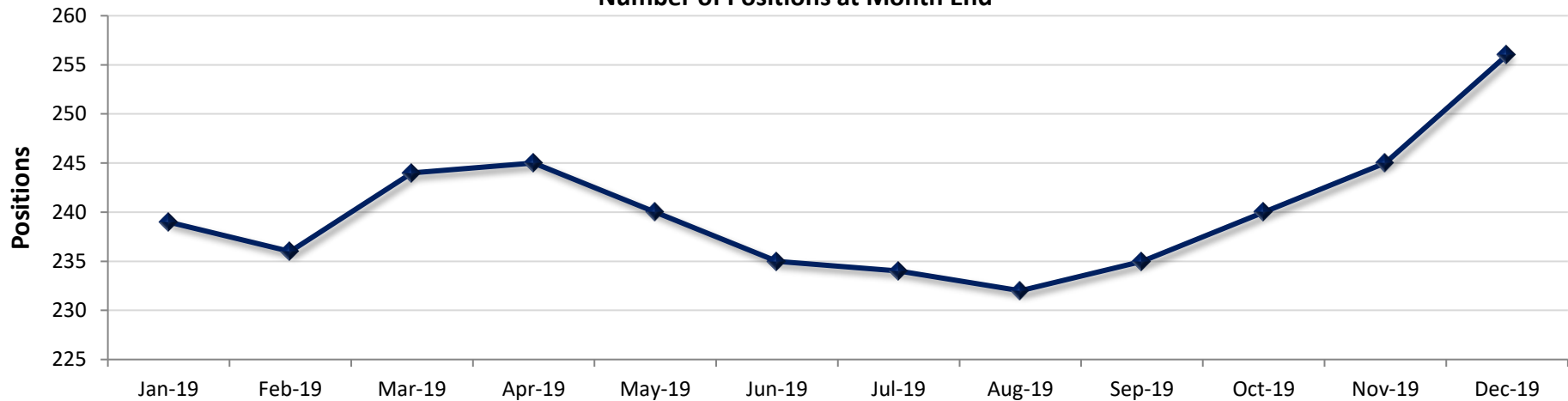
Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	\$2.3	\$4.7	\$7.3	\$9.8	\$12.2	\$15.0	\$17.7	\$20.7	\$23.4	\$26.2	\$29.0	\$31.6
FY 2015	\$2.3	\$4.9	\$7.5	\$10.5	\$13.3	\$16.2	\$19.2	\$22.1	\$25.8	\$29.0	\$32.5	\$35.5
FY 2016	\$2.3	\$5.1	\$7.8	\$10.6	\$13.4	\$17.2	\$20.5	\$23.7	\$26.9	\$30.5	\$34.2	\$37.3
FY 2017	\$3.0	\$6.0	\$9.0	\$12.1	\$15.3	\$18.9	\$22.7	\$26.5	\$30.5	\$34.8	\$39.2	\$43.5
FY 2018	\$4.5	\$8.7	\$12.9	\$17.3	\$21.6	\$26.7	\$31.7	\$36.7	\$41.9	\$47.4	\$53.0	\$58.8
FY 2019	\$5.8	\$11.3	\$16.7	\$22.1	\$27.5	\$33.8	\$40.4	\$46.7	\$53.5	\$60.7	\$68.0	\$75.1
FY 2020	\$7.1	\$13.5	\$20.0	\$26.4	\$32.9	\$39.9						



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	2.19%	2.12%	2.20%	2.12%	2.14%	2.05%						
Benchmark*	2.18%	2.21%	2.23%	2.23%	2.24%	2.23%						
Variance	0.01%	-0.09%	-0.03%	-0.11%	-0.10%	-0.18%						

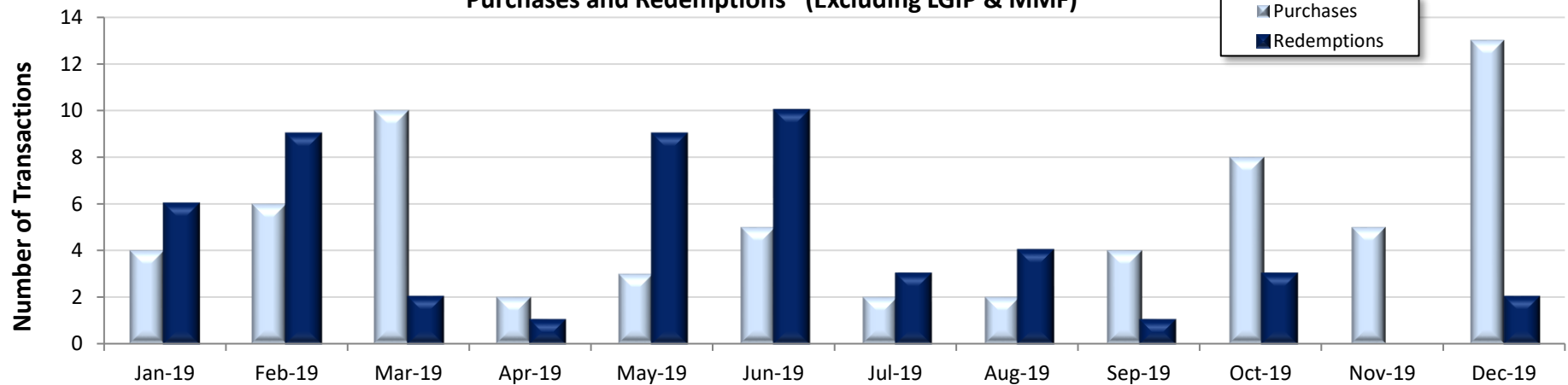
*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)

Number of Positions at Month End



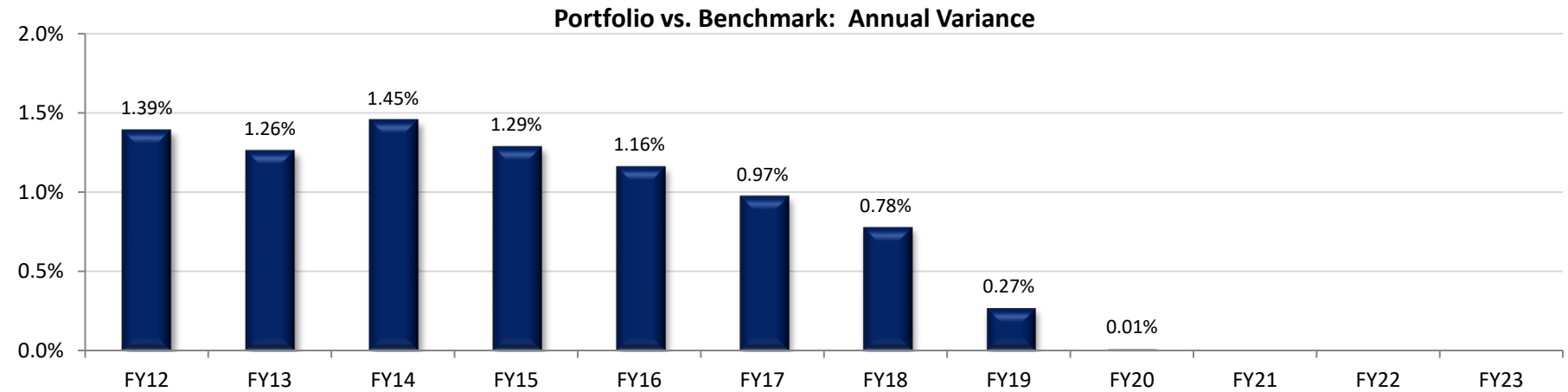
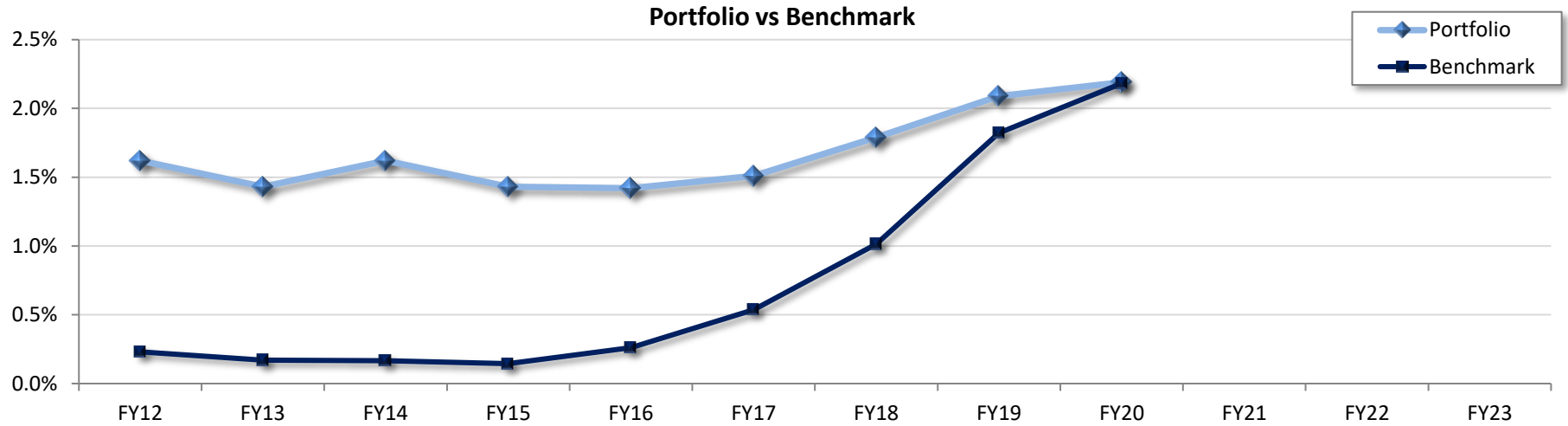
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Positions	239	236	244	245	240	235	234	232	235	240	245	256

Purchases and Redemptions* (Excluding LGIP & MMF)



*Redemptions include maturities, calls, and sells

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Purchases	4	6	10	2	3	5	2	2	4	8	5	13
Redemptions	6	9	2	1	9	10	3	4	1	3	0	2
Total Transactions	10	15	12	3	12	15	5	6	5	11	5	15



Fiscal YTD	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Portfolio	1.62%	1.43%	1.62%	1.43%	1.42%	1.51%	1.79%	2.09%	2.19%			
Benchmark*	0.23%	0.17%	0.17%	0.14%	0.26%	0.54%	1.01%	1.82%	2.18%			
Variance	1.39%	1.26%	1.45%	1.29%	1.16%	0.97%	0.78%	0.27%	0.01%			

*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period

Summary of Portfolio

	December 2019	September 2019	June 2019	March 2019	December 2018
Market Value	\$4,216,158,910	\$3,691,845,342	\$3,922,607,201	\$3,849,252,349	\$3,770,988,770
Amortize Cost Value	\$4,179,751,295	\$3,651,702,399	\$3,895,135,225	\$3,857,429,169	\$3,808,681,373
Unrealized Gain/Loss % on cost	0.87%	1.10%	0.71%	-0.21%	-0.99%
Yield (weighted on cost value)	2.03%	2.12%	2.18%	2.15%	2.05%
Years to Maturity (weighted on cost value)	2.06	2.02	1.97	2.06	1.98
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

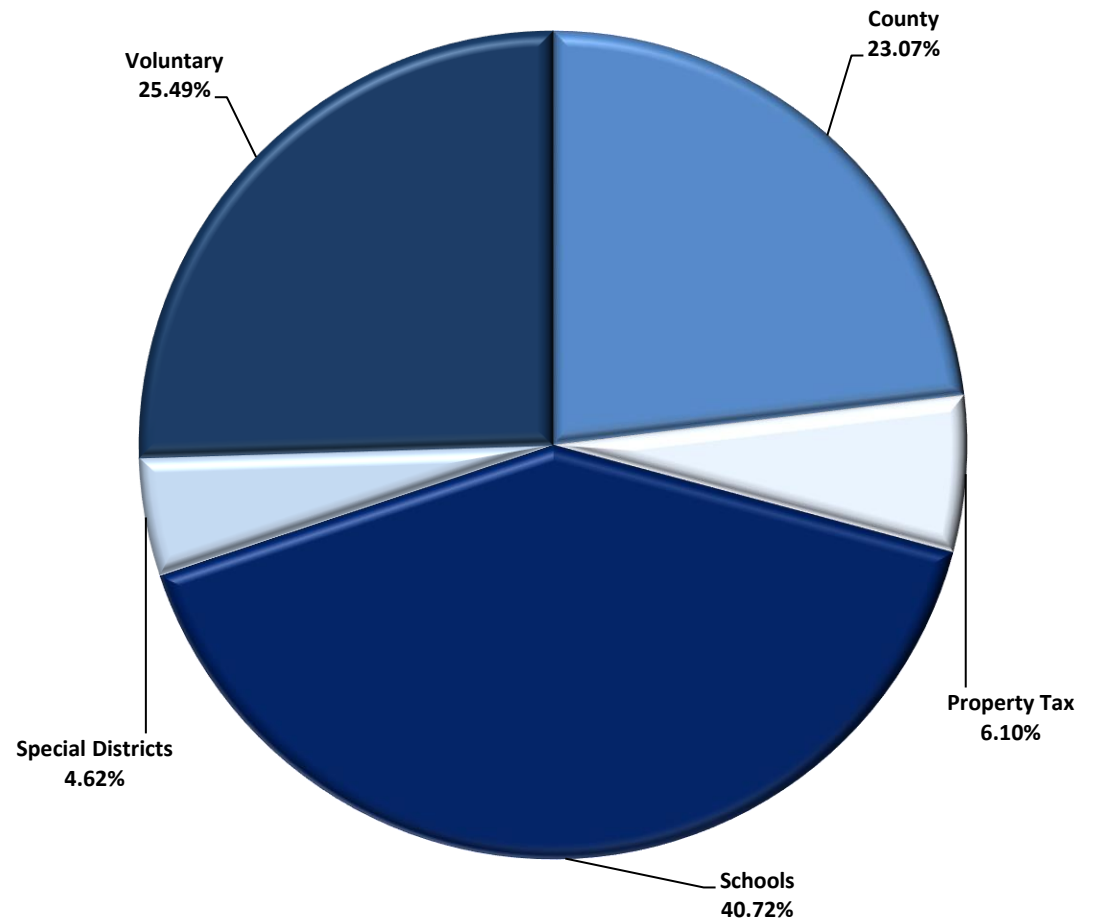
Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					710.9
1/20	476.8	594.1	-117.3	149.0	742.6
2/20	431.1	472.9	-41.8	3.0	703.8
3/20	583.2	487.0	96.2	8.3	808.3
4/20	630.3	508.6	121.7	0.0	930.0
5/20	439.9	540.8	-100.9	75.0	904.1
6/20	563.0	575.6	-12.6	208.6	1,100.1
Totals	3,124.3	3,179.0	-54.7	443.9	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.

Entity	Portfolio \$	Portfolio %
County	976,377,456	23.07%
Property Tax	258,265,114	6.10%
Schools	1,723,835,653	40.72%
Special Districts	195,596,816	4.62%
Voluntary	1,078,863,776	25.49%
Total	4,232,938,814	100.00%





**County of Fresno
Portfolio Management
Portfolio Summary
December 31, 2019**

Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Bank Accounts	40,062,675.13	40,062,675.13	40,062,675.13	0.96	1	1	1.489
Federal Agency Coupons	2,149,924,000.00	2,175,268,592.14	2,154,568,279.16	51.55	1,718	947	1.938
Medium Term Notes	822,517,000.00	834,988,658.10	820,744,382.60	19.64	1,649	971	2.596
Treasury Notes	348,500,000.00	349,539,365.24	348,693,183.33	8.34	1,469	425	1.760
Mutual Funds	80,000,000.00	80,000,000.00	80,000,000.00	1.91	1	1	1.509
Local Agency Investment Funds	65,000,000.00	65,000,000.00	65,000,000.00	1.56	1	1	2.015
Bank Money Market Accounts	525,811,134.82	525,811,134.82	525,811,134.82	12.58	1	1	1.810
Municipal Bonds	143,500,000.00	145,488,485.00	144,871,640.06	3.47	1,658	1,106	2.102
	4,175,314,809.95	4,216,158,910.43	4,179,751,295.10	100.00%	1,390	753	2.031

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	7,027,144.12	39,904,284.46
Average Daily Balance	4,031,470,945.23	3,703,534,865.03
Effective Rate of Return	2.05%	2.14%

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 12/01/2019-12/31/2019

Run Date: 01/21/2020 - 10:23

Portfolio FSNO
AC
PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 2019

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Bank Accounts											
SYS03400A	03400A	BANK OF THE WEST			40,062,675.13	40,062,675.13	40,062,675.13	1.510	1.510		
Subtotal and Average			18,801,542.86		40,062,675.13	40,062,675.13	40,062,675.13		1.510		
Federal Agency Coupons											
3133EEW55	17316	FEDERAL FARM CREDIT BANK		06/15/2015	10,000,000.00	10,010,145.40	9,996,234.38	1.800	1.887	AA+	Aaa 06/15/2020
3133EFYZ4	17359	FEDERAL FARM CREDIT BANK		02/29/2016	17,800,000.00	17,763,100.60	17,788,411.57	1.375	1.436	AA+	Aaa 02/10/2021
3133EGYQ2	17410	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,971,057.10	9,990,205.67	1.400	1.457	AA+	Aaa 10/14/2021
3133EGZJ7	17411	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,965,900.80	9,985,679.66	1.375	1.457	AA+	Aaa 10/25/2021
3133EG5D3	17447	FEDERAL FARM CREDIT BANK		01/27/2017	50,000,000.00	50,443,163.00	50,000,000.00	2.030	2.030	AA+	Aaa 01/27/2022
3133EHJT1	17479	FEDERAL FARM CREDIT BANK		05/18/2017	5,000,000.00	5,046,453.60	4,997,286.17	2.000	2.024	AA+	Aaa 05/18/2022
3133EEY20	17495	FEDERAL FARM CREDIT BANK		09/21/2017	10,000,000.00	10,191,606.00	10,110,516.30	2.400	1.928	AA+	Aaa 06/17/2022
3133EHVS9	17499	FEDERAL FARM CREDIT BANK		09/28/2017	5,500,000.00	5,533,081.57	5,481,755.58	1.840	1.972	AA+	Aaa 08/23/2022
3133EJBP3	17535	FEDERAL FARM CREDIT BANK		02/07/2018	10,000,000.00	10,260,926.10	9,973,342.19	2.500	2.593	AA+	Aaa 02/02/2023
3133EJBP3	17536	FEDERAL FARM CREDIT BANK		02/28/2018	51,180,000.00	52,515,419.78	50,795,114.63	2.500	2.762	AA+	Aaa 02/02/2023
3133EH7F4	17557	FEDERAL FARM CREDIT BANK		04/19/2018	19,869,000.00	20,292,910.48	19,617,155.91	2.350	2.797	AA+	Aaa 01/17/2023
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	20,850,253.40	19,998,156.89	2.875	2.878	AA+	Aaa 07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	31,275,380.10	29,931,429.24	2.875	2.945	AA+	Aaa 07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	10,425,126.70	9,949,356.46	2.875	3.029	AA+	Aaa 07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	17,846,466.89	17,172,364.92	3.080	2.775	AA+	Aaa 07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	3,033,711.87	2,919,730.42	2.875	2.774	AA+	Aaa 07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	67,549,528.15	64,962,887.60	2.770	2.787	AA+	Aaa 07/28/2023
3133EJUS6	17615	FEDERAL FARM CREDIT BANK		01/18/2019	20,000,000.00	20,850,253.40	20,130,043.24	2.875	2.679	AA+	Aaa 07/17/2023
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	3,054,558.39	2,952,069.14	2.650	2.583	AA+	Aaa 10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	20,706,480.20	20,015,334.21	2.610	2.590	AA+	Aaa 02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	20,706,480.20	19,986,672.61	2.610	2.627	AA+	Aaa 02/27/2024
3133EKWV4	17647	FEDERAL FARM CREDIT BANK		08/28/2019	4,950,000.00	4,970,391.13	5,044,140.89	1.850	1.455	AA+	Aaa 07/26/2024
3133EKWV4	17648	FEDERAL FARM CREDIT BANK		08/28/2019	15,000,000.00	15,061,791.30	15,278,827.54	1.850	1.464	AA+	Aaa 07/26/2024
3133EKWV4	17649	FEDERAL FARM CREDIT BANK		09/13/2019	17,941,000.00	18,014,906.51	18,097,670.29	1.850	1.705	AA+	Aaa 07/26/2024
3133EKHV1	17655	FEDERAL FARM CREDIT BANK		10/16/2019	2,292,000.00	2,361,491.63	2,385,542.58	2.450	1.646	AA+	Aaa 07/22/2024
3133ELCS1	17666	FEDERAL FARM CREDIT BANK		12/11/2019	20,000,000.00	19,856,813.60	19,939,600.00	1.550	1.625	AA+	Aaa 03/11/2024
3133ELCS1	17667	FEDERAL FARM CREDIT BANK		12/11/2019	25,000,000.00	24,821,017.00	24,921,045.75	1.550	1.628	AA+	Aaa 03/11/2024
3133ELEM2	17674	FEDERAL FARM CREDIT BANK		12/17/2019	25,000,000.00	24,956,578.25	25,000,000.00	1.700	1.700	AA+	Aaa 05/17/2024
313383HU8	17315	FEDERAL HOME LOAN BANK		06/12/2015	20,000,000.00	20,005,613.00	19,999,914.13	1.750	1.751	AA+	Aaa 06/12/2020
313383HU8	17317	FEDERAL HOME LOAN BANK		06/26/2015	12,615,000.00	12,618,540.40	12,610,915.23	1.750	1.826	AA+	Aaa 06/12/2020
3130A7CV5	17363	FEDERAL HOME LOAN BANK		03/03/2016	5,000,000.00	4,987,678.00	4,991,806.42	1.375	1.526	AA+	Aaa 02/18/2021
313376XN0	17364	FEDERAL HOME LOAN BANK		03/03/2016	820,000.00	823,761.61	824,731.79	2.100	1.554	AA+	Aaa 02/08/2021

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3130A7CV5	17371	FEDERAL HOME LOAN BANK		04/21/2016	10,000,000.00	9,975,356.00	9,996,930.51	1.375	1.403	AA+	Aaa 02/18/2021
313381CA1	17372	FEDERAL HOME LOAN BANK		04/21/2016	5,000,000.00	4,986,902.35	5,000,268.74	1.375	1.369	AA+	Aaa 12/11/2020
3130A7CV5	17376	FEDERAL HOME LOAN BANK		05/20/2016	5,000,000.00	4,987,678.00	4,994,983.99	1.375	1.467	AA+	Aaa 02/18/2021
3130A7CV5	17379	FEDERAL HOME LOAN BANK		05/25/2016	10,000,000.00	9,975,356.00	9,987,366.99	1.375	1.491	AA+	Aaa 02/18/2021
3130A1W95	17386	FEDERAL HOME LOAN BANK		07/15/2016	30,000,000.00	30,263,110.50	30,418,991.62	2.250	1.250	AA+	Aaa 06/11/2021
3130A7CV5	17388	FEDERAL HOME LOAN BANK		08/08/2016	10,000,000.00	9,975,356.00	10,022,062.90	1.375	1.174	AA+	Aaa 02/18/2021
3130A8QS5	17389	FEDERAL HOME LOAN BANK		08/08/2016	15,000,000.00	14,887,941.30	14,973,470.95	1.125	1.244	AA+	Aaa 07/14/2021
313379RB7	17392	FEDERAL HOME LOAN BANK		08/17/2016	10,000,000.00	10,032,119.90	10,079,243.32	1.875	1.307	AA+	Aaa 06/11/2021
3130A8QS5	17399	FEDERAL HOME LOAN BANK		08/29/2016	3,955,000.00	3,925,453.86	3,943,634.48	1.125	1.319	AA+	Aaa 07/14/2021
3130A8QS5	17400	FEDERAL HOME LOAN BANK		09/13/2016	15,000,000.00	14,887,941.30	14,954,155.95	1.125	1.331	AA+	Aaa 07/14/2021
3130A8QS5	17403	FEDERAL HOME LOAN BANK		09/28/2016	10,000,000.00	9,925,294.20	9,982,887.50	1.125	1.240	AA+	Aaa 07/14/2021
3133752P1	17405	FEDERAL HOME LOAN BANK		10/05/2016	5,700,000.00	5,863,379.61	5,887,310.28	3.500	1.342	AA+	Aaa 07/29/2021
3130A8QS5	17408	FEDERAL HOME LOAN BANK		10/13/2016	10,000,000.00	9,925,294.20	9,956,267.43	1.125	1.420	AA+	Aaa 07/14/2021
3130A8QS5	17414	FEDERAL HOME LOAN BANK		11/14/2016	10,000,000.00	9,925,294.20	9,940,160.79	1.125	1.530	AA+	Aaa 07/14/2021
3130A1W95	17420	FEDERAL HOME LOAN BANK		11/29/2016	18,470,000.00	18,631,988.36	18,574,695.02	2.250	1.839	AA+	Aaa 06/11/2021
3130A7CV5	17457	FEDERAL HOME LOAN BANK		03/20/2017	20,000,000.00	19,950,712.00	19,893,810.00	1.375	1.864	AA+	Aaa 02/18/2021
3130AAX45	17460	FEDERAL HOME LOAN BANK		03/28/2017	15,000,000.00	15,032,150.10	15,016,622.66	1.875	1.768	AA+	Aaa 01/28/2021
3130A8QS5	17464	FEDERAL HOME LOAN BANK		04/06/2017	20,000,000.00	19,850,588.40	19,799,183.84	1.125	1.807	AA+	Aaa 07/14/2021
3130AB3M6	17465	FEDERAL HOME LOAN BANK		04/10/2017	5,000,000.00	5,009,725.20	5,001,595.72	1.875	1.853	AA+	Aaa 06/30/2021
313379RB7	17466	FEDERAL HOME LOAN BANK		04/11/2017	15,000,000.00	15,048,179.85	15,005,980.00	1.875	1.846	AA+	Aaa 06/11/2021
313379Q69	17485	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,057,595.00	5,027,006.31	2.125	1.892	AA+	Aaa 06/10/2022
313379Q69	17486	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,057,595.00	5,027,030.98	2.125	1.892	AA+	Aaa 06/10/2022
313379Q69	17487	FEDERAL HOME LOAN BANK		06/28/2017	3,820,000.00	3,864,002.58	3,841,000.26	2.125	1.888	AA+	Aaa 06/10/2022
313379Q69	17488	FEDERAL HOME LOAN BANK		07/07/2017	13,470,000.00	13,625,160.93	13,507,997.94	2.125	2.003	AA+	Aaa 06/10/2022
3130AC5A8	17494	FEDERAL HOME LOAN BANK		09/19/2017	10,000,000.00	10,050,986.70	9,988,379.07	1.850	1.896	AA+	Aaa 08/15/2022
3130AC5A8	17496	FEDERAL HOME LOAN BANK		09/27/2017	9,280,000.00	9,327,315.66	9,262,439.50	1.850	1.926	AA+	Aaa 08/15/2022
313379Q69	17498	FEDERAL HOME LOAN BANK		09/27/2017	20,000,000.00	20,230,380.00	20,113,911.75	2.125	1.880	AA+	Aaa 06/10/2022
3130ACKC7	17500	FEDERAL HOME LOAN BANK		10/18/2017	50,000,000.00	50,425,383.50	50,000,000.00	1.950	1.950	AA+	Aaa 07/18/2022
3130ACM27	17502	FEDERAL HOME LOAN BANK		10/12/2017	15,000,000.00	15,126,728.55	14,991,853.13	1.950	1.973	AA+	Aaa 07/11/2022
3130ACM27	17509	FEDERAL HOME LOAN BANK		10/19/2017	4,455,000.00	4,492,638.38	4,449,164.26	1.950	2.005	AA+	Aaa 07/11/2022
3130ACUV4	17512	FEDERAL HOME LOAN BANK		11/30/2017	50,000,000.00	50,580,770.00	50,000,000.00	2.070	2.070	AA+	Aaa 07/29/2022
3130ACUZ5	17513	FEDERAL HOME LOAN BANK		11/24/2017	23,000,000.00	23,244,038.05	22,988,482.68	2.060	2.082	AA+	Aaa 05/24/2022
3130ACYP3	17515	FEDERAL HOME LOAN BANK		12/05/2017	20,000,000.00	20,246,884.80	19,989,942.49	2.100	2.121	AA+	Aaa 07/27/2022
313379Q69	17516	FEDERAL HOME LOAN BANK		12/01/2017	2,000,000.00	2,023,038.00	1,999,626.60	2.125	2.133	AA+	Aaa 06/10/2022
3130ACUV4	17517	FEDERAL HOME LOAN BANK		12/06/2017	8,890,000.00	8,993,260.91	8,869,545.33	2.070	2.165	AA+	Aaa 07/29/2022
313379Q69	17527	FEDERAL HOME LOAN BANK		12/20/2017	1,900,000.00	1,921,886.10	1,895,485.54	2.125	2.228	AA+	Aaa 06/10/2022

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3130A5P45	17528	FEDERAL HOME LOAN BANK		12/20/2017	1,925,000.00	1,962,488.76	1,931,550.75	2.375	2.228	AA+	Aaa 06/10/2022
3130ACXH2	17567	FEDERAL HOME LOAN BANK		12/04/2017	25,000,000.00	25,242,131.75	24,954,909.50	2.020	2.099	AA+	Aaa 05/25/2022
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,947,606.90	21,061,480.54	2.760	2.893	AA+	Aaa 05/30/2023
3130AEP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	52,075,653.00	49,982,623.31	2.875	2.886	AA+	Aaa 05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	13,147,987.63	12,646,176.22	3.125	2.774	AA+	Aaa 07/25/2023
3130A0F70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,622,759.00	10,236,059.32	3.375	2.730	AA+	Aaa 12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,373,574.00	9,979,163.89	2.640	2.699	AA+	Aaa 10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	5,088,238.05	4,915,037.60	2.640	2.583	AA+	Aaa 10/27/2023
3130AFRW9	17621	FEDERAL HOME LOAN BANK		02/28/2019	20,000,000.00	20,779,745.00	20,086,515.52	2.700	2.574	AA+	Aaa 08/28/2023
3130AFRW9	17623	FEDERAL HOME LOAN BANK		03/01/2019	20,000,000.00	20,779,745.00	20,064,750.46	2.700	2.606	AA+	Aaa 08/28/2023
3130A0F70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,897,490.08	11,615,372.85	3.375	2.373	AA+	Aaa 12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	51,423,602.00	49,968,040.95	2.320	2.337	AA+	Aaa 01/29/2024
3133X8EW8	17651	FEDERAL HOME LOAN BANK		09/26/2019	3,760,000.00	4,368,743.74	4,401,958.34	5.375	1.653	AA+	Aaa 08/15/2024
3130A2UW4	17654	FEDERAL HOME LOAN BANK		10/15/2019	10,000,000.00	10,523,297.00	10,567,895.15	2.875	1.668	AA+	Aaa 09/13/2024
3130AGWK7	17658	FEDERAL HOME LOAN BANK		10/23/2019	10,000,000.00	9,922,704.60	9,956,014.96	1.500	1.662	AA+	Aaa 08/15/2024
3130AGWK7	17662	FEDERAL HOME LOAN BANK		11/05/2019	12,500,000.00	12,403,380.75	12,457,498.39	1.500	1.651	AA+	Aaa 08/15/2024
3130AGWK7	17676	FEDERAL HOME LOAN BANK		12/18/2019	10,000,000.00	9,922,704.60	9,948,631.78	1.500	1.731	AA+	Aaa 08/15/2024
3137EADR7	17303	FEDERAL HOME MORTGAGE CO		05/06/2015	10,000,000.00	9,990,775.00	9,991,797.21	1.375	1.632	AA+	Aaa 05/01/2020
3137EADR7	17309	FEDERAL HOME MORTGAGE CO		05/08/2015	10,000,000.00	9,990,775.00	9,991,328.95	1.375	1.647	AA+	Aaa 05/01/2020
3134G44G0	17328	FEDERAL HOME MORTGAGE CO		10/29/2015	5,000,000.00	4,997,387.80	4,999,546.28	1.500	1.524	AA+	Aaa 05/22/2020
3137EAEC9	17393	FEDERAL HOME MORTGAGE CO		08/17/2016	10,000,000.00	9,926,230.50	9,969,250.70	1.125	1.322	AA+	Aaa 08/12/2021
3134G9M79	17463	FEDERAL HOME MORTGAGE CO		04/06/2017	4,410,000.00	4,428,399.49	4,409,519.95	1.875	1.882	AA+	Aaa 07/26/2021
3134G9N86	17476	FEDERAL HOME MORTGAGE CO		05/11/2017	6,170,000.00	6,195,789.86	6,167,696.42	1.875	1.900	AA+	Aaa 07/27/2021
3135G0A78	17299	FEDERAL NATIONAL MORTGAGE		03/04/2015	20,000,000.00	20,000,541.00	19,999,180.42	1.625	1.702	AA+	Aaa 01/21/2020
3135G0A78	17307	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	10,000,270.50	10,000,014.18	1.625	1.622	AA+	Aaa 01/21/2020
3135G0A78	17308	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	10,000,270.50	10,000,025.63	1.625	1.620	AA+	Aaa 01/21/2020
3135G0A78	17312	FEDERAL NATIONAL MORTGAGE		06/03/2015	15,000,000.00	15,000,405.75	14,999,918.88	1.625	1.635	AA+	Aaa 01/21/2020
3135G0D75	17327	FEDERAL NATIONAL MORTGAGE		10/29/2015	20,000,000.00	19,985,942.20	19,996,790.56	1.500	1.535	AA+	Aaa 06/22/2020
3135G0A78	17329	FEDERAL NATIONAL MORTGAGE		10/29/2015	10,000,000.00	10,000,270.50	10,000,981.60	1.625	1.442	AA+	Aaa 01/21/2020
3135G0RM7	17330	FEDERAL NATIONAL MORTGAGE		10/30/2015	10,060,000.00	10,052,750.56	10,064,311.38	1.630	1.576	AA+	Aaa 10/30/2020
3135G0D75	17331	FEDERAL NATIONAL MORTGAGE		10/30/2015	5,950,000.00	5,945,817.80	5,948,119.66	1.500	1.569	AA+	Aaa 06/22/2020
3135G0A78	17332	FEDERAL NATIONAL MORTGAGE		11/04/2015	10,000,000.00	10,000,270.50	10,000,540.54	1.625	1.524	AA+	Aaa 01/21/2020
3135G0D75	17333	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,996,485.55	4,997,124.37	1.500	1.626	AA+	Aaa 06/22/2020
3135G0D75	17334	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,996,485.55	4,997,103.87	1.500	1.627	AA+	Aaa 06/22/2020
3135G0A78	17335	FEDERAL NATIONAL MORTGAGE		11/06/2015	10,000,000.00	10,000,270.50	10,000,191.68	1.625	1.589	AA+	Aaa 01/21/2020
3135G0D75	17336	FEDERAL NATIONAL MORTGAGE		11/06/2015	5,000,000.00	4,996,485.55	4,995,930.28	1.500	1.679	AA+	Aaa 06/22/2020

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3135G0D75	17338	FEDERAL NATIONAL MORTGAGE		12/17/2015	30,000,000.00	29,978,913.30	29,962,631.50	1.500	1.774	AA+	Aaa 06/22/2020
3135G0D75	17339	FEDERAL NATIONAL MORTGAGE		12/17/2015	20,000,000.00	19,985,942.20	19,973,361.88	1.500	1.793	AA+	Aaa 06/22/2020
3135G0D75	17340	FEDERAL NATIONAL MORTGAGE		12/22/2015	10,000,000.00	9,992,971.10	9,990,799.78	1.500	1.702	AA+	Aaa 06/22/2020
3135G0A78	17341	FEDERAL NATIONAL MORTGAGE		12/22/2015	20,000,000.00	20,000,541.00	20,000,116.54	1.625	1.614	AA+	Aaa 01/21/2020
3135G0A78	17342	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	10,000,270.50	10,000,036.78	1.625	1.618	AA+	Aaa 01/21/2020
3135G0D75	17343	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,992,971.10	9,990,071.65	1.500	1.718	AA+	Aaa 06/22/2020
3135G0A78	17344	FEDERAL NATIONAL MORTGAGE		12/23/2015	20,000,000.00	20,000,541.00	20,000,052.32	1.625	1.620	AA+	Aaa 01/21/2020
3135G0H55	17374	FEDERAL NATIONAL MORTGAGE		05/20/2016	10,000,000.00	10,024,372.50	10,043,804.63	1.875	1.417	AA+	Aaa 12/28/2020
3135G0K69	17380	FEDERAL NATIONAL MORTGAGE		05/25/2016	10,000,000.00	9,952,851.70	9,964,699.30	1.250	1.523	AA+	Aaa 05/06/2021
3135G0N82	17396	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,993,150.22	1.250	1.294	AA+	Aaa 08/17/2021
3135G0N82	17397	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,986,267.67	1.250	1.337	AA+	Aaa 08/17/2021
3135G0N82	17398	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,983,088.59	1.250	1.358	AA+	Aaa 08/17/2021
3135G0K69	17402	FEDERAL NATIONAL MORTGAGE		09/28/2016	25,000,000.00	24,882,129.25	25,004,876.25	1.250	1.235	AA+	Aaa 05/06/2021
3135G0Q89	17406	FEDERAL NATIONAL MORTGAGE		10/07/2016	20,000,000.00	19,924,028.80	19,988,410.67	1.375	1.409	AA+	Aaa 10/07/2021
3135G0Q89	17407	FEDERAL NATIONAL MORTGAGE		10/13/2016	10,000,000.00	9,962,014.40	9,979,083.61	1.375	1.498	AA+	Aaa 10/07/2021
3135G0Q89	17409	FEDERAL NATIONAL MORTGAGE		10/27/2016	5,000,000.00	4,981,007.20	4,993,461.35	1.375	1.452	AA+	Aaa 10/07/2021
3135G0K69	17412	FEDERAL NATIONAL MORTGAGE		11/02/2016	10,000,000.00	9,952,851.70	9,983,072.78	1.250	1.380	AA+	Aaa 05/06/2021
3135G0K69	17413	FEDERAL NATIONAL MORTGAGE		11/14/2016	8,000,000.00	7,962,281.36	7,971,333.25	1.250	1.526	AA+	Aaa 05/06/2021
3135G0S38	17440	FEDERAL NATIONAL MORTGAGE		01/09/2017	20,000,000.00	20,154,141.20	19,981,738.75	2.000	2.048	AA+	Aaa 01/05/2022
3135G0S38	17441	FEDERAL NATIONAL MORTGAGE		01/09/2017	10,000,000.00	10,077,070.60	9,990,492.06	2.000	2.050	AA+	Aaa 01/05/2022
3135G0S38	17459	FEDERAL NATIONAL MORTGAGE		03/28/2017	10,000,000.00	10,077,070.60	10,002,825.16	2.000	1.985	AA+	Aaa 01/05/2022
3136G2CS4	17461	FEDERAL NATIONAL MORTGAGE		03/28/2017	5,000,000.00	5,033,386.75	5,001,451.29	2.000	1.985	AA+	Aaa 01/27/2022
3135G0S38	17480	FEDERAL NATIONAL MORTGAGE		06/02/2017	5,000,000.00	5,038,535.30	5,016,117.45	2.000	1.832	AA+	Aaa 01/05/2022
3135G0S38	17481	FEDERAL NATIONAL MORTGAGE		06/12/2017	5,000,000.00	5,038,535.30	5,016,028.56	2.000	1.833	AA+	Aaa 01/05/2022
3135G0T78	17501	FEDERAL NATIONAL MORTGAGE		10/10/2017	20,000,000.00	20,215,078.20	19,987,905.87	2.000	2.023	AA+	Aaa 10/05/2022
3135G0T78	17531	FEDERAL NATIONAL MORTGAGE		01/11/2018	5,000,000.00	5,053,769.55	4,950,749.17	2.000	2.379	AA+	Aaa 10/05/2022
3135G0T94	17533	FEDERAL NATIONAL MORTGAGE		01/23/2018	40,000,000.00	40,903,187.60	39,854,129.84	2.375	2.503	AA+	Aaa 01/19/2023
3135G0U43	17631	FEDERAL NATIONAL MORTGAGE		03/27/2019	20,000,000.00	20,877,142.20	20,440,930.03	2.875	2.245	AA+	Aaa 09/12/2023
3135G0V75	17652	FEDERAL NATIONAL MORTGAGE		09/26/2019	35,000,000.00	35,039,901.75	35,312,600.60	1.750	1.631	AA+	Aaa 07/02/2024
3135G0V75	17656	FEDERAL NATIONAL MORTGAGE		10/16/2019	10,000,000.00	10,011,400.50	10,095,427.81	1.750	1.639	AA+	Aaa 07/02/2024
3135G0V75	17659	FEDERAL NATIONAL MORTGAGE		10/23/2019	10,000,000.00	10,011,400.50	10,086,196.93	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17660	FEDERAL NATIONAL MORTGAGE		10/28/2019	8,632,000.00	8,641,840.91	8,702,502.79	1.750	1.684	AA+	Aaa 07/02/2024
3135G0V75	17661	FEDERAL NATIONAL MORTGAGE		11/05/2019	23,000,000.00	23,026,221.15	23,220,184.99	1.750	1.660	AA+	Aaa 07/02/2024
3135G0V75	17663	FEDERAL NATIONAL MORTGAGE		11/08/2019	25,000,000.00	25,028,501.25	25,054,567.35	1.750	1.835	AA+	Aaa 07/02/2024
3135G0V75	17668	FEDERAL NATIONAL MORTGAGE		12/06/2019	25,000,000.00	25,028,501.25	25,262,831.49	1.750	1.673	AA+	Aaa 07/02/2024
3135G0V75	17669	FEDERAL NATIONAL MORTGAGE		12/06/2019	15,000,000.00	15,017,100.75	15,160,963.55	1.750	1.668	AA+	Aaa 07/02/2024

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Federal Agency Coupons												
3135G0V75	17670	FEDERAL NATIONAL MORTGAGE		12/09/2019	15,000,000.00	15,017,100.75	15,132,154.90	1.750	1.716	AA+	Aaa	07/02/2024
3135G0V75	17671	FEDERAL NATIONAL MORTGAGE		12/09/2019	25,000,000.00	25,028,501.25	25,221,984.72	1.750	1.714	AA+	Aaa	07/02/2024
3135G0V75	17673	FEDERAL NATIONAL MORTGAGE		12/12/2019	25,000,000.00	25,028,501.25	25,219,523.36	1.750	1.720	AA+	Aaa	07/02/2024
3135G0V75	17675	FEDERAL NATIONAL MORTGAGE		12/13/2019	20,000,000.00	20,022,801.00	20,134,078.94	1.750	1.769	AA+	Aaa	07/02/2024
742651DP4	17643	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	10,189,086.40	10,192,993.56	2.450	2.001		Aaa	07/15/2024
742651DP4	17644	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	10,189,086.40	10,189,099.19	2.450	2.010		Aaa	07/15/2024
Subtotal and Average			2,088,081,127.29		2,149,924,000.00	2,175,268,592.14	2,154,568,279.16		1.965			
Medium Term Notes												
037833BD1	17348	APPLE INC		12/28/2015	10,000,000.00	10,007,273.10	9,999,697.07	2.000	2.009	AA+	Aa1	05/06/2020
037833CC2	17425	APPLE INC		12/13/2016	5,000,000.00	4,981,244.05	4,949,146.68	1.550	2.226	AA+	Aa1	08/04/2021
037833BS8	17443	APPLE INC		01/19/2017	10,000,000.00	10,059,515.20	10,000,000.00	2.250	2.250	AA+	Aa1	02/23/2021
037833CM0	17448	APPLE INC		02/21/2017	15,000,000.00	15,226,275.15	14,984,356.71	2.500	2.553	AA+	Aa1	02/09/2022
037833AY6	17470	APPLE INC		04/18/2017	10,000,000.00	10,084,882.30	9,990,993.64	2.150	2.195	AA+	Aa1	02/09/2022
037833CQ1	17475	APPLE INC		05/11/2017	20,000,000.00	20,240,127.20	19,977,333.33	2.300	2.351	AA+	Aa1	05/11/2022
037833BU3	17540	APPLE INC		03/01/2018	10,000,000.00	10,285,976.10	9,938,093.75	2.850	3.064	AA+	Aa1	02/23/2023
037833DE7	17541	APPLE INC		03/01/2018	2,500,000.00	2,541,521.83	2,453,727.12	2.400	3.060	AA+	Aa1	01/13/2023
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	5,085,317.50	4,865,643.11	2.400	3.279	AA+	Aa1	05/03/2023
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	5,085,317.50	4,865,509.56	2.400	3.280	AA+	Aa1	05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	10,170,635.00	9,740,516.28	2.400	3.246	AA+	Aa1	05/03/2023
084670BF4	17520	BERKSHIRE HATHAWAY		12/14/2017	15,000,000.00	15,537,648.75	15,308,849.09	3.400	2.355	AA	Aa2	01/31/2022
06406HCZ0	17297	BANK OF NEW YORK		03/04/2015	3,000,000.00	3,000,250.95	3,000,267.37	2.150	2.086	A	A1	02/24/2020
06406HDD8	17347	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,020,206.75	5,005,247.15	2.600	2.422	A	A1	08/17/2020
06406HBP3	17350	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,004,151.25	5,004,283.45	4.600	2.281	A	A1	01/15/2020
06406RAA5	17469	BANK OF NEW YORK		04/18/2017	10,000,000.00	10,152,070.30	10,034,835.47	2.600	2.423	A	A1	02/07/2022
06406FAB9	17490	BANK OF NEW YORK		07/18/2017	7,500,000.00	7,523,857.88	7,476,906.37	2.050	2.291	A	A1	05/03/2021
14912L6J5	17360	CATERPILLAR		03/04/2016	8,278,000.00	8,279,258.67	8,276,805.49	2.000	2.085	A	A3	03/05/2020
14912L6U0	17401	CATERPILLAR		09/16/2016	15,294,000.00	15,272,021.45	15,239,145.29	1.700	1.935	A	A3	08/09/2021
166764AY6	17346	CHEVRON CORP		12/28/2015	10,000,000.00	10,044,455.30	9,995,706.42	2.419	2.471	AA	Aa2	11/17/2020
166764BG4	17471	CHEVRON CORP		04/25/2017	20,000,000.00	20,126,300.80	19,996,815.20	2.100	2.112	AA	Aa2	05/16/2021
166764BK5	17571	CHEVRON CORP		06/08/2018	10,000,000.00	10,201,786.90	9,769,252.50	2.566	3.313	AA	Aa2	05/16/2023
166764BK5	17579	CHEVRON CORP		06/22/2018	5,000,000.00	5,100,893.45	4,892,148.09	2.566	3.262	AA	Aa2	05/16/2023
166764BK5	17585	CHEVRON CORP		07/25/2018	6,288,000.00	6,414,883.60	6,148,001.00	2.566	3.284	AA	Aa2	05/16/2023
166764BK5	17626	CHEVRON CORP		03/04/2019	7,966,000.00	8,126,743.44	7,888,864.94	2.566	2.872	AA	Aa2	05/16/2023
24422ERY7	17349	JOHN DEERE		12/28/2015	9,000,000.00	8,999,205.93	8,998,076.71	1.700	2.278	A	A2	01/15/2020
24422ETF6	17362	JOHN DEERE		03/04/2016	5,000,000.00	5,035,581.00	5,019,249.61	2.550	2.150	A	A2	01/08/2021

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Medium Term Notes											
24422ERH4	17427	JOHN DEERE		12/13/2016	8,707,000.00	8,922,053.67	8,813,191.21	3.150	2.423	A	A2 10/15/2021
24422ERT8	17635	JOHN DEERE		05/28/2019	11,125,000.00	11,397,931.74	11,172,024.81	2.800	2.654	A	A2 01/27/2023
24422EUA5	17637	JOHN DEERE		06/06/2019	10,000,000.00	10,225,554.80	10,038,858.14	2.700	2.564	A	A2 01/06/2023
24422EUA5	17638	JOHN DEERE		06/06/2019	5,000,000.00	5,112,777.40	5,019,639.34	2.700	2.562	A	A2 01/06/2023
24422ETT6	17650	JOHN DEERE		09/19/2019	7,059,000.00	7,259,639.44	7,182,455.27	2.650	2.236	A	A2 06/24/2024
24422EUR8	17665	JOHN DEERE		11/26/2019	5,000,000.00	5,270,916.30	5,339,099.92	3.450	2.024	A	A2 01/10/2024
24422EUR8	17672	JOHN DEERE		12/12/2019	3,306,000.00	3,485,129.86	3,535,232.99	3.450	2.025	A	A2 01/10/2024
24422EUR8	17678	JOHN DEERE		12/27/2019	6,413,000.00	6,760,477.25	6,856,378.73	3.450	2.067	A	A2 01/10/2024
46625HMX4	17361	JP MORGAN		03/04/2016	6,181,000.00	6,209,114.40	6,182,033.68	2.550	2.528	A-	A2 10/29/2020
46625HJH4	17559	JP MORGAN		04/26/2018	10,000,000.00	10,320,437.80	9,900,711.06	3.200	3.554	A-	A2 01/25/2023
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	31,218,000.00	30,000,000.00	3.450	3.450	A+	Aa2 07/14/2023
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	30,033,000.00	30,000,000.00	3.050	3.050	A+	Aa2 01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	40,440,000.00	40,000,000.00	2.775	2.775	A+	Aa2 05/15/2024
594918BP8	17394	MICROSOFT		08/22/2016	15,000,000.00	14,980,152.90	14,996,753.16	1.550	1.564	AAA	Aaa 08/08/2021
594918BP8	17424	MICROSOFT		12/13/2016	5,000,000.00	4,993,384.30	4,951,773.13	1.550	2.186	AAA	Aaa 08/08/2021
594918BW3	17449	MICROSOFT		02/21/2017	6,725,000.00	6,820,066.62	6,722,604.96	2.400	2.418	AAA	Aaa 02/06/2022
594918BA1	17450	MICROSOFT		02/21/2017	6,450,000.00	6,537,771.54	6,444,496.84	2.375	2.418	AAA	Aaa 02/12/2022
594918BW3	17525	MICROSOFT		12/21/2017	17,375,000.00	17,620,618.21	17,375,000.00	2.400	2.400	AAA	Aaa 02/06/2022
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	10,171,737.40	9,758,339.62	2.375	3.162	AAA	Aaa 05/01/2023
594918BQ6	17616	MICROSOFT		02/07/2019	2,880,000.00	2,900,576.13	2,809,187.16	2.000	2.730	AAA	Aaa 08/08/2023
594918BQ6	17617	MICROSOFT		02/11/2019	20,000,000.00	20,142,889.80	19,530,609.52	2.000	2.696	AAA	Aaa 08/08/2023
594918BQ6	17624	MICROSOFT		03/04/2019	10,000,000.00	10,071,444.90	9,752,154.20	2.000	2.735	AAA	Aaa 08/08/2023
594918BQ6	17625	MICROSOFT		03/04/2019	5,000,000.00	5,035,722.45	4,876,223.56	2.000	2.734	AAA	Aaa 08/08/2023
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	10,376,598.60	10,000,000.00	2.875	2.875	AAA	Aaa 02/06/2024
89233P7F7	17538	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,098,366.20	4,940,108.11	2.625	3.054	AA-	Aa3 01/10/2023
89236TEL5	17539	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,102,319.05	4,950,532.69	2.700	3.054	AA-	Aa3 01/11/2023
89236TEL5	17542	TOYOTA MOTOR CREDIT		04/02/2018	20,000,000.00	20,409,276.20	19,757,397.32	2.700	3.134	AA-	Aa3 01/11/2023
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,861,779.09	12,195,216.69	3.350	3.472	AA-	Aa3 01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	3,029,497.08	2,914,207.38	2.250	3.063	AA-	Aa3 10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	5,049,161.80	4,932,745.85	2.250	2.627	AA-	Aa3 10/18/2023
89236TFQ3	17639	TOYOTA MOTOR CREDIT		06/10/2019	9,000,000.00	9,108,874.44	9,073,369.63	3.050	2.231	AA-	Aa3 01/08/2021
89236TCZ6	17640	TOYOTA MOTOR CREDIT		06/10/2019	7,000,000.00	7,009,678.62	6,970,246.38	1.900	2.243	AA-	Aa3 04/08/2021
89236TGM1	17653	TOYOTA MOTOR CREDIT		10/15/2019	30,000,000.00	29,574,291.60	30,000,000.00	1.875	1.875	AA-	Aa3 07/31/2024
89236TGL3	17664	TOYOTA MOTOR CREDIT		11/12/2019	10,000,000.00	10,001,354.00	9,995,916.28	2.000	2.052	AA-	Aa3 10/07/2024
91159HHL7	17395	US BANK NA		08/22/2016	5,000,000.00	5,027,577.70	5,034,593.22	2.350	1.681	A+	A1 01/29/2021
91159HHL7	17426	US BANK NA		12/13/2016	4,634,000.00	4,659,559.01	4,639,771.48	2.350	2.228	A+	A1 01/29/2021

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Medium Term Notes											
91159HHL7	17431	US BANK NA		12/22/2016	5,000,000.00	5,027,577.70	4,996,770.17	2.350	2.413	A+	A1 01/29/2021
91159HHL7	17432	US BANK NA		12/22/2016	7,522,000.00	7,563,487.89	7,517,534.26	2.350	2.408	A+	A1 01/29/2021
91159HHL7	17458	US BANK NA		03/22/2017	10,000,000.00	10,055,155.40	10,002,489.69	2.350	2.325	A+	A1 01/29/2021
91159HHL7	17482	US BANK NA		06/27/2017	4,803,000.00	4,829,491.14	4,817,465.70	2.350	2.058	A+	A1 01/29/2021
91159HHP8	17483	US BANK NA		06/27/2017	20,000,000.00	20,317,201.40	20,139,036.19	2.625	2.268	A+	A1 01/24/2022
91159JAA4	17529	US BANK NA		12/21/2017	10,004,000.00	10,237,580.39	10,084,424.13	2.950	2.606	A-	A1 07/15/2022
90331HNL3	17534	US BANK NA		01/24/2018	10,000,000.00	10,241,442.70	9,988,667.59	2.850	2.890	AA-	A1 01/23/2023
90331HNL3	17537	US BANK NA		03/01/2018	5,000,000.00	5,120,721.35	4,959,985.27	2.850	3.134	AA-	A1 01/23/2023
90331HNL3	17556	US BANK NA		04/20/2018	10,000,000.00	10,241,442.70	9,911,228.85	2.850	3.164	AA-	A1 01/23/2023
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	10,448,335.70	9,990,871.37	3.400	3.428	AA-	A1 07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,567,250.36	1,497,855.13	3.400	3.444	AA-	A1 07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,306,041.96	1,248,573.65	3.400	3.435	AA-	A1 07/24/2023
931142EK5	17604	WALMART		11/13/2018	10,000,000.00	10,514,987.30	9,964,078.17	3.400	3.512	AA	Aa2 06/26/2023
949746SA0	17445	WELLS FARGO		01/25/2017	10,000,000.00	10,014,690.60	9,894,145.28	2.100	2.823	A-	A2 07/26/2021
949746SA0	17467	WELLS FARGO		04/17/2017	5,000,000.00	5,007,345.30	4,972,686.16	2.100	2.469	A-	A2 07/26/2021
949746SA0	17477	WELLS FARGO		05/15/2017	13,232,000.00	13,251,438.60	13,158,377.19	2.100	2.475	A-	A2 07/26/2021
949746SA0	17491	WELLS FARGO		07/18/2017	12,275,000.00	12,293,032.71	12,215,943.94	2.100	2.424	A-	A2 07/26/2021
95000U2B8	17508	WELLS FARGO		10/20/2017	5,000,000.00	5,074,720.55	4,998,762.68	2.625	2.635	A-	A2 07/22/2022
94988J5R4	17591	WELLS FARGO		08/14/2018	10,000,000.00	10,480,729.80	9,988,200.61	3.550	3.586	A+	Aa2 08/14/2023
94988J5R4	17602	WELLS FARGO		11/13/2018	10,000,000.00	10,480,729.80	9,907,860.92	3.550	3.830	A+	Aa2 08/14/2023
94988J5N3	17641	WELLS FARGO		06/13/2019	10,000,000.00	10,070,123.10	10,009,081.92	2.600	2.510	A+	Aa2 01/15/2021
Subtotal and Average			823,514,917.38		822,517,000.00	834,988,658.10	820,744,382.60	2.632			
Treasury Notes											
911759MW5	17630	US HOUSING AND URBAN DEVELOP		03/28/2019	3,500,000.00	3,606,395.24	3,500,000.00	2.618	2.618	AA+	Aaa 08/01/2023
912828ND8	17345	US TREASURY NOTE		12/23/2015	40,000,000.00	40,267,200.00	40,264,821.85	3.500	1.637	AA+	Aaa 05/15/2020
912828XE5	17416	US TREASURY NOTE		11/15/2016	15,000,000.00	14,991,720.00	15,005,611.04	1.500	1.407	AA+	Aaa 05/31/2020
912828XE5	17428	US TREASURY NOTE		12/13/2016	40,000,000.00	39,977,920.00	39,986,198.12	1.500	1.586	AA+	Aaa 05/31/2020
912828N48	17429	US TREASURY NOTE		12/16/2016	40,000,000.00	40,037,520.00	39,935,086.38	1.750	1.919	AA+	Aaa 12/31/2020
912828XM7	17433	US TREASURY NOTE		12/22/2016	40,000,000.00	39,998,440.00	39,973,339.03	1.625	1.744	AA+	Aaa 07/31/2020
912828WN6	17434	US TREASURY NOTE		12/28/2016	40,000,000.00	40,220,320.00	40,002,496.13	2.000	1.995	AA+	Aaa 05/31/2021
912828XM7	17435	US TREASURY NOTE		12/28/2016	40,000,000.00	39,998,440.00	39,968,668.95	1.625	1.765	AA+	Aaa 07/31/2020
912828L65	17436	US TREASURY NOTE		12/28/2016	30,000,000.00	29,939,070.00	29,903,930.17	1.375	1.820	AA+	Aaa 09/30/2020
912828XR6	17497	US TREASURY NOTE		09/27/2017	20,000,000.00	20,078,120.00	19,958,066.05	1.750	1.841	AA+	Aaa 05/31/2022
912828L24	17510	US TREASURY NOTE		10/23/2017	20,000,000.00	20,146,880.00	19,930,544.10	1.875	2.012	AA+	Aaa 08/31/2022
912828XT2	17677	US TREASURY NOTE		12/18/2019	20,000,000.00	20,277,340.00	20,264,421.51	2.000	1.711	AA+	Aaa 05/31/2024

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Subtotal and Average			337,595,731.13		348,500,000.00	349,539,365.24	348,693,183.33		1.784			
Mutual Funds												
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2019	0.00	0.00	0.00	1.580	1.580	AAA	Aaa	
SYS02642	02642	FIDELITY 2642			80,000,000.00	80,000,000.00	80,000,000.00	1.530	1.530	AAA	Aaa	
SYS15497	15497	FIDELITY 2644		07/01/2019	0.00	0.00	0.00	1.540	1.540	AAA	Aaa	
Subtotal and Average			54,677,419.35		80,000,000.00	80,000,000.00	80,000,000.00		1.530			
Local Agency Investment Funds												
SYS05291	05291	LAIF			65,000,000.00	65,000,000.00	65,000,000.00	2.043	2.043			
Subtotal and Average			65,000,000.00		65,000,000.00	65,000,000.00	65,000,000.00		2.043			
Bank Money Market Accounts												
SYS16800	16800	BANK OF THE WEST MM			500,776,784.64	500,776,784.64	500,776,784.64	1.850	1.850			
SYS16500	16500	UNION BANK MM			25,034,350.18	25,034,350.18	25,034,350.18	1.540	1.540			
Subtotal and Average			498,913,893.27		525,811,134.82	525,811,134.82	525,811,134.82		1.835			
Municipal Bonds												
13063DAD0	17472	STATE OF CALIFORNIA		04/27/2017	5,000,000.00	5,070,050.00	5,000,000.00	2.367	2.367	AA-	Aa2	04/01/2022
13063DAD0	17473	STATE OF CALIFORNIA		04/27/2017	10,500,000.00	10,647,105.00	10,526,176.61	2.367	2.249	AA-	Aa2	04/01/2022
13063DAD0	17474	STATE OF CALIFORNIA		05/03/2017	8,000,000.00	8,112,080.00	8,013,671.04	2.367	2.286	AA-	Aa2	04/01/2022
13063DDF2	17504	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,185,500.00	10,077,694.08	2.500	2.200	AA-	Aa2	10/01/2022
13063DDF2	17505	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,185,500.00	10,077,694.08	2.500	2.200	AA-	Aa2	10/01/2022
13063DDE5	17518	STATE OF CALIFORNIA		12/11/2017	25,000,000.00	25,105,000.00	25,045,044.55	2.300	2.051	AA-	Aa2	10/01/2020
13063DDF2	17519	STATE OF CALIFORNIA		12/14/2017	20,000,000.00	20,371,000.00	20,035,770.70	2.500	2.430	AA-	Aa2	10/01/2022
13063DDF2	17532	STATE OF CALIFORNIA		01/16/2018	5,000,000.00	5,092,750.00	4,990,392.04	2.500	2.574	AA-	Aa2	10/01/2022
13063DRK6	17657	STATE OF CALIFORNIA		10/24/2019	50,000,000.00	50,719,500.00	51,105,196.96	2.400	1.910	AA-	Aa2	10/01/2024
Subtotal and Average			144,886,313.95		143,500,000.00	145,488,485.00	144,871,640.06		2.131			
Total and Average			4,031,470,945.23		4,175,314,809.95	4,216,158,910.43	4,179,751,295.10		2.059			

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's
Average Balance			0.00							
Total Cash and Investments			4,031,470,945.23		4,175,314,809.95	4,216,158,910.43	4,179,751,295.10		2.059	



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Fresno County
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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
24422ERY7	17349	TREAS	MTN	JOHN DEERE	12/28/2015	8,998,076.71	1.700	01/15/2020	9,076,500.00	1,479	9,000,000.00	2.247	2.278	14
06406HBP3	17350	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,004,283.45	4.600	01/15/2020	5,115,000.00	1,479	5,000,000.00	2.250	2.281	14
3135G0A78	17299	TREAS	FAC	FEDERAL NATIONAL	03/04/2015	19,999,180.42	1.625	01/21/2020	20,162,500.00	1,784	20,000,000.00	1.679	1.702	20
3135G0A78	17307	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,014.18	1.625	01/21/2020	10,081,250.00	1,719	10,000,000.00	1.600	1.622	20
3135G0A78	17308	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,025.63	1.625	01/21/2020	10,081,250.00	1,719	10,000,000.00	1.598	1.620	20
3135G0A78	17312	TREAS	FAC	FEDERAL NATIONAL	06/03/2015	14,999,918.88	1.625	01/21/2020	15,121,875.00	1,693	15,000,000.00	1.613	1.635	20
3135G0A78	17329	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	10,000,981.60	1.625	01/21/2020	10,081,250.00	1,545	10,000,000.00	1.422	1.442	20
3135G0A78	17332	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	10,000,540.54	1.625	01/21/2020	10,081,250.00	1,539	10,000,000.00	1.503	1.524	20
3135G0A78	17335	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	10,000,191.68	1.625	01/21/2020	10,081,250.00	1,537	10,000,000.00	1.567	1.589	20
3135G0A78	17341	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	20,000,116.54	1.625	01/21/2020	20,162,500.00	1,491	20,000,000.00	1.592	1.614	20
3135G0A78	17342	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	10,000,036.78	1.625	01/21/2020	10,081,250.00	1,490	10,000,000.00	1.596	1.618	20
3135G0A78	17344	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	20,000,052.32	1.625	01/21/2020	20,162,500.00	1,490	20,000,000.00	1.598	1.620	20
06406HCZ0	17297	TREAS	MTN	BANK OF NEW YORK	03/04/2015	3,000,267.37	2.150	02/24/2020	3,000,000.00	1,818	3,000,000.00	2.057	2.086	54
14912L6J5	17360	TREAS	MTN	CATERPILLAR	03/04/2016	8,276,805.49	2.000	03/05/2020	8,278,000.00	1,462	8,278,000.00	2.056	2.085	64
3137EADR7	17303	TREAS	FAC	FEDERAL HOME	05/06/2015	9,991,797.21	1.375	05/01/2020	10,000,000.00	1,822	10,000,000.00	1.610	1.632	121
3137EADR7	17309	TREAS	FAC	FEDERAL HOME	05/08/2015	9,991,328.95	1.375	05/01/2020	10,000,000.00	1,820	10,000,000.00	1.624	1.647	121
037833BD1	17348	TREAS	MTN	APPLE INC	12/28/2015	9,999,697.07	2.000	05/06/2020	10,000,000.00	1,591	10,000,000.00	1.981	2.009	126
912828ND8	17345	TREAS	TRC	US TREASURY NOTE	12/23/2015	40,264,821.85	3.500	05/15/2020	40,000,000.00	1,605	40,000,000.00	1.614	1.637	135
3134G44G0	17328	TREAS	FAC	FEDERAL HOME	10/29/2015	4,999,546.28	1.500	05/22/2020	5,000,000.00	1,667	5,000,000.00	1.503	1.524	142
912828XE5	17416	TREAS	TRC	US TREASURY NOTE	11/15/2016	15,005,611.04	1.500	05/31/2020	15,000,000.00	1,293	15,000,000.00	1.388	1.407	151
912828XE5	17428	TREAS	TRC	US TREASURY NOTE	12/13/2016	39,986,198.12	1.500	05/31/2020	40,000,000.00	1,265	40,000,000.00	1.564	1.586	151
313383HU8	17315	TREAS	FAC	FEDERAL HOME LOAN	06/12/2015	19,999,914.13	1.750	06/12/2020	20,000,000.00	1,827	20,000,000.00	1.727	1.751	163
313383HU8	17317	TREAS	FAC	FEDERAL HOME LOAN	06/26/2015	12,610,915.23	1.750	06/12/2020	12,615,000.00	1,813	12,615,000.00	1.801	1.826	163
3133EEW55	17316	TREAS	FAC	FEDERAL FARM CREDIT	06/15/2015	9,996,234.38	1.800	06/15/2020	10,000,000.00	1,827	10,000,000.00	1.861	1.887	166
3135G0D75	17327	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	19,996,790.56	1.500	06/22/2020	20,000,000.00	1,698	20,000,000.00	1.514	1.535	173
3135G0D75	17331	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	5,948,119.66	1.500	06/22/2020	5,950,000.00	1,697	5,950,000.00	1.548	1.569	173
3135G0D75	17333	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,997,124.37	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.604	1.626	173
3135G0D75	17334	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,997,103.87	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.605	1.627	173
3135G0D75	17336	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	4,995,930.28	1.500	06/22/2020	5,000,000.00	1,690	5,000,000.00	1.656	1.679	173
3135G0D75	17338	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	29,962,631.50	1.500	06/22/2020	30,000,000.00	1,649	30,000,000.00	1.750	1.774	173
3135G0D75	17339	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	19,973,361.88	1.500	06/22/2020	20,000,000.00	1,649	20,000,000.00	1.769	1.793	173
3135G0D75	17340	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	9,990,799.78	1.500	06/22/2020	10,000,000.00	1,644	10,000,000.00	1.679	1.702	173
3135G0D75	17343	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	9,990,071.65	1.500	06/22/2020	10,000,000.00	1,643	10,000,000.00	1.695	1.718	173
912828XM7	17433	TREAS	TRC	US TREASURY NOTE	12/22/2016	39,973,339.03	1.625	07/31/2020	40,000,000.00	1,317	40,000,000.00	1.720	1.744	212
912828XM7	17435	TREAS	TRC	US TREASURY NOTE	12/28/2016	39,968,668.95	1.625	07/31/2020	40,000,000.00	1,311	40,000,000.00	1.740	1.765	212
06406HDD8	17347	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,005,247.15	2.600	08/17/2020	5,000,000.00	1,694	5,000,000.00	2.389	2.422	229

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
912828L65	17436	TREAS	TRC	US TREASURY NOTE	12/28/2016	29,903,930.17	1.375	09/30/2020	30,000,000.00	1,372	30,000,000.00	1.795	1.820	273
13063DDE5	17518	TREAS	MUN	STATE OF CALIFORNIA	12/11/2017	25,045,044.55	2.300	10/01/2020	25,000,000.00	1,025	25,000,000.00	2.023	2.051	274
46625HNX4	17361	TREAS	MTN	JP MORGAN	03/04/2016	6,182,033.68	2.550	10/29/2020	6,181,000.00	1,700	6,181,000.00	2.493	2.528	302
3135G0RM7	17330	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	10,064,311.38	1.630	10/30/2020	10,060,000.00	1,827	10,060,000.00	1.555	1.576	303
166764AY6	17346	TREAS	MTN	CHEVRON CORP	12/28/2015	9,995,706.42	2.419	11/17/2020	10,000,000.00	1,786	10,000,000.00	2.437	2.471	321
313381CA1	17372	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	5,000,268.74	1.375	12/11/2020	5,000,000.00	1,695	5,000,000.00	1.350	1.369	345
3135G0H55	17374	TREAS	FAC	FEDERAL NATIONAL	05/20/2016	10,043,804.63	1.875	12/28/2020	10,000,000.00	1,683	10,000,000.00	1.398	1.417	362
912828N48	17429	TREAS	TRC	US TREASURY NOTE	12/16/2016	39,935,086.38	1.750	12/31/2020	40,000,000.00	1,476	40,000,000.00	1.893	1.919	365
24422ETF6	17362	TREAS	MTN	JOHN DEERE	03/04/2016	5,019,249.61	2.550	01/08/2021	5,000,000.00	1,771	5,000,000.00	2.121	2.150	373
89236TFQ3	17639	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	9,073,369.63	3.050	01/08/2021	9,000,000.00	578	9,000,000.00	2.200	2.231	373
94988J5N3	17641	TREAS	MTN	WELLS FARGO	06/13/2019	10,009,081.92	2.600	01/15/2021	10,000,000.00	582	10,000,000.00	2.475	2.510	380
3130AAX45	17460	TREAS	FAC	FEDERAL HOME LOAN	03/28/2017	15,016,622.66	1.875	01/28/2021	15,000,000.00	1,402	15,000,000.00	1.744	1.768	393
91159HHL7	17395	TREAS	MTN	US BANK NA	08/22/2016	5,034,593.22	2.350	01/29/2021	5,000,000.00	1,621	5,000,000.00	1.658	1.681	394
91159HHL7	17426	TREAS	MTN	US BANK NA	12/13/2016	4,639,771.48	2.350	01/29/2021	4,634,000.00	1,508	4,634,000.00	2.198	2.228	394
91159HHL7	17431	TREAS	MTN	US BANK NA	12/22/2016	4,996,770.17	2.350	01/29/2021	5,000,000.00	1,499	5,000,000.00	2.380	2.413	394
91159HHL7	17432	TREAS	MTN	US BANK NA	12/22/2016	7,517,534.26	2.350	01/29/2021	7,522,000.00	1,499	7,522,000.00	2.375	2.408	394
91159HHL7	17458	TREAS	MTN	US BANK NA	03/22/2017	10,002,489.69	2.350	01/29/2021	10,000,000.00	1,409	10,000,000.00	2.293	2.325	394
91159HHL7	17482	TREAS	MTN	US BANK NA	06/27/2017	4,817,465.70	2.350	01/29/2021	4,803,000.00	1,312	4,803,000.00	2.030	2.058	394
313376XN0	17364	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	824,731.79	2.100	02/08/2021	820,000.00	1,803	820,000.00	1.533	1.554	404
3133EFYZ4	17359	TREAS	FAC	FEDERAL FARM CREDIT	02/29/2016	17,788,411.57	1.375	02/10/2021	17,800,000.00	1,808	17,800,000.00	1.416	1.436	406
3130A7CV5	17363	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	4,991,806.42	1.375	02/18/2021	5,000,000.00	1,813	5,000,000.00	1.505	1.526	414
3130A7CV5	17371	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	9,996,930.51	1.375	02/18/2021	10,000,000.00	1,764	10,000,000.00	1.384	1.403	414
3130A7CV5	17376	TREAS	FAC	FEDERAL HOME LOAN	05/20/2016	4,994,983.99	1.375	02/18/2021	5,000,000.00	1,735	5,000,000.00	1.447	1.467	414
3130A7CV5	17379	TREAS	FAC	FEDERAL HOME LOAN	05/25/2016	9,987,366.99	1.375	02/18/2021	10,000,000.00	1,730	10,000,000.00	1.471	1.491	414
3130A7CV5	17388	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	10,022,062.90	1.375	02/18/2021	10,000,000.00	1,655	10,000,000.00	1.158	1.174	414
3130A7CV5	17457	TREAS	FAC	FEDERAL HOME LOAN	03/20/2017	19,893,810.00	1.375	02/18/2021	20,000,000.00	1,431	20,000,000.00	1.838	1.864	414
037833BS8	17443	TREAS	MTN	APPLE INC	01/19/2017	10,000,000.00	2.250	02/23/2021	10,000,000.00	1,496	10,000,000.00	2.219	2.250	419
89236TCZ6	17640	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	6,970,246.38	1.900	04/08/2021	7,000,000.00	668	7,000,000.00	2.212	2.243	463
06406FAB9	17490	TREAS	MTN	BANK OF NEW YORK	07/18/2017	7,476,906.37	2.050	05/03/2021	7,500,000.00	1,385	7,500,000.00	2.260	2.291	488
3135G0K69	17380	TREAS	FAC	FEDERAL NATIONAL	05/25/2016	9,964,699.30	1.250	05/06/2021	10,000,000.00	1,807	10,000,000.00	1.502	1.523	491
3135G0K69	17402	TREAS	FAC	FEDERAL NATIONAL	09/28/2016	25,004,876.25	1.250	05/06/2021	25,000,000.00	1,681	25,000,000.00	1.218	1.235	491
3135G0K69	17412	TREAS	FAC	FEDERAL NATIONAL	11/02/2016	9,983,072.78	1.250	05/06/2021	10,000,000.00	1,646	10,000,000.00	1.361	1.380	491
3135G0K69	17413	TREAS	FAC	FEDERAL NATIONAL	11/14/2016	7,971,333.25	1.250	05/06/2021	8,000,000.00	1,634	8,000,000.00	1.505	1.526	491
166764BG4	17471	TREAS	MTN	CHEVRON CORP	04/25/2017	19,996,815.20	2.100	05/16/2021	20,000,000.00	1,482	20,000,000.00	2.083	2.112	501
912828WN6	17434	TREAS	TRC	US TREASURY NOTE	12/28/2016	40,002,496.13	2.000	05/31/2021	40,000,000.00	1,615	40,000,000.00	1.968	1.995	516
3130A1W95	17386	TREAS	FAC	FEDERAL HOME LOAN	07/15/2016	30,418,991.62	2.250	06/11/2021	30,000,000.00	1,792	30,000,000.00	1.233	1.250	527
313379RB7	17392	TREAS	FAC	FEDERAL HOME LOAN	08/17/2016	10,079,243.32	1.875	06/11/2021	10,000,000.00	1,759	10,000,000.00	1.289	1.307	527
3130A1W95	17420	TREAS	FAC	FEDERAL HOME LOAN	11/29/2016	18,574,695.02	2.250	06/11/2021	18,470,000.00	1,655	18,470,000.00	1.814	1.839	527
313379RB7	17466	TREAS	FAC	FEDERAL HOME LOAN	04/11/2017	15,005,980.00	1.875	06/11/2021	15,000,000.00	1,522	15,000,000.00	1.821	1.846	527
3130AB3M6	17465	TREAS	FAC	FEDERAL HOME LOAN	04/10/2017	5,001,595.72	1.875	06/30/2021	5,000,000.00	1,542	5,000,000.00	1.828	1.853	546
3130A8QS5	17389	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	14,973,470.95	1.125	07/14/2021	15,000,000.00	1,801	15,000,000.00	1.227	1.244	560

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												360	365	
3130A8QS5	17399	TREAS	FAC	FEDERAL HOME LOAN	08/29/2016	3,943,634.48	1.125	07/14/2021	3,955,000.00	1,780	3,955,000.00	1.301	1.319	560
3130A8QS5	17400	TREAS	FAC	FEDERAL HOME LOAN	09/13/2016	14,954,155.95	1.125	07/14/2021	15,000,000.00	1,765	15,000,000.00	1.313	1.331	560
3130A8QS5	17403	TREAS	FAC	FEDERAL HOME LOAN	09/28/2016	9,982,887.50	1.125	07/14/2021	10,000,000.00	1,750	10,000,000.00	1.223	1.240	560
3130A8QS5	17408	TREAS	FAC	FEDERAL HOME LOAN	10/13/2016	9,956,267.43	1.125	07/14/2021	10,000,000.00	1,735	10,000,000.00	1.401	1.420	560
3130A8QS5	17414	TREAS	FAC	FEDERAL HOME LOAN	11/14/2016	9,940,160.79	1.125	07/14/2021	10,000,000.00	1,703	10,000,000.00	1.509	1.530	560
3130A8QS5	17464	TREAS	FAC	FEDERAL HOME LOAN	04/06/2017	19,799,183.84	1.125	07/14/2021	20,000,000.00	1,560	20,000,000.00	1.782	1.807	560
949746SA0	17445	TREAS	MTN	WELLS FARGO	01/25/2017	9,894,145.28	2.100	07/26/2021	10,000,000.00	1,643	10,000,000.00	2.784	2.823	572
3134G9M79	17463	TREAS	FAC	FEDERAL HOME	04/06/2017	4,409,519.95	1.875	07/26/2021	4,410,000.00	1,572	4,410,000.00	1.856	1.882	572
949746SA0	17467	TREAS	MTN	WELLS FARGO	04/17/2017	4,972,686.16	2.100	07/26/2021	5,000,000.00	1,561	5,000,000.00	2.435	2.469	572
949746SA0	17477	TREAS	MTN	WELLS FARGO	05/15/2017	13,158,377.19	2.100	07/26/2021	13,232,000.00	1,533	13,232,000.00	2.441	2.475	572
949746SA0	17491	TREAS	MTN	WELLS FARGO	07/18/2017	12,215,943.94	2.100	07/26/2021	12,275,000.00	1,469	12,275,000.00	2.390	2.424	572
3134G9N86	17476	TREAS	FAC	FEDERAL HOME	05/11/2017	6,167,696.42	1.875	07/27/2021	6,170,000.00	1,538	6,170,000.00	1.874	1.900	573
3133752P1	17405	TREAS	FAC	FEDERAL HOME LOAN	10/05/2016	5,887,310.28	3.500	07/29/2021	5,700,000.00	1,758	5,700,000.00	1.324	1.342	575
037833CC2	17425	TREAS	MTN	APPLE INC	12/13/2016	4,949,146.68	1.550	08/04/2021	5,000,000.00	1,695	5,000,000.00	2.195	2.226	581
594918BP8	17394	TREAS	MTN	MICROSOFT	08/22/2016	14,996,753.16	1.550	08/08/2021	15,000,000.00	1,812	15,000,000.00	1.543	1.564	585
594918BP8	17424	TREAS	MTN	MICROSOFT	12/13/2016	4,951,773.13	1.550	08/08/2021	5,000,000.00	1,699	5,000,000.00	2.156	2.186	585
14912L6U0	17401	TREAS	MTN	CATERPILLAR	09/16/2016	15,239,145.29	1.700	08/09/2021	15,294,000.00	1,788	15,294,000.00	1.909	1.935	586
3137EAEC9	17393	TREAS	FAC	FEDERAL HOME	08/17/2016	9,969,250.70	1.125	08/12/2021	10,000,000.00	1,821	10,000,000.00	1.304	1.322	589
3135G0N82	17396	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,993,150.22	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.276	1.294	594
3135G0N82	17397	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,986,267.67	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.319	1.337	594
3135G0N82	17398	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,983,088.59	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.339	1.358	594
3135G0Q89	17406	TREAS	FAC	FEDERAL NATIONAL	10/07/2016	19,988,410.67	1.375	10/07/2021	20,000,000.00	1,826	20,000,000.00	1.390	1.409	645
3135G0Q89	17407	TREAS	FAC	FEDERAL NATIONAL	10/13/2016	9,979,083.61	1.375	10/07/2021	10,000,000.00	1,820	10,000,000.00	1.478	1.498	645
3135G0Q89	17409	TREAS	FAC	FEDERAL NATIONAL	10/27/2016	4,993,461.35	1.375	10/07/2021	5,000,000.00	1,806	5,000,000.00	1.432	1.452	645
3133EGYQ2	17410	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,990,205.67	1.400	10/14/2021	10,000,000.00	1,813	10,000,000.00	1.437	1.457	652
24422ERH4	17427	TREAS	MTN	JOHN DEERE	12/13/2016	8,813,191.21	3.150	10/15/2021	8,707,000.00	1,767	8,707,000.00	2.390	2.423	653
3133EGZJ7	17411	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,985,679.66	1.375	10/25/2021	10,000,000.00	1,824	10,000,000.00	1.437	1.457	663
3135G0S38	17440	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	19,981,738.75	2.000	01/05/2022	20,000,000.00	1,822	20,000,000.00	2.020	2.048	735
3135G0S38	17441	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	9,990,492.06	2.000	01/05/2022	10,000,000.00	1,822	10,000,000.00	2.022	2.050	735
3135G0S38	17459	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	10,002,825.16	2.000	01/05/2022	10,000,000.00	1,744	10,000,000.00	1.958	1.985	735
3135G0S38	17480	TREAS	FAC	FEDERAL NATIONAL	06/02/2017	5,016,117.45	2.000	01/05/2022	5,000,000.00	1,678	5,000,000.00	1.807	1.832	735
3135G0S38	17481	TREAS	FAC	FEDERAL NATIONAL	06/12/2017	5,016,028.56	2.000	01/05/2022	5,000,000.00	1,668	5,000,000.00	1.808	1.833	735
91159HHP8	17483	TREAS	MTN	US BANK NA	06/27/2017	20,139,036.19	2.625	01/24/2022	20,000,000.00	1,672	20,000,000.00	2.237	2.268	754
3133EG5D3	17447	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2017	50,000,000.00	2.030	01/27/2022	50,000,000.00	1,826	50,000,000.00	2.002	2.030	757
3136G2CS4	17461	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	5,001,451.29	2.000	01/27/2022	5,000,000.00	1,766	5,000,000.00	1.958	1.985	757
084670BF4	17520	TREAS	MTN	BERKSHIRE HATHAWAY	12/14/2017	15,308,849.09	3.400	01/31/2022	15,000,000.00	1,509	15,000,000.00	2.323	2.355	761
594918BW3	17449	TREAS	MTN	MICROSOFT	02/21/2017	6,722,604.96	2.400	02/06/2022	6,725,000.00	1,811	6,725,000.00	2.385	2.418	767
594918BW3	17525	TREAS	MTN	MICROSOFT	12/21/2017	17,375,000.00	2.400	02/06/2022	17,375,000.00	1,508	17,375,000.00	2.367	2.400	767
06406RAA5	17469	TREAS	MTN	BANK OF NEW YORK	04/18/2017	10,034,835.47	2.600	02/07/2022	10,000,000.00	1,756	10,000,000.00	2.390	2.423	768
037833CM0	17448	TREAS	MTN	APPLE INC	02/21/2017	14,984,356.71	2.500	02/09/2022	15,000,000.00	1,814	15,000,000.00	2.518	2.553	770
037833AY6	17470	TREAS	MTN	APPLE INC	04/18/2017	9,990,993.64	2.150	02/09/2022	10,000,000.00	1,758	10,000,000.00	2.165	2.195	770

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												360	365	
594918BA1	17450	TREAS	MTN	MICROSOFT	02/21/2017	6,444,496.84	2.375	02/12/2022	6,450,000.00	1,817	6,450,000.00	2.385	2.418	773
13063DAD0	17472	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	5,000,000.00	2.367	04/01/2022	5,000,000.00	1,800	5,000,000.00	2.335	2.367	821
13063DAD0	17473	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	10,526,176.61	2.367	04/01/2022	10,500,000.00	1,800	10,500,000.00	2.219	2.249	821
13063DAD0	17474	TREAS	MUN	STATE OF CALIFORNIA	05/03/2017	8,013,671.04	2.367	04/01/2022	8,000,000.00	1,794	8,000,000.00	2.255	2.286	821
037833CQ1	17475	TREAS	MTN	APPLE INC	05/11/2017	19,977,333.33	2.300	05/11/2022	20,000,000.00	1,826	20,000,000.00	2.319	2.351	861
3133EHJT1	17479	TREAS	FAC	FEDERAL FARM CREDIT	05/18/2017	4,997,286.17	2.000	05/18/2022	5,000,000.00	1,826	5,000,000.00	1.996	2.024	868
3130ACUZ5	17513	TREAS	FAC	FEDERAL HOME LOAN	11/24/2017	22,988,482.68	2.060	05/24/2022	23,000,000.00	1,642	23,000,000.00	2.053	2.082	874
3130ACXH2	17567	TREAS	FAC	FEDERAL HOME LOAN	12/04/2017	24,954,909.50	2.020	05/25/2022	25,000,000.00	1,633	25,000,000.00	2.070	2.099	875
912828XR6	17497	TREAS	TRC	US TREASURY NOTE	09/27/2017	19,958,066.05	1.750	05/31/2022	20,000,000.00	1,707	20,000,000.00	1.816	1.841	881
313379Q69	17485	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,027,006.31	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	891
313379Q69	17486	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,027,030.98	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	891
313379Q69	17487	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	3,841,000.26	2.125	06/10/2022	3,820,000.00	1,808	3,820,000.00	1.862	1.888	891
313379Q69	17488	TREAS	FAC	FEDERAL HOME LOAN	07/07/2017	13,507,997.94	2.125	06/10/2022	13,470,000.00	1,799	13,470,000.00	1.976	2.003	891
313379Q69	17498	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	20,113,911.75	2.125	06/10/2022	20,000,000.00	1,717	20,000,000.00	1.854	1.880	891
313379Q69	17516	TREAS	FAC	FEDERAL HOME LOAN	12/01/2017	1,999,626.60	2.125	06/10/2022	2,000,000.00	1,652	2,000,000.00	2.104	2.133	891
313379Q69	17527	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,895,485.54	2.125	06/10/2022	1,900,000.00	1,633	1,900,000.00	2.197	2.228	891
3130A5P45	17528	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,931,550.75	2.375	06/10/2022	1,925,000.00	1,633	1,925,000.00	2.197	2.228	891
3133EEY20	17495	TREAS	FAC	FEDERAL FARM CREDIT	09/21/2017	10,110,516.30	2.400	06/17/2022	10,000,000.00	1,730	10,000,000.00	1.901	1.928	898
3130ACM27	17502	TREAS	FAC	FEDERAL HOME LOAN	10/12/2017	14,991,853.13	1.950	07/11/2022	15,000,000.00	1,733	15,000,000.00	1.946	1.973	922
3130ACM27	17509	TREAS	FAC	FEDERAL HOME LOAN	10/19/2017	4,449,164.26	1.950	07/11/2022	4,455,000.00	1,726	4,455,000.00	1.977	2.005	922
91159JAA4	17529	TREAS	MTN	US BANK NA	12/21/2017	10,084,424.13	2.950	07/15/2022	10,004,000.00	1,667	10,004,000.00	2.570	2.606	926
3130ACKC7	17500	TREAS	FAC	FEDERAL HOME LOAN	10/18/2017	50,000,000.00	1.950	07/18/2022	50,000,000.00	1,734	50,000,000.00	1.924	1.950	929
95000U2B8	17508	TREAS	MTN	WELLS FARGO	10/20/2017	4,998,762.68	2.625	07/22/2022	5,000,000.00	1,736	5,000,000.00	2.599	2.635	933
3130ACYP3	17515	TREAS	FAC	FEDERAL HOME LOAN	12/05/2017	19,989,942.49	2.100	07/27/2022	20,000,000.00	1,695	20,000,000.00	2.092	2.121	938
3130ACUV4	17512	TREAS	FAC	FEDERAL HOME LOAN	11/30/2017	50,000,000.00	2.070	07/29/2022	50,000,000.00	1,702	50,000,000.00	2.042	2.070	940
3130ACUV4	17517	TREAS	FAC	FEDERAL HOME LOAN	12/06/2017	8,869,545.33	2.070	07/29/2022	8,890,000.00	1,696	8,890,000.00	2.135	2.165	940
3130AC5A8	17494	TREAS	FAC	FEDERAL HOME LOAN	09/19/2017	9,988,379.07	1.850	08/15/2022	10,000,000.00	1,791	10,000,000.00	1.870	1.896	957
3130AC5A8	17496	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	9,262,439.50	1.850	08/15/2022	9,280,000.00	1,783	9,280,000.00	1.899	1.926	957
3133EHVS9	17499	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2017	5,481,755.58	1.840	08/23/2022	5,500,000.00	1,790	5,500,000.00	1.945	1.972	965
912828L24	17510	TREAS	TRC	US TREASURY NOTE	10/23/2017	19,930,544.10	1.875	08/31/2022	20,000,000.00	1,773	20,000,000.00	1.985	2.012	973
13063DDF2	17504	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,077,694.08	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,004
13063DDF2	17505	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,077,694.08	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,004
13063DDF2	17519	TREAS	MUN	STATE OF CALIFORNIA	12/14/2017	20,035,770.70	2.500	10/01/2022	20,000,000.00	1,752	20,000,000.00	2.397	2.430	1,004
13063DDF2	17532	TREAS	MUN	STATE OF CALIFORNIA	01/16/2018	4,990,392.04	2.500	10/01/2022	5,000,000.00	1,719	5,000,000.00	2.539	2.574	1,004
3135G0T78	17501	TREAS	FAC	FEDERAL NATIONAL	10/10/2017	19,987,905.87	2.000	10/05/2022	20,000,000.00	1,821	20,000,000.00	1.995	2.023	1,008
3135G0T78	17531	TREAS	FAC	FEDERAL NATIONAL	01/11/2018	4,950,749.17	2.000	10/05/2022	5,000,000.00	1,728	5,000,000.00	2.346	2.379	1,008
24422EUA5	17637	TREAS	MTN	JOHN DEERE	06/06/2019	10,038,858.14	2.700	01/06/2023	10,000,000.00	1,310	10,000,000.00	2.529	2.564	1,101
24422EUA5	17638	TREAS	MTN	JOHN DEERE	06/06/2019	5,019,639.34	2.700	01/06/2023	5,000,000.00	1,310	5,000,000.00	2.527	2.562	1,101
89233P7F7	17538	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,940,108.11	2.625	01/10/2023	5,000,000.00	1,776	5,000,000.00	3.012	3.054	1,105
89236TEL5	17539	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,950,532.69	2.700	01/11/2023	5,000,000.00	1,777	5,000,000.00	3.012	3.054	1,106
89236TEL5	17542	TREAS	MTN	TOYOTA MOTOR CREDIT	04/02/2018	19,757,397.32	2.700	01/11/2023	20,000,000.00	1,745	20,000,000.00	3.091	3.134	1,106

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												360	365	
037833DE7	17541	TREAS	MTN	APPLE INC	03/01/2018	2,453,727.12	2.400	01/13/2023	2,500,000.00	1,779	2,500,000.00	3.018	3.060	1,108
3133EH7F4	17557	TREAS	FAC	FEDERAL FARM CREDIT	04/19/2018	19,617,155.91	2.350	01/17/2023	19,869,000.00	1,734	19,869,000.00	2.759	2.797	1,112
3135G0T94	17533	TREAS	FAC	FEDERAL NATIONAL	01/23/2018	39,854,129.84	2.375	01/19/2023	40,000,000.00	1,822	40,000,000.00	2.469	2.503	1,114
90331HNL3	17534	TREAS	MTN	US BANK NA	01/24/2018	9,988,667.59	2.850	01/23/2023	10,000,000.00	1,825	10,000,000.00	2.850	2.890	1,118
90331HNL3	17537	TREAS	MTN	US BANK NA	03/01/2018	4,959,985.27	2.850	01/23/2023	5,000,000.00	1,789	5,000,000.00	3.091	3.134	1,118
90331HNL3	17556	TREAS	MTN	US BANK NA	04/20/2018	9,911,228.85	2.850	01/23/2023	10,000,000.00	1,739	10,000,000.00	3.121	3.164	1,118
46625HJH4	17559	TREAS	MTN	JP MORGAN	04/26/2018	9,900,711.06	3.200	01/25/2023	10,000,000.00	1,735	10,000,000.00	3.505	3.554	1,120
24422ERT8	17635	TREAS	MTN	JOHN DEERE	05/28/2019	11,172,024.81	2.800	01/27/2023	11,125,000.00	1,340	11,125,000.00	2.618	2.654	1,122
3133EJBP3	17535	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2018	9,973,342.19	2.500	02/02/2023	10,000,000.00	1,821	10,000,000.00	2.557	2.593	1,128
3133EJBP3	17536	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2018	50,795,114.63	2.500	02/02/2023	51,180,000.00	1,800	51,180,000.00	2.724	2.762	1,128
037833BU3	17540	TREAS	MTN	APPLE INC	03/01/2018	9,938,093.75	2.850	02/23/2023	10,000,000.00	1,820	10,000,000.00	3.022	3.064	1,149
594918AT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,758,339.62	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	1,216
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,865,643.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	1,218
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,865,509.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	1,218
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,740,516.28	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	1,218
166764BK5	17571	TREAS	MTN	CHEVRON CORP	06/08/2018	9,769,252.50	2.566	05/16/2023	10,000,000.00	1,803	10,000,000.00	3.267	3.313	1,231
166764BK5	17579	TREAS	MTN	CHEVRON CORP	06/22/2018	4,892,148.09	2.566	05/16/2023	5,000,000.00	1,789	5,000,000.00	3.217	3.262	1,231
166764BK5	17585	TREAS	MTN	CHEVRON CORP	07/25/2018	6,148,001.00	2.566	05/16/2023	6,288,000.00	1,756	6,288,000.00	3.239	3.284	1,231
166764BK5	17626	TREAS	MTN	CHEVRON CORP	03/04/2019	7,888,864.94	2.566	05/16/2023	7,966,000.00	1,534	7,966,000.00	2.833	2.872	1,231
3130AEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,061,480.54	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	1,245
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,982,623.31	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	1,245
931142EK5	17604	TREAS	MTN	WALMART	11/13/2018	9,964,078.17	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	1,272
46632FPH2	17590	TREAS	MTN	JP MORGAN	08/14/2018	30,000,000.00	3.450	07/14/2023	30,000,000.00	1,795	30,000,000.00	3.403	3.450	1,290
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,998,156.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	1,293
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,931,429.24	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	1,293
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,949,356.46	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	1,293
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,919,730.42	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	1,293
3133EJUS6	17615	TREAS	FAC	FEDERAL FARM CREDIT	01/18/2019	20,130,043.24	2.875	07/17/2023	20,000,000.00	1,641	20,000,000.00	2.642	2.679	1,293
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,990,871.37	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	1,300
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,497,855.13	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	1,300
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,248,573.65	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	1,300
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,172,364.92	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	1,300
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,646,176.22	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	1,301
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,962,887.60	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	1,304
911759MW5	17630	TREAS	TRC	US HOUSING AND URBAN	03/28/2019	3,500,000.00	2.618	08/01/2023	3,500,000.00	1,587	3,500,000.00	2.583	2.618	1,308
594918BQ6	17616	TREAS	MTN	MICROSOFT	02/07/2019	2,809,187.16	2.000	08/08/2023	2,880,000.00	1,643	2,880,000.00	2.693	2.730	1,315
594918BQ6	17617	TREAS	MTN	MICROSOFT	02/11/2019	19,530,609.52	2.000	08/08/2023	20,000,000.00	1,639	20,000,000.00	2.659	2.696	1,315
594918BQ6	17624	TREAS	MTN	MICROSOFT	03/04/2019	9,752,154.20	2.000	08/08/2023	10,000,000.00	1,618	10,000,000.00	2.698	2.735	1,315
594918BQ6	17625	TREAS	MTN	MICROSOFT	03/04/2019	4,876,223.56	2.000	08/08/2023	5,000,000.00	1,618	5,000,000.00	2.697	2.734	1,315
94988J5R4	17591	TREAS	MTN	WELLS FARGO	08/14/2018	9,988,200.61	3.550	08/14/2023	10,000,000.00	1,826	10,000,000.00	3.537	3.586	1,321
94988J5R4	17602	TREAS	MTN	WELLS FARGO	11/13/2018	9,907,860.92	3.550	08/14/2023	10,000,000.00	1,735	10,000,000.00	3.778	3.830	1,321

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
3130AFRW9	17621	TREAS	FAC	FEDERAL HOME LOAN	02/28/2019	20,086,515.52	2.700	08/28/2023	20,000,000.00	1,642	20,000,000.00	2.539	2.574	1,335
3130AFRW9	17623	TREAS	FAC	FEDERAL HOME LOAN	03/01/2019	20,064,750.46	2.700	08/28/2023	20,000,000.00	1,641	20,000,000.00	2.570	2.606	1,335
3135G0U43	17631	TREAS	FAC	FEDERAL NATIONAL	03/27/2019	20,440,930.03	2.875	09/12/2023	20,000,000.00	1,630	20,000,000.00	2.214	2.245	1,350
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,914,207.38	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	1,386
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,932,745.85	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	1,386
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,952,069.14	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	1,391
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,979,163.89	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	1,395
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,915,037.60	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	1,395
3130A0F70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,236,059.32	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	1,437
3130A0F70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,615,372.85	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	1,437
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,195,216.69	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	1,468
24422EUR8	17665	TREAS	MTN	JOHN DEERE	11/26/2019	5,339,099.92	3.450	01/10/2024	5,000,000.00	1,506	5,000,000.00	1.996	2.024	1,470
24422EUR8	17672	TREAS	MTN	JOHN DEERE	12/12/2019	3,535,232.99	3.450	01/10/2024	3,306,000.00	1,490	3,306,000.00	1.997	2.025	1,470
24422EUR8	17678	TREAS	MTN	JOHN DEERE	12/27/2019	6,856,378.73	3.450	01/10/2024	6,413,000.00	1,475	6,413,000.00	2.039	2.067	1,470
46632FPT6	17627	TREAS	MTN	JP MORGAN	03/06/2019	30,000,000.00	3.050	01/26/2024	30,000,000.00	1,787	30,000,000.00	3.009	3.050	1,486
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,968,040.95	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	1,489
594918BX1	17629	TREAS	MTN	MICROSOFT	03/07/2019	10,000,000.00	2.875	02/06/2024	10,000,000.00	1,797	10,000,000.00	2.835	2.875	1,497
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,015,334.21	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	1,518
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,986,672.61	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	1,518
3133ELCS1	17666	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	19,939,600.00	1.550	03/11/2024	20,000,000.00	1,552	20,000,000.00	1.603	1.625	1,531
3133ELCS1	17667	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	24,921,045.75	1.550	03/11/2024	25,000,000.00	1,552	25,000,000.00	1.606	1.628	1,531
46632FPX7	17634	TREAS	MTN	JP MORGAN	05/15/2019	40,000,000.00	2.775	05/15/2024	40,000,000.00	1,827	40,000,000.00	2.737	2.775	1,596
3133ELEM2	17674	TREAS	FAC	FEDERAL FARM CREDIT	12/17/2019	25,000,000.00	1.700	05/17/2024	25,000,000.00	1,613	25,000,000.00	1.677	1.700	1,598
912828XT2	17677	TREAS	TRC	US TREASURY NOTE	12/18/2019	20,264,421.51	2.000	05/31/2024	20,000,000.00	1,626	20,000,000.00	1.688	1.711	1,612
24422ETT6	17650	TREAS	MTN	JOHN DEERE	09/19/2019	7,182,455.27	2.650	06/24/2024	7,059,000.00	1,740	7,059,000.00	2.205	2.236	1,636
3135G0V75	17652	TREAS	FAC	FEDERAL NATIONAL	09/26/2019	35,312,600.60	1.750	07/02/2024	35,000,000.00	1,741	35,000,000.00	1.608	1.631	1,644
3135G0V75	17656	TREAS	FAC	FEDERAL NATIONAL	10/16/2019	10,095,427.81	1.750	07/02/2024	10,000,000.00	1,721	10,000,000.00	1.617	1.639	1,644
3135G0V75	17659	TREAS	FAC	FEDERAL NATIONAL	10/23/2019	10,086,196.93	1.750	07/02/2024	10,000,000.00	1,714	10,000,000.00	1.645	1.668	1,644
3135G0V75	17660	TREAS	FAC	FEDERAL NATIONAL	10/28/2019	8,702,502.79	1.750	07/02/2024	8,632,000.00	1,709	8,632,000.00	1.661	1.684	1,644
3135G0V75	17661	TREAS	FAC	FEDERAL NATIONAL	11/05/2019	23,220,184.99	1.750	07/02/2024	23,000,000.00	1,701	23,000,000.00	1.637	1.660	1,644
3135G0V75	17663	TREAS	FAC	FEDERAL NATIONAL	11/08/2019	25,054,567.35	1.750	07/02/2024	25,000,000.00	1,698	25,000,000.00	1.810	1.835	1,644
3135G0V75	17668	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	25,262,831.49	1.750	07/02/2024	25,000,000.00	1,670	25,000,000.00	1.650	1.673	1,644
3135G0V75	17669	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	15,160,963.55	1.750	07/02/2024	15,000,000.00	1,670	15,000,000.00	1.645	1.668	1,644
3135G0V75	17670	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	15,132,154.90	1.750	07/02/2024	15,000,000.00	1,667	15,000,000.00	1.692	1.716	1,644
3135G0V75	17671	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	25,221,984.72	1.750	07/02/2024	25,000,000.00	1,667	25,000,000.00	1.691	1.714	1,644
3135G0V75	17673	TREAS	FAC	FEDERAL NATIONAL	12/12/2019	25,219,523.36	1.750	07/02/2024	25,000,000.00	1,664	25,000,000.00	1.696	1.720	1,644
3135G0V75	17675	TREAS	FAC	FEDERAL NATIONAL	12/13/2019	20,134,078.94	1.750	07/02/2024	20,000,000.00	1,663	20,000,000.00	1.745	1.769	1,644
742651DP4	17643	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,192,993.56	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.974	2.001	1,657
742651DP4	17644	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,189,099.19	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.982	2.010	1,657
3133EKHV1	17655	TREAS	FAC	FEDERAL FARM CREDIT	10/16/2019	2,385,542.58	2.450	07/22/2024	2,292,000.00	1,741	2,292,000.00	1.623	1.646	1,664
3133EKWV4	17647	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	5,044,140.89	1.850	07/26/2024	4,950,000.00	1,794	4,950,000.00	1.435	1.455	1,668

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**County of Fresno
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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
3133EKWV4	17648	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	15,278,827.54	1.850	07/26/2024	15,000,000.00	1,794	15,000,000.00	1.444	1.464	1,668
3133EKWV4	17649	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2019	18,097,670.29	1.850	07/26/2024	17,941,000.00	1,778	17,941,000.00	1.682	1.705	1,668
89236TGM1	17653	TREAS	MTN	TOYOTA MOTOR CREDIT	10/15/2019	30,000,000.00	1.875	07/31/2024	30,000,000.00	1,751	30,000,000.00	1.850	1.875	1,673
3133X8EW8	17651	TREAS	FAC	FEDERAL HOME LOAN	09/26/2019	4,401,958.34	5.375	08/15/2024	3,760,000.00	1,785	3,760,000.00	1.630	1.653	1,688
3130AGWK7	17658	TREAS	FAC	FEDERAL HOME LOAN	10/23/2019	9,956,014.96	1.500	08/15/2024	10,000,000.00	1,758	10,000,000.00	1.640	1.662	1,688
3130AGWK7	17662	TREAS	FAC	FEDERAL HOME LOAN	11/05/2019	12,457,498.39	1.500	08/15/2024	12,500,000.00	1,745	12,500,000.00	1.628	1.651	1,688
3130AGWK7	17676	TREAS	FAC	FEDERAL HOME LOAN	12/18/2019	9,948,631.78	1.500	08/15/2024	10,000,000.00	1,702	10,000,000.00	1.707	1.731	1,688
3130A2UW4	17654	TREAS	FAC	FEDERAL HOME LOAN	10/15/2019	10,567,895.15	2.875	09/13/2024	10,000,000.00	1,795	10,000,000.00	1.645	1.668	1,717
13063DRK6	17657	TREAS	MUN	STATE OF CALIFORNIA	10/24/2019	51,105,196.96	2.400	10/01/2024	50,000,000.00	1,804	50,000,000.00	1.884	1.910	1,735
89236TGL3	17664	TREAS	MTN	TOYOTA MOTOR CREDIT	11/12/2019	9,995,916.28	2.000	10/07/2024	10,000,000.00	1,791	10,000,000.00	2.024	2.052	1,741
Subtotal and Average						3,468,877,485.15			3,465,729,375.00		3,464,441,000.00	2.083	2.112	906
Net Maturities and Average						3,468,877,485.15			3,465,729,375.00		3,464,441,000.00	2.083	2.112	906



Quarterly Economic and Market Update

December 2019

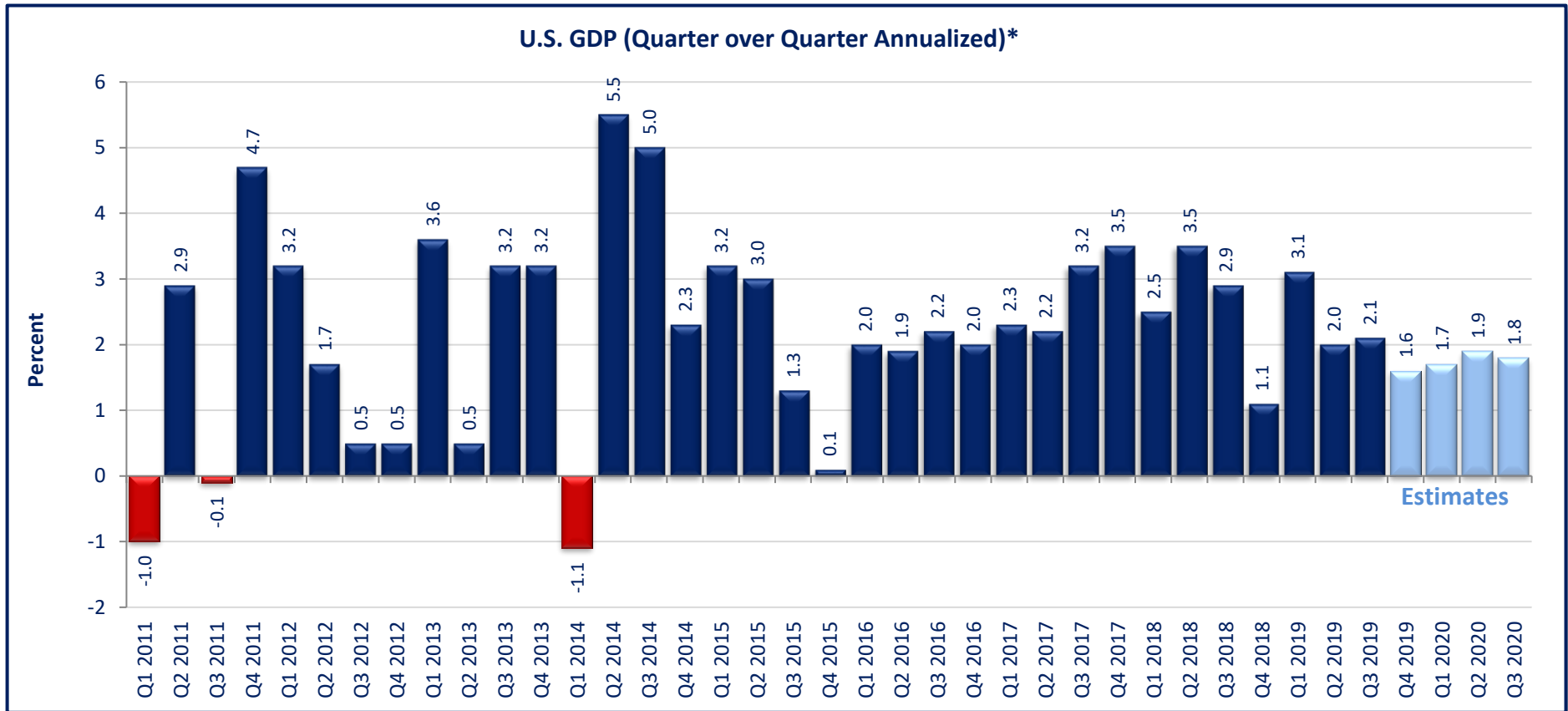
Economic and Market Update
12/31/19

Item	12/31/19	9/30/19	Change
U.S. Payrolls Monthly Change	145,000	193,000	(48,000)
Unemployment Rate	3.5%	3.5%	0.0%
Labor Force Participation	63.2%	63.2%	0.0%
Effective Fed Funds Rate	1.55%	1.90%	(0.35%)
3 Month T-Bill	1.55%	1.82%	(0.27%)
2 Year T-Note	1.57%	1.62%	(0.05%)
3 Year T-Note	1.61%	1.56%	0.05%
5 Year T-Note	1.69%	1.55%	0.15%
10 Year T-Note	1.92%	1.67%	0.25%
U.S. Fed Debt Avg Yield*	2.39%	2.44%	(0.05%)
30 Year Mortgage Rate	3.86%	3.72%	0.14%
1-5 Yr Agency Spread	0.04%	0.05%	(0.01%)
1-5 Yr A-AAA Corporate Spread	0.36%	0.44%	(0.08%)
Dow Jones	28,538	26,917	6.0%
S&P 500	3,231	2,977	8.5%
Consumer Price Index YOY*	1.8%	1.7%	0.1%
U.S. Avg Regular Unleaded	\$2.59	\$2.66	(\$0.07)
Retail Sales YOY*	5.6%	4.0%	1.6%
Case-Shiller Home Prices YOY*	2.2%	2.0%	0.2%
Gold (per ounce)	\$1,517.27	\$1,472.49	\$44.78
Dollar Index	96.39	99.38	(2.99)
Consumer Confidence	126.5	126.3	0.2

*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg

Economic and Market Update
12/31/19



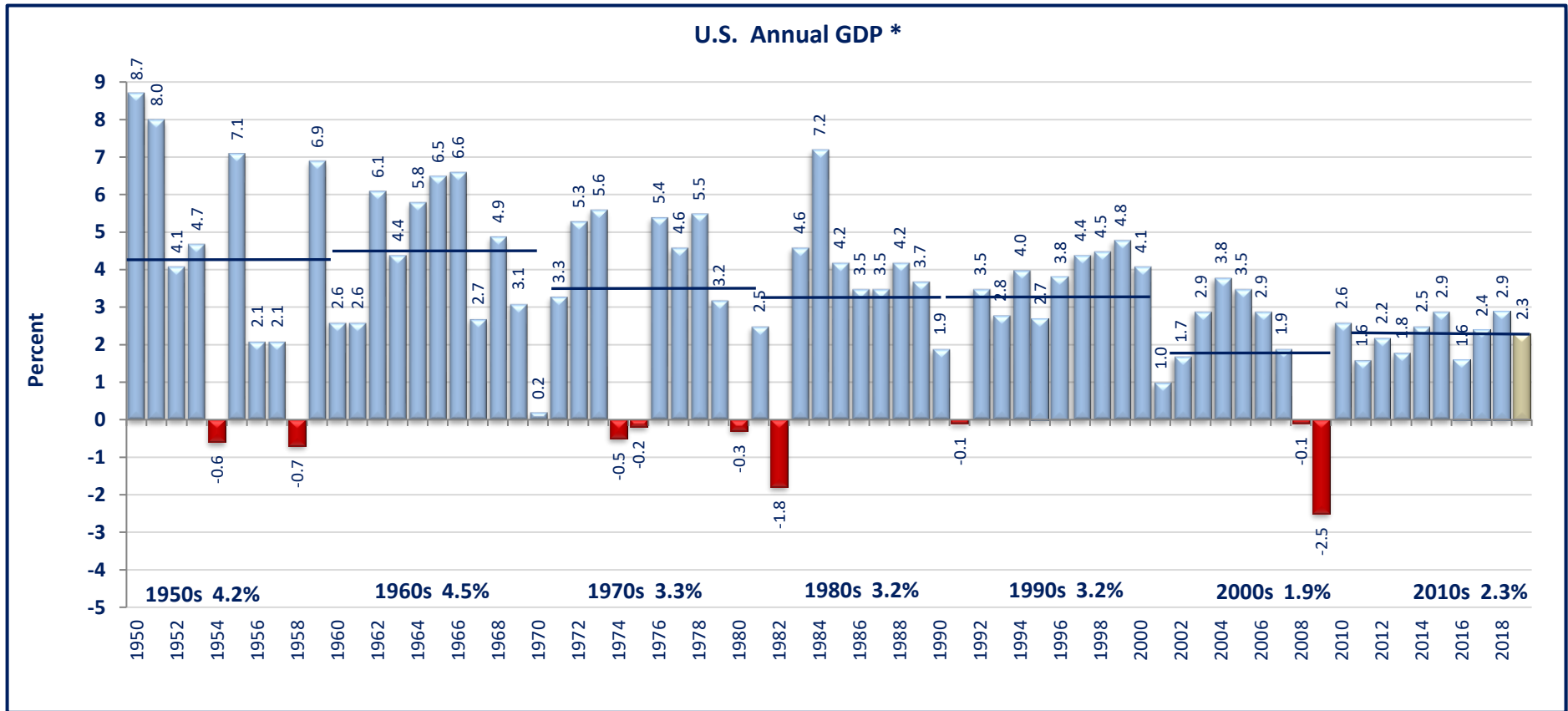
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/19

Economic and Market Update 12/31/19



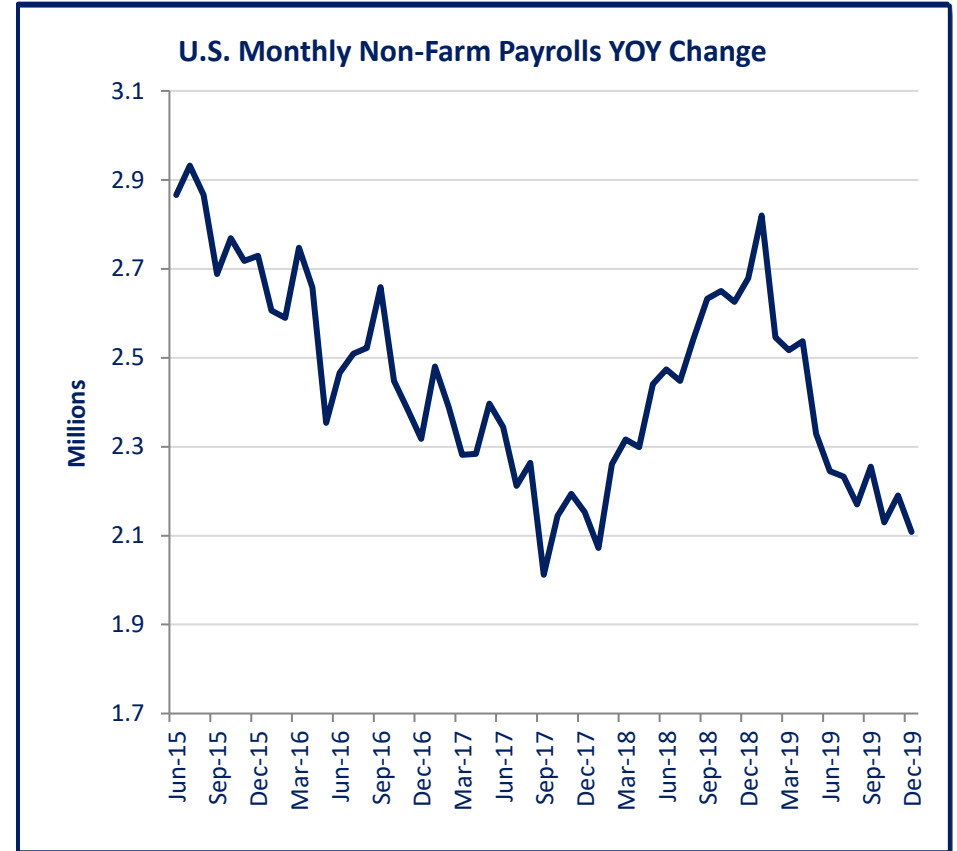
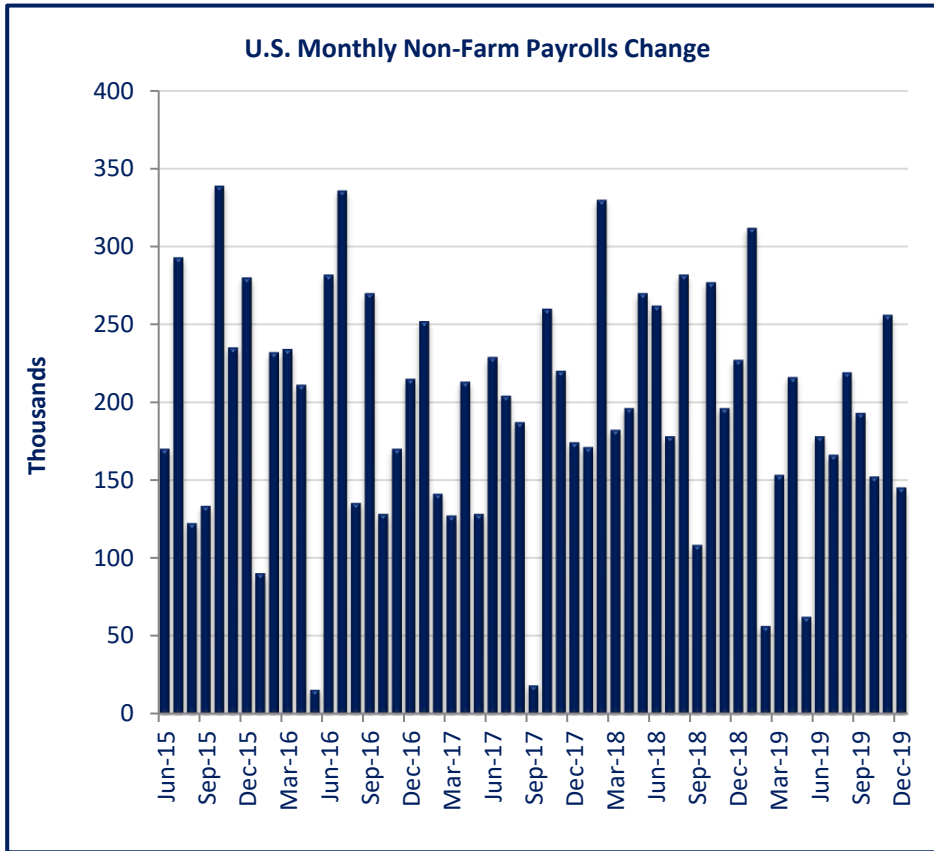
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/19

Economic and Market Update 12/31/19

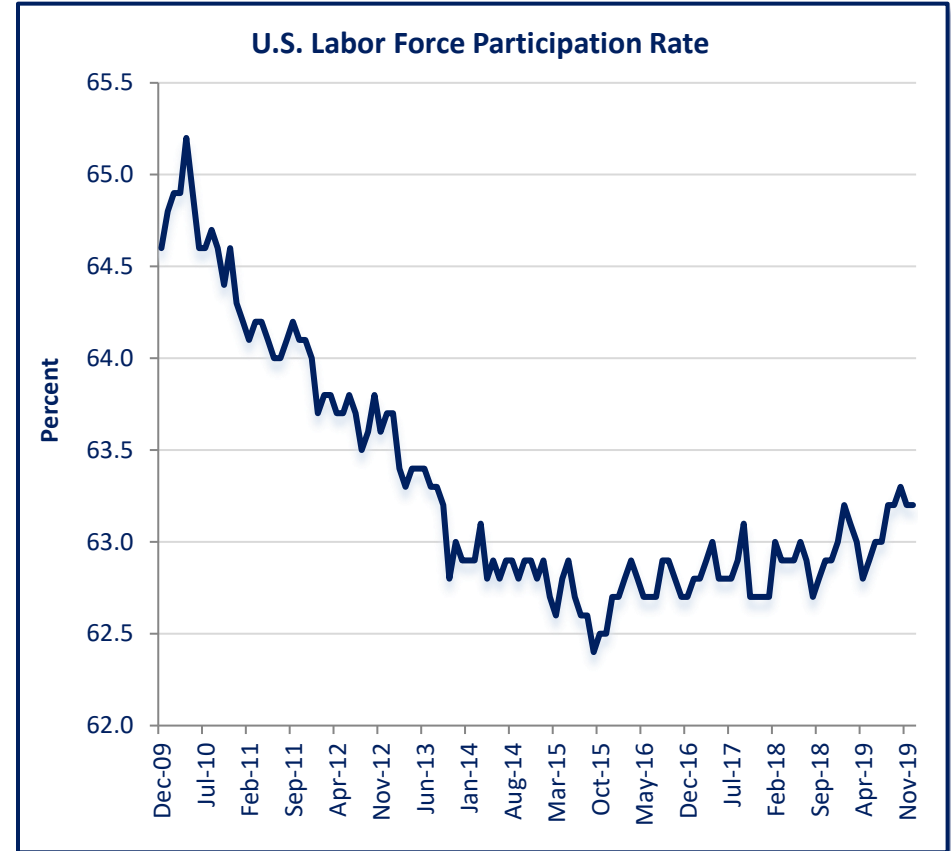
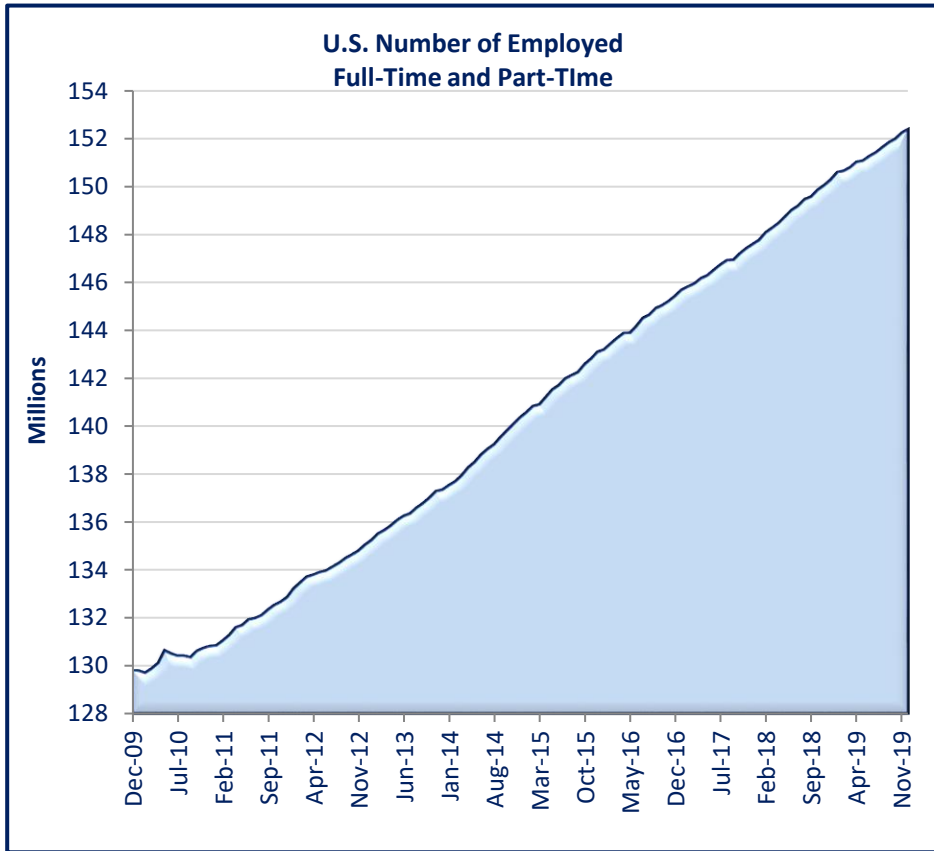


12 Month Average Job Change

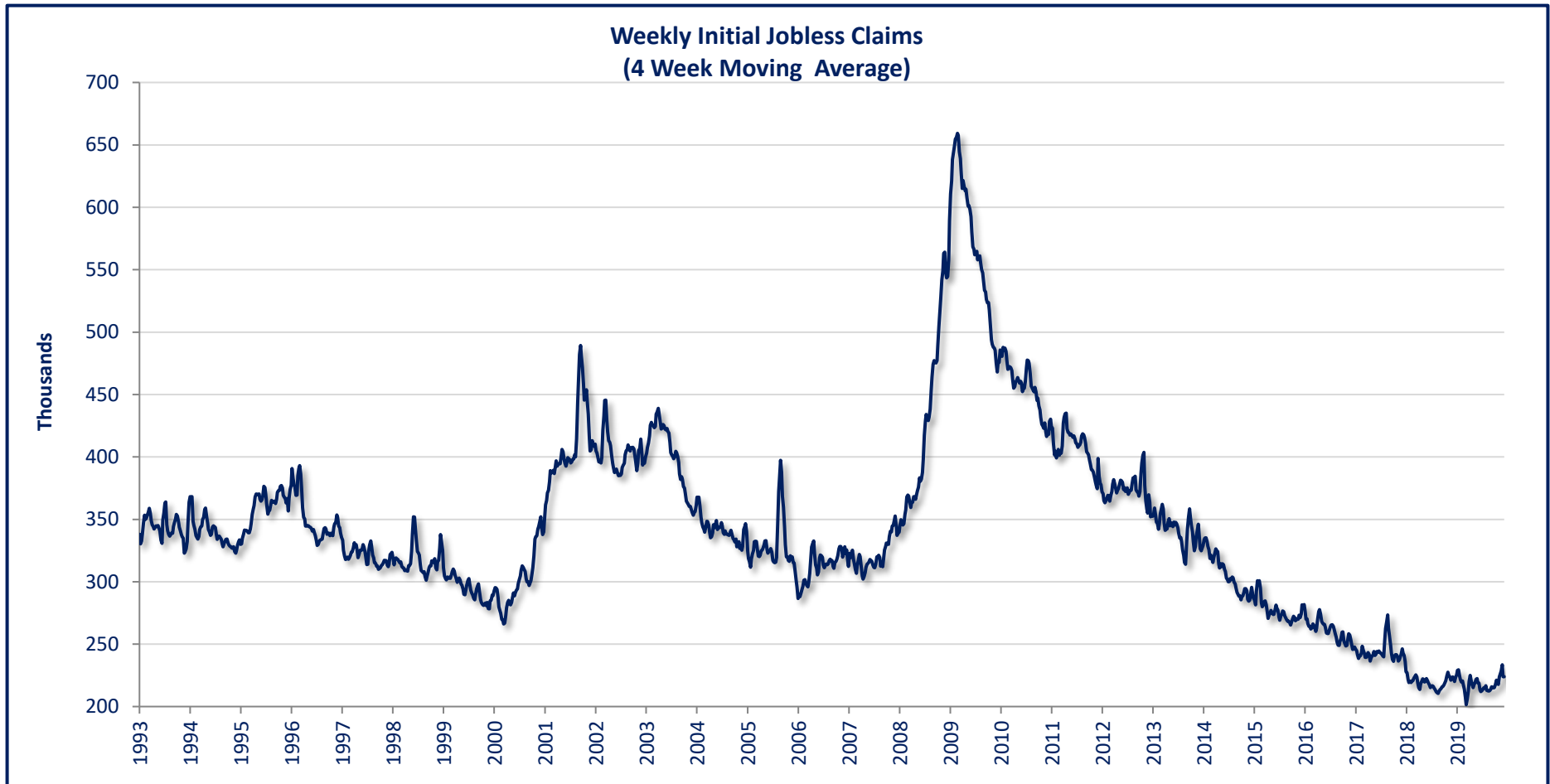
175,667

Source: Bureau of Labor Statistics

Economic and Market Update
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Source: Bureau of Labor Statistics

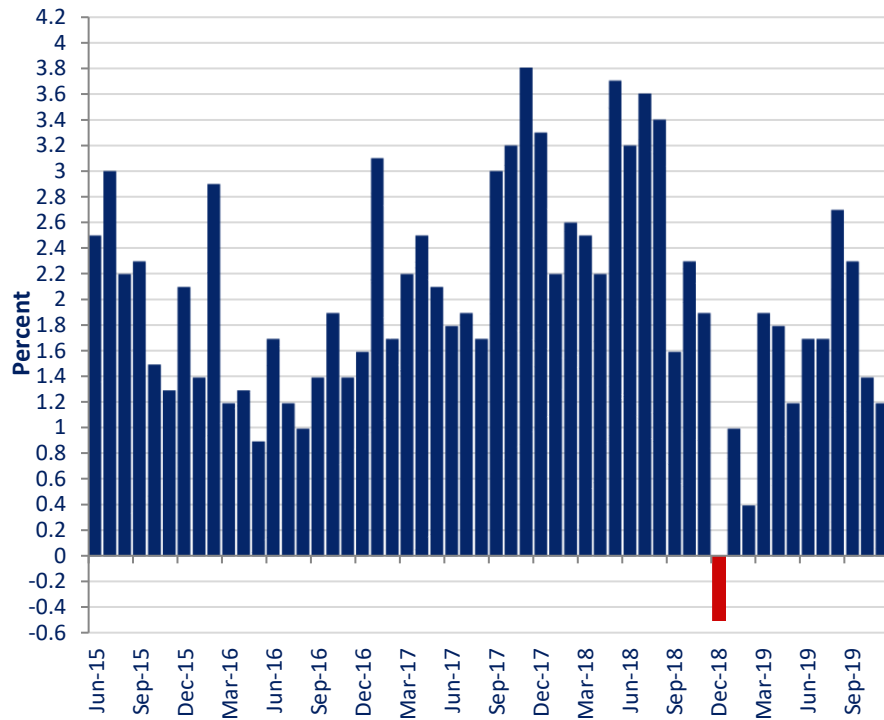


Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

Source: Department of Labor and Bloomberg

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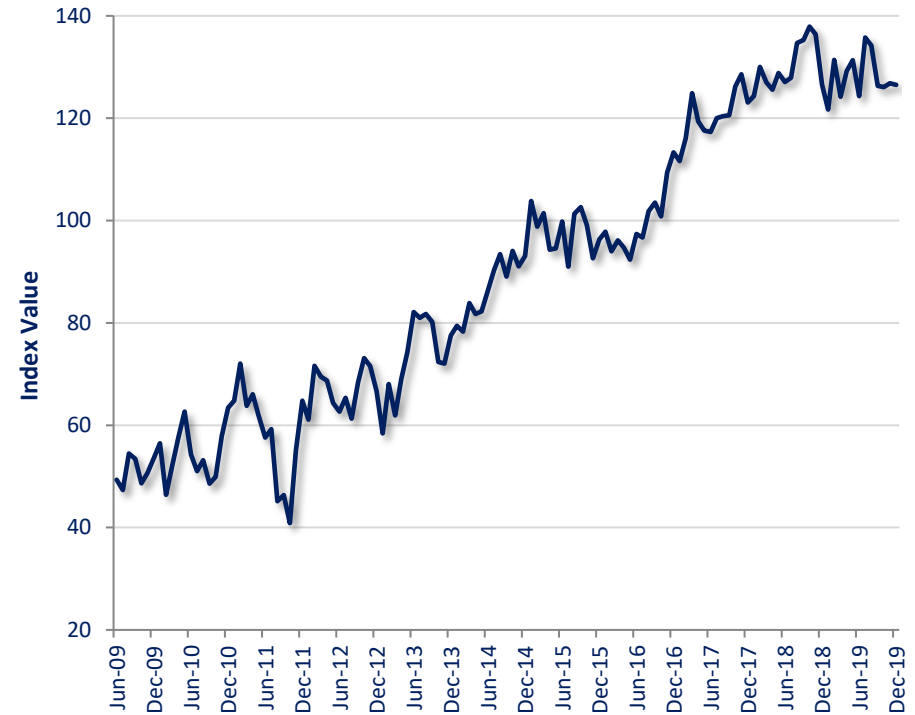
U.S. Real* Retail Sales YOY % Change



*Real: Inflation Adjusted

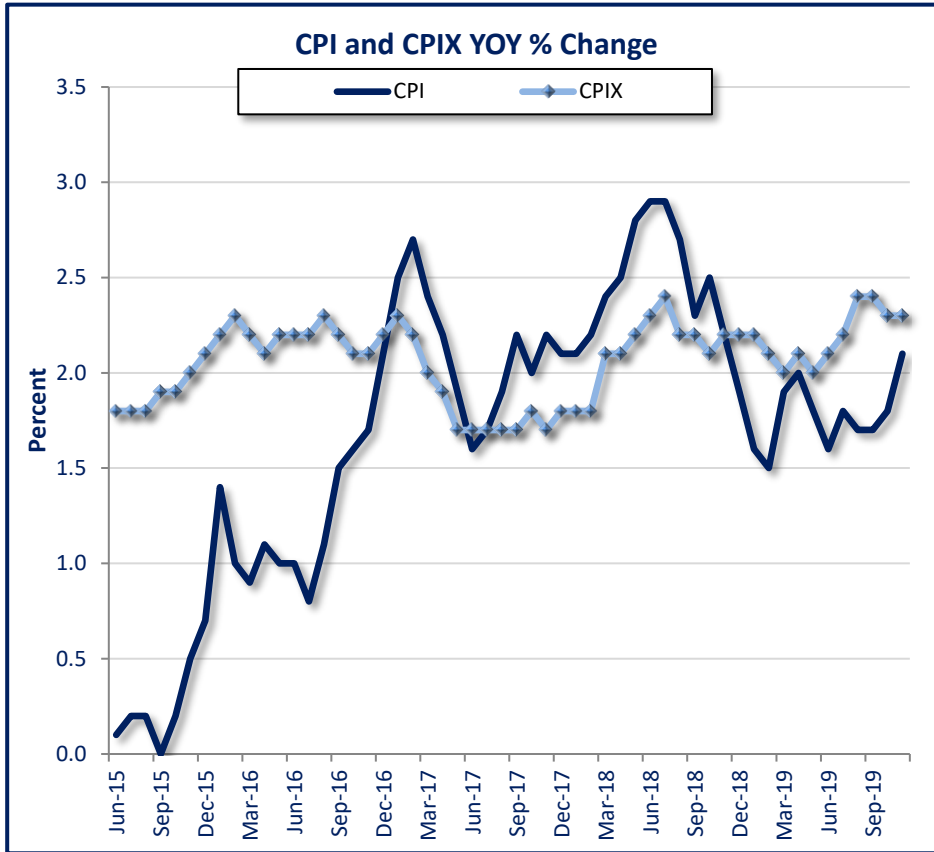
Source: U.S. Census Bureau

U.S. Consumer Confidence

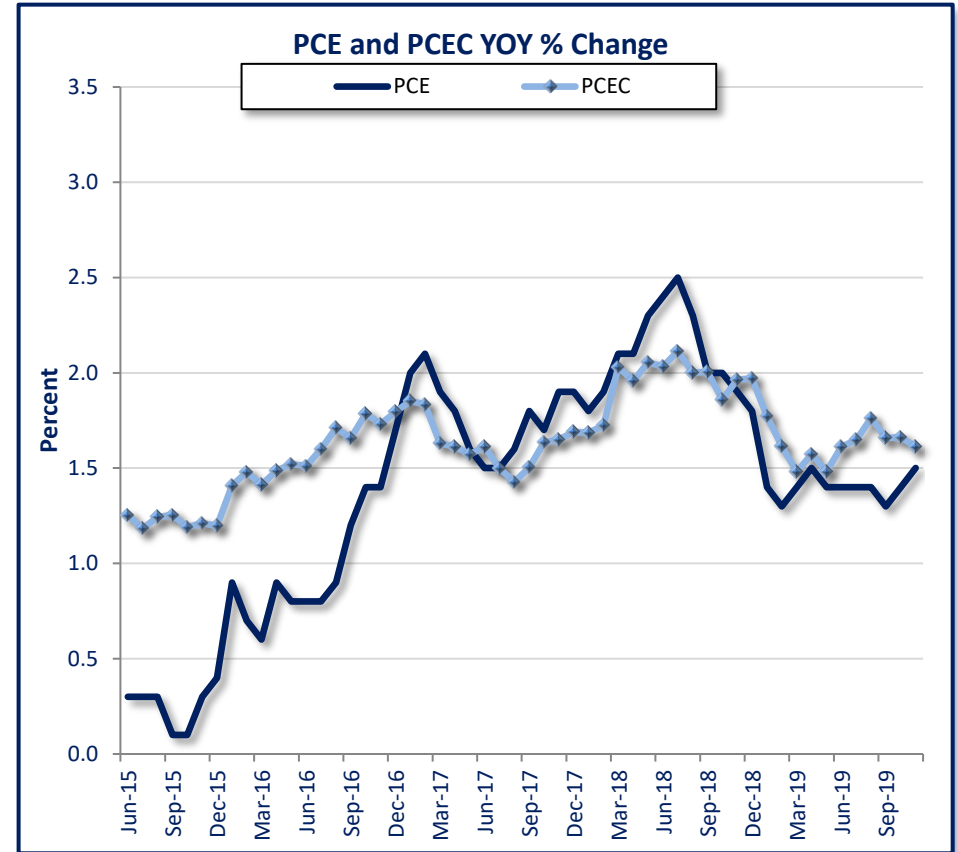


Source: Conference Board

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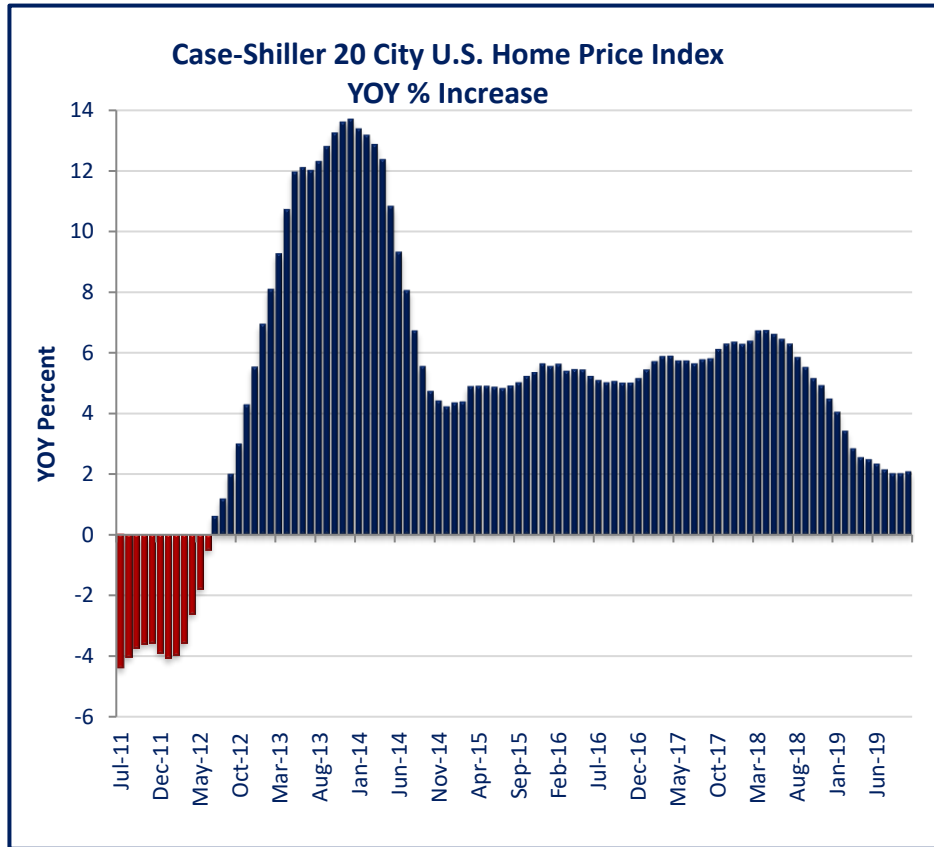
CPIX: Consumer Price Index, excluding food and energy



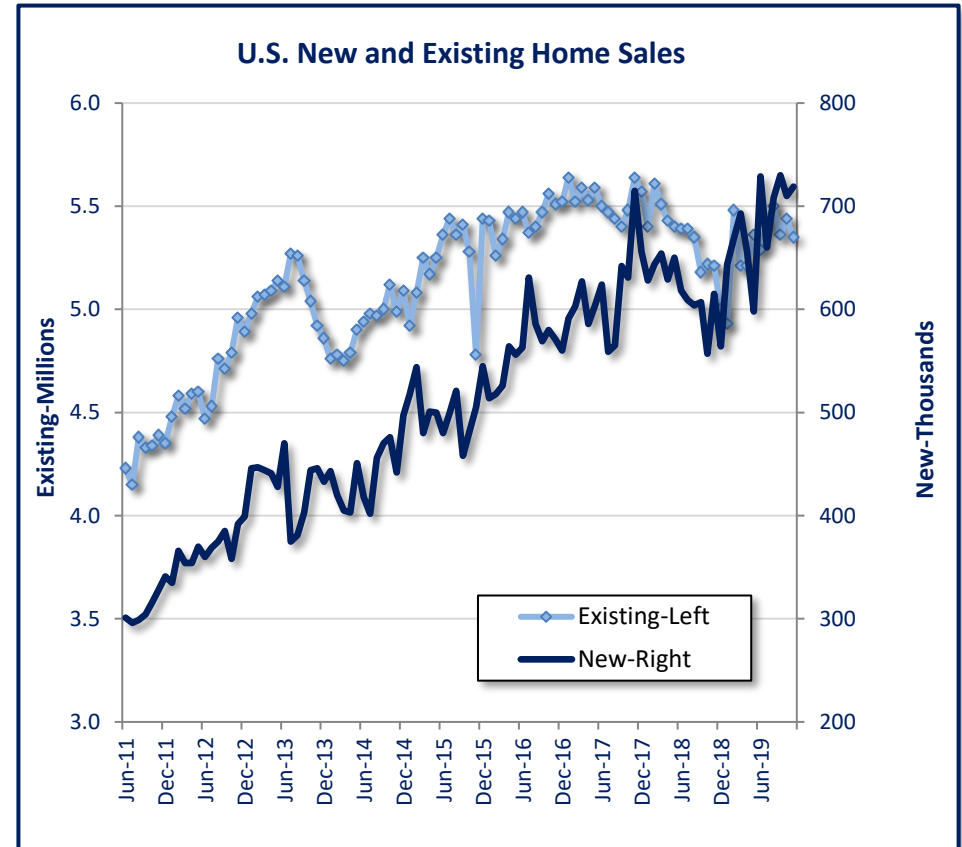
PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

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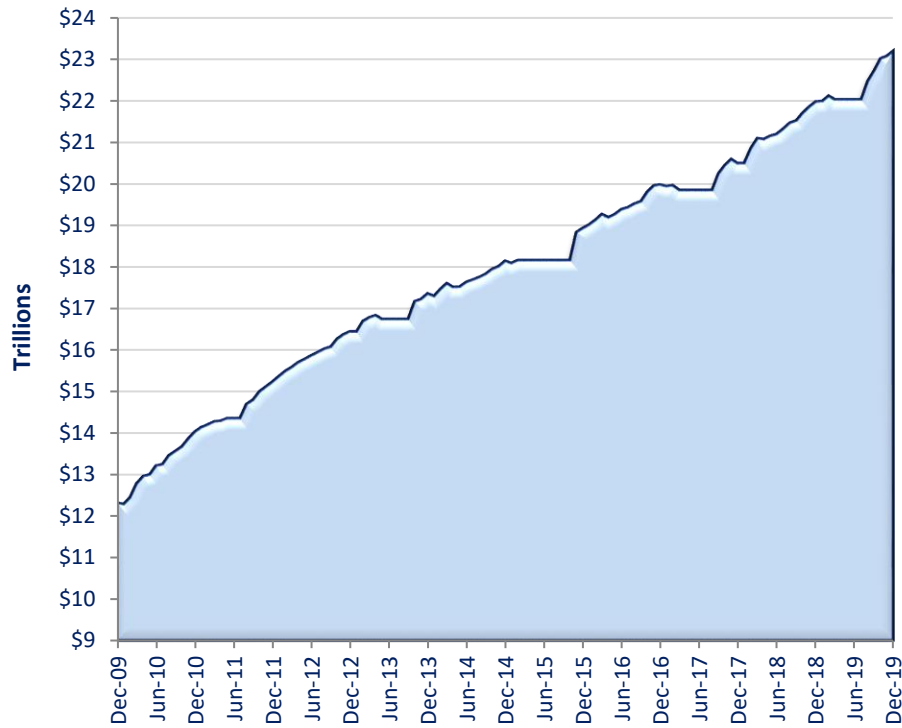
Source: Case-Shiller



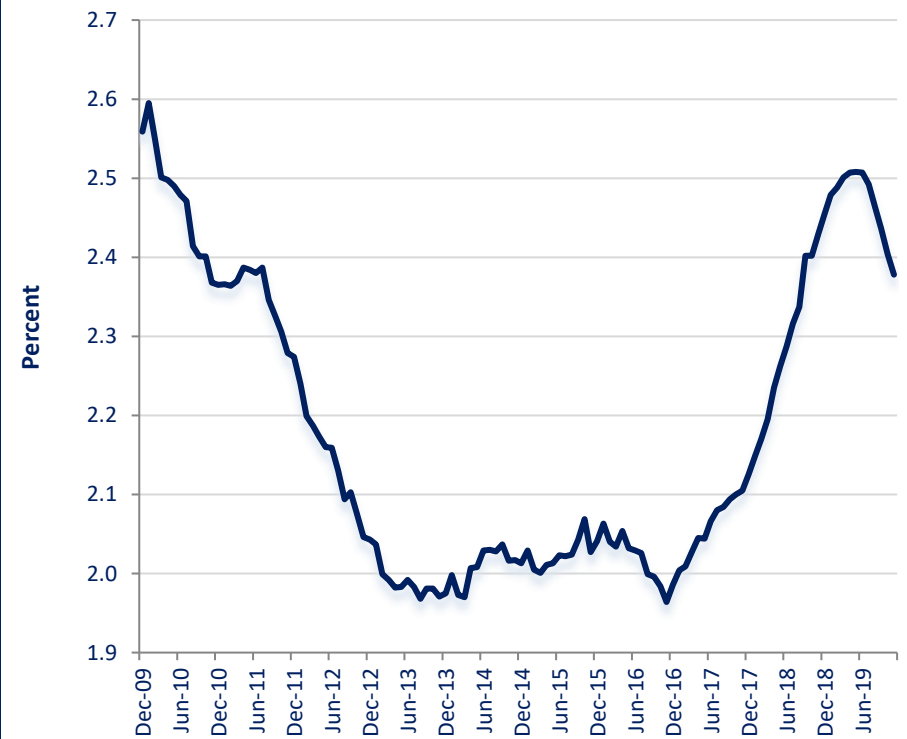
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate

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12/31/19

U.S. Federal Debt Outstanding

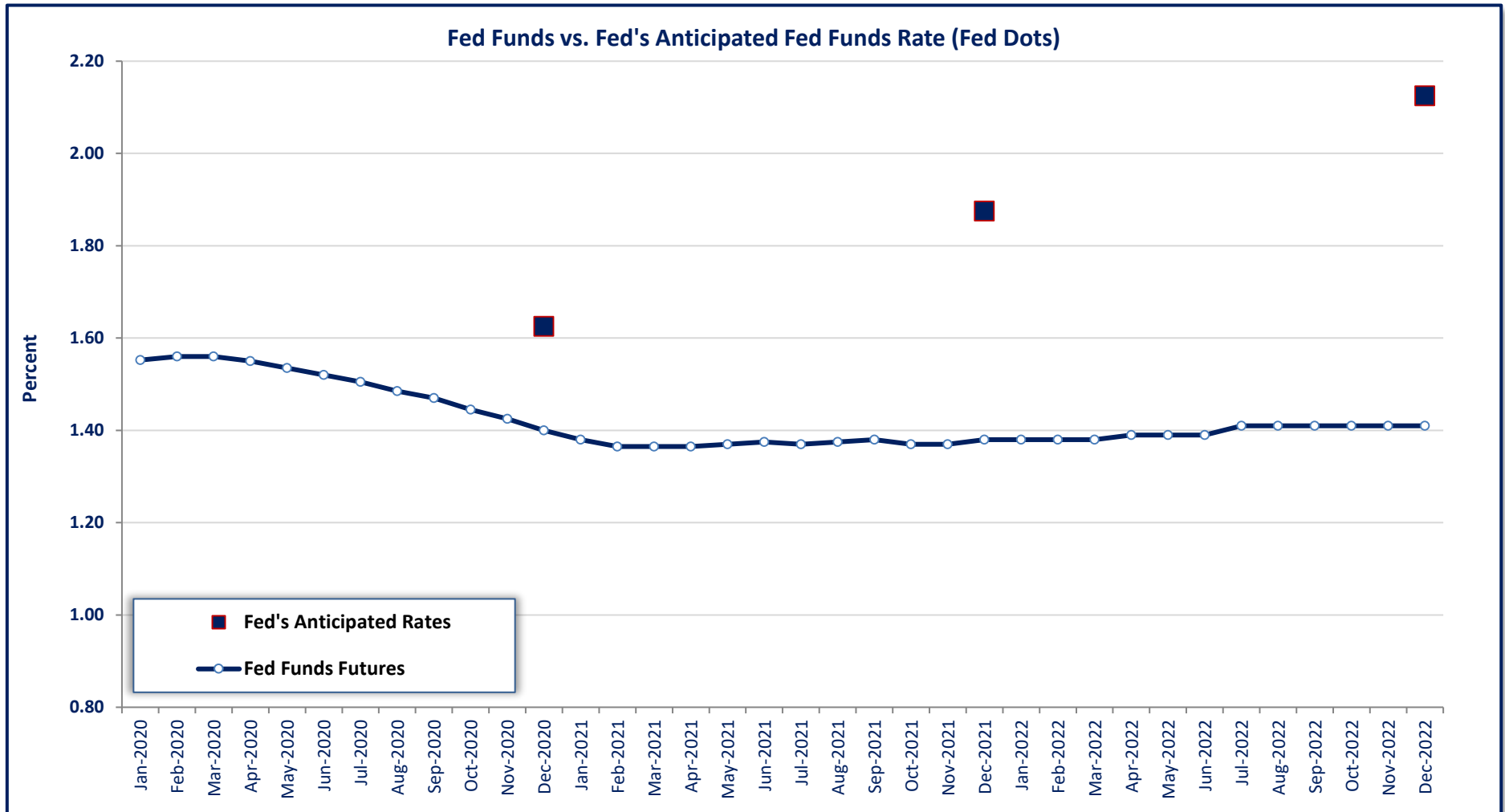


U.S. Treasury Interest Bearing Debt Avg Rate



Source: U.S. Treasury

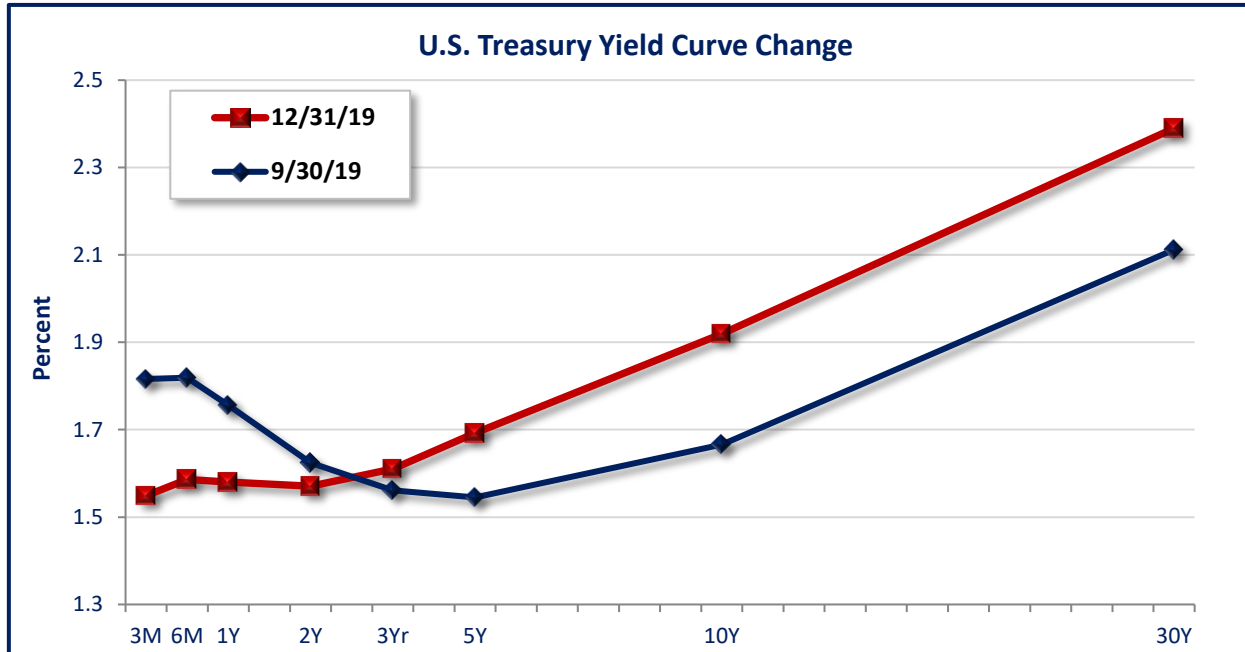
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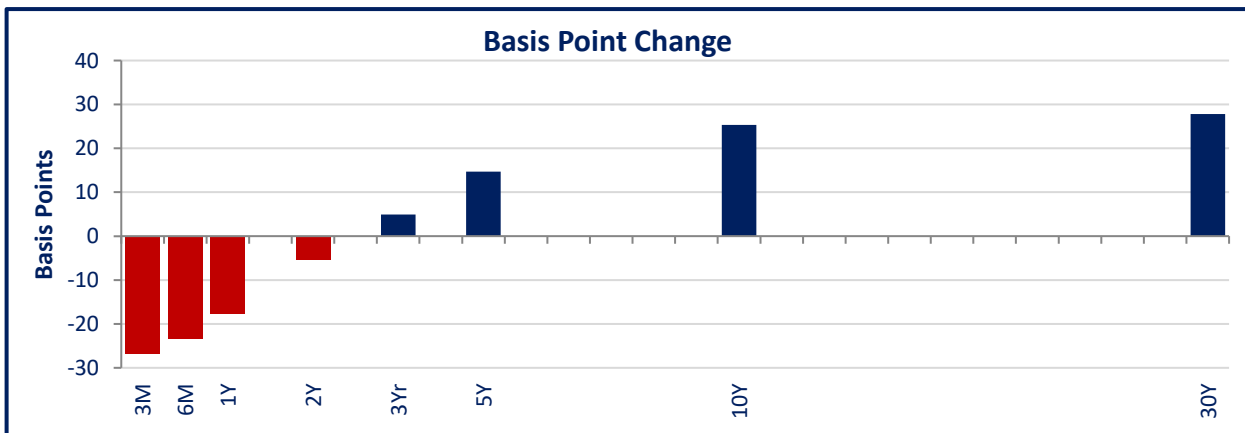
Fed Funds Anticipated Rate from the December 11, 2019 FOMC Meeting

Source: Bloomberg

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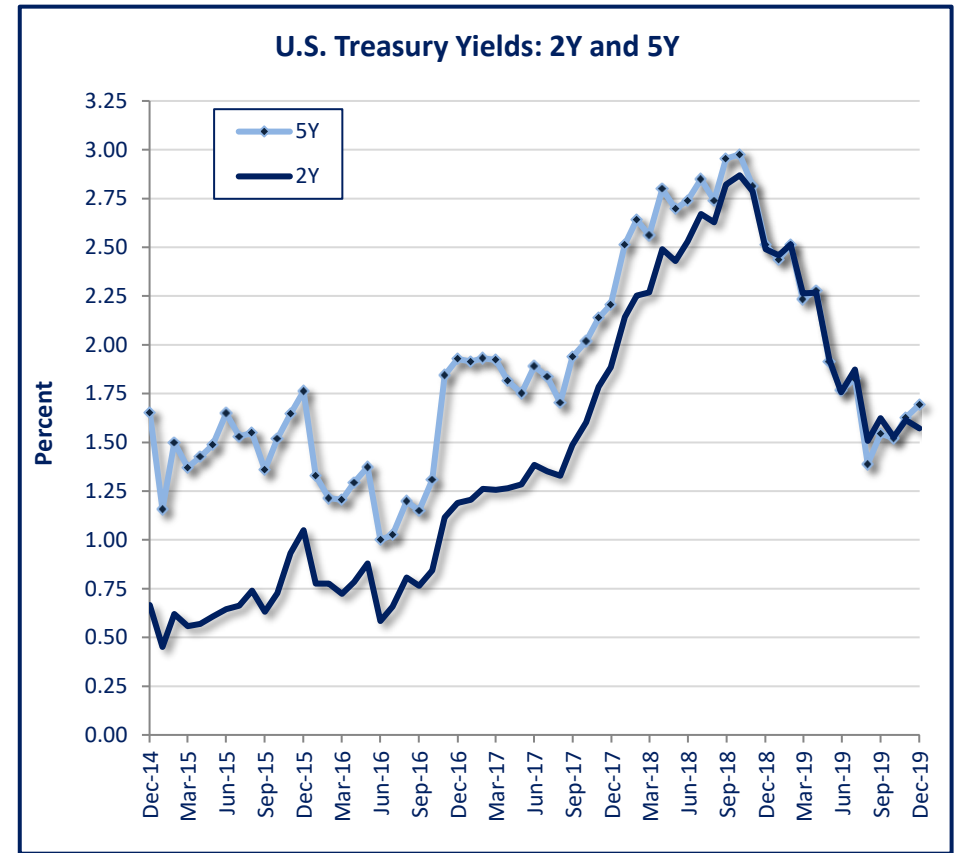
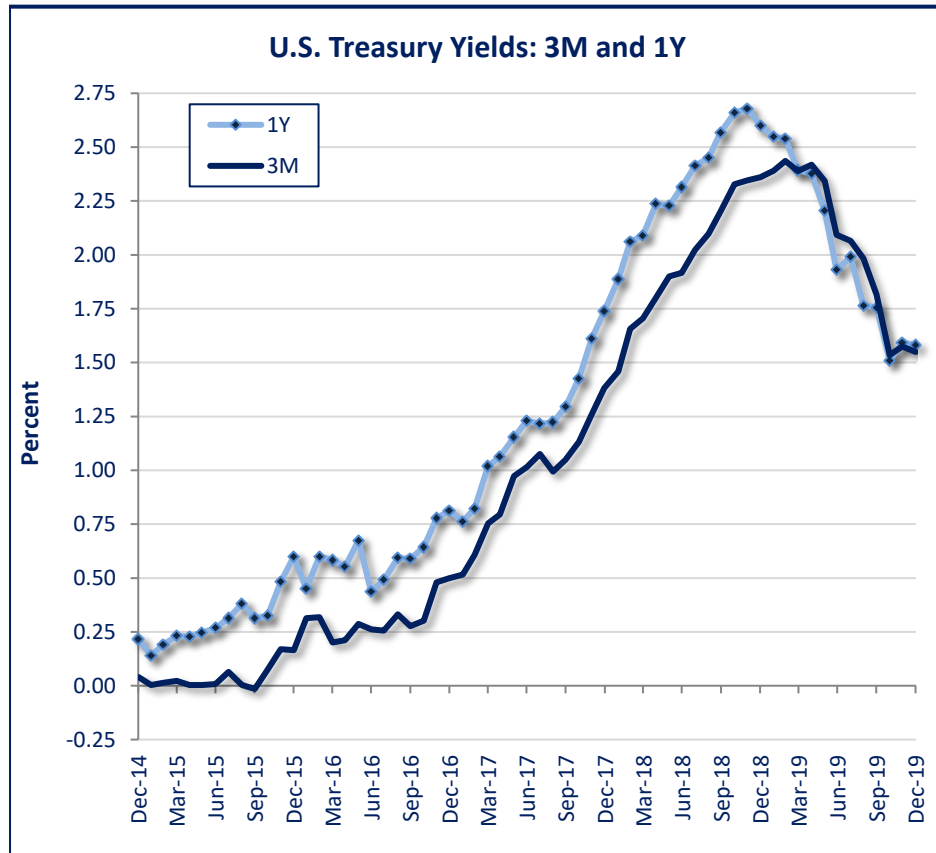


Maturity	9/30/19	12/31/19	Change
3M	1.82	1.55	-0.27
6M	1.82	1.59	-0.23
1Y	1.76	1.58	-0.18
2Y	1.62	1.57	-0.05
3Y	1.56	1.61	0.05
5Y	1.55	1.69	0.15
10Y	1.67	1.92	0.25
30Y	2.11	2.39	0.28

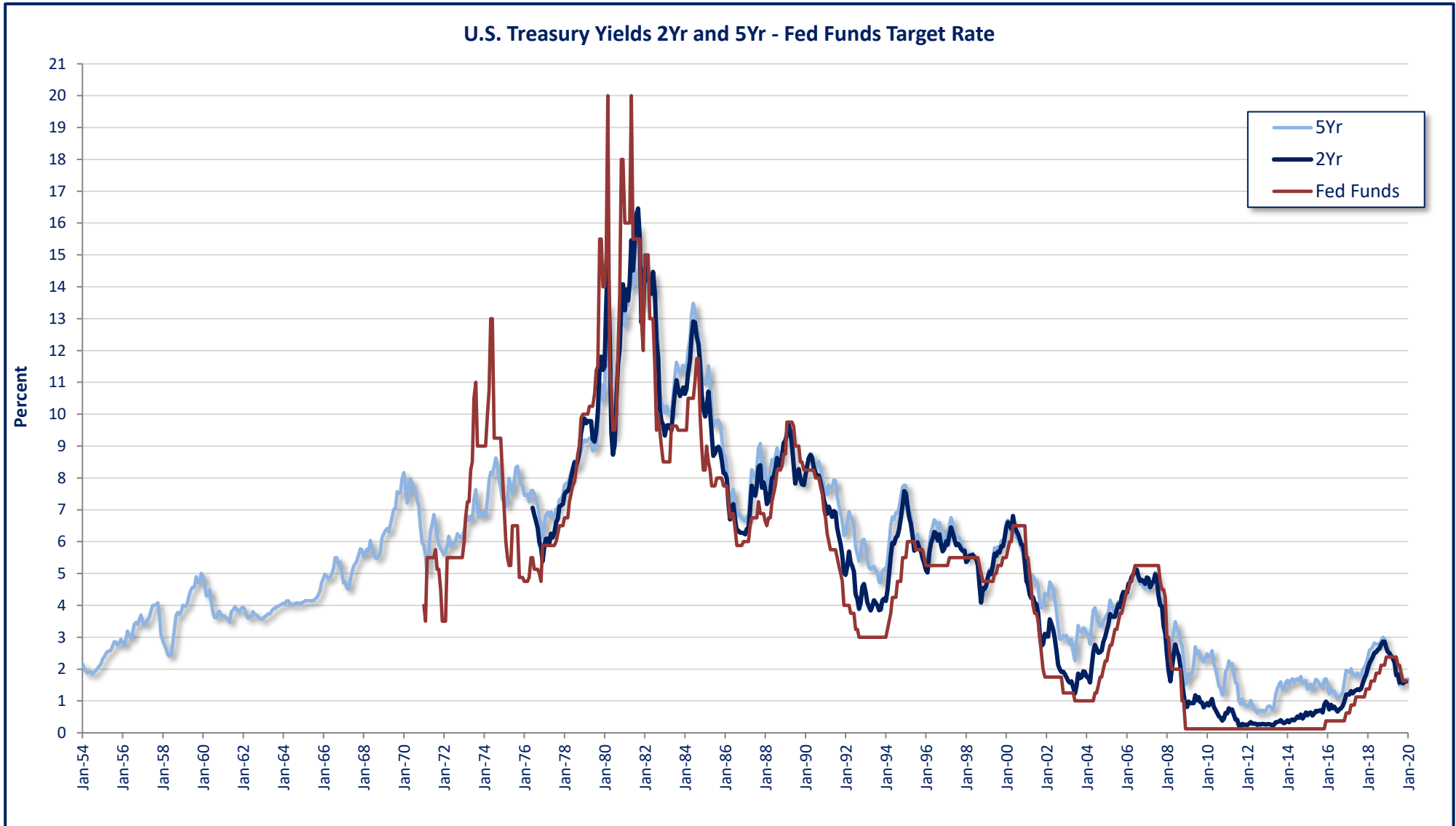


Source: Bloomberg
Figures may not total due to rounding

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Source: Bloomberg

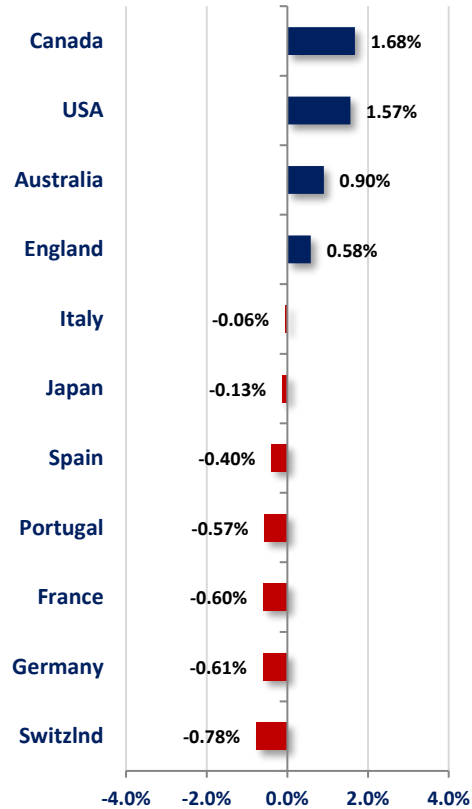


Source: Bloomberg

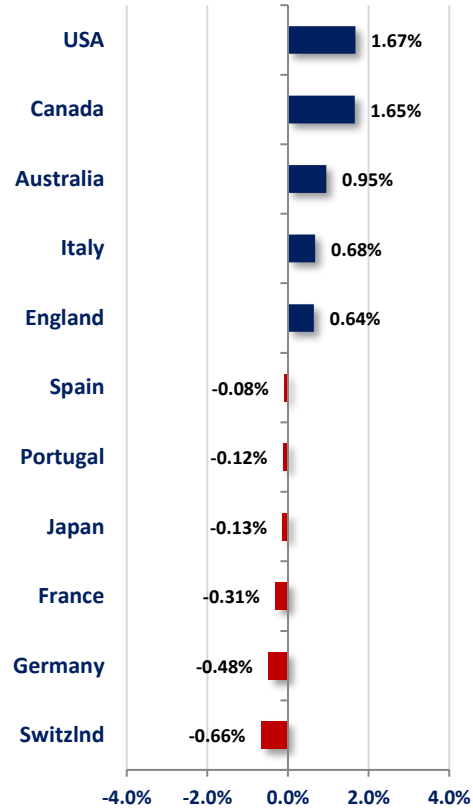
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Global Treasury Rates

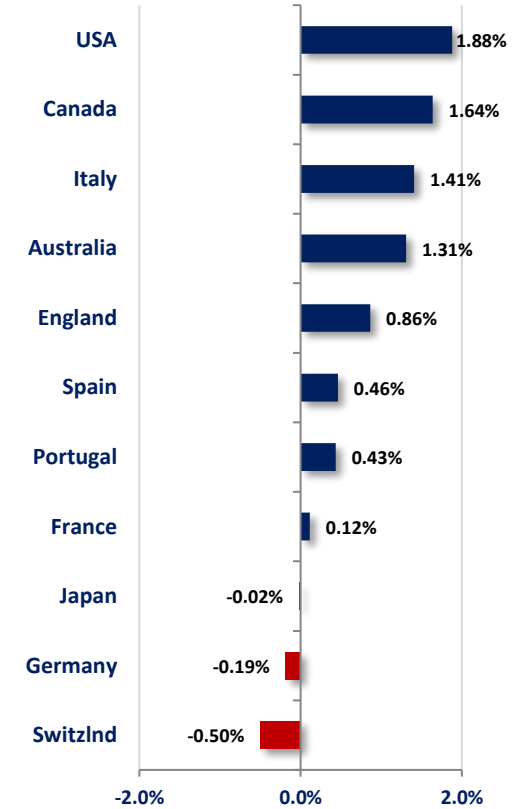
2 Year Yields



5 Year Yields

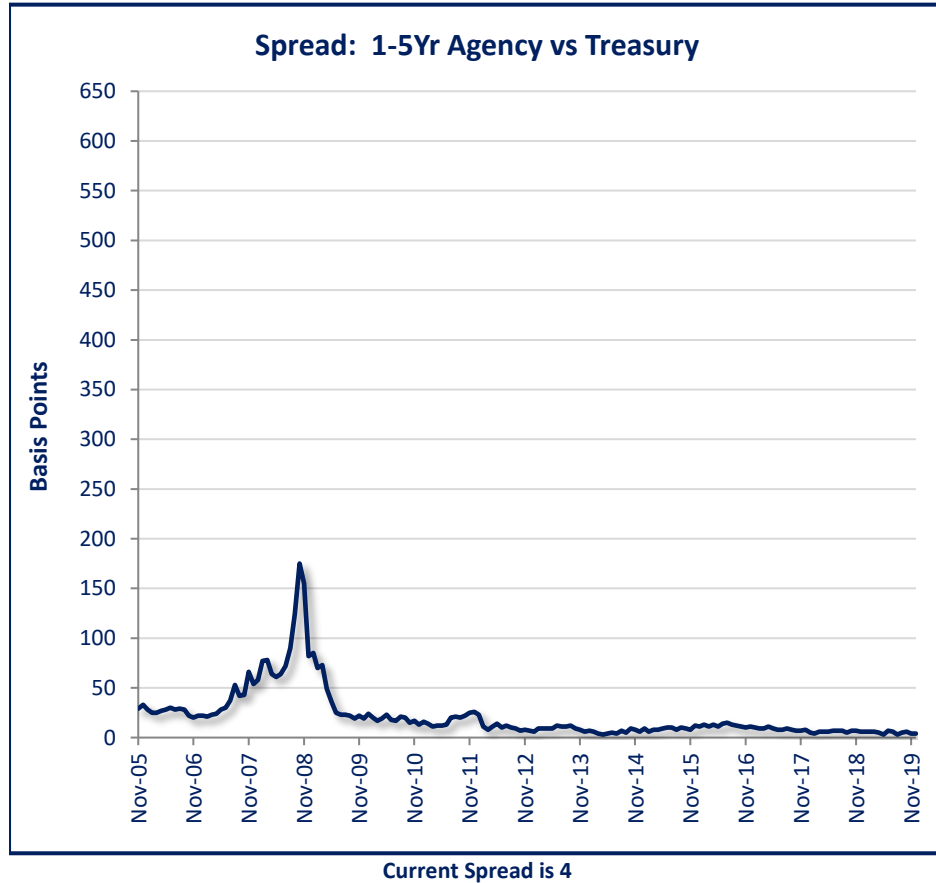


10 Year Yields

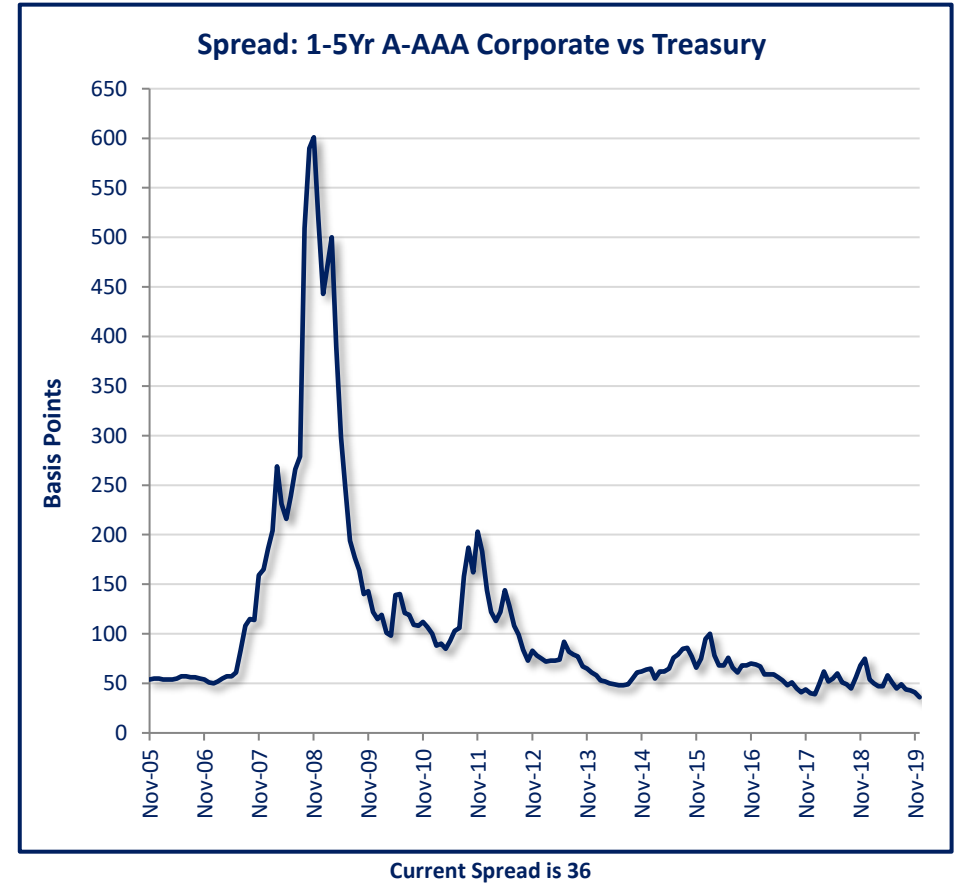


Source: Bloomberg

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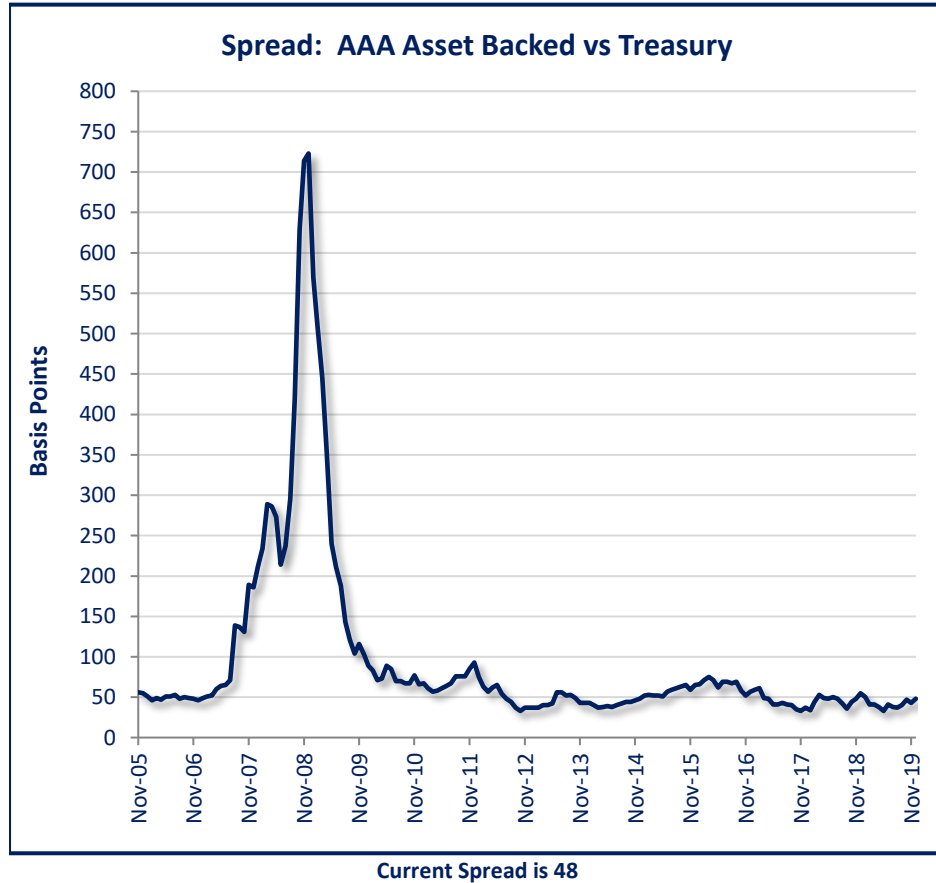
ICE BofAML Index (option adjusted spread vs. Treasury)
1-5Yr Non-Callable Agency (GVPB)



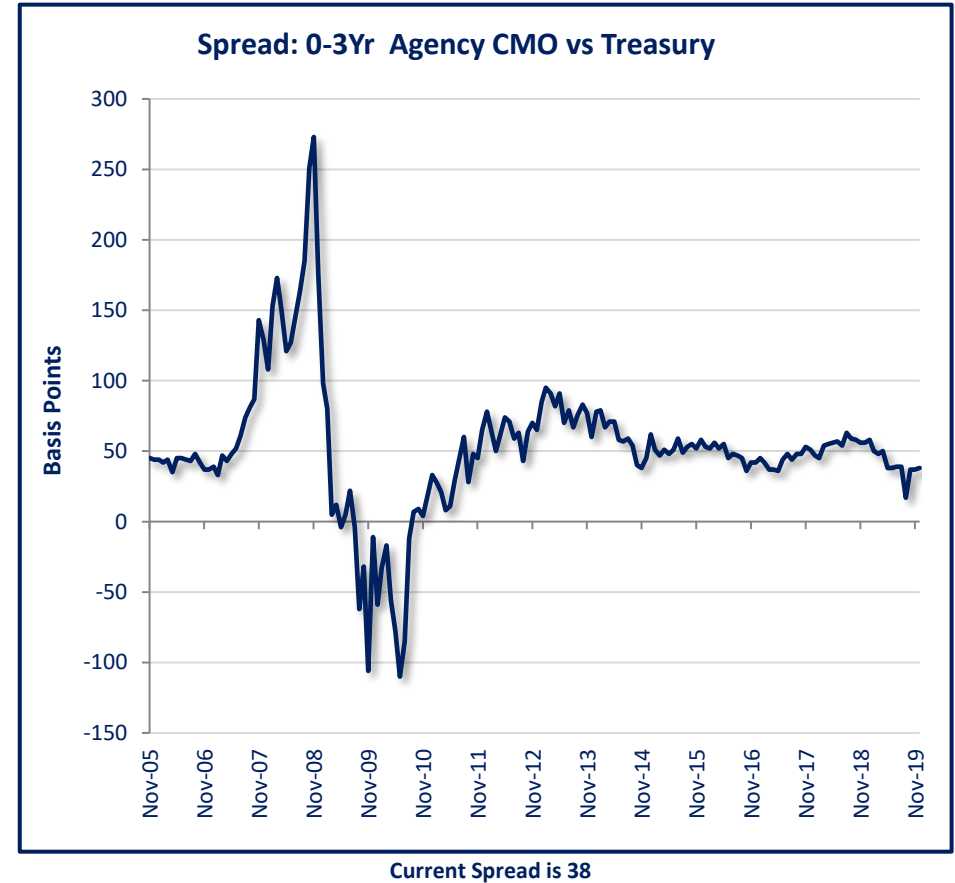
ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices

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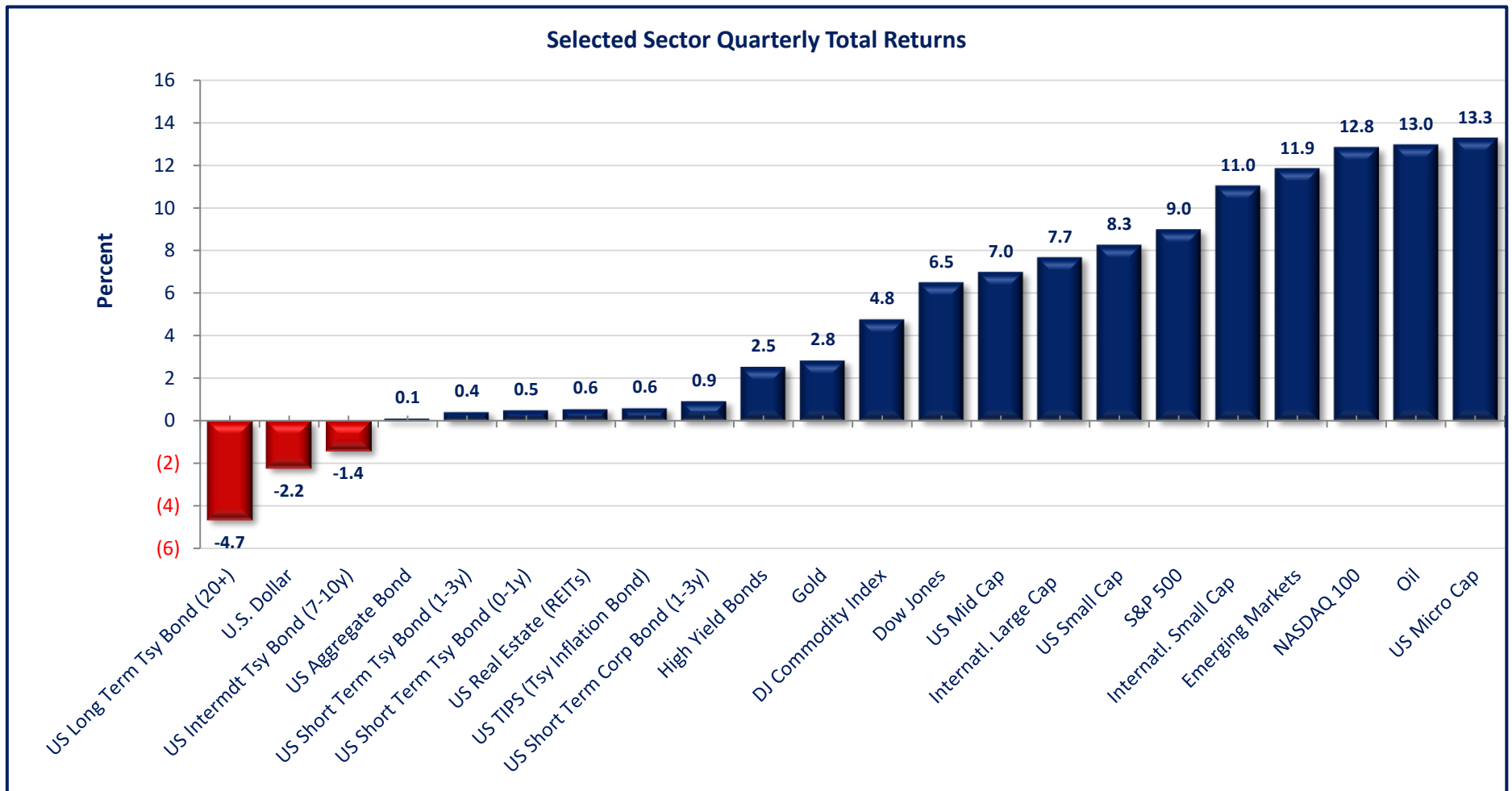
*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (ROA1)



*ICE BofAML Index (option adjusted spread vs. Treasury)
CMO Agency 0-3Yr PAC (CM1P)

Source: ICE BofAML Indices

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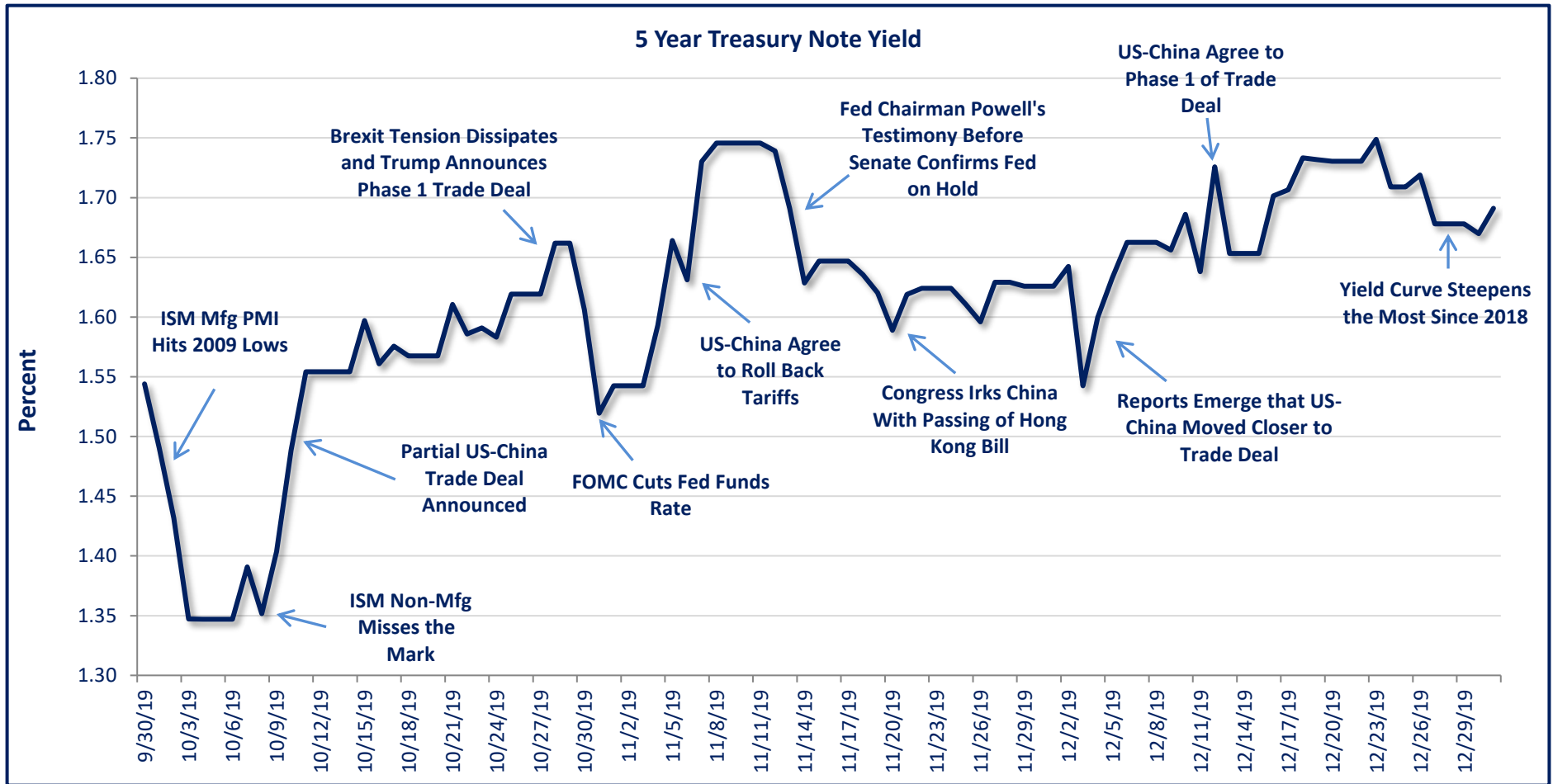


Source: Bloomberg



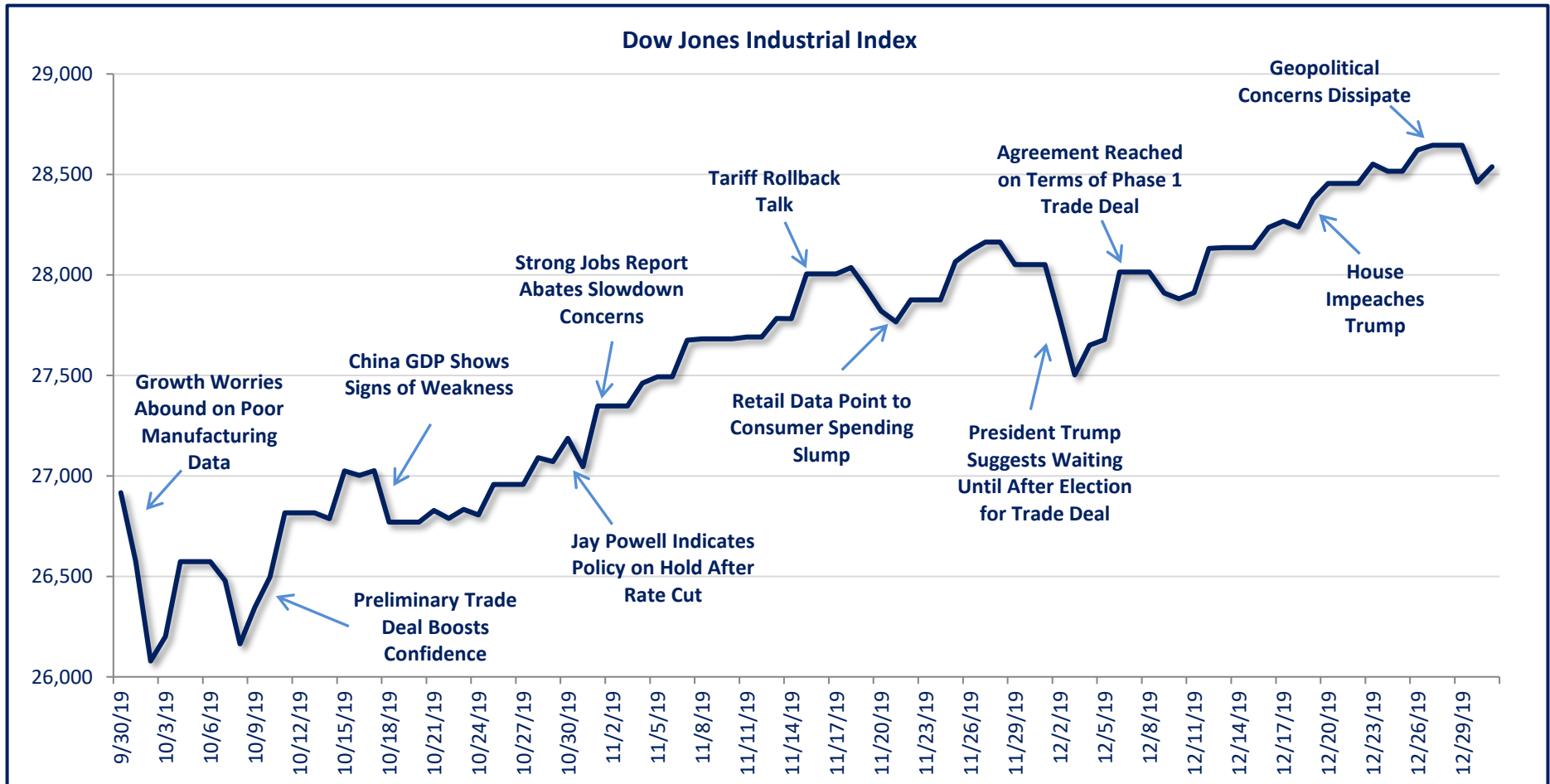
Source: Bloomberg

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Sources: Bloomberg, FHN Main Street

Economic and Market Update 12/31/19



Sources: Bloomberg, FHN Main Street

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APPENDIX H

ACCRETED VALUE TABLES

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BOND ACCRETED VALUE TABLE

**Selma Unified School District
GO Bonds Election of 2006, Series D**

Date	CAB Bond 08/01/2021 0.86%	CAB Bond 08/01/2022 0.87%	CAB Bond 08/01/2023 0.87%	CAB Bond 08/01/2024 0.88%	CAB Bond 08/01/2025 0.91%	CAB Bond 08/01/2026 0.95%	CAB Bond 08/01/2027 1.01%	CAB Bond 08/01/2028 1.09%	CAB Bond 08/01/2029 1.16%
02/26/2020	4,938.95	4,895.60	4,853.25	4,809.20	4,759.40	4,704.35	4,639.35	4,562.15	4,483.30
08/01/2020	4,957.25	4,913.90	4,871.45	4,827.40	4,778.05	4,723.60	4,659.50	4,583.55	4,505.65
02/01/2021	4,978.55	4,935.30	4,892.65	4,848.65	4,799.80	4,746.00	4,683.05	4,608.50	4,531.80
08/01/2021	5,000.00	4,956.75	4,913.90	4,870.00	4,821.65	4,768.55	4,706.70	4,633.65	4,558.10
02/01/2022	-	4,978.30	4,935.30	4,891.40	4,843.60	4,791.20	4,730.45	4,658.90	4,584.50
08/01/2022	-	5,000.00	4,956.75	4,912.95	4,865.60	4,813.95	4,754.35	4,684.25	4,611.10
02/01/2023	-	-	4,978.30	4,934.55	4,887.75	4,836.85	4,778.35	4,709.80	4,637.85
08/01/2023	-	-	5,000.00	4,956.25	4,910.00	4,859.80	4,802.50	4,735.45	4,664.75
02/01/2024	-	-	-	4,978.05	4,932.35	4,882.90	4,826.75	4,761.30	4,691.80
08/01/2024	-	-	-	5,000.00	4,954.80	4,906.10	4,851.10	4,787.25	4,719.00
02/01/2025	-	-	-	-	4,977.35	4,929.40	4,875.60	4,813.30	4,746.40
08/01/2025	-	-	-	-	5,000.00	4,952.80	4,900.25	4,839.55	4,773.90
02/01/2026	-	-	-	-	-	4,976.35	4,925.00	4,865.90	4,801.60
08/01/2026	-	-	-	-	-	5,000.00	4,949.85	4,892.45	4,829.45
02/01/2027	-	-	-	-	-	-	4,974.85	4,919.10	4,857.45
08/01/2027	-	-	-	-	-	-	5,000.00	4,945.90	4,885.65
02/01/2028	-	-	-	-	-	-	-	4,972.85	4,913.95
08/01/2028	-	-	-	-	-	-	-	5,000.00	4,942.50
02/01/2029	-	-	-	-	-	-	-	-	4,971.15
08/01/2029	-	-	-	-	-	-	-	-	5,000.00
02/01/2030	-	-	-	-	-	-	-	-	-
08/01/2030	-	-	-	-	-	-	-	-	-
02/01/2031	-	-	-	-	-	-	-	-	-
08/01/2031	-	-	-	-	-	-	-	-	-
02/01/2032	-	-	-	-	-	-	-	-	-
08/01/2032	-	-	-	-	-	-	-	-	-
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02/01/2042	-	-	-	-	-	-	-	-	-
08/01/2042	-	-	-	-	-	-	-	-	-
02/01/2043	-	-	-	-	-	-	-	-	-
08/01/2043	-	-	-	-	-	-	-	-	-

BOND ACCRETED VALUE TABLE

**Selma Unified School District
GO Bonds Election of 2006, Series D**

Date	CAB Bond 08/01/2030 1.22%	CAB Bond 08/01/2031 2.15%	CAB Bond 08/01/2032 1.32%	CAB Bond 08/01/2033 1.36%	CAB Bond 08/01/2034 1.41%	CAB Bond 08/01/2035 1.46%	CAB Bond 08/01/2036 1.5%	CAB Bond 08/01/2037 1.54%	CAB Bond 08/01/2038 1.58%
02/26/2020	4,404.25	3,915.65	4,245.60	4,167.85	4,082.35	3,994.70	3,911.40	3,826.80	3,741.05
08/01/2020	4,427.35	3,951.90	4,269.75	4,192.20	4,107.15	4,019.80	3,936.65	3,852.15	3,766.50
02/01/2021	4,454.35	3,994.35	4,297.90	4,220.75	4,136.10	4,049.10	3,966.15	3,881.80	3,796.25
08/01/2021	4,481.55	4,037.30	4,326.30	4,249.45	4,165.25	4,078.70	3,995.90	3,911.70	3,826.25
02/01/2022	4,508.85	4,080.70	4,354.85	4,278.30	4,194.60	4,108.45	4,025.90	3,941.85	3,856.50
08/01/2022	4,536.40	4,124.60	4,383.60	4,307.40	4,224.20	4,138.45	4,056.05	3,972.20	3,886.95
02/01/2023	4,564.05	4,168.90	4,412.50	4,336.70	4,253.95	4,168.65	4,086.50	4,002.75	3,917.65
08/01/2023	4,591.90	4,213.75	4,441.65	4,366.20	4,283.95	4,199.10	4,117.15	4,033.60	3,948.60
02/01/2024	4,619.90	4,259.05	4,470.95	4,395.90	4,314.15	4,229.75	4,148.00	4,064.65	3,979.80
08/01/2024	4,648.10	4,304.80	4,500.45	4,425.80	4,344.55	4,260.60	4,179.15	4,095.95	4,011.25
02/01/2025	4,676.45	4,351.10	4,530.15	4,455.90	4,375.20	4,291.75	4,210.50	4,127.50	4,042.95
08/01/2025	4,704.95	4,397.85	4,560.05	4,486.20	4,406.05	4,323.05	4,242.05	4,159.25	4,074.85
02/01/2026	4,733.65	4,445.15	4,590.15	4,516.70	4,437.10	4,354.60	4,273.85	4,191.30	4,107.05
08/01/2026	4,762.55	4,492.95	4,620.45	4,547.40	4,468.40	4,386.40	4,305.90	4,223.55	4,139.50
02/01/2027	4,791.60	4,541.25	4,650.95	4,578.30	4,499.90	4,418.40	4,338.20	4,256.10	4,172.20
08/01/2027	4,820.80	4,590.05	4,681.65	4,609.45	4,531.60	4,450.70	4,370.75	4,288.85	4,205.15
02/01/2028	4,850.25	4,639.40	4,712.55	4,640.80	4,563.55	4,483.15	4,403.55	4,321.90	4,238.40
08/01/2028	4,879.80	4,689.25	4,743.65	4,672.35	4,595.75	4,515.90	4,436.55	4,355.15	4,271.90
02/01/2029	4,909.60	4,739.70	4,774.95	4,704.10	4,628.15	4,548.85	4,469.85	4,388.70	4,305.60
08/01/2029	4,939.55	4,790.65	4,806.45	4,736.10	4,660.75	4,582.05	4,503.35	4,422.50	4,339.65
02/01/2030	4,969.65	4,842.15	4,838.20	4,768.30	4,693.60	4,615.50	4,537.15	4,456.55	4,373.90
08/01/2030	5,000.00	4,894.20	4,870.10	4,800.75	4,726.70	4,649.20	4,571.15	4,490.85	4,408.50
02/01/2031	-	4,946.80	4,902.25	4,833.40	4,760.05	4,683.15	4,605.45	4,525.45	4,443.30
08/01/2031	-	5,000.00	4,934.60	4,866.25	4,793.60	4,717.35	4,640.00	4,560.30	4,478.40
02/01/2032	-	-	4,967.20	4,899.35	4,827.40	4,751.80	4,674.80	4,595.40	4,513.80
08/01/2032	-	-	5,000.00	4,932.65	4,861.45	4,786.45	4,709.85	4,630.80	4,549.45
02/01/2033	-	-	-	4,966.20	4,895.70	4,821.40	4,745.20	4,666.45	4,585.40
08/01/2033	-	-	-	5,000.00	4,930.20	4,856.60	4,780.75	4,702.40	4,621.60
02/01/2034	-	-	-	-	4,964.95	4,892.05	4,816.60	4,738.60	4,658.10
08/01/2034	-	-	-	-	5,000.00	4,927.75	4,852.75	4,775.05	4,694.90
02/01/2035	-	-	-	-	-	4,963.75	4,889.15	4,811.85	4,732.00
08/01/2035	-	-	-	-	-	5,000.00	4,925.80	4,848.90	4,769.40
02/01/2036	-	-	-	-	-	-	4,962.75	4,886.25	4,807.05
08/01/2036	-	-	-	-	-	-	5,000.00	4,923.85	4,845.05
02/01/2037	-	-	-	-	-	-	-	4,961.75	4,883.30
08/01/2037	-	-	-	-	-	-	-	5,000.00	4,921.90
02/01/2038	-	-	-	-	-	-	-	-	4,960.80
08/01/2038	-	-	-	-	-	-	-	-	5,000.00
02/01/2039	-	-	-	-	-	-	-	-	-
08/01/2039	-	-	-	-	-	-	-	-	-
02/01/2040	-	-	-	-	-	-	-	-	-
08/01/2040	-	-	-	-	-	-	-	-	-
02/01/2041	-	-	-	-	-	-	-	-	-
08/01/2041	-	-	-	-	-	-	-	-	-
02/01/2042	-	-	-	-	-	-	-	-	-
08/01/2042	-	-	-	-	-	-	-	-	-
02/01/2043	-	-	-	-	-	-	-	-	-
08/01/2043	-	-	-	-	-	-	-	-	-

BOND ACCRETED VALUE TABLE

**Selma Unified School District
GO Bonds Election of 2006, Series D**

Date	CAB Bond 08/01/2039 2.83%	CAB Bond 08/01/2040 2.86%	CAB Bond 08/01/2041 2.89%	CAB Bond 08/01/2042 2.92%	CAB Bond 08/01/2043 2.95%
02/26/2020	2,896.20	2,799.00	2,703.40	2,609.60	2,517.50
08/01/2020	2,931.45	2,833.40	2,737.05	2,642.35	2,549.45
02/01/2021	2,972.95	2,873.95	2,776.60	2,680.95	2,587.05
08/01/2021	3,015.00	2,915.00	2,816.70	2,720.10	2,625.25
02/01/2022	3,057.65	2,956.70	2,857.40	2,759.80	2,663.95
08/01/2022	3,100.95	2,999.00	2,898.70	2,800.10	2,703.25
02/01/2023	3,144.80	3,041.90	2,940.60	2,840.95	2,743.10
08/01/2023	3,189.30	3,085.40	2,983.05	2,882.45	2,783.60
02/01/2024	3,234.45	3,129.50	3,026.15	2,924.55	2,824.65
08/01/2024	3,280.20	3,174.25	3,069.90	2,967.25	2,866.30
02/01/2025	3,326.60	3,219.65	3,114.25	3,010.55	2,908.60
08/01/2025	3,373.70	3,265.70	3,159.25	3,054.50	2,951.50
02/01/2026	3,421.45	3,312.40	3,204.90	3,099.10	2,995.00
08/01/2026	3,469.85	3,359.75	3,251.25	3,144.35	3,039.20
02/01/2027	3,518.95	3,407.80	3,298.20	3,190.25	3,084.00
08/01/2027	3,568.75	3,456.55	3,345.85	3,236.85	3,129.50
02/01/2028	3,619.25	3,505.95	3,394.20	3,284.10	3,175.65
08/01/2028	3,670.45	3,556.10	3,443.25	3,332.05	3,222.50
02/01/2029	3,722.40	3,606.95	3,493.00	3,380.70	3,270.05
08/01/2029	3,775.05	3,658.50	3,543.50	3,430.05	3,318.30
02/01/2030	3,828.45	3,710.85	3,594.70	3,480.15	3,367.25
08/01/2030	3,882.65	3,763.90	3,646.65	3,530.95	3,416.90
02/01/2031	3,937.60	3,817.75	3,699.35	3,582.50	3,467.30
08/01/2031	3,993.30	3,872.30	3,752.80	3,634.80	3,518.45
02/01/2032	4,049.80	3,927.70	3,807.00	3,687.85	3,570.35
08/01/2032	4,107.10	3,983.85	3,862.05	3,741.70	3,623.00
02/01/2033	4,165.25	4,040.85	3,917.85	3,796.35	3,676.45
08/01/2033	4,224.15	4,098.60	3,974.45	3,851.75	3,730.65
02/01/2034	4,283.95	4,157.25	4,031.90	3,908.00	3,785.70
08/01/2034	4,344.55	4,216.70	4,090.15	3,965.05	3,841.55
02/01/2035	4,406.05	4,277.00	4,149.25	4,022.95	3,898.20
08/01/2035	4,468.40	4,338.15	4,209.20	4,081.70	3,955.70
02/01/2036	4,531.60	4,400.15	4,270.00	4,141.30	4,014.05
08/01/2036	4,595.75	4,463.10	4,331.75	4,201.75	4,073.25
02/01/2037	4,660.75	4,526.90	4,394.30	4,263.10	4,133.35
08/01/2037	4,726.70	4,591.65	4,457.80	4,325.35	4,194.30
02/01/2038	4,793.60	4,657.30	4,522.25	4,388.50	4,256.15
08/01/2038	4,861.40	4,723.90	4,587.60	4,452.55	4,318.95
02/01/2039	4,930.20	4,791.45	4,653.85	4,517.55	4,382.65
08/01/2039	5,000.00	4,860.00	4,721.10	4,583.50	4,447.30
02/01/2040	-	4,929.50	4,789.35	4,650.45	4,512.90
08/01/2040	-	5,000.00	4,858.55	4,718.35	4,579.45
02/01/2041	-	-	4,928.75	4,787.20	4,647.00
08/01/2041	-	-	5,000.00	4,857.10	4,715.55
02/01/2042	-	-	-	4,928.05	4,785.10
08/01/2042	-	-	-	5,000.00	4,855.70
02/01/2043	-	-	-	-	4,927.30
08/01/2043	-	-	-	-	5,000.00

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APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100