

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 23, 2022

NEW ISSUE – BOOK-ENTRY ONLY

Underlying Rating: S&P “A+”  
(See “RATINGS” herein)

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, 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. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. In the further opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See “TAX MATTERS” herein.



\$9,000,000\*

RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
(Fresno and Kings Counties, California)  
GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A

Dated: Date of Delivery

Due: August 1, as shown herein

The \$9,000,000\* Riverdale Joint Unified School District General Obligation Bonds, Election of 2020, Series A (the “Bonds”) are being issued by Riverdale Joint Unified School District (the “District”), located in Fresno County and Kings County (together, the “Counties”), California, to (i) provide funds to finance the acquisition, construction and equipping of District sites and facilities, (ii) fund capitalized interest on the Bonds, and (iii) pay costs of issuance of the Bonds. The Bonds were authorized at a bond election conducted in the District on November 3, 2020, at which at least 55% of the voters in the District voting on the measure voted to approve the issuance by the District of \$25,900,000 in aggregate principal amount of bonds (the “2020 Authorization”). The Bonds represent the first series of bonds issued under the 2020 Authorization.

The Bonds are being issued pursuant to certain provisions of the Government Code and Education Code of the State of California (the “State”) and the Resolution of the Board of Trustees of the District adopted on June 29, 2022 (the “Resolution”). See “THE BONDS – Authority for Issuance” herein.

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Boards of Supervisors of each of the Counties are empowered and obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The Bonds are dated the date of delivery and are being issued as current interest bonds including serial bonds and term bonds. The Bonds shall be issued in denominations of \$5,000 principal amount, and integral multiples thereof as shown on the inside cover page of this Official Statement. Interest on the Bonds shall be payable on February 1 and August 1 of each year, commencing on February 1, 2023\*.

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”). DTC will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. Payments of the principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as Paying Agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants to the beneficial owners of the Bonds.

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

The District may apply to obtain an insurance policy, which, if obtained, would insure the scheduled payment of principal of and interest on the Bonds when due. The District’s decision whether or not to obtain such a policy will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such a policy, and, if so, whether such policy will cover all or fewer than all of the Bonds. See “BOND INSURANCE” herein.

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

MATURITY SCHEDULE  
(See Inside Front Cover)

The Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Lozano Smith, LLP, as counsel to the District and as Disclosure Counsel to the District, and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC in New York, New York, on or about September 14, 2022.

RAYMOND JAMES

The date of this Official Statement is \_\_\_\_\_, 2022.

\* Preliminary; subject to change.

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

MATURITY SCHEDULE

\$9,000,000\*

RIVERDALE JOINT UNIFIED SCHOOL DISTRICT

(Fresno and Kings Counties, California)

GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A

BASE CUSIP<sup>†</sup>: \_\_\_\_\_

\$\_\_\_\_\_ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP <sup>†</sup>
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\$\_\_\_\_\_ Term Bonds

\$\_\_\_\_\_, \_\_\_\_\_% Term Bonds due August 1, 20\_\_ – Yield \_\_. \_\_%; CUSIP \_\_\_\_<sup>†</sup>

\$\_\_\_\_\_, \_\_\_\_\_% Term Bonds due August 1, 20\_\_ – Yield \_\_. \_\_%; CUSIP \_\_\_\_<sup>†</sup>

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Fresno County, Bond Counsel, Disclosure Counsel, or the Financial Advisor are responsible for the selection or correctness of the CUSIP® numbers set forth above.

\* Preliminary; subject to change.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
COUNTIES OF FRESNO AND KINGS  
STATE OF CALIFORNIA**

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**DISTRICT BOARD OF TRUSTEES**

Charles Cox, *President, Trustee Area 2*

Anita Cuevas, *Clerk, Trustee Area 7*

Robert Martin, *Trustee Area 1*

Connor McKean, *Trustee Area 3*

Daniel Conway, *Trustee Area 4*

Andy Rollin, *Trustee Area 5*

John Mendes, *Trustee Area 6*

**DISTRICT ADMINISTRATION**

Jeff Percell, *Superintendent*

Cesar Solorio, *Chief Business Official*

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**PROFESSIONAL SERVICES**

**BOND COUNSEL, DISCLOSURE COUNSEL,  
AND DISTRICT COUNSEL**

Lozano Smith, LLP

*Sacramento, California*

**FINANCIAL ADVISOR**

Dale Scott & Company Inc.

*San Francisco, California*

**PAYING AGENT**

U.S. Bank Trust Company, National Association

*Los Angeles, California*

**UNDERWRITER'S COUNSEL**

Norton Rose Fulbright US LLP

*Los Angeles, California*

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## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

**Rule 15c2-12.** For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

**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, Fresno 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 at [www.rjud.org](http://www.rjud.org). However, the information presented on the Website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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**\$9,000,000\***  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**(Fresno and Kings Counties, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A**

**INTRODUCTION**

**General**

This Official Statement, which includes the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the sale of \$9,000,000\* aggregate principal amount of Riverdale Joint Unified School District General Obligation Bonds, Election of 2020, Series A (the "Bonds") to be offered by the Riverdale Joint Unified School District (the "District").

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See "CONTINUING DISCLOSURE," herein.

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolution of the Board of Trustees of the District providing for the issuance and payment of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

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

Copies of documents referred to herein and information concerning the Bonds is available from the District by contacting: Riverdale Joint Unified School District, 3160 West Mount Whitney Avenue, Riverdale, California 93656, Attention: Business Services Department. The District may impose a charge for copying, handling, and mailing such requested documents.

**The District**

The District was formed in 1995 from the unification and merger of the Riverdale Joint Union High School District and the Riverdale Joint Union Elementary School District. The area of the District includes the city of Riverdale, as well as sections of unincorporated Fresno County ("Fresno County") and Kings County ("Kings County" and, together with Fresno County, the "Counties"), for a total area of approximately 700 square miles, all in the State of California (the "State"). The District serves grades transitional kindergarten ("TK") through 12, with a projected school year 2022-23 student enrollment of approximately 1,478 students. The District has three schools in operation – Fipps Primary School serving grades TK through three, Riverdale Elementary School serving grades four through eight, and Riverdale High School serving grades nine through 12. In addition, the District operates a continuation high school, Horizon High School, at the Riverdale High School Campus. Property in the District had a total assessed value of \$1,622,627,120 in fiscal year 2021-22.

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\* Preliminary; subject to change.

The District is governed by a seven-member Board of Trustees (the "District Board"), each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Jeff Percell is the District Superintendent. For additional information about the District, see APPENDIX A - "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET" and APPENDIX C - "AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021."

### **Tax Matters**

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, 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. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

### **Continuing Disclosure**

The District has covenanted for the benefit of the holders and Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by no later than nine months following the end of the District's fiscal year, and to provide notices of the occurrence of certain enumerated events. See "CONTINUING DISCLOSURE" and APPENDIX E - "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

### **Municipal Bond Insurance**

The District may apply to obtain an insurance policy, which, if obtained, would insure the scheduled payment of principal of and interest on the Bonds when due. The District's decision whether or not to obtain such a policy will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such a policy, and, if so, whether such policy will cover all or fewer than all of the Bonds. See "BOND INSURANCE" herein.

### **COVID-19 Statement**

The COVID-19 pandemic is a public health crisis that has been ongoing since March of 2020. Though infections of SARS-COV-2, the virus which causes COVID-19, and its subvariants, have fallen in recent months due in part to widespread administration of vaccines, investors continue to be cautioned that the District cannot predict the full impacts that the COVID-19 pandemic may have had or will continue to have, either directly or indirectly, on its operations, including its finances, property values and other matters. For more disclosure regarding the COVID-19 pandemic, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Assessed Valuation of Property within the District - COVID-19" and, in APPENDIX A, under the heading "THE DISTRICT - Impact to District Operations and Budget Due to Coronavirus Pandemic," among others.



## THE BONDS

### Authority for Issuance

The Bonds are issued under the provisions of Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, certain provisions of the California Education Code, and other applicable provisions of law (the “Bond Law”), and a resolution adopted by the District Board on June 29, 2022 (the “Resolution”) providing for the issuance of the Bonds.

The Bonds were authorized at an election of the registered voters of the District held on November 3, 2020 (the “Election”), at which Election 65.86% of the voters voting on the proposition authorized the issuance of up to \$25,900,000 aggregate principal amount of general obligation bonds (the “2020 Authorization”) for the purpose of financing the construction, renovation, modernization, and equipping of the District’s school facilities. The Bonds will be the first series of bonds issued under the 2020 Authorization.

### Purpose of Issue

The net proceeds from the Bonds will be used to (i) provide funds to finance the acquisition, construction and equipping of District sites and facilities, (ii) fund capitalized interest on the Bonds, and (iii) pay costs of issuance of the Bonds. See “– Estimated Sources and Uses of Funds” herein.

### Form and Registration

The Bonds will be dated their date of delivery (the “Delivery Date”) and will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, dated as of the Delivery Date, and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “APPENDIX G—BOOK-ENTRY ONLY SYSTEM.”

### Payment of Principal and Interest

The Bonds will be issued as current interest serial and/or term bonds as set forth on the inside front cover page hereof.

**Interest.** The Bonds will be dated as of their Delivery Date, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year, commencing on February 1, 2023\* (each, an “Interest Payment Date”), computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the “Record Date”) and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

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\* Preliminary, subject to change.

**Payment of Bonds.** The principal of the Bonds is payable in lawful money of the United States of America upon the surrender thereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent") at the maturity thereof or upon redemption prior to maturity.

Interest on the Bonds is payable in lawful money of the United States of America by check mailed on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the "Owner") at such Owner's address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on a Record Date immediately preceding any Interest Payment Date. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See APPENDIX G - "BOOK-ENTRY ONLY SYSTEM."

**Redemption**

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

**Mandatory Sinking Fund Redemption of Bonds.** The Bonds maturing on August 1 in the years 20\_\_ and 20\_\_, which are designated as term bonds (the "Term Bonds") shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in accordance with the below tables. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment date.

**Term Bonds Maturing August 1, 20\_\_**

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
†	\$

† Maturity.

**Selection of Bonds for Redemption.** If less than all of the Bonds are called for redemption, the Bonds will be redeemed as directed by the District, and if not so directed, then in inverse order of maturity. 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 or in any manner determined by the District. For purposes of such selection, each Bond will be deemed to consist of individual Bonds of denominations of \$5,000 principal amount, which may be separately redeemed.

**Notice of Redemption.** Notice of redemption of any Bond will be mailed by the Paying Agent, postage prepaid, (i) not less than 20 nor more than 60 days prior to the redemption date by first class mail to Fresno County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption shall state: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the Bonds and the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Neither the failure of the Owners of any Bonds or by any securities depository or information service to receive notice of redemption, nor any defect in such notice will affect the sufficiency of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

**Partial Redemption of Bonds.** Upon the surrender of any Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

**Effect of Notice of Redemption.** When notice of redemption has been given substantially as described above and when the redemption price of the Bonds called for redemption is set aside, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for that purpose in the interest and sinking fund of the District within the Fresno County treasury (the “Interest and Sinking Fund”) or a trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

**Right to Rescind Notice.** The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

## **Transfer and Exchange**

Any Bond may be exchanged for Bonds of the same series, maturity, and interest rate upon presentation and surrender at the principal office of the Paying Agent, 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. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

## **Defeasance of Bonds**

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or Federal Securities (defined below), in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates. Pursuant to the Resolution, "Federal Securities" means United States Treasury notes, bonds, bills, or certificates of indebtedness (including zero interest bearing State and Local Government Series) or obligations issued by any agency or department of the United States, which are secured, directly or indirectly, by the full faith and credit of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), and which are not callable by the issuer thereof prior to maturity.

## **Unclaimed Moneys**

Any money held in any fund or by the Paying Agent in trust for the payment of the principal of, redemption premium for, if any, or interest on any of the Bonds and remaining unclaimed for one year after the principal of all of such Bonds has become due and payable (whether by maturity or upon prior redemption) will be transferred to the Interest and Sinking Fund of the District for payment of any outstanding Bonds of the District payable from said fund; or, if no such Bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

## **Security for the Bonds**

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Boards of Supervisors of Fresno County and Kings County are empowered and obligated to levy *ad valorem* property taxes upon all property within their own counties and subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds. The proceeds of the levy shall be deposited to the credit of the Interest and Sinking Fund and shall be applied for the payment of principal of and interest on the Bonds. Moneys in the Interest and Sinking Fund will be invested on behalf of the District in any one or more investments generally permitted to school districts authorized pursuant to Section 53601 *et seq.* or Section 53635 *et seq.* of the California Government Code, and consistent with Fresno County's Investment Policy. See "APPENDIX F – FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT." The proceeds on deposit in the Interest and Sinking Fund are pledged to the repayment of the principal and redemption price of and interest on the Bonds.

See also "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" below.

**Estimated Sources and Uses of Funds**

The proceeds of the Bonds are expected to be applied as follows:

**TABLE 1**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**(Fresno and Kings Counties, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A**  
**Estimated Sources and Uses of Funds**

<b>Sources of Funds:</b>	
Par Amount	\$
Original Issue Premium	
<b>Total Sources of Funds</b>	\$
 <b>Uses of Funds:</b>	
Building Fund Deposit	\$
Interest and Sinking Fund Deposit	
Costs of Issuance <sup>(1)</sup>	
<b>Total Uses of Funds</b>	\$

<sup>(1)</sup> Includes underwriter’s discount, bond counsel fees, disclosure counsel fees, rating agency fees, financial advisory fees, paying agent fees, municipal bond insurance premium (if any), printing fees, and other miscellaneous expenses.

**The Series C Project**

Pursuant to the 2020 Authorization, the District intends to apply the net proceeds of sale of the Bonds for capital improvements included on the Project List submitted to voters for Measure J. The Board of Trustees retains the ability to set priorities among the improvements included on the Project List in order to meet the needs of the District and its students.

Each item on the Project List is assumed to include, if applicable, its share of furniture, equipment, architectural, engineering, and similar planning costs and program/project management. Completion of the items on the project list is subject to the District’s priorities and needs and the availability of adequate funding.

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**Debt Service Schedule**

Annual debt service on the Bonds, assuming no early optional redemptions, is as shown in the following table.

**TABLE 2**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**(Fresno and Kings Counties, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A**  
**Annual Debt Service**

Period Ending (August 1)	Principal	Interest	Annual Debt Service
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
<b>Totals</b>	\$	\$	\$

**Bond Authorizations**

*1997 Authorization.* The District received authorization at an election held on November 4, 1997, to issue bonds of the District in an aggregate principal amount not to exceed \$5,200,000 (the “1997 Authorization”). On April 15, 1998, the District issued the first and only series of bonds under the 1997 Authorization, in the aggregate principal amount

of \$5,198,734.30 (the "Series 1998 Bonds"). The last of the Series 1998 Bonds matured on July 1, 2022, and the Series 1998 Bonds are no longer outstanding.

**2020 Authorization.** On November 3, 2020, the qualified voters of the District authorized the issuance of up to \$25,900,000 in general obligation bonds of the District (the "2020 Authorization"). The Bonds described herein represent the first series to be issued under the 2020 Authorization and, after their issuance, the District will have remaining authority of \$16,900,000\* in bonds to be issued under the 2020 Authorization.

## **BOND INSURANCE**

The District may obtain a municipal bond insurance policy for the Bonds which, if obtained, would insure the scheduled payment of principal of and interest on the Bonds when due. The District's decision whether or not to obtain such a policy will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such policy, and, if so, whether such policy will cover all or less than all of the Bonds.

### **Bond Insurance Risk Factors**

*The District may obtain a municipal bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether such an insurance policy will be purchased. If an insurance policy is purchased, the following are risk factors relating to bond insurance.*

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") (if such Policy is obtained), for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy would not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law would be covered by the Policy, however, such payments would be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies and the bond insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds would be payable solely from the moneys received pursuant to the applicable bond documents. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds would depend in part on the financial strength of the bond insurer and its claim paying ability. The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance will be given that the long-term ratings of the bond insurer and of the ratings on the Bonds insured by the bond insurer will not be subject to downgrade and such event could

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\* Preliminary; subject to change.

adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "RATINGS" herein.

The obligations of the bond insurer are general obligations of the bond insurer and in an event of default by the bond insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter will make independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment.

## **SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**

### **General**

In order to provide sufficient funds for repayment of principal of and interest on the Bonds when due, the Boards of Supervisors of each of the Counties is empowered and obligated to levy within their own Counties *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When so collected by the Counties, the tax revenues will be deposited by Fresno County in the Interest and Sinking Fund of the District, which is required to be maintained by Fresno County and to be used solely for the payment of Bonds of the District. The Bonds are payable from the *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of either of the Counties. No funds of the Counties are pledged or obligated to repayment of the Bonds.

### **Property Taxation System**

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due.

### **Pledge of Tax Revenues and Statutory Lien**

Under State law, school districts may levy *ad valorem* property taxes to pay principal and interest on general obligation bond debt that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such voter-approved general obligation bonds. Moreover, State law provides that the *ad valorem* property taxes may be levied to pay the principal and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* property taxes levied to pay the Bonds to a purpose other than payment of the Bonds.



Pursuant to the Resolution, the District has pledged revenues from the *ad valorem* property taxes collected from the levy by the Boards of Supervisors to the payment of the Bonds, and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal of or redemption price of and interest on the Bonds (the "Pledge"). This Pledge is valid and binding from the date of adoption of the Resolution for the benefit of the owners of the Bonds and successors thereto. The Pledge provides security for the Bonds in addition to the statutory lien described below. The Bonds, secured by the Pledge, are being issued to provide funds for projects specified in the District's 2020 Authorization. The amounts held in the Interest and Sinking Fund of the District are immediately subject to this Pledge, and the Pledge constitutes a lien and security interest, pursuant to Section 5451 of the California Government Code, which immediately attaches to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the Pledge and without the need of any physical delivery, recordation, filing, or further act.

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the District's payment thereof. Such lien automatically attaches, without further actions or authorization by the District Board, and are valid and binding from the time the Bonds are delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successors, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

The Bonds are general obligations of the District and do not constitute an obligation of the Counties except as provided in the Resolution. No part of any fund or account of the Counties is pledged or obligated to the payment of the Bonds or the interest thereon. Other than the Pledge, no funds or accounts of the District are pledged to payment of the Bonds.

### **Assessed Valuation of Property within the District**

Taxable property located in the District has a fiscal year 2021-22 total assessed value of \$1,622,627,120. All property (real, personal, and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization. See "*State-Assessed Property*" below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See "*Appeals and Adjustments of Assessed Valuation*" below.

***State-Assessed Property.*** Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals, and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned

railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the Counties. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the Counties. The District is unable to predict future transfers of State-assessed property in the District and the Counties, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

**Assembly Bill 102.** In 2017, the Legislature passed Assembly Bill 102 ("AB 102"). AB 102 restructured the State Board of Equalization and shifted certain of its duties to two new agencies: the California Department of Tax and Fee Administration ("CDTFA"), and the Office of Tax Appeals. The CDTFA took over certain programs previously handled by the State Board of Equalization, including the Tax Area Services Section, which is responsible for maintaining tax-rate area maps and special district boundary maps. The Office of Tax Appeals took over certain types of appeals on tax and fee matters, such as sales and use tax and other special taxes and fees; however, appeals related to programs under the State Board of Administration's authority pursuant to the State Constitution will remain with the State Board of Equalization. Pursuant to the State Constitution, and unaffected by AB 102, the State Board of Equalization remains responsible for the review, equalization, or adjustment of property tax assessment, and the measurement of county assessment levels and adjustment of secured local assessment rolls.

**Classification of Locally Taxed Property.** Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

Under California law, a city or county could, and did, prior to recent California legislation dissolving redevelopment agencies, create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of general fund tax revenues (relating to the 1% countywide general fund levy) to other local taxing agencies, including school districts, from that time forward. However, special *ad valorem* property taxes (in excess of the 1% general fund levy) collected for payment of debt service on school bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area. The application of such revenues diverted by redevelopment agencies is now substantially limited to meeting existing debt service of the redevelopment agencies.

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*Assessed Valuation of Property within the District.* The following table shows a historical summary of assessed valuations for the District.

**TABLE 3**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**(Fresno and Kings Counties, California)**  
**Assessed Valuation Summary**  
**Fiscal Year 2009-10 through Fiscal Year 2021-22**

Fiscal Year	Local Secured	Utility	Unsecured	Total	Year over Year % Change
2009-10	\$ 726,497,555	\$793,699	\$67,928,002	\$ 795,219,256	--
2010-11	722,661,613	798,503	72,994,770	796,454,886	0.16%
2011-12	831,924,105	975,691	74,627,424	907,527,220	13.95
2012-13	882,042,834	304,597	82,983,405	965,330,836	6.37
2013-14	993,571,656	304,597	88,299,770	1,082,176,023	12.10
2014-15	1,043,655,953	383,863	83,834,043	1,127,873,859	4.22
2015-16	1,060,846,311	520,091	75,920,381	1,137,286,783	0.83
2016-17	1,148,187,673	520,091	78,699,040	1,227,406,804	7.92
2017-18	1,210,021,801	532,726	80,159,142	1,290,713,669	5.16
2018-19	1,283,956,348	532,726	73,860,385	1,358,349,459	5.24
2019-20	1,398,670,197	458,852	79,743,202	1,478,872,251	8.87
2020-21	1,455,668,268	458,852	87,738,591	1,543,865,711	4.39
2021-22	1,531,794,982	476,206	90,355,932	1,622,627,120	5.10

*Source: California Municipal Statistics, Inc.*

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “–*Appeals and Adjustments of Assessed Valuation*” below.

**Proposition 19.** A State constitutional amendment was approved by the State’s voters at the November 3, 2020 election, known as “Proposition 19.” Proposition 19 amended the State Constitution to permit eligible homeowners to transfer tax assessments anywhere in the State, to narrow existing special rules for inherited properties, and to broaden the scope of triggers for reassessment of properties. (See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET - CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS - Article XIII A of the California Constitution” and “–Proposition 19 Ballot Measure.”). The District cannot predict the impact Proposition 19 might have on aggregate assessed value of taxable property in the District.

**Appeals and Adjustments of Assessed Valuation.** There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the

valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then-current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office (the "Assessor"), the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measurement is computed on a calendar year basis.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

***Risk of Impact to Assessed Value Due to Disaster.*** As indicated in the previous tables, assessed valuation of property in the District is subject to change in each year. Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Increases or decreases in assessed value 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, property reclassifications, and man-made or natural disasters such as earthquakes, fires, floods and droughts. Disasters can effect assessed value both through the destruction of taxable property, and through a resulting depression of the real estate market should a disaster impact economic conditions in the Counties, the region, and/or the State. In recent years, notable disasters in the State included drought conditions statewide, numerous wildfires in different regions of the State, and related flooding and mudslides.

The District may be particularly vulnerable to impacts associated with drought conditions due to the significant agricultural activity in the area of the District. On May 10, 2021, the Governor declared a State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, specifically expanding the drought proclamation to 41 counties within the State. On July 8, 2021, the Governor expanded the declaration further to include an additional nine

counties in the State. On October 19, 2021, the Governor extended the declaration to include the remaining counties, such that the drought State of Emergency is now in effect Statewide.

The District cannot predict future disasters or make any representations regarding the effects that any disasters and related conditions may have on the value of taxable property within the District, the District’s ability to pay debt service on the Bonds, or to what extent the effects of said disasters might have on economic activity in the District or throughout the State.

**COVID-19.** The recent outbreak of the novel strain of coronavirus called COVID-19, which has been designated a global pandemic by the World Health Organization, has impacted local and global economies. The California Department of Public Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments.

The District cannot predict the extent or duration of the outbreak, or what impact the outbreak and any resulting economic situation might have on the District’s future financial condition or operations, including potential impacts on the assessed values of property within the District. Although the Bonds are payable solely from *ad valorem* property taxes and not payable from the general fund of the District, the District cannot predict what future impacts the outbreak may have on its operations and budget.

For a discussion regarding other impacts the District may face in connection with the coronavirus pandemic, see “APPENDIX A – INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – Impact to District Operations and Budget Due to Coronavirus Pandemic.”

**Assessed Valuation by Jurisdiction.** The following table shows the District’s fiscal year 2021-22 assessed valuation of property by amount and percentage within the unincorporated areas of Fresno County and Kings County.

**TABLE 4  
RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
2021-22 Assessed Valuation by Jurisdiction**

<b>Jurisdiction:</b>	<b>Assessed Valuation in School District</b>	<b>% of School District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in School District</b>
Unincorporated Fresno County	\$1,559,188,700	96.09%	\$26,196,223,512	5.95%
Unincorporated Kings County	63,438,420	3.91	\$4,876,405,828	1.30%
<b>Total District</b>	<b>\$1,622,627,120</b>	<b>100.00%</b>		
Fresno County	\$1,559,188,700	96.09%	\$91,089,626,583	1.71%
Kings County	63,438,420	3.91	\$12,567,688,735	0.50%
<b>Total District</b>	<b>\$1,622,627,120</b>	<b>100.00%</b>		

Source: California Municipal Statistics, Inc.

**Bonding Capacity.** As a unified school district, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2021-22 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$40,565,678 before issuance of the Bonds, based on the fiscal year 2021-22 assessed valuation of taxable property within the District of \$1,622,627,120.

*Assessed Valuation by Land Use.* The following table gives a distribution of taxable property located in the District for the fiscal year 2021-22 tax roll by principal purpose for which the land is used, as measured by assessed valuation and number of parcels.

**TABLE 5**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**2021-22 Secured Assessed Valuation and Parcels by Land Use**

	<b>2021-22 Assessed Valuation <sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
<b>Non-Residential:</b>				
Agricultural	\$1,294,519,275	84.51%	1,804	53.26%
Commercial	22,564,345	1.47	66	1.95
Vacant Commercial	548,424	0.04	14	0.41
Oil & Gas	11,609,909	0.76	63	1.86
Industrial	29,697,105	1.94	31	0.92
Vacant Industrial	483,867	0.03	6	0.18
Government/Social/Institutional	239,398	0.02	11	0.32
Subtotal Non-Residential	\$1,359,662,323	88.76%	1,995	58.90%
<b>Residential:</b>				
Single Family Residence	\$150,947,656	9.85%	1,044	30.82%
Mobile Home	8,816,290	0.58	170	5.02
2+ Residential Units/Apartments	5,250,146	0.34	23	0.68
Vacant Residential	7,118,567	0.46	155	4.58
Subtotal Residential	\$172,132,659	11.24%	1,392	41.10%
<b>Total</b>	<b>\$1,531,794,982</b>	<b>100.00%</b>	<b>3,387</b>	<b>100.00%</b>

<sup>(1)</sup> Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

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*Assessed Valuation of Single-Family Homes.* The following table shows the distribution of assessed valuation of single-family homes in the District among various categories of value for fiscal year 2021-22, including mean and median value per parcel.

**TABLE 6**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Per Parcel Assessed Valuation of Single Family Homes**  
**Fiscal Year 2021-22**

	<u>No. of Parcels</u>	<u>2021-22 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	1,044	\$150,947,656	\$144,586	\$129,771

<u>2021-22 Assessed Valuation</u>	<u>No. of Parcels <sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	33	3.161%	3.161%	\$ 548,338	0.363%	0.363%
\$25,000 - \$49,999	92	8.812	11.973	3,718,044	2.463	2.826
\$50,000 - \$74,999	112	10.728	22.701	6,989,567	4.630	7.457
\$75,000 - \$99,999	121	11.590	34.291	10,772,633	7.137	14.594
\$100,000 - \$124,999	134	12.835	47.126	15,152,688	10.038	24.632
\$125,000 - \$149,999	135	12.931	60.057	18,469,863	12.236	36.868
\$150,000 - \$174,999	103	9.866	69.923	16,735,481	11.087	47.955
\$175,000 - \$199,999	79	7.567	77.490	14,702,441	9.740	57.695
\$200,000 - \$224,999	48	4.598	82.088	10,216,818	6.768	64.463
\$225,000 - \$249,999	56	5.364	87.452	13,209,969	8.751	73.215
\$250,000 - \$274,999	42	4.023	91.475	10,973,006	7.269	80.484
\$275,000 - \$299,999	34	3.257	94.732	9,681,177	6.414	86.898
\$300,000 - \$324,999	23	2.203	96.935	7,144,954	4.733	91.631
\$325,000 - \$349,999	13	1.245	98.180	4,416,043	2.926	94.557
\$350,000 - \$374,999	7	0.670	98.851	2,533,349	1.678	96.235
\$375,000 - \$399,999	3	0.287	99.138	1,163,360	0.771	97.006
\$400,000 - \$424,999	4	0.383	99.521	1,649,159	1.093	98.098
\$425,000 - \$449,999	0	0.000	99.521	0	0.000	98.098
\$450,000 - \$474,999	1	0.096	99.617	459,113	0.304	98.402
\$475,000 - \$499,999	1	0.096	99.713	478,041	0.317	98.719
\$500,000 and greater	<u>3</u>	<u>0.287</u>	100.000	<u>1,933,612</u>	<u>1.281</u>	100.000
	1,044	100.000%		\$150,947,656	100.000%	

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

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**Largest Taxpayers in District.** The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses, in that a taxpayer’s financial situation and ability or willingness to pay property taxes may have a larger impact on the property tax collections within the District. The twenty taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2021-22 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

The District cannot make any representation as to 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.

**TABLE 7**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Largest Secured Taxpayers**  
**Fiscal Year 2021-22**

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2021-22 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1. Eriksson LLC	Agricultural	\$ 67,696,178	4.42%
2. Akhavi LLC	Agricultural	56,567,666	3.69
3. K&G Batth Family LP	Agricultural	34,417,519	2.25
4. Linda Vista Farms	Agricultural	32,493,458	2.12
5. Fresno Farming LLC	Agricultural	29,979,701	1.96
6. Zonneveld Dairies Inc.	Agricultural	19,955,249	1.30
7. Edward M. and Susan A. Coelho	Agricultural	19,028,113	1.24
8. David and Marilyn Britz, Trustees	Agricultural	18,536,781	1.21
9. John C. Harris	Agricultural	18,528,689	1.21
10. Terra Linda Farms	Agricultural	16,104,518	1.05
11. Stephen D Farms LLC	Agricultural	15,387,656	1.00
12. Harris-Woolf California Almonds	Agricultural	15,203,743	0.99
13. MT Farms LLC	Agricultural	14,948,964	0.98
14. Sustainable Ag Farming Enterprises LLC	Agricultural	14,577,244	0.95
15. Schultz Ranch Inc.	Agricultural	14,501,811	0.95
16. Westlands Greens LLC	Agricultural	13,947,845	0.91
17. Casaca Vineyards	Agricultural	13,507,066	0.88
18. Harris Farms Inc.	Agricultural	12,107,716	0.79
19. Costamagna Farms	Agricultural	12,068,076	0.79
20. Olympic Sun LLC	Agricultural	<u>11,992,866</u>	<u>0.78</u>
		\$451,550,859	29.48%

<sup>(1)</sup> 2021-22 local secured assessed valuation: \$1,531,794,982.

Source: California Municipal Statistics, Inc.

**Tax Rates**

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. The rate of tax imposed on unsecured property for repayment of the Bonds is based



on the prior year's secured property tax rate. Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, outbreak of disease, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The following table shows *ad valorem* property tax rates in a typical Tax Rate Area in the District (TRA 170-010) over the period from fiscal years 2017-18 through 2021-22.

**TABLE 8**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 170-010 <sup>(1)</sup>)**  
**Fiscal Years 2017-18 through 2021-22**

	2017-18	2018-19	2019-20	2020-21	2021-22
General Tax Rate	1.000000	1.000000	1.000000	1.000000	1.000000
West Hills Community College District	.012954	.016952	.017336	.015198	.014566
West Hills Community College District SFID No. 3	.029050	.024310	.025984	.020684	.024448
Riverdale Joint Unified School District	.035218	.036690	.032706	.036114	.035282
<b>Total Tax Rate</b>	<b>1.077222</b>	<b>1.077952</b>	<b>1.076026</b>	<b>1.071996</b>	<b>1.074296</b>

<sup>(1)</sup> 2021-22 assessed valuation of TRA 170-010 is \$369,208,673 which is 22.75% of the District's total assessed valuation.  
Source: California Municipal Statistics, Inc.

### Tax Charges and Delinquencies

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to State statutes enacted since that time. Revenues derived from special ad valorem taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

County treasurers prepare the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$30 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$25 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurers.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county tax collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements, and possessory interests of the taxpayer. The county tax collector may also bring a civil suit against the taxpayer for payment. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

## Teeter Plan

The Board of Supervisors of Fresno County has implemented an alternative method for the distribution of secured property taxes to local agencies, known as the "Teeter Plan." The Teeter Plan provisions are set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which a county acts as "bank," and certain other public agencies and taxing areas located in a county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk, which in turn makes it more certain that sufficient funds will be available for the District's repayment of the Bonds.

**Only Fresno County's Teeter Plan currently applies to the District and to its outstanding general obligation bonds. Kings County has not adopted the Teeter Plan, and the District's receipt of property taxes for the payment of the Bonds will be subject to delinquency rates experienced with respect to taxable property within the Kings County portion of the District.**

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then-accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of assessments (if a county has elected to include assessments), 100% of the assessment delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the assessment. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a *pro rata* adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the county as an interest-free offset against future advances of tax levies under the Teeter Plan.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

The Teeter Plan applies to the 1% general purpose tax levy on secured property. Whether or not the Teeter Plan also is applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of local agencies, varies by county. Fresno County includes the District's general obligation bond levy under the Teeter Plan. Therefore, the District's receipt of secured property taxes with respect to the District's general obligation bonds, including the Bonds, in the Fresno County portion of the District, are not subject to delinquencies. If the Teeter Plan for Fresno County was terminated, the amount of the levy of *ad valorem* secured property taxes in the Fresno County portion of the District would depend upon the collections of the *ad valorem* secured property taxes and delinquency rates experienced with respect to the parcels within the Fresno County portion of the District.

**Direct and Overlapping Debt**

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics, Inc., dated July 19, 2022, for debt as of July 1, 2022. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column three, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. 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.

**TABLE 19  
RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
Statement of Direct and Overlapping Bonded Debt**

2021-22 Assessed Valuation: \$1,622,627,120

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 7/1/22</u>
West Hills Community College District	12.625%	\$ 1,322,098
West Hills Community College District School Facilities Improvement District No. 3	27.501	8,414,653
<b>Riverdale Joint Unified School District</b>	<b>100.000</b>	<b>0 <sup>(1)</sup></b>
Westside School District	100.000	<u>3,442,263</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$13,179,014</b>
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund Obligations	1.712%	\$ 424,576
Fresno County Pension Obligation Bonds	1.712	3,484,356
Kings County General Fund and Pension Obligation Bonds	0.505	57,205
West Hills Community College District Certificates of Participation	12.625	1,523,206
Coalinga Regional Medical Center Certificates of Participation	0.506	<u>18,216</u>
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$5,507,559</b>
 <b>COMBINED TOTAL DEBT</b>		 <b>\$18,686,573 <sup>(2)</sup></b>

(1) Excludes the Bonds described in this Official Statement.

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

Ratios to 2021-22 Assessed Valuation:

<b>Direct Debt (\$0)</b> .....	<b>0.00%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	0.81%
Combined Total Debt .....	1.15%

Source: California Municipal Statistics, Inc.

## FRESNO COUNTY INVESTMENT POOL

*The following information concerning Fresno County's Investment Pool (the "Investment Pool" or "Pool") has been obtained from the Fresno County website (<http://www.co.fresno.ca.us>) and has not been confirmed or verified by the District or the Underwriter. The website is not incorporated herein by reference. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.*

The Fresno County Board of Supervisors approved the current County Investment Policy Statement (the "Investment Policy") on November 2, 2021 (See "APPENDIX F – FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT"). The Investment Policy applies to all financial assets deposited and retained in the Investment Pool. The primary goal is to invest public funds in a manner which will provide a market average rate of return consistent with the objectives of Fresno County, while meeting the daily cash flow demands of the Fresno County Treasury. The main investing objectives, in order of priority are: Safety, Liquidity, Return on Investment, and Local Community Reinvestment.

Oversight of the investments is conducted in several ways. The County's Treasury Oversight Committee annually reviews and monitors the Investment Policy. In addition, the Auditor-Controller's Internal Audit Division audits the portfolio on a quarterly and annual basis pursuant to California Government Code Sections 26920 and 26922. Finally, an independent audit is also conducted annually as required by Sections 27130 through 27137 of California Government Code and the Investment Policy. All audit reports, and the quarterly Treasurer's Investment Reports are available online at <https://www.co.fresno.ca.us/departments/auditor-controller-treasurer-tax-collector/publications>. This reference is for convenience of reference only and not considered to be incorporated as part of this Official Statement.

The District's funds held by the Fresno County Treasurer are invested in the Investment Pool. According to the County's most recently available quarterly investment report, as of June 30, 2022, the market value of the Pool was \$6,012,424,829. As of June 30, 2022, the Pool has a weighted average maturity of 2.32 years. On a book value basis, 30.2% of the Pool's portfolio matures within 12 months, 11.1% matures between 1 and 2 years, 15.2% matures between 2 and 3 years, 19.3% matures between 3 and 4 years and 24.2% matures between 4 and 5 years. (See APPENDIX G– "FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT").

*None of the District, the Financial Advisor or the Underwriter has made an independent investigation of the investments in the Pool nor have they made any assessment of the current Investment Policy. The value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Fresno County Treasurer, with the consent of the Fresno County Treasury Oversight Committee and the Fresno County Board of Supervisors, may change the Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described herein.*

## TAX MATTERS

**Tax Exemption.** In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however, to certain qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes. In addition, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. Bond Counsel is of the further opinion that interest on the Bonds is exempt from State of California personal income taxes.

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 in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. 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.

The proposed form of opinion of Bond Counsel is set forth in APPENDIX D hereto.

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

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

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

***Other Tax Considerations.*** The Tax Code imposes various restrictions, conditions and requirements 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 covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of

issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

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, in whole or in part, 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. For example, future legislative proposals could limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarifications of the Tax Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Tax Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

### **Bank Qualified**

The Code generally prohibits the deduction of interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Bonds. Banks and financial institutions, however, are permitted an 80% deduction for their interest expense allocable to "qualified tax-exempt obligations" of small governmental units (a) that together with their subordinate entities or entities issuing on their behalf and entities on whose behalf they issue do not reasonably expect to issue in the aggregate more than \$10,000,000 of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) in a calendar year, and (b) that designate such obligations as "qualified tax-exempt obligations."

Pursuant to the District's approving resolution, the District reasonably expects that it (and all subordinate entities) will not issue more than \$10,000,000 of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) during calendar year 2022, and consequently the District has designated each of the Bonds a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

## CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system or such other electronic system designated by the MSRB (the "EMMA System") certain annual financial information and operating data relating to the District (the "Annual Report") by not later than each March 31 following the District's fiscal year end of June 30, commencing with the report for the 2021-22 fiscal year (which is due no later than March 31, 2023), and notice of the occurrence of certain enumerated events ("Listed Events") within ten (10) business days after the occurrence of such a Listed Event. The specific nature of the information to be contained in the Annual Report and the notices of Listed Events is set forth in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission.

The District has had existing disclosure obligations pursuant to the Rule, in connection with the prior issuance of general obligation bonds. During the five years preceding the date of this Official Statement, the District timely and completely filed each Annual Report and timely filed all event notices, with respect to its continuing disclosure undertakings. As of the date of this Official Statement, the District has filed with the EMMA System all required reports and notices of Listed Events and is current on all filings required under its outstanding continuing disclosure obligations pursuant to the Rule.

The District has retained Dale Scott & Company Inc. to prepare and file all required Annual Reports and Listed Event notices, to assist with ongoing compliance monitoring and auditing, and to serve as its Dissemination Agent with respect to its continuing disclosure undertaking in connection with the Bonds. The District has developed appropriate written policies and procedures and established periodic training regarding continuing disclosure obligations pursuant to the Rule. A failure by the District to comply with an undertaking will not constitute an event of default with respect to the Bonds. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), S&P has assigned the rating of "A+" to the Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained only from S&P. Such rating is not a recommendation to buy, sell, or hold the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies, and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment circumstances so warrant. The District undertakes no responsibility either to bring to the attention of the owners of the Bonds any downward revision or withdrawal of any ratings obtained or to oppose any such revision or withdrawal. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Bonds to assure the maintenance of any ratings or to oppose any such revision or withdrawal.

## OTHER LEGAL MATTERS

### Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Bonds at the time of issuance substantially in the form set forth in APPENDIX D hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Lozano Smith, LLP, Sacramento, California, as Disclosure Counsel to the District, and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California, as counsel to the Underwriter.

### Legality for Investment in California

Under the 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 securities for deposit of public moneys in the State.

### No Material Litigation

No litigation is pending or threatened concerning or contesting the validity of the Bonds or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Bonds or District officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

### Possible Limitations on Remedies

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing a school district from becoming insolvent, the county superintendent of schools, operating through an administrator appointed by the county superintendent of schools with concurrence from the State Superintendent of Public Instruction (the "State Superintendent") and the President of the State Board of Trustees, may be authorized under State law to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of a school district for the adjustment of its debts. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the application of *ad valorem* property taxes to pay the Bonds could be stayed during the proceeding (unless they are determined to be "special revenues" within the meaning of the Bankruptcy Code and not derived from District projects), and it is possible that the terms of the Bonds and Resolution (including amount, rate, security, and tax-related covenants) could be altered by a plan of adjustment, if the bankruptcy court determines that the alterations are fair and equitable and otherwise comply with the requirements of the Bankruptcy Code. Bankruptcy courts are courts of equity with broad discretionary powers, and their decisions can be heavily influenced by the facts in a case, including whether commingled *ad valorem* property tax revenues can be identified, and the overall goal of the



Bankruptcy Code to facilitate an adjustment of debts. A bankruptcy proceeding, if initiated on behalf of the District, could have an adverse effect on the liquidity and value of the Bonds.

Fresno County, on behalf of the District, is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Investment Pool, as described in "FRESNO COUNTY INVESTMENT POOL" herein and APPENDIX F – "FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT" attached hereto. If Fresno County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if Fresno County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

## MISCELLANEOUS

### Professionals Involved in the Offering

Lozano Smith, LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Bonds, and will receive compensation contingent upon the sale and delivery of the Bonds.

Dale Scott & Company Inc. (the "Financial Advisor"), San Francisco, California, has been employed by the District to perform financial services in relation to the sale and delivery of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The Financial Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Fees charged by the Financial Advisor are contingent upon the sale of the Bonds.

Norton Rose Fulbright US LLP, Los Angeles, California, is acting as Underwriter's Counsel with respect to the Bonds, and will receive compensation contingent upon the sale of the Bonds.

The District has appointed U.S. Bank Trust Company, N.A., Los Angeles, California, a national banking association organized under the laws of the United States, to serve as Paying Agent for the Bonds. The Paying Agent is to carry out those duties assignable to it under the Resolution and other documents related to the Bonds. Except for the contents of this section, the Paying Agent has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Resolution or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

### Underwriting

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") for reoffering to the public pursuant to the terms of a bond purchase agreement for the Bonds, by and between the Underwriter and the District (the "Bond Purchase Agreement"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (equal to the principal amount of Bonds plus/less net original issue premium/discount of \$\_\_\_\_\_, and less underwriter's discount of \$\_\_\_\_\_).

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds (if any are purchased), subject to certain terms and conditions set forth in the Bond Purchase Agreement, 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.

**ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District and the Resolution may be obtained by contacting the Riverdale Joint Unified School District, 3160 W Mount Whitney Avenue, Riverdale, CA 93656, Attention: Business Services department; or by contacting the District's Financial Advisor, Dale Scott & Company Inc., 548 Market Street, Suite 44410, San Francisco, CA 94104. The District may impose a fee for copying, shipping and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

The District has duly authorized the delivery of this Official Statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Jeff Percell, Superintendent

## APPENDIX A

### INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

*The information in this appendix concerning the operations of the Riverdale Joint Unified School District (the "District"), the District's finances, and State of California (the "State") funding of education, 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 or from State revenues. The Bonds are payable solely from the proceeds of an ad valorem property tax that is pledged to repayment of the Bonds and is required to be levied by the County of Fresno ("Fresno County") and the County of Kings ("Kings County" and, together with Fresno County, the "Counties") on all taxable property within the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.*

### THE DISTRICT

#### Introduction

The District was formed in 1995 from the unification and merger of the Riverdale Joint Union High School District and the Riverdale Joint Union Elementary School District. The area of the District includes the city of Riverdale, as well as sections of unincorporated Fresno County ("Fresno County") and Kings County ("Kings County" and, together with Fresno County, the "Counties"), for a total area of approximately 700 square miles, all in the State of California (the "State"). The District serves grades transitional kindergarten ("TK") through 12, with a projected school year 2022-23 student enrollment of approximately 1,478 students. The District has three schools in operation – Fipps Primary School serving grades TK through three, Riverdale Elementary School serving grades four through eight, and Riverdale High School serving grades nine through 12. In addition, the District operates a continuation high school, Horizon High School, at the Riverdale High School Campus.

Property in the District had a total assessed value of \$1,622,627,120 in fiscal year 2021-22.

#### Administration

The District is governed by a seven-member Board of Trustees (the "District Board"), each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a District Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Jeff Percell is the District Superintendent. See "THE DISTRICT – Superintendent and Administrative Personnel" below. Current members of the District Board, together with their office and the date their term expires, are listed below:

#### RIVERDALE JOINT UNIFIED SCHOOL DISTRICT Board of Trustees Members

<u>Name</u>	<u>Trustee Area</u>	<u>Office</u>	<u>Term Expires</u>
Robert Martin	Area 1	Member	November 2022
Charles Cox	Area 2	President	November 2022
Connor McKean	Area 3	Member	November 2022
Daniel Conway	Area 4	Member	November 2024
Andy Rollin	Area 5	Member	November 2022
John Mendes	Area 6	Member	November 2024
Anita Cuevas	Area 7	Clerk	November 2024

## **Superintendent and Administrative Personnel**

The Superintendent of the District, appointed by the District Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. The Chief Business Official of the District reports directly to the Superintendent and is responsible for the administration and management of the District's business and financial operations, and human resources.

*Jeff Percell, Superintendent.* Jeff Percell joined the District as a school site administrator in June 2005, and has been superintendent since 2014. Previously, Mr. Percell worked for the Central Unified School District as a special education teacher. Mr. Percell earned a B.S. in Kinesiology at CSU Fresno, an M.A. in Special Education at National University, an M.S. in Education Administration at CSU Fresno, and holds credentials in Education Specialist Instruction and Administrative Services.

*Cesar Solorio.* Mr. Solorio joined the Riverdale Joint Unified School District in November of 2012. Mr. Solorio worked as Accounts Payable, Payroll and Accountant from 2012 to 2017, prior to becoming the Chief Business Official for the District in 2018. Mr. Solorio earned an Accounting Degree from the California State University of Fresno and holds a Chief Business Official Certificate.

## **Impact to District Operations and Budget Due to Coronavirus Pandemic**

The outbreak in the early months of 2020 of a novel strain of coronavirus which causes a respiratory illness known as COVID-19, has been designated a global pandemic by the World Health Organization. The global and local response to the pandemic, including efforts to prevent or slow transmission of the virus, has impacted local and global economies. The California Department of Public Health, the United States Centers for Disease Control and Prevention, and various local health officials, have been providing regular updates and guidelines to the public and to State and local governments.

Although, to date, widespread administration of vaccinations has slowed the spread of the virus in California and the United States, the outbreak is ongoing and District cannot predict what future impacts the outbreak may have on its operations and budget. The District cannot predict future costs associated with a potential infectious disease outbreak such as operational costs to clean, sanitize, and maintain its facilities either before or after an outbreak of an infectious disease, or costs to hire substitute certificated or classified employees. The District also cannot predict what long-term impact the COVID-19 pandemic and potential school closures and shelter-in place orders by State and local officials in response to the pandemic, might have on the District's ADA, which is the primary factor in determining the amount of funding the District receives from the State. Note, however, that the Bonds are payable from *ad valorem* property taxes. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front part of this Official Statement.

*State and Federal Relief Legislation.* On March 16, 2020, and at the request of the Governor, the California Legislature presented two bills for the Governor's signature addressing economic impacts to public school districts resulting from the outbreak, including school closures implemented by school districts in order to slow the spread of the outbreak. On March 17, 2020, both bills, Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117") were signed by the Governor. Each bill took effect immediately.

SB 89 amended the Budget Act of 2019 by appropriating \$500 million from the State General Fund for any purpose related to the Governor's March 4 Emergency Proclamation. The second bill, SB 117, addressed economic impacts to school districts directly. Among other things, SB 117 provided that, for all school districts that complied with Executive Order N-26-20, attendance during only full school months from July 1, 2019 to February 29, 2020, inclusive, would be reported for apportionment purposes. SB 117 also held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 also held harmless grantees operating After School Education and Safety Programs that were prevented from operating such programs due to COVID-19, and credited such Program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19. SB 117

also appropriated \$100 million from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment or paying for supplies and labor related to cleaning school sites, or both.

Senate Bill 98 (“SB 98”), the education omnibus trailer bill, part of the legislation enacting the 2020-21 State Budget, included an additional ADA hold-harmless provision, specifying that LCFF funding determinations for the 2020-21 school year will be based on 2019-20 ADA levels.

On December 30, 2020, the Governor unveiled the “Safe Schools for All Plan,” pledging to work with the State Legislature to implement up to \$2 billion in funding for the safe reopening of schools beginning in February 2021. Funding for the Safe Schools for All Plan was included in the Governor’s 2021 State Budget Proposal, released on January 8, 2021, which urged the Legislature to take immediate action on this item, rather than wait until implementation of the 2021-22 State Budget later that summer. On March 5, 2021, the Governor signed Assembly Bill 86 (“AB 86”), the final legislation for the Safe Schools for All Plan, which provided \$2 billion for in person instruction grants, and \$4.6 billion for expanded learning opportunity grants to local educational agencies. AB 86 went into effect immediately. (See also “STATE BUDGETS” in this APPENDIX A.)

To date, Congress has passed a number of relief bills and taken administrative actions in response to the COVID-19 pandemic, including, but not limited to, the following:

- On March 22, 2020, then-President Trump approved the Major Disaster Declaration for the State of California’s COVID-19 pandemic, authorizing federal emergency aid related to COVID-19. Local educational agencies may submit a request for public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19.
- On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the “Cares Act”). The Cares Act appropriated approximately \$2 trillion in COVID-19-related relief, including \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts are able to use their share of the \$13.5 billion K-12 education allocation under the Cares Act, which is based on the proportion of Title I funding received for the fiscal year ending prior to the grant, for purposes authorized by federal law and other specified uses.
- On December 27, 2020, President Trump signed the 2021 omnibus appropriations bill, which included a \$900 billion COVID-19 relief package in addition to its annual federal agency appropriations. This bill extended the date by which state and local governments, including school districts, must spend CARES Act funding.
- On March 10, 2021, President Biden signed into law the “American Rescue Plan,” a \$1.9 trillion COVID-19 relief package. The American Rescue Plan provides \$168 billion in education funding, including \$126 billion for K-12 schools.

***District Response and Impacts.*** In the early stages of the pandemic, in March of 2020, in its own response to COVID-19, and out of concern for the health and safety of its students, staff, and community, the District closed its schools for the remainder of the 2019-20 academic year and implemented a distance learning plan for its students. For the 2020-21 academic year, the District implemented a hybrid learning structure consisting of separate groups of students alternating between in-person instruction and distance learning days, and also implemented a required independent study program. For the 2021-22 academic year, the District provided regular-day in-person instruction, and also maintained and expanded its independent study program, all pursuant to State and local health guidelines and guidance.

To date, the District has received approximately \$6,193,114 in State and federal relief funding and emergency aid, including under SB 117, the CARES Act, and the American Rescue Plan, to address impacts of the COVID-19 outbreak. In addition to funds already received, the District expects to receive approximately \$7,558,308 in

additional relief funding, for a total aggregate award of \$13,751,422. Most of the relief funding is considered one-time revenues, though certain of the revenues are permitted to be spent in future fiscal years. The District can make no representation that all funding will be received, or that the District can expend relief funding prior the expiration of applicable expenditure deadlines.

The District cannot predict whether additional legislation will be enacted in the future if the COVID-19 pandemic continues or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future. Because the District is funded primarily pursuant to the State’s education funding formula known as LCFF, the District’s main operating revenues will be impacted by the State’s financial position in the current and future fiscal years. Should the pandemic continue and/or escalate into the future, the State’s revenues may decline, and a corresponding decline in education funding is possible, but the extent is not fully known at this time. See below under the heading “STATE BUDGETS” for information on the State’s fiscal year 2021-22 and 2022-23 adopted budgets and related legislation.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor’s office (<http://www.gov.ca.gov>) and the California Department of Public Health (<https://covid19.ca.gov/>). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

Notwithstanding the impacts the coronavirus outbreak may have on the global and national economy, the economy in the State, in the District, or on the District’s operations and revenues, the Bonds described herein are voter-approved general obligations of the District payable from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount.

**Labor Relations**

For the current fiscal year, 2022-23, the District employs 171 FTE (full-time equivalent employees), consisting of 84 FTE certificated employees, 58 FTE classified non-management employees, and 29 FTE management or confidential employees. For the fiscal year ended June 30, 2021, the total certificated and classified payrolls were approximately \$8.46 million and \$2.65 million, respectively. For fiscal year 2021-22, the District expended an estimated (not yet audited) \$9.32 million and \$2.83 million for certificated and classified payrolls, respectively. For the upcoming fiscal year 2022-23, the District has budgeted approximately \$9.07 million and \$3.42 million for certificated and classified payrolls, respectively. District employees, other than management, confidential, and certain part-time employees, are represented by employee bargaining units as follows:

**TABLE A-1  
RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
Employee Bargaining Units and Current Collective Bargaining Agreements**

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date <sup>(1)</sup>
Riverdale Teachers’ Association	84	June 30, 2022
SEIU Local Chapter 521	73	June 30, 2022

By law, each contract is in effect until a new contract is approved.

Source: Riverdale Joint Unified School District.

## Retirement Benefits

The information set forth below regarding the CalSTRS and CalPERS 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.

The District participates in retirement plans with the State Teachers' Retirement System ("CalSTRS"), which covers all full-time District faculty members, and the State Public Employees' Retirement System ("CalPERS"), which covers classified employees. Classified District personnel who are employed more than half of full-time service may participate in CalPERS.

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

**District Contributions.** The following table sets forth the District's total contributions to CalSTRS and CalPERS for fiscal years 2015-16 through 2021-22, the District's projected (budgeted) contributions for fiscal year 2022-23, and the percentage of the District's total general fund expenditures represented by such aggregated contributions. For more information regarding the District's retirement benefits obligations, see APPENDIX C – "AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note M. Pension Plans" herein.

**TABLE A-2**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Aggregate Employer Contributions to CalSTRS and CalPERS**  
**Fiscal Years 2015-16 through 2022-23**

<b>Fiscal Year</b>	<b>District CalSTRS Contributions <sup>(1)</sup></b>	<b>District CalPERS Contributions <sup>(1)</sup></b>	<b>District Contribution (CalSTRS and CalPERS Combined) as Percentage of Total General Fund Expenditures</b>
2015-16	\$ 728,760	\$ 260,526	5.93%
2016-17	882,592	313,698	6.00
2017-18	1,051,313	370,412	7.05
2018-19	1,219,499	456,514	7.47
2019-20	1,312,383	512,835	8.79
2020-21	1,290,155	554,828	8.02
2021-22	1,489,748	678,192	7.28
2022-23 <sup>(2)</sup>	1,715,726	818,125	8.01

<sup>(1)</sup> Reflects data for all District funds, including the District's general fund. Does not include on-behalf payments from the State.

<sup>(2)</sup> Projected.

Source: The District's Audit Reports for fiscal years 2015-16 through 2020-21, and the District's 2022-23 adopted budget.

**CalSTRS.** All full-time certificated employees, as well as certain classified employees, are members of CalSTRS. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "CalSTRS Defined Benefit Program"). The CalSTRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees,

employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, CalSTRS contribution rates did not vary annually to make up funding shortfalls or assess credits for actuarial surpluses, although the State did, and does pay a surcharge when the member and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as “pre-enhancement benefits”) within a 30-year period. However, this surcharge does not apply to systemwide unfunded liability resulting from recent benefit enhancements.

As part of the 2014-15 State Budget, the then-Governor signed Assembly Bill 1469 (“AB 1469”) which implemented a new funding strategy for CalSTRS and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate then increased by 1.85% beginning in Fiscal Year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. AB 1469 increased member contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013, effective July 1, 2016. On July 1, 2018, however, for members hired on or after January 1, 2013, the rate for members hired on or after January 1, 2013, increased from 9.205% of pay to 10.205% of pay, and has remained at that level through 2021-22.

The State also contributes to CalSTRS, and the State’s total contribution also increased from approximately 3% in Fiscal Year 2013-14 to 8.328% of payroll in fiscal year 2022-23, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program, for a total State contribution rate of 10.828%.

The funding plan enacted through AB 1469 and related legislation provides the State Teachers Retirement Board (the “STRS Board”) with authority to modify, based upon recommendations from its actuary, the percentages paid by employers and employees starting in 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded actuarial obligation by June 30, 2046, provided that the employer contribution rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members’ contributions to CalSTRS are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. The STRS Board also has authority to reduce employer and State contributions if they are no longer necessary.

AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the CalSTRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the unfunded liability.

On June 27, 2019, the Governor signed SB 90 (“SB 90”) into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher’s Retirement Fund for CalSTRS to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer’s share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. Subsequently, the State’s 2020-21 Budget redirected \$2.3 billion previously appropriated to CalSTRS and CalPERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rates were 16.15% in fiscal year 2020-21 and 16.92% in fiscal year 2021-22.

As of June 30, 2021, the actuarial valuation (the “2021 CalSTRS Actuarial Valuation”) for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$89.7 billion, based on an actuarial value of assets, a significant decrease of approximately \$16 billion from the June 30, 2020 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2021, and June 30, 2020, based



on the actuarial assumptions, were approximately 73.0% 67.1%, respectively. According to the 2021 CalSTRS Actuarial Valuation, the funded ratio increased by 5.9% during the past year.

As shown in the below table, the employer contribution rate projected for fiscal year 2022-23 is 19.1% of covered payroll. The effective employer contribution rates, as adjusted/reduced by State appropriations, from fiscal year 2014-15 through 2021-22, are shown in the following schedule:

**TABLE A-3  
K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
CalSTRS (Defined Benefit Program)**

Effective Date	Employer Contribution Rate <sup>(1)</sup>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	17.10 <sup>(2)</sup>
July 1, 2020	16.15 <sup>(3)</sup>
July 1, 2021	16.92 <sup>(4)</sup>
July 1, 2022	19.10 <sup>(4)</sup>

<sup>(1)</sup> Expressed as a percentage of covered payroll.

<sup>(2)</sup> The 2019-20 State Budget provided supplemental payments to CalSTRS, reducing the employer contribution rate from 18.13% to 17.10% for fiscal year 2019-20.

<sup>(3)</sup> The 2020-21 State Budget reallocated the supplemental State payment allocated in the 2019-20 State Budget, to instead be used solely to reduce employer contribution rates, to approximately 16.15% in fiscal year 2020-21.

<sup>(4)</sup> Projected.

*Source: CalSTRS, AB 1469, the 2019-20 State Budget, and the 2020-21 State Budget.*

The District’s total employer contributions to CalSTRS for fiscal years 2015-16 through 2021-22 were equal to 100% of the required contributions for each year (see Table A-2 above). Due to the expected increase in employer contribution rates under AB 1469, the District anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

**CalPERS.** The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Laws.

All qualifying classified employees of K-12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts’ participating in CalSTRS, the school districts’ contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that its required contributions to CalPERS in future years will not significantly vary from any current projected levels.

Active plan members hired before January 1, 2013 are required to contribute 7.0 % of their salary, members hired after January 1, 2013, contribute at an actuarially determined rate, which was 6% of their respective salaries in fiscal years 2015-16 and 2016-17, 6.50% in fiscal year 2017-18 and 7.00% in fiscal years 2018-19 through 2021-22. (See

discussion of rates in *California Public Employees’ Pension Reform Act of 2013* below.) The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration (the “CalPERS Board”). On April 18, 2022, the CalPERS Board increased the fiscal year 2022-23 employee contribution rate for members subject to the Reform Act from 7.00% of earnings to 8.00%.

School districts are required to contribute to CalPERS at an actuarially determined rate. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the employer contribution adopted for fiscal year 2021-22 was 25.2%, with annual adjustments thereafter, resulting in a projected 22.6% employer contribution rate for fiscal year 2026-27. State legislation enacting the 2020-21 State Budget reallocated State contributions to the Schools Pool, resulting in adjusted CalPERS employer contribution rates reduced from the adopted/projected rates, to 20.70% in fiscal year 2020-21 and 23.00% in fiscal year 2021-22.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2021 (the “CalPERS Schools Pool Actuarial Valuation”), was presented in summary form to the CalPERS Board on April 18, 2022, and such summary reported an actuarial accrued liability of \$104.06 billion with the market value of assets at \$71.4 billion, and a funded status of 68.6%. The actuarial funding method used in the CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method.” The CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.8% compounded annually (net of administrative expenses) as of June 30, 2021.

On April 18, 2022, the CalPERS Board set the fiscal year 2022-23 employer contribution rate at 25.37%. Employer contribution rates for fiscal year 2020-21 and projected for fiscal years 2023-24 through 2027-28 are shown in the following table.

**TABLE A-4  
EMPLOYER CONTRIBUTION RATES  
CALPERS**

Fiscal Year	Employer Contribution Rate <sup>(1)</sup>
2020-21	20.7%
2021-22	23.0
2022-23	25.4
2023-24 <sup>(2)</sup>	25.2
2024-25 <sup>(2)</sup>	24.6
2025-26 <sup>(2)</sup>	23.7
2026-27 <sup>(2)</sup>	22.6
2027-28 <sup>(2)</sup>	22.6

Note: The CalPERS Board is expected to approve official employer contribution rates for each fiscal year, during the preceding fiscal year.

<sup>(1)</sup> Expressed as a percentage of covered payroll.

<sup>(2)</sup> Projected.

Source: CalPERS

The District’s contributions to CalPERS for fiscal years 2015-16 through 2021-22 equaled 100% of the required contributions for each year (see Table A-2 above). The District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased into CalPERS actuarial assumptions.

**Potential Impact of COVID-19 on Pension Liabilities.** The economic consequences of the COVID-19 pandemic, including the potential for volatility in the U.S. and global stock markets, could have a material impact on the investments in the State pension trusts, which could materially increase either or both CalSTRS’ and CalPERS’ unfunded pension liabilities, which, in turn, could result in material changes to the required employer contribution

rates in future fiscal years. As to CalSTRS, however, under existing law, the CalSTRS Board may not increase the employer contribution rate by more than 1% in any fiscal year, up to a maximum employer contribution rate of 20.25%.

The District is unable to predict whether or to what extent its required employer contribution rates, or its proportionate share of net pension liability, in connection with CalSTRS or CalPERS, may be affected by the COVID-19 pandemic.

**California Public Employees' Pension Reform Act of 2013.** The Governor signed the California Public Employees' Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. PEPRA affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to CalSTRS participants hired after the Implementation Date, PEPRA changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, PEPRA changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

PEPRA also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in Social Security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

**GASB 67 and 68.** In June 2012, the Government Accounting Standards Board ("GASB") approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("Statement Number 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements changed how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaced the requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 27 replaced the requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs are now shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates are now required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities are now required to be used for certain purposes of the financial statements, which generally increased pension expenses. Statement Number 67 took effect in fiscal years beginning after June 15, 2013, and Statement Number 68 took effect in fiscal years beginning after June 15, 2014.

As of June 30, 2021, the District's proportionate share of net CalSTRS pension liability was \$13,642,140, and the District's proportionate share of net CalPERS pension liability was \$5,538,142. The District's proportionate share of net pension liability for each plan is 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, actuarially determined. For further information regarding the District’s net pension liability, see also “APPENDIX C – AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note M. Pension Plans.”

### Other Post-Employment Benefits

**Plan Description.** In addition to the retirement plan benefits with CalSTRS and CalPERS discussed above, the District provides certain other post-employment benefits (“OPEB”), in accordance with District employment contracts. The District’s OPEB plan (the “Plan”) is administered by the District, and provides post-employment health care benefits to eligible certificated employees who retire after age 55 and after at least 15 years of continuous service in the District. As of June 30, 2021, Membership of the Plan consists of approximately seven retirees and beneficiaries currently receiving benefits and approximately 161 active plan members.

The contribution requirements of plan members and the District are established and may be amended by the District and the employee labor groups. The actual amount contributed to the Plan annually is based on projected pay-as-you-go financing requirements. For fiscal year 2020-21, the District contributed \$158,559 to the Plan, all of which was used to pay current premium payments on behalf of retired employees.

Beginning in fiscal year 2017-18, the District was required to implement GASB Statement Number 75, which replaced GASB Statement Number 45 as the accounting standard for OPEB plans. The District commissioned the most recent actuarial valuation of the Plan’s liabilities, with a valuation date of June 30, 2021, in accordance with GASB Statement Number 75. The District has set aside funds to cover OPEB liabilities in trust administered by Public Agency Retirement Services (the “PARS Trust”).

**Net OPEB Liability.** The District’s net OPEB liability for the Plan is measured as the total OPEB liability, less the District’s fiduciary net position in the PARS Trust. The total and net OPEB liability of the Plan is measured by an actuarial valuation with a measurement date of June 30, 2021. The following table illustrates the District’s OPEB liability and related ratios, as shown in the most recent valuation report completed by the District’s actuary, Total Compensation Systems, Inc, on July 13, 2022.

**TABLE A-5**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Changes in the Total and Net OPEB Liability**

<b>Total OPEB Liability as of July 1, 2020 Measurement Date</b>	\$5,690,757
Service Cost	\$ 622,195
Interest	142,305
Experience Gains/Losses	(743,032)
Benefit Payments	(158,559)
Changes in assumptions	(453,253)
Net Changes in Total OPEB Liability	\$ (590,344)
<b>Total OPEB Liability as of June 30, 2021</b>	<b>\$5,100,413</b>
<b>Plan Fiduciary Net Position as of July 1, 2020</b>	<b>\$1,434,669</b>
District Contributions	\$ 158,559
Net Investment Income	380,374
Benefit Payments	(158,559)
Administrative Expenses	(8,765)
Net Change in Plan Fiduciary Net Position	\$ 371,609
<b>Plan Fiduciary Net Position as of June 30, 2021</b>	<b>\$1,806,278</b>
<b>Plan Net OPEB Liability as of June 30, 2021</b>	
(Total OPEB Liability less Plan Fiduciary Net Position)	<b>\$3,294,135</b>

Source: GASB 74/75 Actuarial Study of District’s Retiree Health Liabilities.

For further information regarding the District's Post-Employment Benefits, see also "APPENDIX C – AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note N. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS."

### **Public Entity Risk Pools and Joint Power Authorities**

The District participates in joint ventures under joint powers agreements with the following joint powers authorities (JPAs): Organization of Self-Insured Schools; Self-Insured Schools of California; Southwest Transportation Authority; and Central Valley Preschool Joint Powers Authority.

The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs arrange for and provide property, liability, health care, workers' compensation and excess liability coverage for their members. Each JPA is governed by a board consisting of representatives from their members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA.

In at least the past three years, no claim settled under the Districts JPA agreements has exceeded the coverage amounts.

For more information regarding the JPAs, see APPENDIX C— "AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note L. Joint Ventures (Joint Powers Agreements)."

**Cybersecurity.** The District is a recipient and provider of personal, private, and sensitive information and, because the District relies on computer technology to conduct its operations, the District is subject to risk of cyber threats including hacking, viruses, malware, and other attacks on digital networks and systems. In 2020, the District was informed of potential unauthorized access to its student information system. The District's IT department worked with the licensor of the software involved and has been informed that appropriate data patches and security updates have been implemented. Though there was no evidence that private student data was misused, the District informed the public whose data may have been subject to unauthorized access, pursuant to law. The District did not suffer a loss due to this incident, and has not suffered a loss due to any cybersecurity incident or threat. The District is insured against potential losses arising as a result of cybersecurity breaches as a component of the property and liability insurance coverage maintained by the District.

## **DISTRICT FINANCIAL INFORMATION**

*The following selected financial information provides a brief overview of the District's finances. This financial information has been extracted from the District's audited financial statements and, in some cases, from unaudited information provided by the District's Finance Department. The District's most recent audited financial statements, including an unqualified auditor's opinion, are included as APPENDIX C hereto. See "APPENDIX C – AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021."*

### **State Funding of Education**

*The following information concerning the State's funding of education has been compiled from publicly-available information provided by the State. Neither the District, the Financial Advisor, nor the Underwriter is 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.*

**Revenue Limit Funding.** Prior to fiscal year 2013-14, school districts operated under general purpose revenue limits established by the California Department of Education. In general, revenue limits were calculated for each school

district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments (“COLAs”) and to equalize revenues among school districts of the same type. Funding of a school district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Beginning in fiscal year 2013-14, school districts are funded based on uniform funding grants assigned to certain grade spans.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) (“A.B. 97”), enacted as part of the 2013-14 State budget, established a new system for funding school districts, charter schools and county offices of education. Certain provisions of A.B. 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) (“S.B. 91”).

The primary component of A.B. 97, as amended by S.B. 91, was the implementation of the Local Control Funding Formula (“LCFF”). Beginning in fiscal year 2013-14, the bulk of funding for school districts is being provided on the basis of target base funding grants per unit of ADA (each, a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments, as further described herein. According to a report published by the State Legislative Analyst’s Office, the State general fund cost of fully implementing the LCFF in fiscal year 2013-14 would have been approximately \$18 billion more than what was spent on education in the prior fiscal year (assuming current levels of property tax revenue, ADA and enrollment). Given this cost, the LCFF was implemented over a span of six fiscal years, during which time school districts received annual funding increases based on the gap between their respective prior-year funding level and the target LCFF allocation following full implementation. In each year, each school district saw the same proportion of their funding gap closed, with dollar amounts varying depending on the size of a district’s funding gap. The State’s cost to fund the LCFF in each fiscal year fluctuates depending on a number of factors, including the provision of COLAs, fluctuations in ADA and student demographics, and growth in property tax revenues.

The specific Base Grants, beginning in fiscal year 2013-14, per unit of ADA, for each grade span were as follows: (a) \$6,845 for grades K-3; (b) \$6,947 for grades 4-6; (c) \$7,154 for grades 7-8; and (d) \$8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for COLAs by applying the implicit price deflator for government goods and services. The provision of the COLAs is currently subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. As of fiscal year 2018-19, school districts and charter schools are fully-funded under LCFF.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and support college and career readiness programs in high schools. Following full implementation of the new funding system in fiscal year 2018-19, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant.

The 2020-21 State Budget suspended the statutory cost-of-living adjustment in fiscal year 2020-21. The 2021-22 State Budget included a cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of approximately 2.3% and a fiscal year 2021-22 cost-of-living adjustment of approximately 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. Such discretionary increase, together with the compounded cost-of-living adjustment, resulted in growth of LCFF of 5.07% above the fiscal year 2020-21 levels. The 2022-23 State Budget funds a COLA of 6.56%, the largest COLA in the history of the LCFF.

The Base Grants per unit of ADA for fiscal year 2021-22, before accounting for grade span adjustments, but accounting for the 2021-22 funded COLA of 2.7%, are as follows: (a) \$8,093 per ADA for kindergarten through grade 3; (b) \$8,215 per ADA for grades 4 through 6; (c) \$8,458 per ADA for grades 7 and 8; and (d) \$9,802 per ADA for grades 9 through 12.

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

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

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

**Accountability.** The SBE has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by A.B. 97. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The SBE has adopted a template LCAP for use by school districts. The District adopted its most recent LCAP update on June 29, 2022, and adopted the related budget overview for parents at the same meeting.

**Support and Intervention.** A.B. 97 establishes a new system of support and intervention to assist school districts to meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8

of each year if the superintendent determines that (a) the LCAP or annual update adheres to the SBE template, and (b) the district’s budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district’s strengths and weaknesses in the eight State priorities, or the assignment of an academic expert to assist the district to identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by A.B. 97 and charged with assisting school districts to achieve the goals set forth in their LCAPs. In late 2015, the SBE developed rubrics to assess school district performance and the need for support and intervention.

A.B. 97 also authorizes the State Superintendent of Public Instruction (the “State Superintendent”), with the approval of the SBE, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (a) modify a district’s LCAP, (b) impose budget revisions designed to improve student outcomes, and (c) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized under A.B. 97 to rescind an action required by a local collective bargaining agreement.

## **Enrollment**

The District’s ADA is the primary determinant of state funding through the LCFF. See “State Funding of Education – Local Control Funding Formula,” above. For fiscal years 2019-20, 2020-21, and 2021-22, the District has remained funded at pre-pandemic ADA levels due to State bills passed in response to the COVID-19 pandemic and due to existing LCFF funding calculations. Due primarily to COVID-19 infections/exposures, parent aversion to masking requirements, and other pandemic-related factors contributing to student absences, the District’s 2021-22 P-2 ADA was 1,339, down 10% from 2021-22 funded-basis ADA shown in the table below. Starting this fiscal year, 2022-23, in order to allow school districts to adjust to enrollment-related funding declines and minimize the impacts of a single-year drop in enrollment, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district’s current year, prior year, or the average of three prior years’ ADA. The District cannot predict whether and to what extent the State will mitigate LCFF funding decreases caused by potential decline in ADA should the pandemic continue or worsen in the 2022-23 school year or beyond, or what impact the pandemic will have on the District’s ADA in the future.

The following table shows a breakdown of the District’s ADA by grade span (using P-2 ADA for fiscal years 2013-14 through 2018-19, and funded-basis ADA for fiscal years 2019-20 through 2022-23), total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2013-14 through 2022-23. As discussed above (see, “– Local Control Funding Formula”), fiscal year 2013-14 was the first year of implementing the LCFF.

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**TABLE A-6**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**ADA, Enrollment and EL/LI Enrollment Percentage**  
**Fiscal Years 2013-14 through 2022-23**

Fiscal Year	Average Daily Attendance <sup>(1)</sup>					Enrollment <sup>(2)</sup>	
	TK-3	4-6	7-8	9-12	Total ADA	Total Enrollment <sup>(1)</sup>	EL/LI Percentage <sup>(3)</sup>
2013-14	496	301	225	510	1532	1601	85.82
2014-15	485	317	207	541	1551	1620	84.88
2015-16	440	359	189	549	1536	1610	84.78
2016-17	446	352	200	562	1561	1631	83.63
2017-18	437	326	235	540	1538	1622	81.38
2018-19	433	314	246	511	1505	1563	80.06
2019-20	433	314	246	511	1505	1559	81.85
2020-21 <sup>(4)</sup>	433	314	246	511	1505	1488	85.01
2021-22 <sup>(4)</sup>	433	314	246	511	1505	1478	84.03
2022-23 <sup>(4)</sup> <sup>(5)</sup>	405	305	226	513	1449	1478	84.03

<sup>(1)</sup> Excludes charter schools, county instructed, adult education and regional occupational program students. All figures are rounded to the nearest whole number.

<sup>(2)</sup> Except for 2022-23, reflects “census day” enrollment figures.

<sup>(3)</sup> For purposes of calculating Supplemental and Concentration Grants, for fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students will be based on a rolling average of such district’s EL/LI enrollment for the then current fiscal year and the two immediately preceding fiscal years.

<sup>(4)</sup> Funded ADA, not actual ADA, per SB 98, and LCFF statutes enacting the 2022-23 State Budget.

<sup>(5)</sup> Projected funded ADA.

Source: The District.

**Effect of Changes in Enrollment.** Changes in local property tax and ADA affect LCFF districts and community funded districts differently. In an LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district’s entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers, close schools, or reduce educational programs.

### Revenue Sources

Major revenue sources of the District are described below. For each revenue category discussed below, the fiscal year 2022-23 budgeted revenue amounts do not include certain reclassified funds which are included in the prior years’ audited revenue amounts, specifically, the deferred maintenance fund and special reserve fund for other than outlay.

**LCFF Sources.** State funding under the LCFF, the primary funding source for District operations, consists of base grants and supplemental grants as further described above. For fiscal year 2020-21, the District received \$17,785,308 from LCFF sources, comprising approximately 69.6% of its 2020-21 general fund revenues. For fiscal year 2021-22, the District received, according to its estimated actuals, approximately \$19,422,383 from the LCFF, comprising approximately 55.8% of its estimated general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$20,093,081 from the LCFF, comprising approximately 64.6% of its budgeted general fund revenues.

**Federal Revenues.** The federal government provides funding for several District programs, through Title I, Title II, Title III, and Title IV funding, including special education and other specialized programs. Most of the federal revenues received by the District are restricted. For fiscal year 2020-21, the District received \$3,818,312 from federal revenues, comprising 14.9% of total general fund revenues. For fiscal year 2021-22, the District received, according to its estimated actuals, approximately \$10,952,873 from federal revenues, comprising approximately 31.5% of its estimated general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$8,315,960 from the federal revenues, comprising approximately 26.7% of its budgeted general fund revenues.

**Other State Revenues.** In addition to the LCFF, the District receives other State revenues. These other State revenues consist primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for 14 programs was excluded from the LCFF—including, among others, child nutrition, after school education and safety, special education, and State preschool—and school districts will continue to receive restricted State revenues to fund these programs.

For fiscal year 2020-21, the District received \$2,825,683 from other State revenues, comprising 11.1% of total general fund revenues. For fiscal year 2021-22, the District received, according to its estimated actuals, approximately \$3,248,673 from other State revenues, comprising approximately 9.3% of its estimated general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$1,578,242 from the other State revenues, comprising approximately 5.1% of its budgeted general fund revenues.

**Other Local Revenues.** In addition to property taxes, the District receives other local revenues from items such as interest earnings, interagency services, and other local sources. For fiscal year 2020-21, the District received \$1,117,861 from other local revenues, comprising 4.4% of total general fund revenues. For fiscal year 2021-22, the District received, according to its estimated actuals, approximately \$1,170,112 from other local revenues, comprising approximately 3.4% of its estimated general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$1,133,729 from the other local revenues, comprising approximately 3.6% of its budgeted general fund revenues.

## **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.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available, except for certain revenue sources which are not susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred.

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. The District's financial statements are prepared in accordance with Statement No. 34.

## **Audited Financial Statements**

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from sources such as State apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's most recent audit report was prepared by independent auditor Borchardt, Corona, Faeth & Zakarian, Certified Public Accountants. The auditor has not participated in the preparation of this Official Statement, and has not provided any update of the financial statements in connection with their inclusion in this Official Statement. Audited financial statements for the District for the prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District may impose a charge for copying, mailing and handling.

The following table shows the audited income and expense statements for the District for fiscal years 2017-18 through 2020-21. For further information regarding District finances, see also "APPENDIX C - AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021."

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**TABLE A-7**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Summary of Audited General Fund Revenues, Expenditures and Changes in Fund Balance**  
**For Fiscal Years 2017-18 through 2020-21 <sup>(1)(2)</sup>**

	Audited 2017-18	Audited 2018-19	Audited 2019-20	Audited 2020-21
<b>Revenues</b>				
LCFF Sources, including Property Taxes	\$16,878,931	\$17,743,142	\$17,840,401	\$17,785,308
Federal Revenue	1,263,164	1,329,419	1,092,150	3,818,312
Other State Revenue	1,616,874	2,349,163	1,591,964	2,825,683
Other Local Revenue	1,018,969	976,903	960,639	1,117,861
<b>Total Revenues</b>	<b>\$20,777,938</b>	<b>\$22,398,627</b>	<b>\$21,485,154</b>	<b>\$25,547,164</b>
<b>Expenditures</b>				
Certificated Salaries	\$ 7,513,099	\$ 7,861,256	\$ 7,964,012	\$ 8,463,665
Classified Salaries	2,178,283	2,285,387	2,331,592	2,652,508
Employee Benefits	4,435,671	5,500,494	5,308,007	5,243,084
Books and Supplies	1,302,950	1,550,790	955,157	1,907,969
Services and Other Operating Expenditures	3,962,536	3,885,870	3,431,883	3,964,157
Other Outgo	389,735	222,103	202,664	126,657
Direct Support/Indirect Costs	(49,549)	(40,521)	(48,231)	(26,570)
Capital Outlay	431,502	1,169,298	625,534	679,396
<b>Total Expenditures</b>	<b>\$20,164,228</b>	<b>\$22,776,344</b>	<b>\$20,770,618</b>	<b>\$23,010,866</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 613,710</b>	<b>\$ (36,050)</b>	<b>\$ 714,536</b>	<b>\$ 2,536,298</b>
<b>Other Financing Sources and Uses</b>				
Interfund Transfers In	\$ 52,000	\$ 143,770	--	--
(Interfund Transfers Out)	\$ (230,015)	\$ (334,989)	--	\$ (400,000)
<b>Net Change in Fund Balance</b>	<b>\$ 435,695</b>	<b>\$ (227,269)</b>	<b>714,536</b>	<b>\$ 2,136,298</b>
<b>Beginning Fund Balance</b>	<b>\$ 6,364,745</b>	<b>\$ 6,800,440</b>	<b>\$ 6,573,171</b>	<b>\$ 7,287,707</b>
<b>Ending Fund Balance</b>	<b><u>\$ 6,800,440</u></b>	<b><u>\$ 6,573,171</u></b>	<b><u>\$ 7,287,707</u></b>	<b><u>\$ 9,424,006</u></b>

(1) Restricted and unrestricted general fund revenues.

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

Source: District Audit Reports for fiscal years 2017-18 through 2020-21.

## Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. School districts' annual general fund expenditures are characterized in large part by multi-year expenditure commitments such as union contracts. Year-to-year fluctuations in State and local funding of school district general funds could result in revenue decreases which, if large enough, may not easily be offset by an equal reduction in expenditures until at least the following fiscal year. School districts are required by State law to maintain general fund reserves that can be drawn upon in the event of a resulting excess of expenditures over revenues for a given fiscal year.

The California Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("A.B. 1200"), which became State law on October 14, 1991. On September 17, 2018, Governor Brown signed Chapter 426 of 2018 ("A.B.

1840”), which shifted outside administrator appointment authority from the State to county offices of education. The A.B. 1200 budgeting process is summarized below.

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

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

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

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

The District’s original budget for fiscal year 2022-23 was adopted by the District’s Board on June 29, 2022, and is subject to revision throughout the fiscal year as detailed above. The District is under the jurisdiction of the Fresno County Superintendent of Schools (the “County Superintendent”). In the five fiscal years prior to 2022-23, the District has not had an adopted budget disapproved by the County Superintendent, and has not received a negative or qualified certification of an interim financial report pursuant to A.B. 1200.

The following table summarizes the District’s fiscal year 2021-22 estimated actual results, and the District’s fiscal year 2022-23 original adopted July 1 general fund budget (restricted and unrestricted funds).

**TABLE A-8**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Summary of Estimated and Budgeted General Fund Revenues, Expenditures and Changes in Fund Balance**  
**For Fiscal Year 2021-22 <sup>(1), (2)</sup>**

	Estimated Actuals 2021-22	Adopted Budget 2022-23
<b>Revenues</b>		
LCFF Sources	\$19,422,383	\$20,093,081
Federal Revenue	10,952,873	8,315,960
Other State Revenue	3,248,673	1,578,242
Other Local Revenue	1,170,112	1,133,729
<b>Total Revenues</b>	<b>\$34,794,041</b>	<b>\$31,121,012</b>
<b>Expenditures</b>		
Certificated Salaries	\$ 9,321,754	\$ 9,073,466
Classified Salaries	2,830,985	3,418,382
Employee Benefits	6,159,254	6,628,477
Books and Supplies	1,538,996	1,701,213
Services and Other Operating Expenditures	11,105,005	6,585,292
Capital Outlay	2,813,780	4,476,712
Other Outgo (excluding Transfers of Indirect Costs)	224,454	248,531
Other Outgo – Transfers of Indirect Costs	(32,240)	(33,794)
<b>Total Expenditures</b>	<b>\$33,961,988</b>	<b>\$32,098,279</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 832,053</b>	<b>\$ (977,267)</b>
<b>Other Financing Sources and Uses</b>		
Interfund Transfers In	--	--
(Interfund Transfers Out)	--	--
<b>Net Change in Fund Balance</b>	<b>\$ 832,053</b>	<b>\$ (977,267)</b>
<b>Beginning Fund Balance</b>	<b>\$ 8,002,098</b>	<b>\$ 8,834,151</b>
<b>Ending Fund Balance</b>	<b><u>\$ 8,834,151</u></b>	<b><u>\$ 7,856,884</u></b>

<sup>(1)</sup> Restricted and unrestricted general fund revenues.

<sup>(2)</sup> Columns may not sum to totals due to rounding.

Source: District's adopted budget for fiscal year 2022-23.

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## Long-Term Debt

Long-term obligations of the District include debt and other long-term liabilities. A summary of changes in long-term obligations and other details as of fiscal year ended June 30, 2021, are shown in the below table and further discussed below.

**TABLE A-9**  
**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**Summary of Changes in Long term Debt**  
**For Fiscal Year Ended June 30, 2021**

	Beginning Balances (July 1, 2020)	Additions	Deductions	Ending Balances (June 30, 2021)
General Obligation Bonds:	\$ 400,972	--	\$201,353	\$199,619
Accreted Interest	875,325	\$68,027	473,648	469,704
Compensated Absences	82,194	27,029	--	109,223
<b>Totals</b>	<b>\$1,358,491</b>	<b>\$95,056</b>	<b>\$675,001</b>	<b>\$778,546</b>

*Source: District Audit Report for fiscal year 2020-21.*

**Other Long-Term Obligations.** In addition to the debt obligations shown in the above table, pursuant to GASB Statements 67, 68, 74, and 75, among others, the District reports its net pension liabilities and total OPEB liability as long-term debt. As of the end of the 2020-21 fiscal year, the District's net pension liability was \$ 19,180,282 and its net OPEB liability was \$3,294,135, for a total of \$23,252,963 in long-term debt at June 30, 2021 (when added to the obligations in the above Table A-9). For further information regarding the District's pension liabilities and OPEB liability, see "THE DISTRICT – Retirement Benefits – GASB 67 and 68" and "THE DISTRICT – Other Post-Employment Benefits" in this APPENDIX A.

**General Obligation Bonds.** The above Table A-9 speaks as of June 30, 2021, pursuant to the District's most recent audited financial statements. The general obligation bonds and the associated accreted interest obligations displayed above have since fully matured and are no longer outstanding. See "THE BONDS – Bond Authorizations" in the front part in the of this Official Statement for more information concerning the District's bond authorizations.

## STATE BUDGETS

*The following information concerning the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantees the accuracy or completeness of this information and have not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein 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 property tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

### The State Budget Process

According to the State Constitution, the Governor of the State (the "Governor") must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State's voters on November 2, 2010 as "Proposition 25," a final budget must be adopted by a majority vote (rather than a supermajority, as was the case prior to the passage of Proposition 25) of each house of the Legislature no later than June 15, although this deadline has been breached in the past. Any tax increase provision of such final budget shall continue to require approval by a two-thirds majority vote of each house of the State Legislature. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. As discussed

below, the Governor signed the adopted State budget for fiscal year 2021-22 (“2021-22 State Budget”) into law on July 12, 2021.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The State Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: [www.sco.ca.gov](http://www.sco.ca.gov). Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues.

***State Budget Process and Proposition 98 Education Funding.*** The Proposition 98 funding amount for education in a given year varies throughout the stages of the budget and appropriation process, from the Governor’s January budget proposal to the final adopted budget, and may continue to evolve even through actual expenditures and post-year-end revisions to the prior year budget.

If, at year-end, the guaranteed amount is calculated to be higher than the amount of Proposition 98 funding appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State’s response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers’ unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009, and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal years 2004-05 and 2010-11 through 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

## **2021-22 State Budget**

The final State Budget for fiscal year 2021-22 (the “2021-22 State Budget”) was signed by the Governor on July 12, 2021. The 2021-22 State Budget reflects the State’s strong fiscal position amid the economic recovery from the



COVID-19 pandemic. Reflecting continued fiscal caution, however, 85% of discretionary funds are allocated to one-time spending in order to support recovery while avoiding overcommitting future revenues. Though the budget is balanced, economic risks remain an ongoing concern, including the risk of significant stock market declines, which would reduce State revenues. The 2021-22 State Budget acknowledges such risks and includes a phase-in of certain investments that can be adjusted annually through the budget process.

The 2021-22 State Budget projects that total resources available in fiscal year 2020-21 will be approximately \$194.3 billion, including revenues and transfers of approximately \$188.8 billion and a prior year balance of approximately \$5.6 billion, and total expenditures in fiscal year 2020-21 will be approximately \$166.1 billion. The 2021-22 State Budget projects total resources available for fiscal year 2021-22 of approximately \$203.6 billion, inclusive of revenues and transfers of approximately \$175.3 billion and a prior year balance of approximately \$28.2 billion. The 2021-22 State Budget projects total expenditures in fiscal year 2021-22 of approximately \$196.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$130.1 billion and Proposition 98 expenditures of approximately \$66.4 billion. The 2021-22 State Budget includes \$25.2 billion in reserves in fiscal year 2021-22 and allocates reserves as follows: approximately \$15.8 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$900 million in the Safety Net Reserve, approximately \$4.5 billion in the Proposition 98 Rainy Day Fund (Public School System Stabilization Account), and approximately \$4.0 billion in the State's SFEU. In addition, the 2021-22 State Budget allocates approximately \$3.2 billion of the State's general fund balance in fiscal year 2021-22 to the State's Reserve for Liquidation of Encumbrances.

The 2021-22 State Budget allocates resources to continue to pay down the State's long-term retirement liabilities, with \$3.4 billion in payments required by Proposition 2 in fiscal year 2021-22, plus \$7.9 billion in additional payments over the next three years. The improved revenue forecast also allows for the 2021-22 State Budget to eliminate \$2.0 billion in program suspensions enacted in prior budgets. The 2021-22 State Budget also completely pays off Proposition 98 deferrals that were implemented in fiscal year 2020-21 as a strategy to avoid reductions to school spending. By paying off Proposition 98 deferrals, the 2021-22 State Budget provides greater cash flow stability to school districts, which may alleviate the need for school districts to continue borrowing funds to support programmatic needs. The 2021-22 State Budget projects that the State will be below its appropriations limit (referred to as the "Gann Limit") for fiscal years 2020-21 and 2021-22, based in part on statutory changes enacted as part of the 2021-22 State Budget that more accurately account for selected expenditures under both State and local limits and revised the level of excluded spending. The State's estimate of its appropriations for fiscal years 2020-21 and 2021-22 will continue to be revised until May 2023.

The 2021-22 State Budget includes total funding of \$123.9 billion for all K-12 education programs, including \$65.5 billion from the State's general fund and \$58.4 billion from other funds, which is the highest level of funding for school districts in California's history. Per-pupil funding is also at the highest levels for school districts in California's history, totaling \$13,976 per pupil in Proposition 98 funding and \$21,555 per pupil when accounting for all funding sources.

Certain budgeted programs and adjustments for K-12 education set forth in the 2021-22 State Budget include the following:

- *Proposition 98 Minimum Guarantee.* The 2021-22 State Budget projects increased Proposition 98 funding, resulting in funding estimates of \$79.3 billion in fiscal year 2019-20, \$93.4 billion in fiscal year 2020-21, and \$93.7 billion in fiscal year 2021-22, due to a significant increase in projected revenues for fiscal years 2020-21 and 2021-22. Such funding represents a historically high three-year increase in the minimum guarantee of \$47 billion over the level funded in the fiscal year 2020-21 State budget.
- *Proposition 98 Rainy Day Fund (Public School System Stabilization Account).* The 2021-22 State Budget includes payments required to be made to the Proposition 98 Rainy Day Fund between fiscal years 2020-21 and 2021-22 for a total account balance of \$4.5 billion at the end of fiscal year 2021-22. The balance of \$4.5 billion in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23.

- *Local Control Funding Formula.* The 2021-22 State Budget includes a LCFF cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of 2.31% and a fiscal year 2021-22 cost-of-living adjustment of 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. This discretionary increase, together with the compounded cost-of-living adjustment, results in growth in the LCFF of 5.07% above the fiscal year 2020-21 levels.
- *Deferrals.* Recession-driven revenue reductions anticipated at the 2020-21 State Budget drove the need to defer LCFF apportionments in the amounts of \$1.9 billion in fiscal year 2019-20, and growing to more than \$11 billion in fiscal year 2020-21. The 2021-22 State Budget eliminates all K-12 deferrals in fiscal year 2021-22.
- *In-Person Instruction and Independent Study.* The 2021-22 State Budget requires that all school districts return to full-time in-person instruction for the 2021-22 school year. In-person instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. To give families a non-classroom-based instruction option, and to provide local educational agencies with an option to generate State funding by serving students outside the classroom, the 2021-22 State Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the State's existing independent study programs.
- *Expanded Learning Time.* The 2021-22 State Budget includes an initial \$1.8 billion investment of Proposition 98 general fund resources as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Local educational agencies with the highest concentrations of such students will receive a higher funding rate, and such agencies will be required to offer expanded learning opportunities to the students generating the funds. The 2021-22 State Budget estimates that the Proposition 98 general fund costs to implement this proposal will grow to \$5.0 billion by fiscal year 2025-26. Over the implementation period, per pupil funding will increase and more local educational agencies will be expected to expand access to all students.
- *Universal Transitional Kindergarten.* The 2021-22 State Budget includes a series of investments beginning in fiscal year 2022-23 to incrementally establish Statewide transitional kindergarten by fiscal year 2025-26. The costs of this plan are anticipated to be approximately \$600 million in general fund resources in fiscal year 2022-23, growing to \$2.7 billion in fiscal year 2025-26. In addition, the 2021-22 State Budget includes \$200 million of one-time Proposition 98 general fund resources to provide planning and implementation grants for all local educational agencies and \$100 million of one-time Proposition 98 general fund resources for local educational agencies to train and increase the number of early childhood educators. The 2021-22 State Budget also proposes new ongoing Proposition 98 general fund resources beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Finally, the 2021-22 State Budget includes \$130 million of Proposition 98 general fund resources for State preschool providers to meet the additional demands of providing wraparound care for their income-eligible students under the universal transitional kindergarten program, such funds to be used for additional student access, as well as increasing reimbursement rates to more closely reflect regional differences in the cost of providing care.
- *Comprehensive Student Supports.* The 2021-22 State Budget includes \$3.0 billion in Proposition 98 general fund resources, available over several years, to expand and strengthen the implementation and use of the community school model to all schools in communities with high levels of poverty. In addition, the 2021-22 State Budget includes an ongoing increase to the LCFF concentration grant of \$1.1 billion in Proposition 98 general fund resources to increase the number of adults providing direct services to students on school campuses, and includes \$30 million in one-time Proposition 98 general fund resources for county offices of education to coordinate and provide services to youth in foster care. Finally, the 2021-22 State Budget

provides \$547.5 million in one-time Proposition 98 general fund resources for the A-G Completion Improvement Grant Program, which will fund high schools to increase the number of students, particularly students eligible for free and/or reduced price meals, English learners, and foster youth, who graduate from high school having completed the A-G series of classes required for admission to the California State University and the University of California.

- *Educator Preparation, Retention, and Training.* To further expand the State’s educator preparation and training infrastructure, including to meet the need for additional early childhood educators, the 2021-22 State Budget provides approximately \$2.9 billion to support educator initiatives, including approximately \$1.0 billion in one-time Proposition 98 general fund resources for educator preparation and approximately \$1.9 billion in one-time Proposition 98 general fund resources for educator retention and training.
- *Nutrition.* The 2021-22 State Budget provides an additional \$54 million in Proposition 98 general fund resources to reimburse all meals served to students, including for those who would not normally qualify for reimbursement under the State meal program. Beginning in fiscal year 2022-23, all schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility, and all schools eligible for the federal universal meals provision will be required to apply for the program by June 30, 2022 to reduce volatility in costs to the State and to ensure the State is not responsible for costs reimbursable at the federal level. The 2021-22 State Budget estimates costs of \$650 million in Proposition 98 general fund resources annually to cover any remaining unreimbursed costs up to the federal free per-meal rate. In addition, the 2021-22 State Budget provides \$150 million in one-time Proposition 98 general fund resources for school districts to provide school kitchen infrastructure and equipment upgrades and training for food service employees.
- *Special Education.* The 2021-22 State Budget includes the following for special education programs: approximately \$465 million in one-time Proposition 98 general fund resources for local education agencies to provide learning recovery support for students with disabilities and to improve delivery of inclusive practices; approximately \$396.9 million in one-time Proposition 98 general fund resources to increase the Statewide base rate for special education funding; approximately \$297 million in federal Individuals with Disabilities Education Act funds to support special education programs; approximately \$260 million in ongoing Proposition 98 general fund resources to support early intervention services for preschool-aged children; approximately \$186.1 million in ongoing Proposition 98 general fund resources to provide a 4.05% cost-of-living adjustment for State special education funding; and approximately \$100 million in Proposition 98 general fund resources for alternative dispute resolution of special education services complaints.
- *Career Technical Education.* The 2021-22 State Budget includes an increase of \$150 million in ongoing Proposition 98 general fund resources to augment opportunities for local educational agencies to participate in the Career Technical Education Incentive Grant Program, as well as an increase of \$86.4 million in one-time Proposition 98 general fund resources for career technical education regional occupational centers or programs operated by a joint powers authority to address costs associated with the COVID-19 pandemic.

*The complete 2021-22 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.*

**Assembly Bill 86.** On March 4, 2021, the Governor signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provides approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provided \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. To qualify for the funding, local educational agencies were required to offer in-person instruction for Kindergarten

through second grade, and all grades levels for high-need students, by March 31, 2021, losing 1% of eligible funds for every day thereafter if they did not.

Local educational agencies forfeited eligibility for all AB 86 funding if they did not resume in-person instruction by May 15, 2021. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification.

The remaining \$4.6 billion was allocated for supplemental instruction and support for social and emotional well-being. Funding was be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification. Local educational agencies also received an additional \$1,000 for each homeless pupil enrolled in the 2020-21 fiscal year.

AB 86 also supported the safe reopening of schools by (i) setting aside 10% of available vaccines for education workers, (ii) requiring certain COVID-19-related data reporting, and (iii) providing additional funding for the State's "Safe Schools Team," for technical assistance and oversight to schools that experience COVID-19 outbreaks.

## **2022-23 State Budget**

On June 30, 2022, the Governor signed the State budget for fiscal year 2022-23 (the "2022-23 State Budget"). The following information is drawn from the DOF summary of the 2022-23 State Budget.

For fiscal year 2021-22, the 2022-23 State Budget projects total general fund revenues and transfers of \$277.1 billion and authorizes expenditures of \$242.9 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$46.7 billion, including \$18.2 billion in the traditional general fund reserve, \$20.3 billion in the BSA, \$7.3 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2022-23, the 2022-23 State Budget projects total general fund revenues and transfers of \$219.7 billion and authorizes expenditures of \$234.4 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$37.2 billion, including \$3.5 billion in the traditional general fund reserve, \$23.3 billion in the BSA, \$9.5 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The 2022-23 State Budget includes deposits to the PSSSA of \$3.1 billion, \$4 billion and \$2.2 billion attributable to fiscal years 2020-21 through 2022-23, respectively. The balance of \$7.1 billion in the PSSSA in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

The 2022-23 State Budget sets total funding for all K-12 education programs at \$128.6 billion, including \$78.6 billion from the State general fund. This results in per-pupil funding of \$22,893, including \$16,993 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2022-23 is set at \$110.4 billion. The 2022-23 State Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2020-21 and 2021-22, setting them at \$96.1 billion and \$110.2 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of \$35.8 billion over the level projected by the 2021-22 Budget. Test 1 is projected to be in effect over this three year period.

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

- *Local Control Funding Formula.* The 2022-23 State Budget funds a COLA of 6.56% to LCFF apportionments, the largest COLA in the history of the LCFF. To assist school district and charter schools address ongoing fiscal pressures, staff shortages and other operational needs, the 2022-23 State Budget includes \$4.32 billion in ongoing Proposition 98 funding to increase LCFF base funding by an additional 6.28%. With respect to county offices of education, the 2022-23 State Budget includes \$101.2 million in ongoing, augmented LCFF funding. To support the fiscal stability of all local educational agencies, including those with declining student populations, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district's current year, prior year or average of three prior years' ADA. Finally, to minimize

reductions in LCFF funding that would otherwise occur due to increased absences in fiscal year 2021-22, the 2022-23 State Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year ADA or their current year enrollment, adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year. The 2022-23 State Budget also allows classroom-based charter schools to be similarly funded. The 2022-23 State Budget reflects \$2.8 billion in ongoing Proposition 98 funding and \$413 million in one-time Proposition 98 funding to implement these stabilization policies.

- *Learning Recovery.* The 2022-23 State Budget establishes the Learning Recovery Emergency Fund and appropriates \$7.9 billion in one-time Proposition 98 funding to establish a block grant to support local educational agencies in establishing learning recovery initiatives.
- *Discretionary Block Grant.* The 2022-23 State Budget provides \$3.6 billion in one-time, discretionary Proposition 98 funding to school districts, county offices of education, charter schools and State special schools to be spent on a variety of purposes, including arts and music programs, professional development, instructional materials, operational costs and expenses related to the COVID-19 pandemic.
- *Student Supports.* The 2021-22 State Budget provided \$3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. The 2022-23 State Budget includes an additional \$1.1 billion in one-time Proposition 98 funding to expand access to community schools.
- *Educator Workforce.* The 2021-22 State Budget provided \$2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators. To further support this effort, the 2022-23 State Budget provides \$48.1 million in one-time funding to waive certain teacher examination fees, \$20 million in one-time funding to develop and implement integrated teacher preparation programs, \$2.7 million to fund State operational support for teacher credentialing, and \$1.4 million to establish career counselors for prospective educators.
- *Educator Preparation, Retention and Training.* The 2022-23 State Budget funds a variety of additional educator workforce initiatives, including (i) \$250 million in one-time Proposition 98 funding to expand residency slots for teachers and school counselors, (ii) \$85 million in one-time Proposition 98 funding to create Pre-Kindergarten through 12th grade educator resources and professional learning in science technology, engineering and math, and (iii) \$35 million in one-time Proposition 98 funding, available over three years, for educator training in computer science, special education and support for English-learners.
- *Universal Transitional Kindergarten.* The 2022-23 State Budget provides \$614 million in ongoing Proposition 98 funding to expand eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2, beginning in the 2022-23 fiscal year. To accommodate expected enrollment increases related to the expansion of transitional kindergarten, the 2022-23 Budget will rebench the Test 1 percentage of State revenues allocated to education. Additionally, the 2022-23 State Budget includes \$383 million in Proposition 98 funding to add one additional certificated or classified employee to every transitional kindergarten class, which is expected to reduce student-to-adult ratios to more closely align with the State's preschool program. Finally, the 2022-23 State Budget provides \$100 million of one-time funding in fiscal year 2022-23, and \$550 million of funding in fiscal year 2023-24, to support the construction or retrofit of school facilities for the purpose of providing classrooms for transitional kindergarten, full-day kindergarten or preschool.

- *Expanded Learning Time.* The 2022-23 State Budget provides \$3 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and foster youth. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their numbers of such students. Beginning in fiscal year 2023-24, local educational agencies will be required to offer expanded learning opportunities to all low-income students, English language learners and foster youth. Local educational agencies with the highest concentrations of these students will be required to offer expanded learning opportunities to all students. The 2022-23 State Budget continues to assume full implementation of this program by fiscal year 2025-26.
- *Literacy.* The 2022-23 State Budget provides \$250 million in one-time Proposition 98 funding, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and offer one-on-one and small group intervention for struggling readers.
- *Community Engagement.* The 2022-23 State Budget provides \$100 million in one-time Proposition 98 funding to expand the reach of an initiative included in prior budgetary legislation which builds the capacity of local educational agencies to engage more effectively with their communities.
- *Special Education.* The 2022-23 State Budget provides \$500 million in ongoing Proposition 98 funding to increase in the Statewide base funding rate for special education funding.
- *College and Career Pathways.* The 2022-23 State Budget provides \$500 million in one-time Proposition 98 funding, over seven years, to support the development of college and career pathways program focused on technology (including computer science, green technology and engineering), health care, education and climate-related fields. Additionally, the 2022-23 State Budget includes \$200 million in one-time Proposition 98 funding, available over four years, to strengthen and expand student access and participation in dual enrollment opportunities.
- *Home-to-School Transportation.* The 2022-23 State Budget provides \$637 million in ongoing Proposition 98 funding to reimburse local educational agencies for up to 60% of their prior year transportation costs. In addition, commencing in fiscal year 2023-24, the 2022-23 State Budget reflects the application of an ongoing COLA to the current LCFF Home-to-School Transportation add-on. Finally, the 2022-23 State Budget provides \$1.5 billion in one-time Proposition 98 funding, available over five years, to support the greening of school buses as part of a Statewide zero-emissions initiative.
- *Nutrition.* The 2022-23 State Budget provides \$596 million in Proposition 98 funding to create universal access to subsidized school meals. The 2022-23 State Budget provides an additional \$611.8 million in ongoing Proposition 98 funding to augment State meal program reimbursements rates beginning in fiscal year 2022-23, in order to allow local educational agencies to continue offering higher quality and more diverse meals for students. Additionally, the 2022-23 State Budget includes \$600 million in one-time Proposition 98 funding, available over three years, to upgrade school kitchen infrastructure and equipment, provide food service employee training and incorporate fresh, minimally-processed, California-grown foods in school meals. The 2022-23 State Budget also provides an additional \$100 million in one-time Proposition 98 funding to support local educational agency procurement practices for plant-based or restricted diet meals, as well as to procure California-grown or California-produced, sustainably grown and whole or minimally processed foods. Finally, the 2022-23 State Budget includes an additional \$30 million in one-time Proposition 98 funding for the California Farm to School Program, which connects local producers and school food buyers, increases food education opportunities and engages schools and students with the agricultural community.

- *Facilities.* The 2022-23 State Budget provides \$1.4 billion in State general obligation bond funding to support school construction projects. This represents the final installment available to K-12 school districts under Proposition 51. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51” herein. The 2022-23 State Budget also provides \$1.3 billion in one-time funding in fiscal year 2022-23, \$2.1 billion of such funds in fiscal year 2023-24 and \$875 million of such funds in fiscal year 2024-25, to support new construction and modernization projects through the State’s school facility program. Finally, the 2022-23 State Budget includes \$30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program.
- *Classified Staff.* The 2022-23 State Budget provides an increase of \$35 million in one-time Proposition 98 funding, and \$90 million in ongoing Proposition 98 funding, for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during the intersessional months when they are not employed.

### **Additional Information on State Finances**

The full text of proposed and adopted State budgets may be found at the internet website of the California Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading “California Budget.” The Legislative Analyst’s Office (“LAO”) budget overviews and other analyses may be found at [www.lao.ca.gov](http://www.lao.ca.gov) under the heading “Products.” In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov) or through the Municipal Securities Rulemaking Board’s EMMA website at [emma.msrb.org](http://emma.msrb.org).

Periodic reports on revenues and/or expenditures during the fiscal year are issued by the Governor’s Office, the State Controller’s Office and the LAO. The Department of Finance issues a monthly Bulletin, which reports the most recent revenue receipts as reported by state departments, comparing them to Budget projections. The Governor’s Office also formally updates its budget projections three times during each fiscal year, in January, May and at budget enactment. These bulletins and other reports are available on the Internet.

The information referred to above is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

### **Future State Budgets**

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

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the Counties on all property subject to taxation by the District within the boundaries of the District for the payment thereof as described herein, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS." Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, 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 Counties for payment of Bonds was approved by the voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

### Article XIII A of the California Constitution

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

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8, approved by the voters in November of 1978, provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front part of this Official Statement.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district, or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978; or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978; or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any State taxes for the purpose of increasing tax revenues.

### 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 relevant 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.

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

### **Proposition 19 Ballot Measure**

A proposed ballot measure on November 2020 Statewide ballot known as “Proposition 19” was approved by the voters. Proposition 19 amends Article XIII A, to permit eligible homeowners to transfer tax assessments anywhere in the State, narrow existing special rules for inherited properties, and broaden the scope of triggers for reassessment of properties. Any additional revenues and net savings resulting from the ballot measure will be allocated to fire protection services and reimbursing local governments for taxation-related changes. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or assessed valuation of real property in the District.

### **State-Assessed Utility 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. 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. Such State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State’s methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION - State Funding of Education” herein.

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

Article XIII B of the State Constitution (“Article XIII B”), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

(a) “change in the cost of living” with respect to school districts to mean the percentage change in California per capita income from the preceding year; and

(b) “change in population” with respect to a school district to mean the percentage change in the average daily attendance (“ADA”) of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for Fiscal Year 1986-87 adjusted for the changes made from that fiscal year pursuant to 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 State 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.

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

#### **Article XIII C and Article 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; 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. Article XIII D deals with assessments and property, related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

## State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding A.B.x1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that A.B.x1 27, a companion bill to A.B.x1 26, violated the California Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS—Proposition 1A and Proposition 22” herein. A.B.x1 27 would have permitted redevelopment agencies to continue operations provided their establishing city or county agreed to make specified payments to school districts and county offices of education, totaling \$1.7 billion statewide.

A.B.x1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“A.B. 1484”), which, together with A.B.x1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to A.B.x1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

The priority among the various types of enforceable obligations is as follows: (1) the first priority for payment is tax allocation bonds issued by the former redevelopment agency; (2) second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; (3) third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; and (4) fourth is tax revenues in the Trust Fund in excess of such amounts, if any, and will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory 2% pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (A.B. 1290, Chapter 942, Statutes of 1993) (“A.B. 1290”), are restricted to educational facilities without offset against State funding apportioned to school districts. Only 43.3% of A.B. 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

A.B.X1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received had the redevelopment agency existed at that time,” and that the county auditor/controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of A.B.X1 26 using current assessed values and pursuant to statutory pass-through formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. A.B. 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease. The District can make no representations as to the extent to which its revenue limit apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

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

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

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

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

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budget in a different way than is proposed in the 2018-19 State Budget.

On June 5, 1990, the voters of the State of California 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:

(a) *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.

(b) *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. Further, 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.

(c) *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.

(d) *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 Fiscal Year 1990-91 as if Proposition 111 had been in effect.

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

districts were guaranteed the greater of (i) 40.9% of State general fund revenues (the “first test”) or (ii) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, schools will receive the greater of (A) the first test; (B) the second test, or (C) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. 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 (also referred to as a “maintenance factor”) that will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

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

The 55% vote requirement applies only if the local bond measure presented to the voters includes: (a) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (b) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (c) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation enacting Proposition 39, approved in June 2000, placed certain additional limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. 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. See also, “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Tax Rates” herein.

### ***Jarvis v. Connell***

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

notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

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

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (a) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (b) shift property taxes from local governments to schools or community colleges, (c) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature, or (d) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

### **Proposition 30**

On November 6, 2012, voters of the State of California approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes 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 imposes 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, for storage, use, or other consumption in the State. This excise tax is being 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 in the taxable year ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (a) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers), (b) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers), and (c) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers).

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30

through 2030. Proposition 55 did not extend the temporary State Sales and Use Tax rate increase enacted under Proposition 30, which expired as of January 1, 2017.

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

## **Proposition 2**

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

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

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

Proposition 2 changes the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for



a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

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

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

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

The District is not a basic aid district, however, the District's ADA is fewer than 2,501. Accordingly, the District is not impacted by the reserve requirements imposed by SB 858.

### **Proposition 51**

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1

billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

### **Future Initiatives**

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

## APPENDIX B

### AREA ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information concerning the County of Fresno (“Fresno County”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of Fresno County, Kings County, the State, or any of their political subdivisions and neither of the Counties, the State, nor any of their political subdivisions is liable therefor. See the section entitled “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” in the front portion of this Official Statement.

#### General Information

Most of the territory of the District is located in Fresno County, with a small portion extending into Kings County, in California’s Central Valley. Of total assessed value of taxable property within the District, approximately 96% is located within Fresno County. The District serves Riverdale, a “census designated place” which is not incorporated, and some of the surrounding unincorporated portion of Fresno County and Kings County. Riverdale is located approximately 23 miles south of Fresno, and has a population of approximately 3,400 residents.

*The County of Fresno.* Fresno 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 Fresno 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. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, extensive cattle and sheep ranches. The largest employment categories in Fresno County include public administration, retail trade, transportation, accommodation & food services, education & health services, administrative services, agriculture, and manufacturing.

#### Population

The most recent estimate of Fresno County’s population at January 1, 2021 was 1,026,681 according to the State Department of Finance. The table below shows population estimates for Fresno County for the last five years.

#### POPULATION OF FRESNO COUNTY

<u>Calendar Year <sup>(1)</sup></u>	<u>Fresno County</u>
2017	992,951
2018	1,003,012
2019	1,013,007
2020	1,020,292
2021	1,026,681

<sup>(1)</sup> Figures as of January of the year indicated.

Source: California State Department of Finance.

## Employment and Industry

The unemployment rate in Fresno County was estimated to be 6.0% in April 2022 (not seasonally adjusted), down from a revised 6.9% in March 2022, and down significantly from the high unemployment rate attributed to the effects of the COVID-19 pandemic, which peaked in Fresno County at 15.9% in May of 2020. This compares with an unadjusted unemployment rate of 3.8% for California in April 2022, and 3.3% for the United States for the same period.

The following table summarizes the civilian labor force, employment and unemployment in Fresno County for the calendar years 2017 through 2021 (the last year for which data are available). These figures are County-wide statistics and may not necessarily accurately reflect employment trends in the District.

**FRESNO METROPOLITAN STATISTICAL AREA  
(FRESNO COUNTY)  
Civilian Labor Force, Employment and Unemployment by Industry (Annual Averages)  
March Benchmark**

	2017	2018	2019	2020	2021
Civilian Labor Force <sup>(1)</sup>	444,500	446,200	451,300	445,000	443,400
Employment	406,300	412,300	418,100	392,700	402,600
Unemployment	38,200	34,000	33,200	52,300	40,700
Unemployment Rate	8.6%	7.6%	7.4%	11.7%	9.2%
<b>Wage and Salary Employment: <sup>(2)</sup></b>					
Total Farm	46,100	44,200	44,100	40,300	40,300
Mining and Logging	300	300	300	300	300
Construction	17,400	18,700	19,000	18,800	19,800
Manufacturing	25,600	25,900	26,200	25,800	26,300
Wholesale Trade	14,100	14,400	14,700	14,400	14,800
Retail Trade	38,900	39,100	38,700	36,900	39,000
Transportation, Warehousing & Utilities	14,100	15,400	16,600	18,300	19,400
Information	3,600	3,600	3,400	3,000	3,000
Financial Activities	13,800	14,100	14,300	13,500	13,100
Professional and Business Services	31,100	32,500	34,600	32,100	32,100
Educational and Health Services	67,200	69,300	72,500	71,700	75,100
Leisure and Hospitality	33,800	34,500	35,700	28,800	32,500
Other Services	11,800	11,900	12,100	11,100	11,700
Federal Government	9,800	10,000	10,100	10,800	10,100
State Government	12,400	12,600	12,800	12,500	12,100
Local Government	50,400	51,900	52,300	49,200	48,600
<b>Total All Industries <sup>(3)</sup></b>	<b>390,200</b>	<b>398,300</b>	<b>407,500</b>	<b>387,400</b>	<b>398,100</b>

<sup>(1)</sup> Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(2)</sup> Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(3)</sup> Columns may not add to totals due to rounding.

Source: State of California Employment Development Department.

## Largest Employers

The following table shows the principal employers in Fresno County as of June 30, 2021:

**FRESNO COUNTY  
Principal Employers, 2021  
(By numbers of employees)**

	<b>Employer</b>	<b>Number of Employees</b>
1.	Fresno Unified School District	14,272
2.	County of Fresno	9,381
3.	Community Medical Centers	8,800
4.	Clovis Unified School District	8,429
5.	California State University Fresno	5,010
6.	State Center Community College District	4,520
7.	City of Fresno	4,284
8.	Children's Hospital of Central CA	4,140
9.	Saint Agnes Medical	2,867
10.	Kaiser Permanente Medical	2,300

*Source: County of Fresno Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.*

## Median Household Income

The following table summarizes the median household income for Fresno County, the State and the United States for the years 2015 through 2020, which is the last year for which such information is available.

**COUNTY OF FRESNO, THE STATE OF CALIFORNIA  
AND THE UNITED STATES  
Median Household Income**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Fresno County	46,608	48,323	51,452	52,318	56,926	61,401
California	64,483	67,715	71,785	75,250	80,423	83,001
United States	55,775	57,617	60,336	61,937	65,712	67,340

*Source: U.S. Census Bureau Small Area Income and Poverty Estimates.*

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## Commercial Activity

A summary of taxable sales in recent years within Fresno County is shown in the following two tables. Annual figures for 2021 are not yet available.

**COUNTY OF FRESNO**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions (shown in thousands of dollars)**

	Retail & Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015 <sup>(1)</sup>	12,671	\$ 9,356,245,762	19,983	\$14,189,429,105
2016	13,255	9,678,468,270	20,715	14,184,096,842
2017	13,166	10,067,447,986	20,655	14,755,750,695
2018	13,041	10,566,360,099	21,036	15,386,255,626
2019	13,516	11,083,053,889	22,082	16,218,883,236
2020	14,811	11,671,337,084	24,307	17,078,806,001

<sup>(1)</sup> 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 Department of Tax and Fee Administration, Taxable Sales in California (Sales & Use Tax).

## Construction Activity

Building permits and valuations for the past six years in Fresno County is shown in the following table.

**COUNTY OF FRESNO**  
**Total Building Permit Valuations (Valuations in Thousands)**

	2016	2017	2018	2019	2020	2021
<b>Permit Valuation</b>						
New Single-family	\$ 689,016.6	\$ 512,951.0	\$ 703,307.1	\$770,423.8	\$ 769,338.0	\$ 889,656.9
New Multi-family	52,363.2	131,175.3	67,589.9	87,818.1	183,382.3	53,428.9
Res. Alterations/Additions	30,648.8	29,478.7	47,115.5	41,033.6	30,839.5	57,187.3
Total Residential	\$ 772,028.6	\$ 673,605.0	\$ 818,012.5	\$ 899,275.6	\$ 983,559.7	\$1,000,273.1
New Commercial	\$ 184,408.2	\$ 201,676.5	\$ 139,662.0	\$ 206,673.1	\$ 134,553.7	\$ 58,572.3
New Industrial	14,895.8	14,087.9	37,564.8	7,105.1	9,965.7	1,952.7
New Other	147,642.2	68,383.0	90,451.9	121,855.0	222,738.0	210,387.2
Com. Alterations/Additions	80,745.4	69,202.2	229,373.0	163,703.6	210,055.6	127,121.0
Total Nonresidential	\$ 427,691.6	\$ 353,349.6	\$ 497,051.7	\$ 499,336.8	\$ 577,313.0	\$ 398,033.2
<b>New Dwelling Units</b>						
Single Family	2,559	1,886	2,560	2,732	2,747	3,337
Multiple Family	339	1,135	290	689	653	398
Total New Dwelling Units	2,898	3,021	2,850	3,421	3,400	3,400

Source: Construction Industry Research Board, Building Permit Summary.

**APPENDIX C**

**AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
COUNTY OF FRESNO  
RIVERDALE, CALIFORNIA**

**AUDIT REPORT**

**JUNE 30, 2021**

**BORCHARDT, CORONA, FAETH & ZAKARIAN  
Certified Public Accountants  
1180 E. Shaw Ave., Ste. 110  
Fresno, California 93710-7809**

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2021**

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## Independent Auditor's Report

Board of Trustees  
Riverdale Joint Unified School District  
Riverdale, California

### 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 Riverdale Joint Unified School District (the District), as of and for the year ended June 30, 2021, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Riverdale Joint Unified School District as of June 30, 2021, 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.

### Emphasis of Matter – Change in Accounting Principle

As described in Note A.2.a. to the financial statements, for the fiscal year ended June 30, 2021, Riverdale Joint Unified School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified in respect to this matter.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, Schedules of the District's Proportionate Share of the Net Pension Liability, Schedules of District's Pension Contributions, and Schedule of Changes in the Net OPEB Liability and Related Ratios, as listed 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 Riverdale Joint Unified School District's basic financial statements. The other supplementary information schedules listed in the table of contents are presented for purposes of additional analysis as required by the State's audit guide, *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and are not a required part 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* (Uniform Guidance) and is also not a required part of the basic financial statements.

The other supplementary information schedules listed in the table of contents 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 other supplementary information schedules listed in the table of contents 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14 2022, on our consideration of Riverdale Joint 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 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 Riverdale Joint Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverdale Joint Unified School District's internal control over financial reporting and compliance.

*Borchardt, Corona, Faeth  
& Lykavian*

Fresno, California  
January 14, 2022

## **Introductory Section**

**Riverdale Joint Unified School District  
Management's Discussion and Analysis (MD&A)  
June 30, 2021**

**INTRODUCTION**

Our discussion and analysis of Riverdale Joint Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- Total net position was \$23,257,838 on June 30, 2021. The increase in net position of \$1,682,874 is the result of current year activity and a prior period adjustment per the District's implementation of GASB 84 in which it recognizes student body activity as part of District's activities.
- Overall revenues were \$27,626,398, which were greater than expenditures by \$1,404,454.
- The combined General Fund balance increased by \$2,136,298 from \$7,287,708 at June 30, 2020 to \$9,424,006 at June 30, 2021.

**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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. The net position—the difference between the assets and liabilities—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. LCFF funding 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 at the bottom of the governmental funds statements that explain 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 Retiree Benefit Fund is a custodial 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 the fiduciary fund financial statements. 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 DISTRICT AS A WHOLE

### Net position

The District's combined net position was \$23,257,838 at June 30, 2021 (see Table A-1).

**Table A-1  
Net Position**

	<b>Governmental Activities</b>		<b>Total Percentage Change</b>
	<b>2021</b>	<b>2020</b>	<b>2021-2020</b>
<b>Assets:</b>			
Current and Other Assets	\$ 16,070,269	\$ 13,794,568	16.50%
Capital Assets	27,407,823	27,319,430	0.32%
<b>TOTAL ASSETS</b>	<b>43,478,092</b>	<b>41,113,998</b>	<b>5.75%</b>
<b>Deferred Outflows of Resources</b>	<b>6,009,289</b>	<b>5,819,164</b>	<b>3.27%</b>
<b>Liabilities:</b>			
Current Liabilities	1,486,303	1,671,631	(11.09%)
Long-Term Debt Outstanding	24,214,916	22,676,473	6.78%
<b>TOTAL LIABILITIES</b>	<b>25,701,219</b>	<b>24,348,104</b>	<b>5.56%</b>
<b>Deferred Inflows of Resources</b>	<b>528,324</b>	<b>1,010,094</b>	<b>(47.70%)</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	27,208,204	26,918,458	1.08%
Restricted	5,429,287	4,632,036	17.21%
Unrestricted	(9,379,653)	(9,975,530)	(5.97%)
<b>TOTAL NET POSITION</b>	<b>\$ 23,257,838</b>	<b>\$ 21,574,964</b>	<b>7.80%</b>

## Changes in Net Position

The District's total revenues were \$27,626,398 (see Table A-2). Local Control Funding Formula (LCFF) Sources accounted for most of the District's revenue, contributing 64.38% of every dollar raised. The total cost of all programs and services was \$26,221,944. The District's expenses are predominantly related to educating and caring for students (78.93%). Administrative activities of the District accounted for just 6.31% of total costs. The remaining expenses were for plant services (maintenance and operations), ancillary services, other outgo, and interest on long-term obligations.

**Table A-2**  
**Change in Net Position**

	<b>Governmental Activities</b>		<b>Total</b>
	<b>2021</b>	<b>2020</b>	<b>Percentage Change 2021-2020</b>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 112,304	\$ 166,746	(32.65%)
Operating and Capital Grants and Contributions	7,993,242	5,682,706	40.66%
General Revenues:			
LCFF Sources	17,785,308	17,840,401	(0.31%)
Federal Revenues	106,837	134,766	(20.72%)
State Revenues	323,989	398,580	(18.71%)
Local Revenues	1,304,718	1,185,264	10.08%
<b>TOTAL REVENUES</b>	<b>27,626,398</b>	<b>25,408,463</b>	<b>8.73%</b>
<b>Expenses:</b>			
Instruction	15,033,160	12,767,098	17.75%
Instruction-Related Services	1,908,468	2,064,989	(7.58%)
Pupil Services	3,755,601	3,602,959	4.24%
Ancillary Services	305,259	361,874	(15.64%)
General Administration	1,654,138	1,488,619	11.12%
Plant Services	3,370,625	3,134,792	7.52%
Other Outgo	126,657	202,664	(37.50%)
Interest on Long-Term Obligations	68,036	97,829	(30.45%)
<b>TOTAL EXPENSES</b>	<b>26,221,944</b>	<b>23,720,824</b>	<b>10.54%</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>1,404,454</b>	<b>1,687,639</b>	<b>(16.78%)</b>
<b>BEGINNING NET POSITION</b>	<b>21,574,964</b>	<b>19,887,325</b>	<b>8.49%</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>278,420</b>	<b>-</b>	<b>N/A</b>
<b>ENDING NET POSITION</b>	<b>\$ 23,257,838</b>	<b>\$ 21,574,964</b>	<b>7.80%</b>

## Governmental Activities

The cost of all governmental activities this year was \$26,221,944. Table A-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 not funded by charges for services, operating grants and capital grants and contributions.

**Table A-3**  
**Net Cost of Governmental Activities**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Instruction	\$ 15,033,160	\$ 12,767,098	\$ 10,755,596	\$ 11,302,189
Instruction-Related Services	1,908,468	2,064,989	1,396,924	1,814,881
Pupil Services	3,755,601	3,602,959	2,090,708	2,203,963
Ancillary Services	305,259	361,874	196,376	315,080
General Administration	1,654,138	1,488,619	1,187,941	1,281,820
Plant Services	3,370,625	3,134,795	2,294,160	652,949
Other Outgo	126,657	202,664	126,657	202,664
Interest on Long-Term Obligations	68,036	97,829	68,036	97,829
<b>TOTAL</b>	<b>\$ 26,221,944</b>	<b>\$ 23,720,827</b>	<b>\$ 18,116,398</b>	<b>\$ 17,871,375</b>



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### Governmental Funds and Budgetary Highlights

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$14,583,966 (See Table A-4). This is greater than last year's ending combined fund balance of \$12,401,356 by \$2,182,610.

**Table A-4  
Governmental Funds Balances and Activity**

	Balances and Activity			
	July 1, 2020	Revenues and Other Sources	Expenditures and Other Uses	June 30, 2021
General	\$ 5,887,500	\$ 25,525,464	\$ 23,410,866	\$ 8,002,098
Student Activity	278,420	24,878	36,572	266,726
Cafeteria	331,032	1,106,803	1,085,796	352,039
Adult Education	48,046	745	-	48,791
Deferred Maintenance	259,311	4,019	-	263,330
Special Reserve Fund for Other than Capital Outlay Projects	1,033,744	16,020	-	1,049,764
Special Reserve Fund for Post-Employment Benefits	59,107	916	-	60,023
Capital Facilities	174,592	107,679	213,465	68,806
Special Reserve Fund for Capital Outlay Projects	4,195,237	460,857	330,427	4,325,667
Bond Interest and Redemption	134,367	687,365	675,010	146,722
<b>Total</b>	<b>\$ 12,401,356</b>	<b>\$ 27,934,746</b>	<b>\$ 25,752,136</b>	<b>\$ 14,583,966</b>

The primary reason for the increase is due to the district's receipt of one-time funds due to the COVID-19 pandemic.

### General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The budget revisions fall into the following categories:

- When the final amounts for State and Federal grants become available, budgets are revised.
- Budgets are revised when negotiations are completed.
- Final budget revisions are made to cover all areas of expenditures.

A schedule of the District's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

The primary factors for the variation between original and final budget amounts are as follows:

- Revenues increased by \$5,988,661 due to LCFF revenue, Special Ed Funds, Title Funds and one-time COVID-19 relief funds (CRF, ESSER, GEER, etc.).
- Salaries and Benefits increased by \$486,437 due to a negotiated increase to salary and benefits.
- Other non-personnel expenditures increased by \$1,568,725 due to one-time costs incurred on capital projects and COVID-19 pandemic expenses.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2021, the District had invested \$27,407,823 (net of depreciation) in a broad range of capital assets, including land, buildings, land improvements, equipment and work in progress, as shown in Table A-5. More detailed information about the District's capital assets is presented in the notes to the financial statements.

**Table A-5**  
**Capital Assets**

	<b>Governmental Activities</b>		<b>Percentage</b>
	<b>2021</b>	<b>2020</b>	<b>of Change</b>
			<b>2021-2020</b>
Land	\$ 409,673	\$ 409,673	0.00%
Buildings	38,110,517	30,986,591	22.99%
Land Improvements	5,814,897	5,814,897	0.00%
Equipment	3,300,399	3,013,105	9.53%
Work in Progress	296,864	6,491,010	(95.43%)
Total at Historical Cost	47,932,350	46,715,276	2.61%
Total Accumulated Depreciation	(20,524,527)	(19,395,846)	5.82%
<b>NET CAPITAL ASSETS</b>	<b>\$ 27,407,823</b>	<b>\$ 27,319,430</b>	<b>0.32%</b>

### Long-Term Debt

At June 30, 2021, the District had \$24,214,916 in debt, consisting of net pension liability, net OPEB liability, general obligation bonds, accretive interest and compensated absences, as shown in Table A-6. The District increased its long-term debt by \$1,538,443 during the fiscal year. More detailed information about the District's debt is presented in the notes to the financial statements.

**Table A-6**  
**Long-Term Debt**

	<b>Governmental Activities</b>		<b>Percentage</b>
	<b>2021</b>	<b>2020</b>	<b>of Change</b>
			<b>2021-2020</b>
Net Pension Liability	\$ 19,180,282	\$ 18,053,974	6.24%
Net OPEB Liability	4,256,088	3,264,008	30.39%
General Obligation Bonds	199,619	400,972	(50.22%)
Accretive Interest	469,704	875,325	(46.34%)
Compensated Absences	109,223	82,194	32.88%
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 24,214,916</b>	<b>\$ 22,676,473</b>	<b>6.78%</b>

## 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 existing circumstances that could significantly affect its financial health in the future:

- Proposition 30 provides partial funding for school districts. There is no increase in school revenues, but this funding helped to eliminate further deficits to school funding. The extension of the temporary funding provided by Prop 30's income tax on personal income over \$250,000 was on the November 2016 ballot as Proposition 55 and was approved by more than 63% of voters. This extension of the tax on personal income tax over \$250,000 will provide approximately 89% of the funds generated for K-12 schools.
- The drought continues to affect the agricultural base of the central valley, and has resulted in increased layoffs within the district boundaries. The lack of agricultural jobs has continued to affect the district's total ADA.
- Health care costs continue to increase nationally and statewide, and the cost of the District's plans increased in 2020-21. The District continues to cap its contribution to the cost of health and welfare insurance, and shares the cost of increases with employees. CVT and SISC, the District's plan administrators, are always looking for new ways to maximize health benefits and contain costs, but premiums are likely to continue to increase in future years.

- Public Employee Retirement System (PERS) rates increased substantially from 19.721% in 2019-20 to 20.70% in 2020-21 and will continue to increase through 2023-2024 (27.10%). State Teachers' Retirement System (STRS) rate decreased from 17.10% in 2019-20 to 16.15% in 2020-21, but it is projected to increase through 2023-2024 (19.10%). Both retirement systems have determined that they have a substantial unfunded liability and are increasing employee contribution rates slightly, and district costs substantially over the next years to decrease the gap between their assets and obligations.
- The requirement to provide covid sick leave to all staff members will increase costs, but the cost will depend on how many of these employees qualify. There will also be additional staff time to monitor, track, and calculate the covid sick leave.
- The Affordable Care Act does not require the District to contribute to the cost of plans offered to employees such as substitutes, etc., but it does require that we monitor and offer health insurance to the employee when they reach the specified time, or that we offer to all employees. There will be additional staff time required to ensure that we are in compliance with the requirements, process paperwork, and submit the required reports to the Internal Revenue Service. The newly elected President has indicated that there may be changes to the program and requirements.
- The District moved forward with the plan to establish an irrevocable trust for post-employment benefits in 2006-07. The 2020-21 actual costs of retiree benefits were paid in the General Fund, but no transfer for the projected Annual Required Contribution (ARC) was made to the Post-Employment Benefits Fund.
- The Local Control and Accountability Plan (LCAP) is a document that is prepared after meetings and input from staff, bargaining units, parents, and community members. The LCAP outlines the actions planned to address the needs identified in the goals for improvement. Professional development is a large part of the plan and an important element in many of the goals in order to address the new standards.
- The increased funding from the Local Control Funding Formula, in conjunction with the LCAP, has assisted with identifying student needs and increased the opportunities to implement new ideas. The District has continued to increase technology and research and develop plans for increased student access to technology, as well as new programs. The District applied for and received funding for a Career Technical Education Innovation Grant. It is a three-year program to assist districts with Career Education programs providing funding that will decrease in each year, and the expectation that the District will be able to sustain the program after the funding ends. Riverdale has supported career education programs from district funds in the past and sees this as an opportunity to obtain funding to offset some of those excess costs during the grant program.
- Special Education costs have increased tremendously in recent years. Small rural districts struggle because we have to provide the same services as large urban districts, but with smaller student populations, the cost of the programs is much more expensive to the smaller districts. The requirement to provide services to students through age 22 is not new, but the District has seen an increase in the number of students being served. The result has been the addition of a teacher and materials to operate this class.
- The teacher shortage in the state is having a very profound effect on all districts. The shortage is apparent in all subject areas, but is even greater in math, science, and special education. The ability to hire quality teachers in these areas has become a greater challenge for all districts in the last few years. The teacher shortage is also affecting the ability to acquire a sufficient number of quality substitutes when teachers are ill or attending professional development and collaborative meetings as districts in the Fresno County area compete for available substitute teachers.
- The State has resumed textbook adoptions. Science is to be adopted in 2022-23 and Social Science is to be adopted in a future year.
- Facility upkeep and deferred maintenance for sites was delayed during the past few years when there were annual deficits and funding deferrals. As revenues increase, there are many facility needs to be addressed such as painting, roof repair/replacements, playgrounds, and athletic facilities. Facility needs and improvements have begun at all sites and will continue.

- The Riverdale Elementary School project has been finalized. It is to be paid off. The District has an application on file with the state for the proposition to fund school facilities.
- COVID-19 caused us to close our school for in-person learning for a portion of the school year. During these times, we went into distance learning mode. We reopened for part of the school year in a hybrid method. This caused us to save money in certain areas due to cancelation of many events and it caused us to have many expenditures in other areas for our students and staff. This pandemic will cause us to have more expenses due to distance learning, hybrid method education and safety protocols that need to be in place for employees and students. Enrollment in 2020-21 substantially decreased compared to 2019-20 and we project that student enrollment will still be down in 2021-22 due to the uncertainty of the pandemic.

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

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Chief Business Officer, Riverdale Joint Unified School District, 3160 W. Mt. Whitney Avenue, Riverdale, California 93656.

## **Financial Section**

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash in County Treasury	\$ 11,781,470
Cash on Hand and in Banks	371,793
Cash in Revolving Fund	3,250
Accounts Receivable	3,908,927
Stores Inventories	4,829
Capital Assets:	
Land	409,673
Land Improvements, Net	1,404,399
Buildings, Net	24,334,880
Equipment, Net	962,007
Work in Progress	296,864
Total Assets	<u>43,478,092</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred Outflows of Resources - Pensions	4,421,122
Deferred Outflows of Resources - OPEB	1,588,167
Total Deferred Outflows of Resources	<u>6,009,289</u>
<b>LIABILITIES:</b>	
Accounts Payable	1,443,201
Unearned Revenue	43,102
Noncurrent Liabilities:	
Net Pension Liability	19,180,282
Net OPEB Liability	4,256,088
Due within one year	702,131
Due in more than one year	76,415
Total Liabilities	<u>25,701,219</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred Inflows of Resources - Pensions	474,698
Deferred Inflows of Resources - OPEB	53,626
Total Deferred Inflows of Resources	<u>528,324</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	27,208,204
Restricted For:	
Federal and State Programs	888,092
Debt Service	146,721
Capital Projects	4,394,474
Unrestricted	(9,379,653)
Total Net Position	<u>\$ 23,257,838</u>

The accompanying notes are an integral part of this statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Instruction	\$ 15,033,160	\$ --	\$ 4,277,564	\$ (10,755,596)
Instruction-Related Services	1,908,468	--	511,544	(1,396,924)
Pupil Services	3,755,601	5,011	1,659,882	(2,090,708)
Ancillary Services	305,259	--	108,883	(196,376)
General Administration	1,654,138	1,396	464,801	(1,187,941)
Plant Services	3,370,625	105,897	970,568	(2,294,160)
Other Outgo	126,657	--	--	(126,657)
Interest on Long-Term Obligations	68,036	--	--	(68,036)
Total Governmental Activities	<u>26,221,944</u>	<u>112,304</u>	<u>7,993,242</u>	<u>(18,116,398)</u>
Total Primary Government	<u>\$ 26,221,944</u>	<u>\$ 112,304</u>	<u>\$ 7,993,242</u>	<u>(18,116,398)</u>
General Revenues:				
LCFF Sources				17,785,308
Federal Revenues				106,837
State Revenues				323,989
Local Revenues				1,304,718
Total General Revenues				<u>19,520,852</u>
Change in Net Position				1,404,454
Net Position - Beginning				21,574,964
Prior Period Adjustment				278,420
Net Position - Ending				<u>\$ 23,257,838</u>

The accompanying notes are an integral part of this statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	General Fund	Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash in County Treasury	\$ 7,236,797	\$ 4,298,874	\$ 245,799	\$ 11,781,470
Cash on Hand and in Banks	-	-	371,793	371,793
Cash in Revolving Fund	2,500	-	750	3,250
Accounts Receivable	3,545,541	26,793	336,593	3,908,927
Due from Other Funds	26,570	-	-	26,570
Stores Inventories	-	-	4,829	4,829
<b>Total Assets</b>	<u>10,811,408</u>	<u>4,325,667</u>	<u>959,764</u>	<u>16,096,839</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ 1,344,300	\$ -	\$ 98,901	\$ 1,443,201
Due to Other Funds	-	-	26,570	26,570
Unearned Revenue	43,102	-	-	43,102
<b>Total Liabilities</b>	<u>1,387,402</u>	<u>-</u>	<u>125,471</u>	<u>1,512,873</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	2,500	-	750	3,250
Stores Inventories	-	-	4,829	4,829
Restricted Fund Balances	875,874	-	759,907	1,635,781
Assigned Fund Balances	7,820,632	4,325,667	68,807	12,215,106
Unassigned:				
Reserve for Economic Uncertainty	725,000	-	-	725,000
<b>Total Fund Balance</b>	<u>9,424,006</u>	<u>4,325,667</u>	<u>834,293</u>	<u>14,583,966</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,811,408</u>	<u>\$ 4,325,667</u>	<u>\$ 959,764</u>	<u>\$ 16,096,839</u>

The accompanying notes are an integral part of this statement.



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2021*

Total fund balances - governmental funds balance sheet	\$ 14,583,966
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	27,407,823
Payables for bond principal which are not due in the current period are not reported in the funds.	(199,619)
Payables for bond interest which are not due in the current period are not reported in the funds.	(469,704)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(109,223)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(19,180,282)
Deferred Resource Inflows related to the pension plans are not reported in the funds.	(474,698)
Deferred Resource Outflows related to the pension plans are not reported in the funds.	4,421,122
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,256,088)
Deferred Resource Inflows related to the OPEB plans are not reported in the funds.	(53,626)
Deferred Resource Outflows related to the OPEB plans are not reported in the funds.	<u>1,588,167</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 23,257,838</u>

The accompanying notes are an integral part of this statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
<b>LCFF Sources:</b>				
State Apportionment or State Aid	\$ 9,436,323	\$ --	\$ --	\$ 9,436,323
Education Protection Account Funds	3,868,224	--	--	3,868,224
Local Sources	4,480,761	--	--	4,480,761
Federal Revenue	3,818,312	--	1,012,524	4,830,836
Other State Revenue	2,825,683	--	86,445	2,912,128
Other Local Revenue	1,117,861	60,857	827,756	2,006,474
<b>Total Revenues</b>	<u>25,547,164</u>	<u>60,857</u>	<u>1,926,725</u>	<u>27,534,746</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	13,926,804	--	--	13,926,804
Instruction - Related Services	1,712,165	--	--	1,712,165
Pupil Services	2,435,582	--	971,986	3,407,568
Ancillary Services	256,021	--	36,572	292,593
General Administration	1,480,248	--	29,084	1,509,332
Plant Services	2,393,993	--	87,240	2,481,233
Other Outgo	126,657	--	--	126,657
Capital Outlay	679,396	330,427	210,951	1,220,774
<b>Debt Service:</b>				
Principal	--	--	201,353	201,353
Interest	--	--	473,657	473,657
<b>Total Expenditures</b>	<u>23,010,866</u>	<u>330,427</u>	<u>2,010,843</u>	<u>25,352,136</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,536,298</u>	<u>(269,570)</u>	<u>(84,118)</u>	<u>2,182,610</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	--	400,000	--	400,000
Transfers Out	(400,000)	--	--	(400,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(400,000)</u>	<u>400,000</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>2,136,298</u>	<u>130,430</u>	<u>(84,118)</u>	<u>2,182,610</u>
Fund Balance, July 1	7,287,708	4,195,237	639,991	12,122,936
Prior Period Adjustment	--	--	278,420	278,420
<b>Fund Balance, June 30</b>	<u>\$ 9,424,006</u>	<u>\$ 4,325,667</u>	<u>\$ 834,293</u>	<u>\$ 14,583,966</u>

The accompanying notes are an integral part of this statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds	\$ 2,182,610
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,217,074
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,128,681)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	201,353
The accretion of interest on capital appreciation bonds is not reported in the funds.	405,621
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(27,029)
Implementing GASB 68 required certain expenditures to be de-expended and recorded as DRO.	1,844,983
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(2,771,723)
Implementing GASB 75 required certain expenditures to be de-expended and recorded as DRO.	158,559
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(678,313)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,404,454</u>

The accompanying notes are an integral part of this statement.



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Pension Trust Funds
	Retiree Benefit Fund
<b>ADDITIONS:</b>	
Investment Income	\$ 373
Total Additions	<u>373</u>
<b>DEDUCTIONS:</b>	
Total Deductions	<u>--</u>
<b>Change in Fiduciary Net Position</b>	<b>373</b>
Net Position-Beginning of the Year	24,028
Net Position-End of the Year	<u>\$ 24,401</u>

The accompanying notes are an integral part of this statement.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

A. Summary of Significant Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to 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 (as amended), *The Financial Reporting Entity*, include whether:

- the organization is legally separate organization (can sue and be sued in its name) for which the primary government is financially accountable.
- 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. Change in Accounting Principle

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) 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 provisions of this Statement have been implemented as of June 30, 2021. As a result of implementation of this Statement, beginning net position and governmental fund balance increased by \$278,420.

b. 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 non-exchange transactions.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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 non-major funds.

The District reports the following major governmental funds:

**General Fund.** This is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported for in another fund.

**Special Reserve Fund for Capital Outlay Projects.** This fund is used primarily to provide for the accumulation of General Fund monies for Capital Outlay purposes.

The District reports the following non-major governmental funds:

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

- The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- Cafeteria Fund is used to account separately for federal, state, and local resources to operate the food service program.

*Debt Service Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The following debt service fund is maintained by the District:

- The Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and related costs.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The District maintains the following capital projects funds:

- The Capital Facilities Fund is used to account separately for resources received from fees levied on development projects as a condition of approval.

In addition, the District reports the following fund types:

*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.

- **Pension Trust Funds:** These funds are used to report all trust arrangements, other than those properly reported elsewhere, in which the principal and income benefit individuals, private organizations or other governments.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

c. 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. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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 accounting principles generally accepted in the United States of America for all government funds. By state law, the District's Board of Trustees 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 Board of Trustees satisfied these requirements.

These budgets are revised by the District's Board of Trustees and District Superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed 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, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

a. Deposits and Investments

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



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In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury. The County pools these funds with those of other entities 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. 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.

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 benefitting period. The District has chosen to report the expenditure during the benefitting period.

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>Estimated Useful Lives</u>
Buildings	20-50
Land Improvements	20
Machinery and Equipment	5-20

d. Receivable and Payable Balances

The District has provided detail of the receivable balances in Note F. The District believes that sufficient detail of payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates the 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 liabilities are recognized in the long-term obligations.

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.

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f. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

g. Long-Term Obligation

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts is reported as other financial sources/uses. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

h. 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 benefitting 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.

i. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The Counties of Fresno and Kings bill and collect the taxes for the District.

j. Deferred Outflows/Inflows of Resources

Deferred outflows of resources is a consumption of net assets or 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.

k. Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the District:

*Nonspendable fund balance* includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

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*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Committed fund balance* includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board, the District's highest level of decision-making authority. This formal action is the majority vote of the Board.

*Assigned fund balance* includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Superintendent pursuant to authorization established by Board Policy 3100.

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When expenditures/expenses are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the District's general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amount in any of these unrestricted classifications could be used, it is the District's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to an amount that is consistent with the percentage or amount specified in 5 CCR 15450.

**i. 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)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

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m. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's single-employer defined benefit OPEB Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Excess of Expenditures over Appropriations

As of June 30, 2021, expenditures did not exceed appropriations in the individual funds.

D. Cash and Investments

Summary of Cash and Investments

Cash and investments at June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Governmental Activities:	
Cash in County Treasury	\$ 11,781,470
Cash on Hand and in Banks	371,793
Cash in Revolving Fund	3,250
Total	<u>12,156,513</u>
Fiduciary Funds:	
Cash in County Treasury	24,236
Grand Total Cash and Investments	<u>\$ 12,180,749</u>

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Cash and investments as of June 30, 2021 consist of the following:

Cash in Revolving Fund	\$ 3,250
Deposits with Financial Institutions	266,726
Cash on Hand	105,067
Deposits with County Treasury	<u>11,805,706</u>
Total Cash and Investments	<u>\$ 12,180,749</u>

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 (\$11,805,706 as of June 30, 2021). The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's portion of this pool as of June 30, 2021, as provided by the pool sponsor, was \$11,974,261. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest 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 amount recorded on these financial statements is the balance available for withdrawal based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash in Banks and in Revolving Fund

Cash balances held in financial institutions including cash in banks (\$266,726 as of June 30, 2021) and in the revolving fund (\$3,250) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). As of June 30, 2021 the uninsured balance was \$16,726.

Investment Accounting Policy

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

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, 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. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District has no investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

The District is considered to have custodial credit risk as of June 30, 2021. In the event of the failure of depository financial institution, \$16,726 is considered to be unrecoverable as previously reported on Note D.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds of government investment pools.

**E. Fair Value**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Cash in County Treasury (Investments in county treasury) in the Fresno County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2021 were as follows:

	<u>Uncategorized</u>	<u>Total</u>
Cash in County Treasury (Investments in county treasury)	<u>\$ 11,805,706</u>	<u>\$ 11,805,706</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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F. Accounts Receivable

Accounts receivable as of June 30, 2021, consist of the following:

	General Fund	Capital Outlay Projects	Other Governmental Funds	Total
Apportionment	\$ 1,961,305	\$ -	\$ -	\$ 1,961,305
Federal Government:				
Federal Programs	500,920	-	295,337	796,257
State Government:				
Categorical Aid Programs	402,035	-	-	402,035
Lottery	105,717	-	-	105,717
Other	-	-	24,352	24,352
Total State Government	507,752	-	24,352	532,104
Local Government:				
Developer Fees	-	-	5,651	5,651
Other	503,791	-	3,780	507,571
Total Local Government	503,791	-	9,431	513,222
Interest	57,879	26,793	5,400	90,072
Miscellaneous	13,894	-	2,073	15,967
Governmental Totals	<u>\$ 3,545,541</u>	<u>\$ 26,793</u>	<u>\$ 336,593</u>	<u>\$ 3,908,927</u>
Fiduciary Funds				165
Total				<u>\$ 3,909,092</u>

G. Capital Assets

Capital asset activity for the period ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 409,673	\$ -	\$ -	\$ 409,673
Work in progress	6,491,010	507,814	6,701,960	296,864
Total capital assets not being depreciated	6,900,683	507,814	6,701,960	706,537
Capital assets being depreciated:				
Buildings	30,986,591	7,123,926	-	38,110,517
Land Improvements	5,814,897	-	-	5,814,897
Equipment	3,013,105	287,294	-	3,300,399
Total capital assets being depreciated	39,814,593	7,411,220	-	47,225,813
Less accumulated depreciation for:				
Buildings	13,005,609	770,028	-	13,775,637
Land Improvements	4,176,454	234,044	-	4,410,498
Equipment	2,213,783	124,609	-	2,338,392
Total accumulated depreciation	19,395,846	1,128,681	-	20,524,527
Total capital assets being depreciated, net	20,418,747	6,282,539	-	26,701,286
Governmental activities capital assets, net	<u>\$ 27,319,430</u>	<u>\$ 6,790,353</u>	<u>\$ 6,701,960</u>	<u>\$ 27,407,823</u>

Depreciation was charged to functions as follows:

Instruction	\$ 290,461
Instruction-Related Services	27,116
Pupil Services	39,178
Ancillary Services	6,387
General Administration	74,417
Plant Services	691,122
	<u>\$ 1,128,681</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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H. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2021, consisted of the following:

<u>Due To Other Fund</u>	<u>Due From Other Fund</u>	<u>Amount</u>	<u>Purpose</u>
Cafeteria Fund	General Fund	<u>\$ 26,570</u>	Interfund indirect program charges.

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfer into and out from other funds at June 30, 2021 consisted of the following:

<u>Transfers Out From</u>	<u>Transfers In To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Special Reserve for Capital Outlay Fund	<u>\$ 400,000</u>	To fund improvement projects and maintenance costs.

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 period ended June 30, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 400,972	\$ -	\$ 201,353	\$ 199,619	\$ 199,619
Accreted Interest	875,325	68,027	473,648	469,704	469,704
Compensated Absences	82,194	27,029	-	109,223	32,808
Totals	<u>\$ 1,358,491</u>	<u>\$ 95,056</u>	<u>\$ 675,001</u>	<u>\$ 778,546</u>	<u>\$ 702,131</u>

The funds typically used to liquidate compensated absences in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

2. General Obligation Bonds

The outstanding general obligation bonded debt of the District as of June 30, 2021, is:

<u>Date of Issue</u>	<u>Interest Rate%</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2020</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>
1998	3.80-6.00	2022	<u>\$ 5,198,734</u>	<u>\$ 400,972</u>	<u>\$ 201,353</u>	<u>\$ 199,619</u>

**Capital Appreciation Bonds:**

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>2022</u>	<u>\$ 199,619</u>	<u>\$ 505,381</u>	<u>\$ 705,000</u>

Capital Appreciation Bonds are accretive. Bond interest accumulates in the initial years and will be repaid in later years.

During the year, the District made payments on General Obligation Bonds of \$675,010 including interest of \$473,657.



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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**J. Commitments Under Noncapitalized Leases**

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of June 30, 2021, as follows:

Year Ending June 30,	Lease Payments
2022	\$ 20,869
2023	20,869
Total	<u>\$ 41,738</u>

The District will receive no sublease rental revenues nor pay any contingent rentals for these properties.

The District made lease payments of \$20,869 for equipment items during the year ended June 30, 2021.

**K. Detail of Fund Balance Classifications**

Details of assigned Fund Balances are as follows:

	General Fund	Capital Outlay Projects	Other Governmental Funds
Assigned for:			
Capital Projects, including improvements to Agriculture			
Farm and Athletic Facilities	\$ 6,398,724	\$ -	\$ -
Deferred Maintenance	263,330	-	-
Reserve Contingency - Salaries and Benefits	1,049,764	-	-
Adult Ed Program	48,791	-	-
Post-Employment Benefits	60,023	-	-
Modernization, Construction, Equipment and Technology	-	4,325,667	-
Capital Projects	-	-	68,807
	<u>\$ 7,820,632</u>	<u>\$ 4,325,667</u>	<u>\$ 68,807</u>

**L. Joint Ventures (Joint Powers Agreements)**

The District participates in joint ventures under joint powers agreements (JPAs) with the Organization of Self-Insured Schools, the Self-Insured Schools of California, the Southwest Transportation Agency, and the Central Valley Preschool Joint Powers Authority. The relationship between the District and the JPAs is such that none of the JPAs is a component unit of the District for financial reporting purposes.

Condensed audited financial information for the above JPAs (the most current information available) can be obtained through each respective authority.

**Organization of Self-Insured Schools (OSS)**

OSS arranges for and provides property and liability insurance for its member districts. OSS is governed by a Board consisting of a representative from each member district. The Board controls the operations of OSS, including the selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in OSS.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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Self-Insured Schools of California III (SISC III)

The SISC III provides health, dental and vision benefits for its member districts. The SISC III is governed by a Board consisting of a representative from each member district. The Board controls the operations of the SISC III, including the selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in the SISC III.

Southwest Transportation Agency (STA)

STA operates the pupil transportation services for its member districts. STA is governed by a Board consisting of a representative from each member district. The Board controls the operations of STA, including the selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in STA.

Central Valley Preschool Joint Powers Authority (CVP)

CVP operates a preschool program for its member districts. CVP is governed by a Board consisting of representatives from each member district. The Board has oversight control over the operations of the pre-school program which receives funding through a State Grant. The operation of the program is independent of the member district. All operational activities are solely CVP's budgeted and managed operations.

**M. Pension Plans**

**1. General Information About the Pension Plans**

**a. Plan Descriptions**

Qualified employees are covered under cost-sharing multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

**b. Benefits Provided**

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 for the measurement period ending June 30, 2020 are summarized as follows:

	CalSTRS		CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013	Before Jan. 1, 2013	After Jan. 1, 2013
Hire Date				
Benefit Formula	2% at 60	2% at 62	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62	50-62	52-67
Monthly benefits, as a % of eligible compensation	1.1 - 2.4%	1.0 - 2.4%*	1.1 - 2.5%	1.0 - 2.5%

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

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
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**YEAR ENDED JUNE 30, 2021**

c. Contributions – 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 the 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 employees. For the year ended June 30, 2021, employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 7.00% of annual pay, and the employer's contribution rate is 20.70% of annual payroll. District contributions to the pension plan were \$554,828 for the year ended June 30, 2021, and equal 100% of the required contributions for the year.

d. Contributions – CalSTRS

For the year ended June 30, 2021, Section 22950 of the California Education code requires CalSTRS 2% at 60 and 2% at 62 members to contribute monthly to the system 10.25% and 10.205% of the creditable compensation, respectively, upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.15% of creditable compensation. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. District contributions to the pension plan were \$1,290,155 for the year ended June 30, 2021, and equal 100% of the required contributions for the year.

e. 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 year ended June 30, 2021, the State contributed \$811,091 on behalf of the District to CalSTRS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures.

Accordingly, these amounts have been recorded in these financial statements.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan. The CalSTRS net pension liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability of each plan, the related CalSTRS State support, and the total portion of the net pension liability that is associated with the District is as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
District's proportionate share of the net pension liability	\$ 13,642,140	\$ 5,538,142	\$ 19,180,282
State's proportionate share of the net pension liability associated with the District	<u>7,032,468</u>	<u>-</u>	<u>7,032,468</u>
Total	<u>\$ 20,674,608</u>	<u>\$ 5,538,142</u>	<u>\$ 26,212,750</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>
Proportion - June 30, 2019	0.014101%	0.018248%
Proportion - June 30, 2020	<u>0.014077%</u>	<u>0.018049%</u>
Change - Increase (Decrease)	<u>(0.000024%)</u>	<u>(0.000199%)</u>

For the year ended June 30, 2021, the District recognized pension expense of \$3,674,466 and revenue of \$902,743 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,844,983	\$ -
Differences between actual and expected experience	298,747	384,732
Change in assumptions	1,350,611	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	487,436	89,966
Net difference between projected and actual earnings on plan investments	<u>439,345</u>	<u>-</u>
Total	<u>\$ 4,421,122</u>	<u>\$ 474,698</u>

\$1,844,983 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	
2022	\$ (357,845)
2023	(664,929)
2024	(751,088)
2025	(280,454)
2026	(48,574)
Thereafter	1,449
Total	<u>\$ (2,101,441)</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

a. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>CalSTRS</u>	<u>CalPERS</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age - Normal Cost Method	Entry Age - Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Payroll Growth	3.50%	(3)
Post Retirement Benefit Increase	(1)	(4)
Investment Rate of Return	7.10%	7.15%
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 improvements factor from the Mortality Improvements 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.

b. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members, employers, and state contributing agencies will be made at statutory contribution rates in accordance with the rate increases per AB 1469. 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 CalSTRS and CalPERS websites.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expenses. 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 all 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 four years.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

CalPERS

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (Years 1-10)(1)</u>	<u>Real Return (Years 11+)(2)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
	<u>100.00%</u>		

(1) An expected inflation of 2.0% used for this period

(2) An expected inflation of 2.92% used for this period

CalSTRS

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Global Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%
	<u>100.00%</u>	

\* 20-year average.

c. 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:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	6.15%
Net Pension Liability	\$ 20,611,374	\$ 7,962,088
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 13,642,140	\$ 5,538,142
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 7,888,057	\$ 3,526,387

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

d. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

**N. Post-Employment Benefits Other than Pension Benefits**

1. General Information about the OPEB Plan

Plan Description

In addition to the pension benefits described in Note M, the District provides post-employment health care benefits to certificated employees who retire from the District on or after attaining age 55 with at least 15 years of continuous service in the District. The District provides post-employment health care benefits to classified employees who retire from the District between 58 to 65 years of age with at least 15 years of continuous service in the District. The plan is a single-employer defined benefit OPEB plan administered by District's board of directors. Authority to establish and amend the benefit terms and financing requirements lies with the District's board of directors. A separate financial report is not prepared for the District's OPEB plan.

Employees Covered by Benefit Terms

As of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	5
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Participating Active Employees	<u>157</u>
Total Number of participants	<u><u>162</u></u>

Contributions

The contribution requirements of OPEB Plan members and the District are established and may be amended through negotiations between the District and the respective bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2021, the District contributed \$158,559 to the Plan, of which \$158,559 was used for current premiums.

An actuarially determined contribution was not calculated for OPEB for the fiscal year, therefore a 10-year schedule is not presented in the required supplementary information.

2. Net OPEB Liability

The District's net OPEB liability of \$4,256,088 was measured as of June 30, 2020 and was determined by an actuarial valuation date of June 30, 2019.

Actuarial Assumptions and Other Inputs

The net OPEB liability on the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.63 percent
Salary Increases	2.75 percent, average, including inflation
Discount Rate	2.40 percent
Healthcare Cost Trend Rates	4.00 percent

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

Mortality assumptions were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees.

The actual assumptions used on the June 30, 2019 valuation were based on a review of plan experience which included a validation of experience studies prepared by CalSTRS and CalPERS for retirement and turnover assumptions during the period of 1997 through 2007 for CalSTRS and during the period of 1999 through 2009 for CalPERS. For other assumptions, actual plan provisions and data were used.

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. A historic 30-year real rate of return for each asset class along with the plan's assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by investment expenses of 15 basis points. The asset allocation and best estimates of long-term real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
US Large Cap	40%	7.6750%
US Mid Cap	20%	7.6750%
Long-Term Corporate Bonds	20%	5.1750%
Long-Term Government Bonds	15%	4.3800%
Intermediate-Term Government Bonds	5%	4.3800%
Total	100%	

3. Changes in Net OPEB Liability

	<u>Increases (Decreases)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2020	\$ 4,669,499	\$ 1,405,491	\$ 3,264,008
Changes for the year:			
Service cost	484,538	-	484,538
Interest on Total OPEB Liability	174,466	-	174,466
Expected Investment Income	-	84,121	(84,121)
Administrative Expense	-	(6,944)	6,944
Employee Contributions	-	-	-
Employee Contributions to Trust	-	-	-
Employer Contributions as Benefit Payments	-	99,124	(99,124)
Actual Benefit Payments from Trust	-	-	-
Actual Benefit Payments from Employer	(99,124)	(99,124)	-
Experience (Gains)/Losses from Expected Minus Actua Benefit Payments	(31,872)	-	(31,872)
Expected Balance at June 30, 2021	<u>5,197,507</u>	<u>1,482,668</u>	<u>3,714,839</u>
Experience (Gains)/Losses	-	-	-
Changes in Assumptions	493,250	-	493,250
Changes in Benefit Terms	-	-	-
Investment Gains/(Losses)	-	(47,999)	47,999
Other	-	-	-
Net Change	<u>1,021,258</u>	<u>29,178</u>	<u>992,080</u>
Balance at June 30, 2021	<u>\$ 5,690,757</u>	<u>\$ 1,434,669</u>	<u>\$ 4,256,088</u>

The discount rate of 2.40% for the fiscal year ended June 30, 2021 decreased by 1.20% from the discount rate of 3.60% in the prior measurement period of June 30, 2019. There were no other changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2021.



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>District's OPEB Plan</u>
1% decrease	1.40%
Net OPEB Liability	\$ 4,594,289
Current discount rate	2.40%
Net OPEB Liability	\$ 4,256,088
1% increase	3.40%
Net OPEB Liability	\$ 3,840,174

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

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>District's OPEB Plan</u>
1% decrease	3.00%
Net OPEB Liability	\$ 3,933,425
Current healthcare cost trend rate	4.00%
Net OPEB Liability	\$ 4,256,088
1% increase	5.00%
Net OPEB Liability	\$ 4,552,700

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$678,313. As of fiscal year ended June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$ 158,559	\$ -
Difference between expected and actual experience	369,043	29,867
Change in assumptions	1,022,166	-
Net difference between projected and actual earnings on OPEB plan investments	<u>38,399</u>	<u>23,759</u>
	<u>\$ 1,588,167</u>	<u>\$ 53,626</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

\$158,559 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended	
<u>June 30:</u>	
2022	\$ 96,486
2023	96,486
2024	108,061
2025	108,263
2026	98,664
Thereafter	<u>868,022</u>
Total	<u>\$ 1,375,982</u>

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 review 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.

Contingent Liability

The District as a participating member in the Southwest Transportation Agency, a joint powers agency (JPA), is contingently liable for a portion of the debt incurred by the JPA from the California Infrastructure and Economic Development Bank for the purchase of the current bus fleet. The original loan amount was for \$4,685,500 payable in annual installments. The annual installment paid by member Districts for the 2020-21 was \$317,778. The District's contingent obligation is 46% of said payment amount and loan balance. As of June 30, 2021, the balance outstanding on the loan is \$326,804. Southwest Transportation continues to make all necessary debt service payments, and is compliant with all debt covenants.

Work in Progress

The District has the following commitments related to construction contracts which will be funded by reserves from General Fund and specifically the Fipps office entrance project is being funded by the COVID-19 Elementary and Secondary School Emergency Relief (ESSER) funds allocated to the District.

	<u>Contract</u>	<u>Expended to</u>	<u>Committed</u>
	<u>Authorization</u>	<u>June 30, 2021</u>	
Fipps Office Entrance	\$ 146,394	\$ 54,766	\$ 91,628
RES Cafeteria Project	27,906	21,306	6,600
Parking Lot Project	<u>392,834</u>	<u>220,792</u>	<u>172,042</u>
Total Work in Progress	<u>\$ 567,134</u>	<u>\$ 296,864</u>	<u>\$ 270,270</u>

**Required Supplementary Information**

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 10,207,095	\$ 9,487,047	\$ 9,436,323	\$ (50,724)
Education Protection Account Funds	2,010,741	3,868,224	3,868,224	--
Local Sources	4,143,087	4,480,761	4,480,761	--
Federal Revenue	1,667,759	3,990,617	3,818,312	(172,305)
Other State Revenue	1,229,926	3,139,620	2,825,683	(313,937)
Other Local Revenue	839,799	1,120,799	1,117,861	(2,938)
Total Revenues	<u>20,098,407</u>	<u>26,087,068</u>	<u>25,547,164</u>	<u>(539,904)</u>
Expenditures:				
Current:				
Certificated Salaries	8,178,921	8,463,714	8,463,665	49
Classified Salaries	2,418,845	2,652,508	2,652,508	--
Employee Benefits	5,275,103	5,243,084	5,243,084	--
Books And Supplies	909,713	1,918,266	1,907,969	10,297
Services And Other Operating Expenditures	3,775,820	3,964,157	3,964,157	--
Other Outgo	234,236	126,657	126,657	--
Direct Support/Indirect Costs	(28,553)	(26,570)	(26,570)	--
Capital Outlay	201,965	679,396	679,396	--
Total Expenditures	<u>20,966,050</u>	<u>23,021,212</u>	<u>23,010,866</u>	<u>10,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(867,643)</u>	<u>3,065,856</u>	<u>2,536,298</u>	<u>(529,558)</u>
Other Financing Sources (Uses):				
Transfers Out	--	(400,000)	(400,000)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>--</u>
Net Change in Fund Balance	(867,643)	2,665,856	2,136,298	(529,558)
Fund Balance, July 1	7,287,708	7,287,708	7,287,708	--
Fund Balance, June 30	<u>\$ 6,420,065</u>	<u>\$ 9,953,564</u>	<u>\$ 9,424,006</u>	<u>\$ (529,558)</u>

**RIVERDALE JOINT 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 Years**						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability (asset)	0.013417%	0.013303%	0.013421%	0.013354%	0.013453%	0.014101%	0.014077%
District's proportionate share of the net pension liability (asset)	\$ 7,840,660	\$ 8,956,029	\$ 10,854,713	\$ 12,350,050	\$ 12,363,944	\$ 12,735,836	\$ 13,642,140
State's proportionate share of the net pension liability (asset)	4,734,576	4,736,739	6,180,304	7,306,245	7,078,971	6,948,305	7,032,468
Total	<u>\$ 12,575,236</u>	<u>\$ 13,692,768</u>	<u>\$ 17,035,017</u>	<u>\$ 19,656,295</u>	<u>\$ 19,442,915</u>	<u>\$ 19,684,141</u>	<u>\$ 20,674,608</u>
District's covered-employee payroll	\$ 6,022,403	\$ 6,311,000	\$ 6,791,799	\$ 7,015,858	\$ 7,285,762	\$ 7,488,647	\$ 7,676,740
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	130.19%	141.91%	159.82%	176.03%	169.70%	170.07%	177.71%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

\* 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.

\*\* Information presented is for the fiscal year ended on the measurement date of the net pension liability.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***

	Fiscal Years						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 560,647	\$ 728,760	\$ 882,592	\$ 1,051,313	\$ 1,219,499	\$ 1,312,383	\$ 1,290,155
Contributions in relation to the contractually required contributions	(560,647)	(728,760)	(882,592)	(1,051,313)	(1,219,499)	(1,312,383)	(1,290,155)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,311,000	\$ 6,791,799	\$ 7,015,858	\$ 7,285,762	\$ 7,488,647	\$ 7,676,740	\$ 7,989,680
Contributions as a percentage of covered-employee payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%	16.15%

\* 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.

**RIVERDALE JOINT 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 Years**						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability (asset)	0.018692%	0.018196%	0.018318%	0.017711%	0.018069%	0.018248%	0.018049%
District's proportionate share of the net pension liability (asset)	\$ 2,121,950	\$ 2,682,093	\$ 3,617,752	\$ 4,228,099	\$ 4,817,880	\$ 5,318,138	\$ 5,538,142
District's covered-employee payroll	\$ 1,965,324	\$ 2,014,457	\$ 2,199,088	\$ 2,258,771	\$ 2,385,027	\$ 2,527,482	\$ 2,600,456
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	107.97%	133.14%	164.51%	187.19%	202.01%	210.41%	212.97%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%

\* 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.

\*\* Information presented is for the fiscal year ended on the measurement date of the net pension liability.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS\***

	Fiscal Years						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 237,124	\$ 260,526	\$ 313,698	\$ 370,412	\$ 456,514	\$ 512,835	\$ 554,828
Contributions in relation to the contractually required contribution	<u>(237,124)</u>	<u>(260,526)</u>	<u>(313,698)</u>	<u>(370,412)</u>	<u>(456,514)</u>	<u>(512,835)</u>	<u>(554,828)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,014,457	\$ 2,199,088	\$ 2,258,771	\$ 2,385,027	\$ 2,527,482	\$ 2,600,456	\$ 2,680,316
Contributions as a percentage of covered-employee payroll	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%

\*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.



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS\***

	Fiscal Year**			
	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 226,568	\$ 232,799	\$ 239,201	\$ 484,538
Interest on total OPEB liability	165,879	122,268	155,301	174,466
Differences between expected and actual experience	-	-	422,143	(31,872)
Changes in assumption	-	561,386	120,276	493,250
Benefit payments	(104,543)	(108,725)	(69,811)	(99,124)
Net change in total OPEB liability	287,904	807,728	867,110	1,021,258
Total OPEB liability - beginning	2,706,757	2,994,661	3,802,389	4,669,499
Total OPEB liability - ending	<u>\$ 2,994,661</u>	<u>\$ 3,802,389</u>	<u>\$ 4,669,499</u>	<u>\$ 5,690,757</u>
Plan Fiduciary Net Position				
Employer contributions as benefit payments	\$ 104,543	\$ 108,725	\$ 69,811	\$ 99,124
Expected investment income	131,471	49,905	54,082	84,121
Investment gains/losses	-	57,865	1,023	(47,999)
Actual benefit payments from employer	(104,543)	(108,725)	(69,811)	(99,124)
Administrative expense	(7,758)	(3,323)	(3,353)	(6,944)
Net change in plan fiduciary net position	123,713	104,447	51,752	29,178
Plan fiduciary net position - beginning	1,125,579	1,249,292	1,353,739	1,405,491
Plan fiduciary net position - ending	<u>\$ 1,249,292</u>	<u>\$ 1,353,739</u>	<u>\$ 1,405,491</u>	<u>\$ 1,434,669</u>
District's net OPEB liability - ending	<u>\$ 1,745,369</u>	<u>\$ 2,448,650</u>	<u>\$ 3,264,008</u>	<u>\$ 4,256,088</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41.72%	35.60%	30.10%	25.21%
Covered-employee payroll	\$ 9,324,541	\$ 9,671,140	\$ 10,186,129	\$ 10,406,696
District's net OPEB liability as a percentage of covered-employee payroll	18.72%	25.32%	32.04%	40.90%

\*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.

\*\*Information presented is for the fiscal year ended on the measurement date of the net OPEB liability.

## **Supplementary Information Section**

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
ORGANIZATION  
YEAR ENDED JUNE 30, 2021

The District was established on July 1, 1995, and is comprised of an area of 132.74 square miles located in Fresno and Kings Counties. There were no changes in the boundaries of the District during the year ended June 30, 2021. The District is currently operating one elementary school, one intermediate school, one high school, continuation school, community day school, and adult school. The District also operates independent study and special education within the sites.

**Board of Trustees**

<b><u>Name</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
Charles Cox	President	November 2022
Anita Cuevas	Clerk	November 2024
Robert Martin	Member	November 2022
Connor McKean	Member	November 2022
Daniel Conway	Member	November 2024
Andy Rollin	Member	November 2022
John Mendes	Member	November 2024

**Administration**

Jeff Percell  
District Superintendent Since September 22, 2014

Cesar Solorio  
Chief Business Official Since January 1, 2018

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**YEAR ENDED JUNE 30, 2021**

<u>Grade Level</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Credited Per Approved J-13A</u>	<u>Total Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
TK/Kindergarten	180	0	180	N/A	In Compliance
Grade 1	180	0	180	N/A	In Compliance
Grade 2	180	0	180	N/A	In Compliance
Grade 3	180	0	180	N/A	In Compliance
Grade 4	180	0	180	N/A	In Compliance
Grade 5	180	0	180	N/A	In Compliance
Grade 6	180	0	180	N/A	In Compliance
Grade 7	180	0	180	N/A	In Compliance
Grade 8	180	0	180	N/A	In Compliance
Grade 9	180	0	180	N/A	In Compliance
Grade 10	180	0	180	N/A	In Compliance
Grade 11	180	0	180	N/A	In Compliance
Grade 12	180	0	180	N/A	In Compliance

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. This requirement does not apply to the fiscal year ending June 30, 2021.

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.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

<u>General Fund</u> <sup>(2)</sup>	(Budget) <sup>(1)</sup>			
	2022	2021	2020	2019
Revenues and Other Financial Sources	\$ 32,364,979	\$ 25,547,164	\$ 21,485,155	\$ 22,542,397
Expenditures	26,861,585	23,010,866	20,770,618	22,434,677
Other Uses and Transfers Out	-	400,000	-	334,989
Total Outgo	26,861,585	23,410,866	20,770,618	22,769,666
Change in Fund Balance (Deficit)	5,503,394	2,136,298	714,537	(227,269)
Ending Fund Balance	\$ 14,927,400	\$ 9,424,006	\$ 7,287,708	\$ 6,573,171
Available Reserves <sup>(3)</sup>	\$ 805,848	\$ 725,000	\$ 725,000	\$ 725,000
Available Reserves as a Percentage of Total Outgo	3.00%	3.10%	3.49%	3.18%
Total Long-Term Debt	\$ 23,512,785	\$ 24,214,916	\$ 22,676,473	\$ 21,539,691
Average daily attendance	1,489	1,489*	1,489	1,504

- (1) Budget 2022 is included for analytical purposes only and has not been subjected to audit.
- (2) The Adult Education Fund, the Deferred Maintenance Fund, the Special Reserve Fund for Other Than Capital Outlay Projects, and the Special Reserve Fund for Post-Employment Benefits have been included due to their consolidation into the General Fund.
- (3) Available reserves consist of all unassigned fund balance and all funds reserved for economic uncertainties contained within the General Fund.

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 General Fund balance has increased by \$2,850,835 over the past two years. The fiscal year 2021-22 budget projects an increase of \$5,503,394 (58.40%). 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 one of the past three years. It does not anticipate incurring an operating deficit during the 2021-22 fiscal year. Total long-term debt has increased by \$2,675,225 over the past two years. This increase is a result of the District continuing to report its proportionate share of net pension liability according to GASB Statement No. 68 and its net OPEB liability according to GASB statement No. 75.

Average daily attendance has decreased by fifteen over the past two years. Average daily attendance is anticipated to remain the same during fiscal year 2021-22 as in fiscal year 2020-21.

\*For fiscal year 2020-21, the District was funded on 2019-20 ADA, adjusted according to provisions specified in EC Section 43502, as applicable.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education:</b>			
Passed through California Department of Education (CDE):			
ESSA: Title I Part A, Grants Low Income & Neglected	84.010	14329	\$ 861,458
ESSA: Title I, Migrant Ed Summer Program	84.011	10005	<u>3,750</u>
Subtotal			<u>865,208</u>
Special Education (IDEA) Cluster:			
Special Ed: IDEA Basic Local Assistance Ent., Part B, Sec 611	84.027	13379	262,095
Special Ed: IDEA Local Assistance Part B, Sec. 611 Private Schools ISPs	84.027	10115	1,862
Special Ed: IDEA Preschool Grants, Part B, Sec. 619	84.173	13430	<u>9,677</u>
Subtotal - Special Education (IDEA) Cluster			<u>273,634</u>
ESSA: Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School Assets	84.287	14535	<u>156,988</u>
ESSA: Title III, English Learner Student Program	84.365	14346	<u>22,197</u>
ESSA: Title II, Part A, Supporting Effective Instruction	84.367	14341	<u>88,888</u>
ESSA: Title IV, Part A, Student Support & Academic Enrichment Grants	84.424	15396	<u>41,783</u>
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	162,256
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER II) Fund	84.425D	15547	228,009
COVID-19 - Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	69,462
COVID-19 - Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement	84.425	15535	<u>110,759</u>
Subtotal			<u>570,486</u>
Total Passed through CDE			<u>2,019,184</u>
Total U.S. Department of Education			<u>2,019,184</u>
<b>U.S. Department of Treasury:</b>			
Passed through California Department of Education (CDE):			
COVID-19 - Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516	<u>1,448,061</u>
Total U.S. Department of Treasury			<u>1,448,061</u>
<b>U.S. Department of Health and Human Services:</b>			
Passed through Madera County Superintendent of Schools			
Medi-Cal Administrative Activities (MAA)	93.778	10060	<u>52,659</u>
Total U.S. Department of Health and Human Services			<u>52,659</u>
<b>U.S. Department of Agriculture:</b>			
Passed through California Department of Education (CDE):			
Child Nutrition Cluster:			
School Breakfast Program	10.553	13390	371,117
National School Lunch Program	10.555	13391	468,024
National School Lunch Program (Snack)	10.555	13755	8,447
Food Distribution - Commodities	10.555	13391	<u>54,178</u>
Subtotal - Child Nutrition Cluster			<u>901,766</u>
Total U.S. Department of Agriculture			<u>901,766</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 4,421,670</u></u>

The accompanying notes are an integral part of this schedule.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Riverdale Joint Unified School District under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

The District has elected not to use the 10-percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Non-Cash Assistance

Non-cash assistance in the form of donated foods was received from California Department of Education as a pass-through grant from the U.S. Department of Agriculture. The District reports the donated foods received on the Schedule at the fair value at time of receipt. The amount received during 2020-21 was \$54,178.

Reconciliation of Expenditures

Reconciliation of expenditures per schedule of federal grant activity with the federal revenue reported on the District's Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds follows:

Schedule of Expenditures of Federal Awards	\$ 4,421,670
COVID-19: Elementary & Secondary School Emergency Relief (ESSER) Funds received in 2020-21	290,274
COVID-19: Coronavirus Relief Fund (CRF): Learning Loss Mitigation received in 2020-21	118,893
Rounding	<u>(1)</u>
Federal Revenue Reported on the Statement of Revenues, Expenses and Changes in Fund Net Position - Governmental Funds	<u>\$ 4,830,836</u>

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET**  
**REPORT WITH AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>
June 30, 2021 Annual Financial and Budget Report (SACS) Fund Balances	<u>\$ 9,546,757</u>
Adjustments and Reclassifications:	
Increasing (decreasing) the fund balance:	
Accounts Receivable - Overstatement	<u>(122,751)</u>
Net Adjustments and Reclassifications	<u>(122,751)</u>
June 30, 2021 audited financial statement fund balance	<u>\$ 9,424,006</u>
	<u>Noncurrent Liabilities</u>
June 30, 2021 Annual Financial and Budget Report - Form Debt	<u>\$ 778,547</u>
Adjustments and Reclassifications:	
Increase (Decrease) in Total Liabilities:	
Net Pension Liability	19,180,282
Net OPEB Liability	4,256,088
Rounding	<u>(1)</u>
Net Adjustments and Reclassifications	<u>23,436,369</u>
June 30, 2021 Noncurrent Liabilities	<u>\$ 24,214,916</u>

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



**Other Independent Auditor's Reports**

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  
Riverdale Joint Unified School District  
Riverdale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverdale Joint Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Riverdale Joint Unified School District's basic financial statements, and have issued our report thereon dated January 14, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Riverdale Joint Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverdale Joint Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverdale Joint 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 were not 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 2021-004 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Riverdale Joint Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Riverdale Joint Unified School District's Response to Findings**

Riverdale Joint Unified School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Riverdale Joint 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Borchardt, Corona, Faeth  
& Lykavian*

Fresno, California  
January 14, 2022

## Independent Auditor's Report on State Compliance

Board of Trustees  
Riverdale Joint Unified School District  
Riverdale, California

### Report on State Compliance

We have audited Riverdale Joint Unified School District's (the District's), compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the California Education Audit Appeals Panel 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, 2021.

### 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 of the District's state 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 State's audit guide, *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the California Education Audit Appeals Panel. 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:

<u>Compliance Requirements</u>	<u>Procedures in Audit Guide Performed?</u>
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS (EXCEPT AS NOTED):</b>	
Attendance Accounting:	
Attendance and Distance Learning (Applicable to Classroom-based Charters)	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time:	
School Districts (Applicable to Classroom-based Charters)	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes

**LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS (EXCEPT AS NOTED):**

K-3 Grade Span Adjustment	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
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes

**CHARTER SCHOOLS:**

Independent Study-Course Based	N/A
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	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, Riverdale Joint 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 each of its state programs for the year ended June 30, 2021.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance with the above requirements, which are required to be reported in accordance with the State's audit guide, *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the California Education Audit Appeals Panel and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 through 2021-003. Our opinion on state compliance is not modified with respect to these matters.

Riverdale Joint Unified School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Riverdale Joint Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

*Berhardt, Corona, Faeth  
& Lykavian*

Fresno, California  
January 14, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees  
Riverdale Joint Unified School District  
Riverdale, California

**Report on Compliance for Each Major Federal Program**

We have audited Riverdale Joint 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 each of Riverdale Joint Unified School District's major federal programs for the year ended June 30, 2021. Riverdale Joint Unified School District's major federal programs are identified in the summary of auditors' 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 Riverdale Joint 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 Riverdale Joint 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 Riverdale Joint Unified School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Riverdale Joint 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 each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of Riverdale Joint 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 Riverdale Joint 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 our 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 Riverdale Joint 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 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.

*Borchardt, Corona, Faeth  
& Lykavian*

Fresno, California  
January 14, 2022

## **Findings and Recommendations Section**



**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:  
 Material weakness (es) identified? \_\_\_\_\_ Yes X No  
 Significant deficiency (ies) identified not considered  
 to be material weakness(es) X Yes \_\_\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

2. Federal Awards

Internal control over major programs:  
 Material weakness (es) identified? \_\_\_\_\_ Yes X No  
 Significant deficiency (ies) identified not considered  
 to be material weakness(es) \_\_\_\_\_ Yes X None reported

Type of auditors' report issued on compliance for  
 major programs: Unmodified

Any audit findings disclosed that are required to be  
 reported in accordance with Title 2 CFR 200.516(a)? \_\_\_\_\_ Yes X No

Identification of major programs:

<u>Federal Assistance Listing/CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund (CRF): Learning Loss Mitigation
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>X</u> Yes _____ No

3. State Awards

Internal control over state programs:  
 Material weakness (es) identified? \_\_\_\_\_ Yes X No  
 Significant deficiency (ies) identified not considered  
 to be material weakness(es) X Yes \_\_\_\_\_ None reported

Type of auditors' report issued on compliance for  
 state programs: Unmodified

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**State Award Finding and Questioned Costs**

Finding Identification

2021 – 001 *State Compliance – Comprehensive School Safety Plan* #40000

Criteria or Specific Requirement

Education Code Section 32288

Condition

Even though the district followed most Education Code Section 32288 compliance requirements relating to the adoption of the comprehensive school safety plan for the district and for each sampled school, we noted the school safety planning committee did not hold a public meeting to allow for members of the public the opportunity to express an opinion about the school safety plan before adopting the plan. Thereafter, the school safety planning committee did not notify in writing any of the persons and entities, if available, as described in Education Code Section 32288 of the public meeting.

Effect

The district was out of compliance with Education Code Section 32288 requirements.

Cause

The noncompliance resulted from a misunderstanding of Education Code Section 32288 compliance requirements applicable to the district and school sites.

Questioned Cost

Unknown

Identification of Repeat Finding

This audit finding is not a repeat of a finding in the immediately prior audit.

Recommendation

The district should implement procedures to adopt its comprehensive school safety plan according to Education Code Section 32288 compliance requirements.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with this finding. Please refer to the corrective action within the Findings and Recommendations Section.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**State Award Finding and Questioned Costs**

Finding Identification

2021 – 002 *State Compliance - Classroom Teacher Salaries* #61000

Criteria or Specific Requirement

Education Code Section 41372. A unified school district shall expend 55 percent of the District's total educational expenses for the current year on payment of salaries for classroom teachers. The District can be granted an exemption from the County Superintendent of Schools if the percentage is not met, in accordance with Education Code Section 41372.

Condition

While reviewing the Current Expense Formula/Minimum Classroom Compensation report (Form CEA), we noted that the District did not meet the required minimum classroom compensation percentage for a unified school district. The District's current expense of education for the year, after applicable audit adjustments, was \$20,476,484. The District is currently working on an exemption from Fresno County Superintendent of Schools.

Effect

The District may have apportionments equal to the deficiency in expenditures withheld from it by the County Superintendent of Schools.

Cause

The District did not expend the minimum required amount of compensation for classroom teachers.

Questioned Cost

The deficiency in percentage expended when calculated is approximately \$339,910.

Identification of Repeat Finding

This audit finding is not a repeat of a finding in the immediately prior audit.

Recommendation

The District should ensure that the total compensation expended on classroom teacher salaries during the fiscal year is at least 55 percent of the District's total cost of education, and if not met, the District should file for an exemption from the County Superintendent of Schools.

Views of responsible officials and planned corrective actions

The District agrees with this finding. Please refer to the corrective action within the Findings and Recommendations section.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**State Award Finding and Questioned Costs**

Finding Identification

2021 – 003 Attendance – Instructional Time – Distance Learning Certification to Time Value Records #10000

Criteria or Specific Requirement

Education Code 43502(e)(2)

Condition

During our fieldwork on the district's instructional time value compliance for distance learning instructional offerings, we noted the district did not have an employee of the district with valid certification registered as required by law timely certify the time value of assignments during school days on Wednesdays and specifically Friday March 26, 2021, in which distance learning, partial day asynchronous instruction was offered for part of the school year after September 1, 2020 for its elementary site (4-8 grades) and High School site. The district completed the compliant certifications for each site retroactively during our audit.

Effect

The district's noncompliance results in an internal control concern due to the delayed certification of the distance learning offering as required by the education code.

Cause

The district experienced confusion on distance learning compliance requirements related to instructional time value certifications.

Questioned Costs

No questioned costs since the certification was prepared.

Identification of Repeat Finding

The audit finding is not a repeat of a finding in the immediately prior audit.

Recommendation

Although distance learning was only applicable for the 2020-21 school year, the district should implement internal control procedures which ensure the proper adherence to education code compliance guidelines on contemporaneous instructional time value certifications.

Views of responsible officials and planned corrective Actions

The district agrees with this finding. Please refer to the corrective action within the Findings and Recommendations Section.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**Financial Statement Finding and Questioned Costs**

Finding Identification

2021 – 004 Internal Controls – Student Body Accounts #30000

Criteria or Specific Requirement

Accounting principles generally accepted in the United States of America require internal controls to safeguard and preserve assets, protect against improper fund disbursement, and to ensure all transactions are recorded.

Condition

During our testing of fundraisers held by the District's ASB during the year, we selected for testing a golf tournament event held by the girls' softball team. Although the District's club advisor completed a summary of cash receipts and disbursements for the fundraising event with his sign off which was submitted to the District accounting personnel with cash receipts for deposit into the ASB account, the following weaknesses in internal controls over cash receipts were noted:

1. A Budgeted versus Actual expectations on cash receipts and expenses for the fundraising event with explanation on large differences was not prepared for the fundraiser. Therefore, completeness of cash receipts and disbursements was difficult to assess.
2. While the District prepared a Golf Tournament Entry Form to be filled out by participants with their information, including payment information, the advisor confirmed the form was not utilized in administering the event. In lieu, the participants either verbally notified the advisor the day of the event or sent him a text message letting him know they would be participating in the event. The advisor provided on email a listing of participants for the event for our audit.

Effect

The opportunity for misappropriation of funds exists due to the weakness in controls.

Cause

The District has had a difficult time with staff at the sites implementing proper internal control procedures over ASB activities.

Questioned Costs

None

Identification of Repeat Finding

The audit finding is not a repeat of a finding in the immediately prior audit.

Recommendation

The District should establish policies for the District's ASB organizations which follow the FCMAT ASB Accounting Manual to ensure proper internal controls and procedures are established. The Golf Tournament Entry Form should be utilized contemporaneously and if possible prenumbered to offer a better tracking record of completeness of cash receipts.

Views of responsible officials and planned corrective Actions

The district agrees with this finding. Please refer to the corrective action within the Findings and Recommendations Section.

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2021

**State Award Findings and Questioned Costs**

Finding Identification: 2021 – 001 State Compliance – Comprehensive School Safety Plan #40000

Corrective Action Plan

Name of contact person: Jeff Percell, Superintendent

Corrective Action: The district and its school sites have developed a procedure to adopt its comprehensive school safety plan according to Education Code Section 32288 compliance requirements.

Proposed Completion Date: School Year 2021-22.

Finding Identification: 2021 – 002 State Compliance - Classroom Teacher Salaries #61000

Corrective Action Plan

Name of contact person: Jeff Percell, Superintendent

Corrective Action: The District will submit a waiver request to Fresno County Superintendent of Schools along with a comparison worksheet that indicates how Riverdale Joint Unified School District compares with other unified districts in Fresno County.

Proposed Completion Date: This will be completed as soon as possible.

Finding Identification: 2021 – 003 Attendance – Instructional Time – Distance Learning Certification to Time Value Records #10000

Corrective Action Plan

Name of contact person: Jeff Percell, Superintendent

Corrective Action: In a future circumstance requiring the implementation of distance learning, the District will consult further with auditors at the time of initial implementation to ensure that documentation of time value certifications is compliant.

Proposed Completion Date: Immediately

**Financial Statement Finding and Questioned Costs**

Finding Identification: 2021 – 004 Internal Controls – Student Body Accounts #30000

Corrective Actions

Name of contact person: Jeff Percell, Superintendent

Corrective Action: District will modify its sales analysis to include estimated sales and expenditures compared to actual sales and expenditures. District will modify/update its Internal Controls/Procedures for our sales analysis and for our Advisors to submit proper back up documentation for their actual revenues. Examples provided to our advisors are completed registration forms, tally documentation for concessions, ticket documentation, and point of sale tracking reports. This will be updated and communicated to our ASB advisors during the month of January 2022 for our staff to correct this immediately thereafter.

Proposed Completion Date: January 14, 2022

**RIVERDALE JOINT UNIFIED SCHOOL DISTRICT**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021

There were no prior year findings.



Gustavo M. Corona, CPA  
Scott A. Faeth, CPA  
Christina J. Zakarian, CPA  
◆◆◆  
Thomas R. Borchardt, CPA  
Consultant

Board of Trustees  
Riverdale Joint Unified School District  
Riverdale, California

In planning and performing our audit of the financial statements of Riverdale Joint Unified School District (District) for the year ended June 30, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of matters discussed below that are opportunities to strengthen internal controls and operating efficiency. This letter does not affect our report dated January 14, 2022, on the financial statements of the District which also includes our report on the District's internal control.

In performing our Single Audit procedures, we use the 2 CFR 200.516(a) Audit Findings Reported to determine if items found during the audit should be reported as audit findings. The management comments noted below related to federal programs, based on our audit procedures and criteria established in section 200.516(a) Audit Findings Reported, were not required to be reported as findings since they were not considered reportable conditions which are significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs, were not material noncompliance, did not have known questioned costs greater than \$25,000 for the major programs or other federal programs which were not audited as major programs, and were not fraud affecting the federal awards.

COVID-19 – Coronavirus Relief Fund (CRF): Learning Loss Mitigation (Federal Catalog Number 21.019)

During our review of authorized expenditures for the COVID-19 – Coronavirus Relief Fund (CRF): Learning Loss Mitigation Program, we selected for testing the purchase of laptops in the amount of \$10,292 to be utilized by the staff of the District's JPA organization, Central Valley Preschool, for distance learning accommodations during the school year. Since the preschool is a legally separate organization from the District, the expense was not an allowable expense of the District under CRF. The District reclassified the expense to be reimbursed by Central Valley Preschool, JPA and has accounted for additional allowable expenses under CRF to ensure funds available for spending were properly spent. We recommend the District continue to monitor expenses under its state and federal programs to ensure they meet the allowability standards.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with District personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.



We wish to thank the District staff for their support and assistance during our audit.

This report is intended solely for the information and use of management, the Board, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

BORCHARDT, CORONA, FAETH & ZAKARIAN

*Borchardt, Corona, Faeth  
& Zakarian*

Fresno, California  
January 14, 2022

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**APPENDIX D**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

[LETTERHEAD OF LOZANO SMITH]

\_\_\_\_\_, 2022

Board of Trustees  
Riverdale Joint Unified School District  
3160 W Mount Whitney Avenue  
Riverdale, California 93656

\$ \_\_\_\_\_  
RIVERDALE JOINT UNIFIED SCHOOL DISTRICT  
(Fresno and Kings Counties, California)  
GENERAL OBLIGATION BONDS, ELECTION OF 2020, SERIES A

**FINAL OPINION OF BOND COUNSEL**

Ladies and Gentlemen:

We have acted as bond counsel to Riverdale Joint Unified School District (the "District") in connection with the issuance by the District of its Riverdale Joint Unified School District (Fresno and Kings Counties, California) General Obligation Bonds, Election of 2020, Series A in the aggregate principal amount of \$ \_\_\_\_\_ (the "Bonds"), issued under Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") and under a Resolution adopted by the Board of Trustees of the District on June 29, 2022 (the "Bond Resolution").

The Bonds were sold to Raymond James & Associates, Inc., as Underwriter (the "Underwriter") pursuant to a Bond Purchase Agreement, dated \_\_\_\_\_, 2022 (the "Bond Purchase Agreement"), between the District and the Underwriter.

In such connection, we have examined the Bond Resolution, the Bond Law, the tax certificate, dated the date hereof and executed by the District (the "Tax Certificate"), the Bond Purchase Agreement, the Continuing Disclosure Certificate, dated the date hereof and executed by the District (the "Continuing Disclosure Certificate"), certificates of the District and others, and such other law, documents, opinions and matters to the extent we deemed necessary to render the opinions or conclusions set forth herein.

The opinions and conclusions herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the

genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, the Tax Certificate, the Continuing Disclosure Certificate and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver, or severability provisions contained in the foregoing documents. We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, dated \_\_\_\_\_, 2022.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bond Resolution has been duly adopted by the Board of Trustees of the District and the Bond Resolution constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.
2. The Bonds have been duly authorized, issued and sold by the District and are valid and binding general obligations of the District. The Boards of Supervisors of the counties of Fresno and Kings are obligated and authorized under the laws of the State of California to levy and collect *ad valorem* taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), within their own counties, upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.
3. 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 imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Bond Resolution and the Tax Certificate and other instruments relating to the Bonds to comply with each of such requirements under the Code. Failure to comply with certain of such requirements under the Code may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.
4. The Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.
5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Except as stated in the preceding paragraphs, we express no opinion as to any federal or state tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. The opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any fact or circumstance that may thereafter come to our attention or to reflect any change in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Very Truly Yours,

*Lozano Smith, LLP*

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**APPENDIX E**  
**FORM OF**  
**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Riverdale Joint Unified School District (the "District") in connection with the issuance of the \$\_\_\_\_\_ Riverdale Joint Unified School District General Obligation Bonds, Election of 2020, Series A (the "Bonds").

The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on June 29, 2022.

**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 Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended.

**Section 2. Definitions.** In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

*"Annual Report"* means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

*"Annual Report Date"* means the date that is no more than nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

*"Dissemination Agent"* means Dale Scott & Company Inc., San Francisco, California, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

*"Financial Obligation"* means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of either of the foregoing (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

*"MSRB"* means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

*"Official Statement"* means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Raymond James & Associates, Inc., 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 U.S. 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, being each March 31 following the end of the District’s fiscal year, commencing with the report for the 2021-22 fiscal year which is due on March 31, 2023, provide to the Participating Underwriter and the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(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, in a timely manner, provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as *Exhibit A*.

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

(1) 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

(2) 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 documents and information:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.



(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

- (1) The District's most recent approved annual budget;
- (2) The most recent assessed value of taxable property in the District;
- (3) The most recent list of the top twenty property owners in the District, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. 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 District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District, any of which reflect financial difficulties.

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

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(6), (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.” 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 the District determines the event’s occurrence is material for purposes of U.S. federal securities law.

(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.

**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 such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent (if not the District) may resign by providing 30 days' written notice to the District.

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 Resolution for amendments to the 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 Report 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 this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report 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 any amendment made pursuant to this Section 9 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 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 it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall 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 Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 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. **Notices.** Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer: Riverdale Joint Unified School District  
3160 W Mount Whitney Avenue  
Riverdale, CA 93656

To the Participating Underwriter: Raymond James & Associates, Inc.  
209 Avenida Del Mar, Suite 207  
San Clemente, CA 92672

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. **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: \_\_\_\_\_, 2022

RIVERDALE JOINT UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Superintendent

ACCEPTED AND AGREED TO:  
DALE SCOTT & COMPANY INC.,  
AS DISSEMINATION AGENT

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Riverdale Joint Unified School District (the "District")

Name of Bond Issue: \$\_\_\_\_\_ Riverdale Joint Unified School District General Obligation Bonds,  
Election of 2020, Series A.

Date of Issuance: \_\_\_\_\_, 2022

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2022, executed and delivered by the District. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: [Form only – do not date, 2022]

RIVERDALE JOINT UNIFIED SCHOOL  
DISTRICT

By: [Form Only – do not sign] \_\_\_\_\_

Its: \_\_\_\_\_

**APPENDIX F**

**FRESNO COUNTY INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT**

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**Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector**

**County of Fresno Treasury Investment Pool**

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# **INVESTMENT POLICY**

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**Established: 1984**

**Current Revision: November 2, 2021**

**(559) 600-3496  
Room 105  
Hall of Records  
2281 Tulare Street  
Fresno, California 93721**

COUNTY OF FRESNO  
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR  
TREASURY INVESTMENT POOL

**INVESTMENT POLICY**

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COUNTY OF FRESNO  
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR  
TREASURY INVESTMENT POOL

**INVESTMENT POLICY**

**1.0 Purpose**

The Auditor-Controller/Treasurer-Tax Collector's policy is to invest public funds in a manner that will provide a market average rate of return consistent with the objectives included in this Investment Policy while meeting the daily cash flow demands of the County Treasury and conform to all applicable state laws governing the investment of public funds.

Investments differing from this policy shall be made only in circumstances where market timing or economic trends indicate such investments are beneficial. Such investments must comply with all applicable laws and may only be made with written approval by the Auditor-Controller/Treasurer-Tax Collector.

This Investment Policy is established under Government Code sections 27133 and 53646.

**2.0 Scope**

This Investment Policy applies to all financial assets deposited and retained in the County of Fresno Treasury Investment Pool.

**3.0 Objective**

The primary objectives, in priority order, of the County of Fresno's investment activities shall be the following:

3.1 Safety. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Investments should be made in securities of high quality to avoid credit risk and loss of principal.

3.2 Liquidity. The investment portfolio should remain sufficiently liquid to enable the Treasury Investment Pool to meet all its operating requirements which might be reasonably anticipated.

3.3 Return on Investment. The investment portfolio shall be designed with the objective of attaining the highest interest revenue, taking into consideration the objectives of this Investment Policy and the cash flow characteristics of the portfolio.

3.4 Local Community Reinvestment. When it is in the best interest of the investment portfolio, and within the confines of other objectives enumerated in this Investment Policy, the Auditor-Controller/Treasurer-Tax Collector may give preference to local investment opportunities.

#### 4.0 **Delegation of Authority**

The authority of the Board of Supervisors to delegate management responsibility for the County of Fresno Treasury Investment Pool is derived from GC 53607. Investment authority, in accordance with this provision, has been delegated to the Auditor-Controller/Treasurer-Tax Collector. The original delegation is in the Ordinance Code of the County of Fresno Section 2.20.080 and is subject to annual renewal by the Board of Supervisors. The Auditor-Controller/Treasurer-Tax Collector shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions (GC 53607).

No person may engage in an investment transaction for the Treasury Investment Pool except as provided under the terms of this policy and the procedures established by the Auditor-Controller/Treasurer-Tax Collector. The Auditor-Controller/Treasurer-Tax Collector shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff.

The County of Fresno Treasury Oversight Committee shall annually review and monitor the Investment Policy. The County of Fresno Treasury Oversight Committee shall also cause an annual audit to determine the Auditor-Controller/Treasurer-Tax Collector's compliance with this Investment Policy. The cost of the audit shall be considered an administrative cost of investing. Audit Reports are available to participants of the Treasury Investment Pool upon request (GC 27133, 27134 and 27135).

5.0 **Ethics and Conflict of Interest**

The Auditor-Controller/Treasurer-Tax Collector, the County of Fresno Treasury Oversight Committee and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County of Fresno Treasury Oversight Committee shall require the completion of an annual Statement of Economic Interests by each member to be filed with the member's respective agency. This policy sets a \$520 per current filing limit on the amount of honoraria, gifts and gratuities that a committee member may receive from a single source in a calendar year.

6.0 **Prudence**

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, and not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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

7.0 **Borrowing for Purposes of Making Investments**

The Fresno County Auditor-Controller/Treasurer-Tax Collector is prohibited from the practice of borrowing for the sole purpose of making investments.

8.0 **Authorized Investments and Limits**

All investments shall be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Securities shall be valued at amortized cost when determining their percentage to the money in the County of Fresno Treasury Investment Pool. Additions or deviations from this list must be expressly authorized by the Government Code and approved by the Auditor-Controller/Treasurer-Tax Collector. Investments not expressly authorized by law are prohibited.

The Auditor-Controller/Treasurer-Tax Collector interprets the authorized investment limits to be based upon the portfolio allocation at the time a security is purchased. The portfolio allocation may temporarily fall outside of these limits due to maturities and fluctuations in the size of the pool after the purchase of a security. Additionally, the applicable credit ratings are interpreted to be based upon the rating at the time the security is purchased.

8.1 United States Treasury Bills, Notes, Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.2 Obligations issued by Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Mortgage Company, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in obligations, participations, or other instruments of or issued by a federal agency or a United States Government-sponsored enterprise.

8.3 Bills of Exchange or Time Drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Any investment in Bankers Acceptances shall be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical-rating service.

Purchases of Bankers Acceptances may not exceed 180 days maturity or 40 percent of the money in the Treasury Investment Pool.

8.4 Commercial Paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization, having a maximum maturity of 270 days or less. The entity that issues the commercial paper shall meet all of the following conditions of either (1) or (2): (1) The entity must be organized and operating within the United States as a general corporation; have total assets in excess of five hundred million dollars; and have a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization for its debt other than commercial paper, if any. (2) The entity must be organized within the United States as a special purpose corporation, trust, or limited liability company; have program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.

Additionally, GC 53635 limits the assets held by the Treasury Investment Pool in any single issuer to 10 percent and the total Commercial Paper investments may not exceed 40 percent of the total assets in the Treasury Investment Pool.

8.5 Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. Any investment is to be restricted to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher rating as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments.

Investments in Negotiable Certificates of Deposit (including those allowed under section 8.6.1) may not exceed 30 percent of the money in the Treasury Investment Pool. No more than 5 percent of the money shall be invested in any one institution.

8.6 Non-negotiable Time Certificates of Deposit issued by a nationally or state-chartered bank, savings association or federal association (GC 53601 (n)). Unless fully covered by FDIC insurance, including the interest earned, these investments require full collateralization with government securities totaling 110 percent or mortgages totaling 150 percent of the principal amount (GC 53652). Any investment is to be restricted to those institutions whose short term rating is of prime quality of the highest ranking as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments. Any investment will require the approval and execution of a Contract for Deposit by the Auditor-Controller/Treasurer-Tax Collector, as authorized by GC 53682.

Investments in Non-negotiable Time Certificates of Deposit may not exceed 50 percent of the money in the Treasury Investment Pool. No more than 15 percent of the money shall be invested in any one institution.

8.6.1 Investments in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. Investments will be made in compliance with GC 53635.8. Investments shall be initially placed with a nationally or state-chartered commercial bank, savings bank, savings



and loan association or a credit union in this state, which shall be known as the selected depository institution. Any investment will require the approval and execution of a Deposit Placement Agreement by the Auditor-Controller/Treasurer-Tax Collector. Investments in certificates of deposit under sections 8.5 and 8.6.1 may not exceed 30 percent of the money in the Treasury Investment Pool. Additionally, investments under 8.6.1 shall not exceed 15 percent of the money in the Treasury Investment Pool.

8.7 Investments in Repurchase Agreements representing United States Treasury Securities, United States Agency discount and coupon securities, domestic and foreign Banker's Acceptances, commercial paper, and domestic bank/savings associations or federal associations Negotiable Certificates of Deposit.

Investments shall be made only after the execution of a Repurchase and Custody Agreement (Tri-Party Agreement) between the County or the investment manager (if under contract), the dealer and the Custodian. Investments will consist of overnight Repurchase Agreements, which include weekend placements and maturities; however, securities with longer maturities may be used as collateral for these Agreements. (GC 53635.2)

Excluding circumstances of market-timing and known cash demands, investments in Repurchase Agreements shall be limited to not more than 15 percent of the money in the Treasury Investment Pool. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against these securities. Any exceptions to the maturity or investment amount provisions will require written approval by the Auditor-Controller/Treasurer-Tax Collector.

8.8 Medium-term Notes with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or higher, by Standard and Poor's Corporation, or its equivalent or better by a nationally recognized rating service

Investments in Medium-term Notes may not exceed 30 percent of the money in the Treasury Investment Pool.

8.9 Investment of funds in the Local Agency Investment Fund (LAIF) created by law, which the State Treasurer invests through the Pooled Money Investment Account. Money invested in LAIF is available for overnight liquidity; however, it is also subject to a limited number of transactions per month. Money shall be placed in LAIF as alternative liquid investments under the guidelines of this policy pertaining to yield. The County may invest up to the maximum amount permitted by LAIF, not to exceed 10 percent of the

portfolio. The Auditor-Controller/Treasurer-Tax Collector may invest any portion of debt proceeds in the LAIF.

8.10 Shares of beneficial interest issued by diversified management companies, otherwise known as Mutual Funds, investing in the securities and obligations as authorized by the GC 53601 et. seq.

To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with at least five years of experience investing in the securities authorized by the GC sections noted above and with assets under management in excess of \$500,000,000.

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000 (GC 53601).

Investment in Mutual Funds shall not include the payment of any commission that diversified management companies may charge and may not exceed 20 percent of the surplus funds in the Treasury Investment Pool. Only 10 percent of the surplus funds may be invested in any one mutual fund (GC 53601, 53635.2).

8.11 Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond of a maximum of five years maturity. Securities eligible for investment shall be rated "AA" or its equivalent or better by a nationally recognized rating service.

Investments in these securities may not exceed 10 percent of the funds in the Treasury Investment Pool.

8.12 Bond proceeds may be invested in accordance with the Government Code provisions, or they may be invested in alternative vehicles if authorized by bond documents (GC 53635.2 and California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines).

8.13 External Investment Managers. The Auditor-Controller/Treasurer-Tax Collector may contract with external investment managers to provide

investment management services. These managers may be hired to invest funds not needed for liquidity and to increase the rate of return of the pool by employing an active investment strategy. The external investment manager is allowed to make specific investment decisions within the framework of this investment policy.

External investment managers are required to provide timely transaction documentation and investment reports to ensure that the manager's actions comply with the requirements of the law and this investment policy. External investment managers shall remit, at least quarterly, the interest earnings to the Pool to allow these earnings to be apportioned to the pool participants.

Selection of External Investment Managers is subject to section 13.0 of this Investment Policy. Additionally, after selection, the manager's performance shall be reviewed against the agreed upon benchmark.

8.14 Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Investments in these securities may not exceed 10 percent of the surplus funds in the Treasury Investment Pool.

## 9.0 **Selection of Investments**

Investments, with the exception of California registered state warrants in section 8.14, above, shall only be made following a minimum of three competitive comparisons with offerings documented and retained for each type of investment.

## 10.0 **Diversification**

The Treasury Investment Pool shall be diversified by security type and institution.

## 11.0 **Maximum Maturities**

To the extent possible, investments shall be made to match anticipated cash requirements. Unless matched to a specific cash flow, normal investments will be in securities such that the average weighted maturity of the Treasury Investment Pool shall not exceed 3.5 years. Proceeds of sales or funds set aside for the repayment of any notes issued for temporary borrowing purposes shall not be invested for a term that exceeds the term of the notes.

## 12.0 **Selling Securities Prior to Maturity**

Securities purchased shall normally be held until maturity. Occasionally, opportunities will exist to sell securities prior to maturity and purchase other securities (swap/trade). Securities that are no longer in compliance with this Investment Policy may be sold prior to maturity. Securities may also be sold in order to maintain the liquidity of the Treasury Investment Pool.

## 13.0 **Authorized Financial Dealers and Institutions**

The Auditor-Controller/Treasurer-Tax Collector shall maintain a list of financial institutions authorized to provide investment services. In addition, a list shall also be maintained of approved security broker-dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker-dealers who desire to become qualified bidders for investment transactions must supply the following: audited financial statements, proof of Financial Industry Regulatory Authority membership, trading resolution, proof of state registration, completed broker-dealer questionnaire, certification of having read this Investment Policy, and if applicable, depository contracts. Broker-dealers are evaluated and selected based upon criteria that include: organization experience and credibility, individual broker-dealer qualifications, compliance, product inventory, and economic research.

An annual review of the financial conditions and registrations of selected brokers shall be conducted by the Auditor-Controller/Treasurer-Tax Collector. A current audited financial statement is required to be on file for each authorized financial institution and broker-dealer.

Investment managers are evaluated and selected based upon criteria that include: organization experience and credibility, staff experience, compliance, and performance.

The selection of any broker, brokerage firm, dealer or securities firm that has, within any consecutive 48 month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Auditor-Controller/ Treasurer-Tax Collector or member of the Board of Supervisors or

any candidate for those offices is prohibited. The County will, to the best of its ability, monitor and comply with this requirement.

14.0 **Confirmation**

Receipts for confirmation of purchase of authorized securities should include the following information: trade date, par value, maturity, rate, price, yield, settlement date, description of securities purchased, agency's name, net amount due, and third party custodian information. Confirmation of all investment transactions should be received by the Auditor-Controller/Treasurer-Tax Collector within five business days of the transaction.

15.0 **Safekeeping and Custody**

Investments, excluding Non-negotiable Time Certificates of Deposit, Repurchase Agreements and investments that are under the management of contracted parties, shall be held in custody with the Service Bank or its correspondent or other institutions approved by the Auditor-Controller/Treasurer-Tax Collector. Investments in Repurchase Agreements shall be held in custody by the Custodian to the Tri-Party Agreement.

16.0 **Performance Standards**

The investment portfolio shall be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

16.1 Market yield benchmark. The investment strategy is passive. Given this strategy, the basis used by the Auditor-Controller/Treasurer-Tax Collector to determine whether market yields are being achieved shall be the one-year U.S. Treasury note rate.

17.0 **Administrative Cost of Investing**

The Auditor-Controller/Treasurer-Tax Collector may deduct actual administrative costs associated with investing, depositing, banking, auditing, reporting, or otherwise handling or managing of funds. The administrative costs shall be segregated and deducted from the interest earnings of the Treasury Pool each quarter prior to the distribution of interest earnings.

18.0 **Credit of Interest Earnings**

Interest shall be credited based on the average daily cash balance of money on deposit in the County Treasury for the calendar quarter and shall be paid quarterly.

## 19.0 **Local Agency Deposit of Excess Funds**

The County Auditor-Controller/Treasurer-Tax Collector is authorized to accept deposits of excess funds from local agencies within Fresno County pursuant to Resolution 98-354 and in accordance with Government Code section 53684. Such deposits will be accepted, if at all, subject to the terms and conditions of a written agreement between the depositing agency and the Auditor-Controller/Treasurer-Tax Collector. In deciding whether to accept such deposits, the Auditor-Controller/Treasurer-Tax Collector considers factors that may include, but are not limited to, the objectives of this policy, the potential effect of such deposits on the volatility of the investment portfolio, the human resources available to conduct investment activities, and the best interests of current depositors.

## 20.0 **Withdrawal of Funds from the Treasury Pool**

The withdrawal of funds by any depositor/participant in the County of Fresno Treasury Investment Pool shall not adversely affect the interests of the other depositors/participants in the County of Fresno Treasury Investment Pool. All withdrawals that are not considered as funds being utilized for operations shall be presented to the Auditor-Controller/Treasurer-Tax Collector for review and approval. The Auditor-Controller/Treasurer-Tax Collector shall perform an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Treasury Investment Pool as is required by GC 27136 and 27133. Prior to approving a withdrawal, the Auditor-Controller/Treasurer-Tax Collector shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the Treasury Investment Pool. All requests for withdrawals shall be considered in order of receipt and shall in no way affect the ability of the Auditor-Controller/Treasurer-Tax Collector to meet the pool's expenditure requirements.

If the Auditor-Controller/Treasurer-Tax Collector's assessment of the effect of the proposed withdrawal does not negatively impact the stability and predictability of the investments and the interests of other depositors, the Auditor-Controller/Treasurer-Tax Collector may authorize a total or partial withdrawal of funds from the Treasury Pool. A total withdrawal of funds from the County of Fresno Treasury Investment Pool by a participant requires a 30-day written notice to the Auditor-Controller/Treasurer-Tax Collector. Withdrawals involving less than the participant's total funds (other than for operational needs) are subject to all of the following constraints:

- each withdrawal shall be limited to a maximum of \$5,000,000

- no more than two withdrawals of a non-operational purpose are allowed per 30 day period
- at least ten days must lapse before the second withdrawal in any 30 day period will be considered by the Auditor-Controller/Treasurer-Tax Collector
- each withdrawal shall be submitted to the Auditor-Controller/Treasurer-Tax Collector at least 2 business days prior to the date of withdrawal

The depositor/participant shall notify the Auditor-Controller/Treasurer-Tax Collector of normal operating expenditures or disbursements in excess of \$1,000,000 as early as possible, preferably three business days in advance of disbursement, in order to adjust the cash position to meet disbursement requirements.

**21.0 Reporting**

The Auditor-Controller/Treasurer-Tax Collector shall provide the Board of Supervisors with a monthly inventory report and a monthly transaction report of the Treasury Investment Pool. The Auditor-Controller/Treasurer-Tax Collector shall provide a quarterly investment report to the Board of Supervisors, the County Administrative Officer and the County of Fresno Treasury Oversight Committee. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report. Monthly inventory reports and quarterly investment reports are available to participants of the pool upon request (GC 53646).

**22.0 Internal Control**

As part of the County of Fresno's annual independent audit, the investment program shall be reviewed for appropriate internal controls that provide assurance of compliance with policies and procedures.

**23.0 Investment Policy Review**

This Investment Policy shall be reviewed on an annual basis by the Auditor-Controller/Treasurer-Tax Collector and rendered annually to the Board of Supervisors and the County of Fresno Treasury Oversight Committee, which consists of the following members:

- The County Auditor-Controller/Treasurer-Tax Collector
- A representative appointed by the County Board of Supervisors
- The County Superintendent of Schools or the Superintendent's designee

- A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County
- A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury

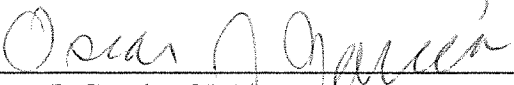
The Board of Supervisors shall accept and approve the investment policy and any changes thereto at a public meeting (GC 27133, 53646).

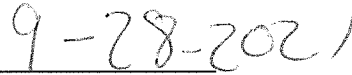
24.0 **Disaster/Business Continuity Plan**

The County of Fresno Treasurer’s banking and investment functions are critical to the function of Treasury Investment Pool and therefore must have a continuity plan to guide operations in the event of a disaster or business interruption.

The objective of the Disaster/Business Continuity Plan is to protect and account for all funds on deposit with the county treasurer and to be able to continue banking and investment functions for all participants in the event of an occurrence; i.e., earthquake, fire, flood, or some other event, which disrupts normal operations. The Plan provides for the ability to perform banking and investment functions at an off-site location under less than optimal conditions.

Approved

  
\_\_\_\_\_  
Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

  
\_\_\_\_\_  
Date



APPENDIX A

<u>Permitted Investments/Deposits</u>	<u>Government Code Limits %</u>	<u>Investment Policy Limits %</u>	<u>Investment Policy Term Limit</u>	<u>Minimum Rating</u>
Securities of the U.S. Government	No Limit	No Limit	5 years	N/A
Securities issued by United States Government Sponsored Enterprises	No Limit	No Limit	5 years	N/A
Bankers Acceptances (1)	40%	40%	180 days	N/A
Commercial Paper	40%	40%	270 days	P-1, A-1
Negotiable Certificates of Deposit (2)	30%	30%	13 months	P-1, or A-1 or 4 Star
Non-negotiable Certificates of Deposit (2)	No Limit	50%	13 months	P-1 or A-1 or 4 Star
Account Registry Service Deposits (2)	30%	15%	13 months	N/A
Repurchase Agreements	No Limit	15%	Overnight/Weekend	N/A
Medium Term Notes	30%	30%	5 years	A
LAIF (3)	No Limit	10%	5 years	N/A
Mutual Funds (4)	20%	20%	5 years	AAA, Aaa
Mortgage-Backed Securities	20%	10%	5 years	AA
State of California Debt	No Limit	10%	5 years	N/A

APPENDIX A  
(Continued)

- (1) Investment policy limits any investment in bankers acceptances to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt is of prime quality and of the highest ranking as provided for by Moody's or Standard and Poor's (P-1, A-1).
- (2) Banks, savings associations or federal associations having a "4 Star" or higher rating as provided by Bauer Financial, Inc. or a comparable rating service. For negotiable certificates of deposit, no more than 5 percent of the money shall be invested in any one institution. Negotiable certificates of deposit and account registry service deposits combined shall not exceed 30% of the portfolio. For non-negotiable certificates of deposit, no more than 15 percent of the money shall be invested in any one institution.
- (3) LAIF Board of Directors currently limits the investment to \$75,000,000, excluding bond and note proceeds. Government Code does not place a percentage limit on the amount of money that may be invested in LAIF.
- (4) Diversified management companies investing in the securities and obligations as authorized by California Government Code, Sections 53601, et seq., shall either (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the SEC with at least five years of experience investing in the securities authorized by code sections noted in the policy and with assets under management in excess of \$500,000,000.

Diversified management companies issuing shares of beneficial interest that are money market funds registered with the Securities and Exchange Commission (SEC) under the Investment Act of 1940 shall either (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the SEC with not less than five years of experience managing money market mutual funds with assets under management in excess of \$500,000,000. Only 10 percent of the money may be invested in any one mutual fund.

APPENDIX B

RATING SUMMARY

<u>RATING SERVICE</u>	<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Moody's	Aaa	Best Quality
	Aa	High Quality
	A	Upper-medium grade
	Baa	Medium grade obligations
	Ba	Judged to have speculative elements
	B	Lack characteristics of desirable investment
	Caa	Investment in poor standing
	Ca	Speculative in a high degree
	C	Poor prospect of attaining investment standing
Moody's Modifiers	1,2,and 3	Rankings within rating category
Moody's Commercial Paper	P-1	Superior ability for repayment
	P-2	Strong ability for repayment
	P-3	Acceptable ability for repayment
	Not Prime	Do not fall in top 3 rating categories
Standard & Poor's	AAA	Highest Rating
	AA	Strong capacity for repayment
	A	Strong capacity for repayment but less than AA category
	BBB	Adequate capacity for repayment
	BB	Speculative
	B	Greater vulnerability to default than BB category
	CCC	Identifiable vulnerability to default
	CC	Subordinated debt of issues ranked in CCC category
	C	Subordinated debt of issues ranked in CCC category
	Cl	Income bonds where no interest is paid
	D	Default
Standard & Poor's – Modifiers	(+) or (-)	Rankings within rating category
Standard & Poor's – Commercial	A-1	Highest degree of safety
	A-2	Timely repayment characteristics is satisfactory
	A-3	Adequate capacity for repayment
	B	Speculative
	C	Doubtful repayment
	D	Default

APPENDIX B  
(Continued)

RATING SUMMARY

<u>RATING SERVICE</u>		<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Fitch		AAA	Highest credit quality
		AA	Very high credit quality
		A	High credit quality
		BBB	Good credit quality
		BB	Speculative
		B	High speculative
		CCC, CC, C	High default risk
		DDD, DD, D	Default
Fitch	Modifiers	“+” or “-”	Relative status within rating categories
Fitch		Commercial Paper	
		F1	Highest credit quality
		F2	Good credit quality
		F3	Fair credit quality
		B	Speculative
		C	High default risk
		D	Default
Bauer		5 Star	Superior
		4 Star	Excellent
		3 ½ Star	Good
		3 Star	Adequate
		2 Star	Problematic
		1 Star	Troubled
		Zero	Our lowest star rating

## APPENDIX C

### Glossary of Cash Management Terms

The following is a glossary of key investing terms, many of which appear in County of Fresno Treasury Investment Policy. This glossary has been adapted from the Government Finance Officers Association (GFOA) sample investment policy.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds term bonds, or both, with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance - A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C  
(Continued)

Certificate of Deposit (CD) - A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) - A private CD placement service that allows local agencies to purchase more than \$100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating services.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest principal on a security, or both.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

APPENDIX C  
(Continued)

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms in the United States.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause in investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash without significant loss of value.

Local Agency Investment Fund - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

APPENDIX C  
(Continued)

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Medium-Term Note - Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities - Mortgage-backed securities (MBS) are created when a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interest or participations in the pool. MBS owners receive a prorate share of the interest and principal passed through from the pool of mortgages. Most MBS are issued guaranteed, or both, by federal agencies and instrumentalities.

Mortgage Pass-Through Obligations - Securities that are created when residential mortgages are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.



APPENDIX C  
(Continued)

Negotiable Certificates of Deposit - Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, or state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)  $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit - CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to \$100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also, may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C  
(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C  
(Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



## Quarterly Investment Report

As of June 30, 2022

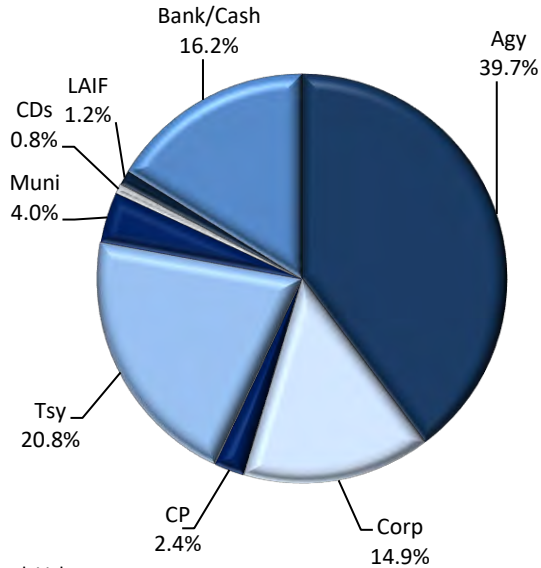
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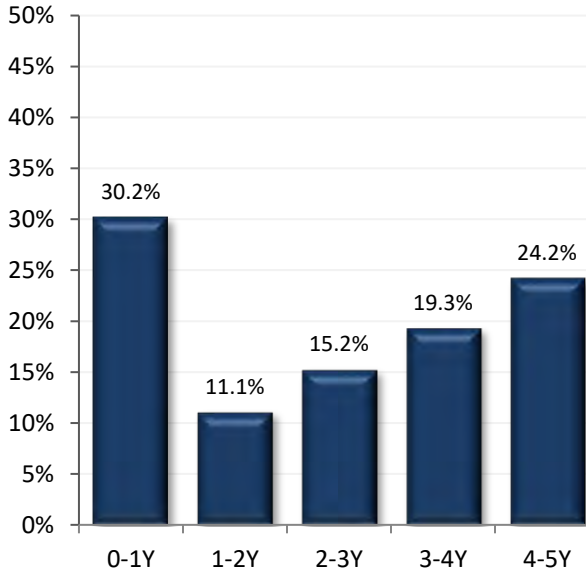
Board of Supervisors: Brian Pacheco, Sal Quintero, Steve Brandau, Nathan Magsig, Buddy Mendes  
County Administrative Officer: Paul Nerland

**SECTOR ALLOCATION**



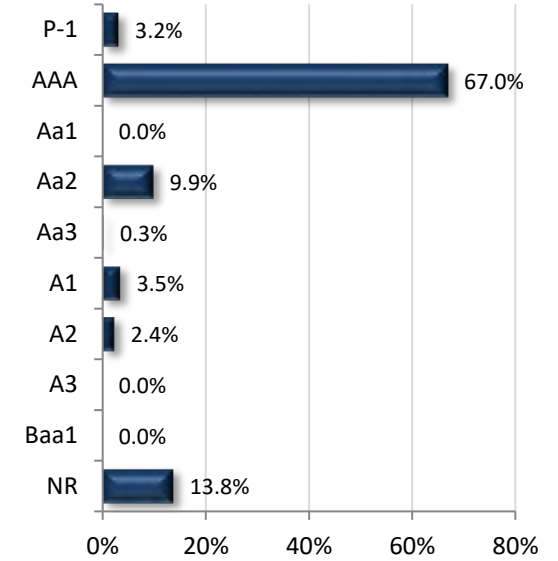
Per Book Value

**MATURITY DISTRIBUTION**



Per Book Value

**CREDIT QUALITY (MOODY'S)**



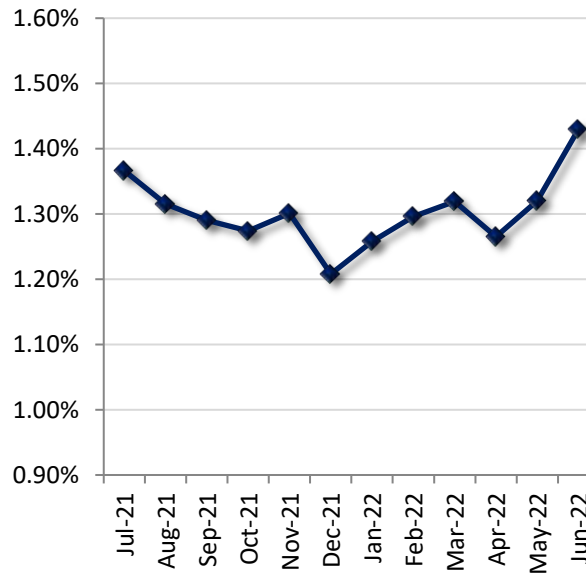
NR: Not Rated

**ACCOUNT SUMMARY**

	6/30/22	3/31/22
<b>Market Value</b>	\$6,012,424,829	\$5,767,967,369
<b>Book Value*</b>	\$6,258,299,137	\$5,946,488,176
<b>Unrealized G/L</b>	-\$245,874,308	-\$178,520,806
<b>Par Value</b>	\$6,257,332,158	\$5,940,344,379
<b>Net Asset Value</b>	\$96.071	\$96.998
<b>Book Yield</b>	1.43%	1.32%
<b>Years to Maturity</b>	2.32	2.58
<b>Effective Duration</b>	2.19	2.43

\*Book Value is Amortized

**PORTFOLIO BOOK YIELD HISTORY**



**TOP ISSUERS**

Issuer	% Portfolio
US TREASURY NOTE	20.8%
FEDERAL FARM CREDIT BANK	13.3%
FEDERAL NATIONAL MORTGAGE	12.3%
FEDERAL HOME LOAN BANK	11.5%
BANK OF THE WEST MM	11.2%
TOYOTA MOTOR CREDIT	4.2%
STATE OF CALIFORNIA	4.0%
FIDELITY 2642	3.6%
JP MORGAN	3.5%
FEDERAL HOME MORTGAGE CO	2.3%
JOHN DEERE	2.2%
APPLE INC	1.7%
LAIF	1.2%
BANK OF THE WEST	1.2%
BERKSHIRE HATHAWAY	1.1%

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	2.32 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	20.8%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	39.7%
8.3 Banker Acceptances	40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.	Yes	0.0%
8.4 Commercial Paper	40% limit, corporation organized and operating in the US with total assets of \$500mm. 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.	Yes	2.4%
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	0.8%
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	14.9%
8.9 L.A.I.F	California State's deposit limit is \$75 million; Current investment policy limit is not to exceed 10% of the portfolio.	Yes	\$75 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	3.6%
8.11 ABS and MBS	10% limit combined. Security must be AA rated by one rating agency, with an A or better rating for the underlying, max maturity 5 years.	Yes	0.0%
8.12 Money Held from Pledged Assets	Invest according to statutory provision or according to entity providing issuance.	Yes	0.0%
8.13 External Managers	Invest per policy.	Yes	0.0%
8.14 State of California Debt	10% limit, Registered State warrants or CA treasury notes, including revenue producing entities controlled or operated by the State or by a department, board, agency, or authority of the State; 5 years max maturity.	Yes	4.0%
Cash & Bank Account	NA	NA	12.6%

**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**

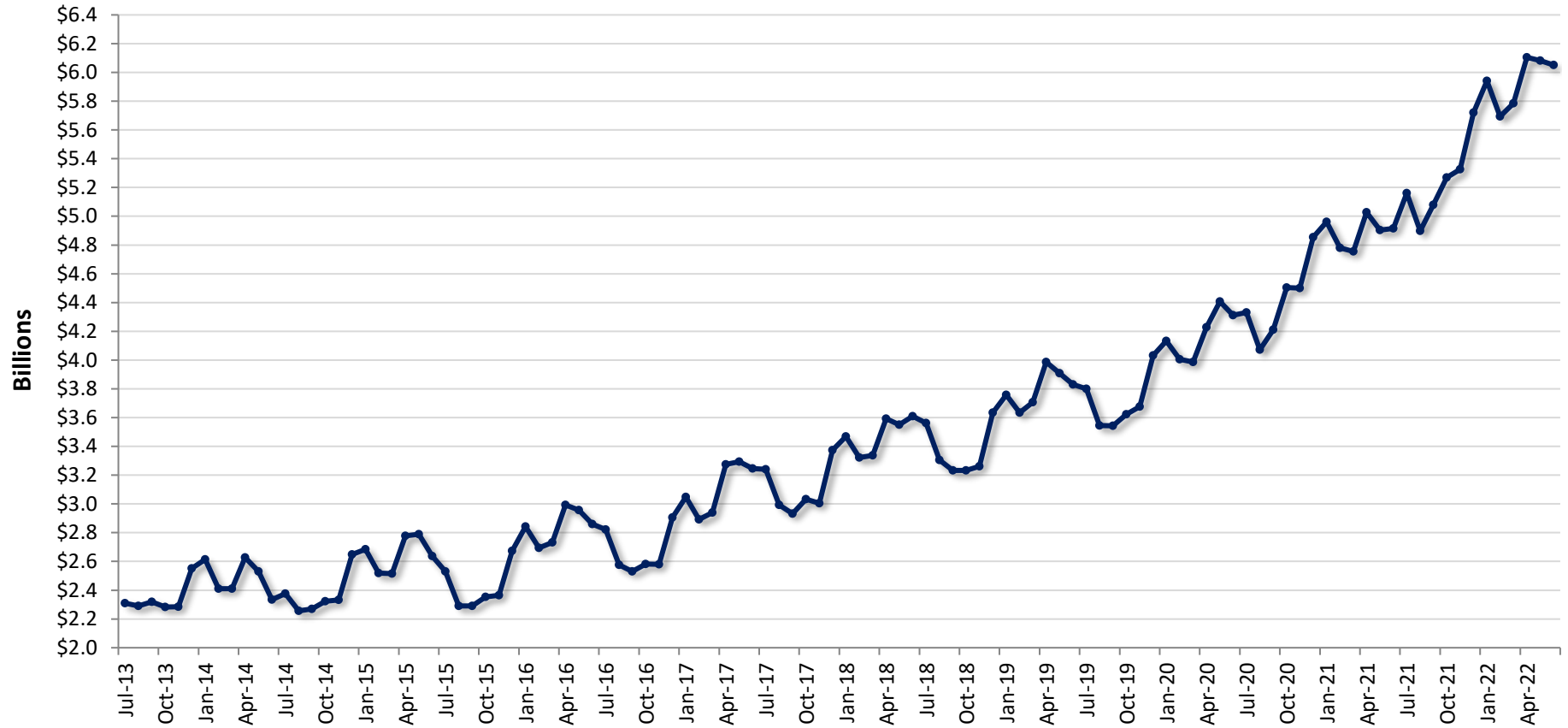
FHN Financial Main Street Advisors, the County’s investment advisor, currently monitors the Treasury Department’s investment activities.

**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.

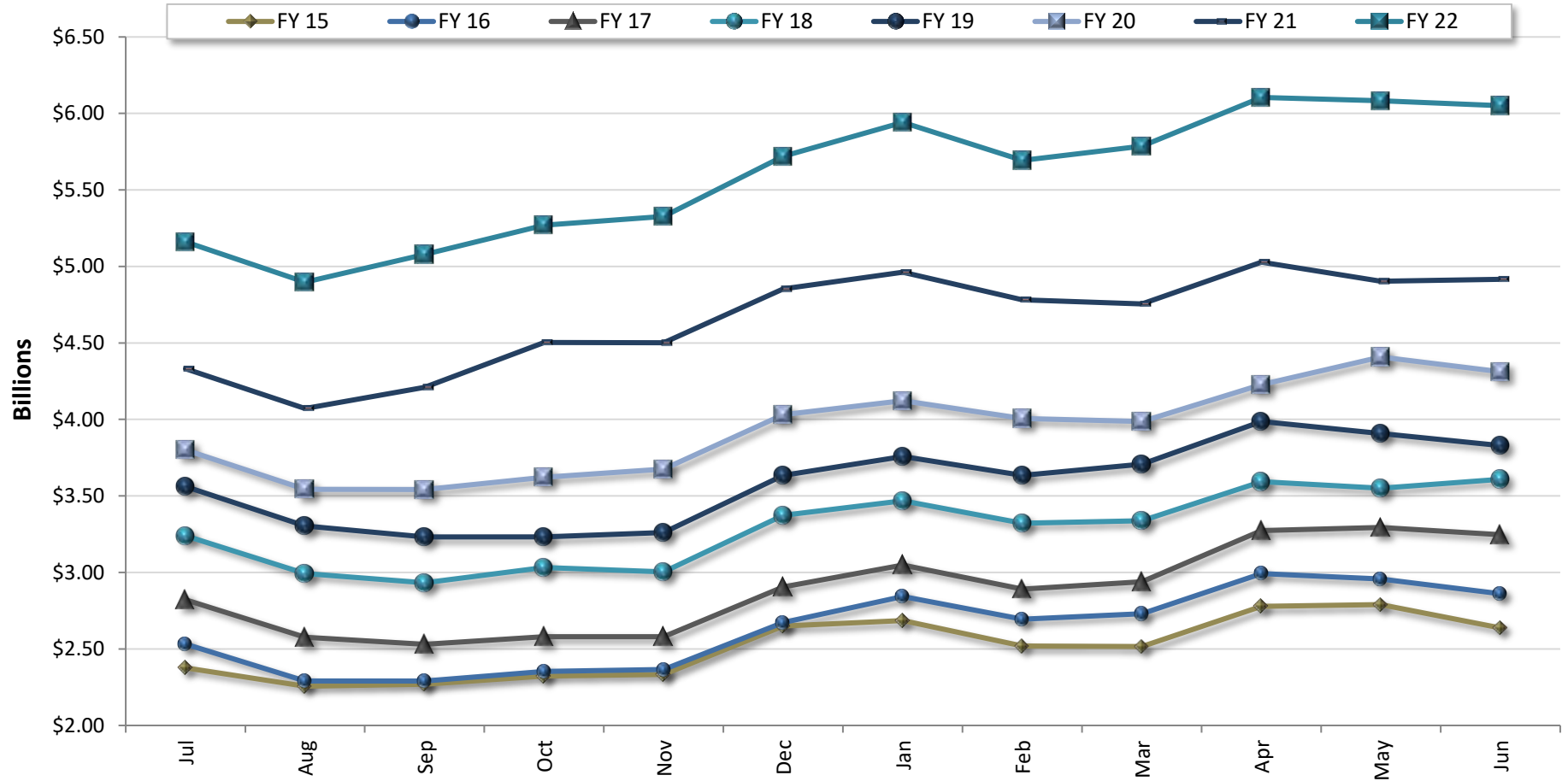
The market values of securities were taken from pricing services provided by Ice Data Services.





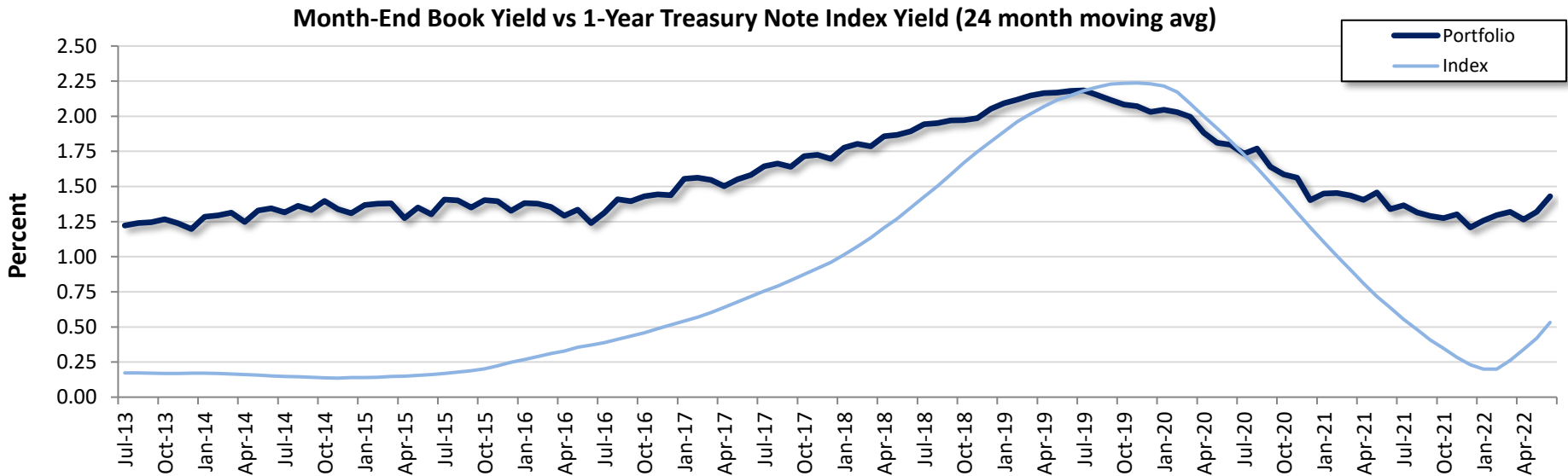
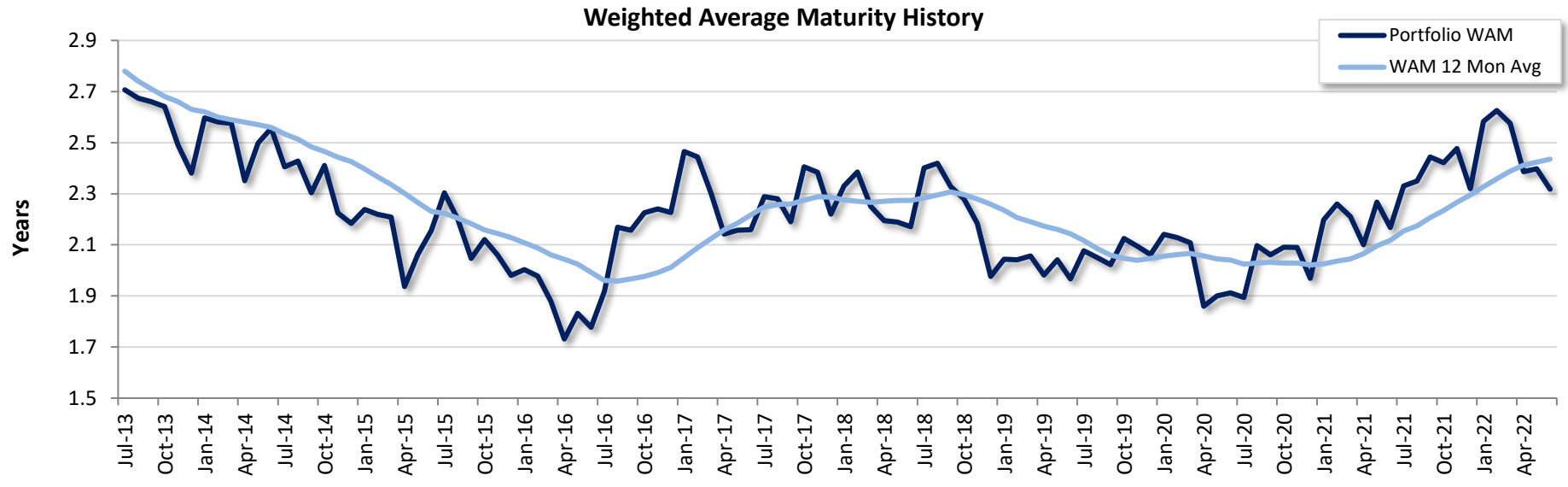
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Fiscal Year 2015</b>	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
<b>Fiscal Year 2016</b>	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
<b>Fiscal Year 2017</b>	\$2.822	\$2.576	\$2.530	\$2.581	\$2.580	\$2.905	\$3.048	\$2.891	\$2.940	\$3.274	\$3.294	\$3.247
<b>Fiscal Year 2018</b>	\$3.240	\$2.992	\$2.932	\$3.032	\$3.004	\$3.374	\$3.468	\$3.321	\$3.337	\$3.593	\$3.550	\$3.609
<b>Fiscal Year 2019</b>	\$3.562	\$3.305	\$3.232	\$3.233	\$3.262	\$3.634	\$3.759	\$3.634	\$3.707	\$3.987	\$3.909	\$3.830
<b>Fiscal Year 2020</b>	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031	\$4.123	\$4.006	\$3.986	\$4.229	\$4.408	\$4.312
<b>Fiscal Year 2021</b>	\$4.331	\$4.071	\$4.210	\$4.503	\$4.501	\$4.854	\$4.962	\$4.781	\$4.755	\$5.028	\$4.903	\$4.915
<b>Fiscal Year 2022</b>	\$5.161	\$4.897	\$5.079	\$5.269	\$5.326	\$5.721	\$5.942	\$5.693	\$5.786	\$6.105	\$6.083	\$6.051

Figures in Billions, Average Daily Balance

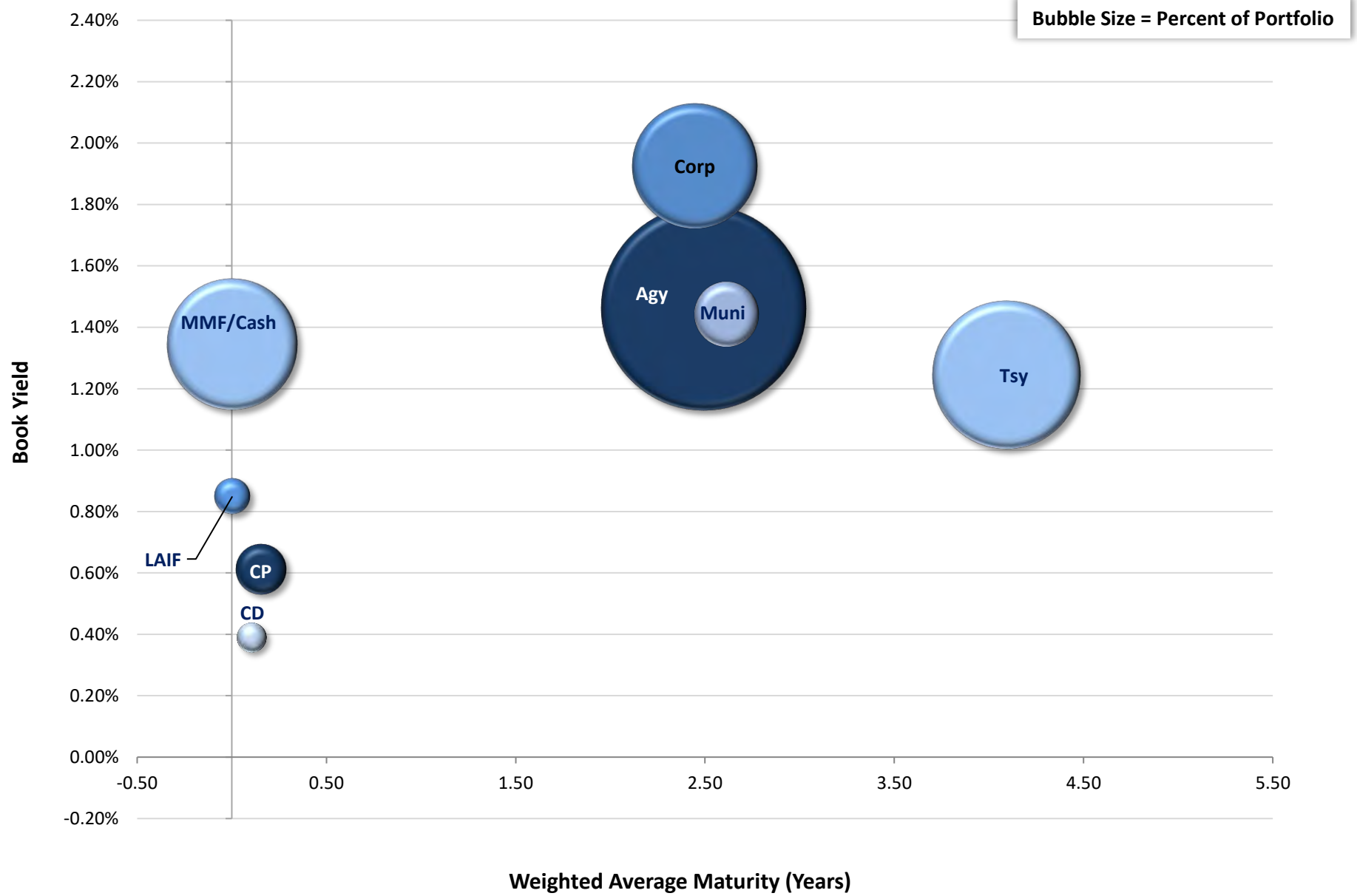


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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Figures in Billions, Average Daily Balance

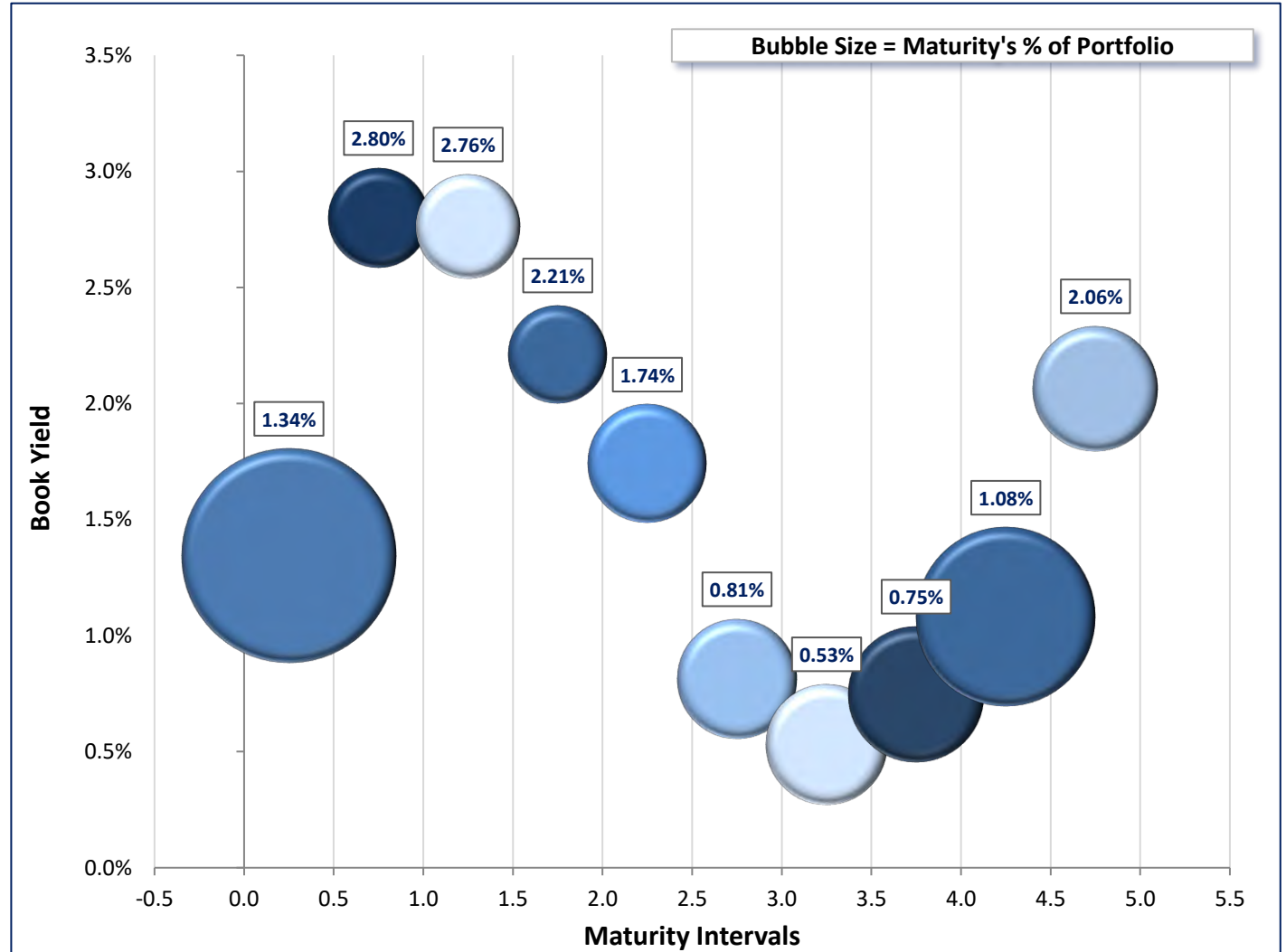


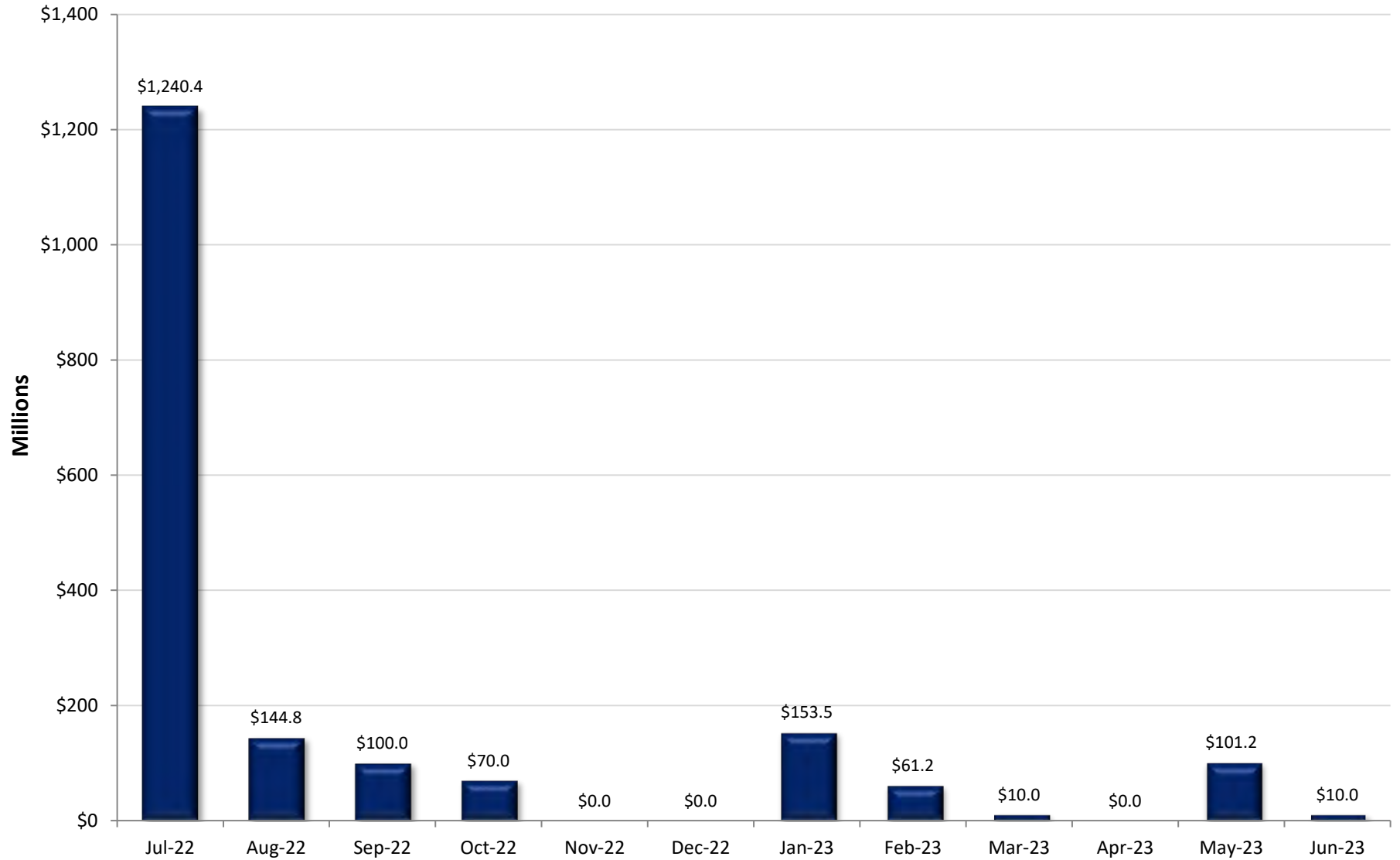
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



Years	Book Yield	% of Portfolio*
0 to .5	1.34%	24.85%
.5 to 1.0	2.80%	5.36%
1.0 to 1.5	2.76%	5.89%
1.5 to 2.0	2.21%	5.16%
2.0 to 2.5	1.74%	7.53%
2.5 to 3.0	0.81%	7.69%
3.0 to 3.5	0.53%	7.90%
3.5 to 4.0	0.75%	9.96%
4.0 to 4.5	1.08%	17.28%
4.5 to 5.0+	2.06%	8.38%
<b>Total</b>	<b>1.43%</b>	<b>100.0%</b>

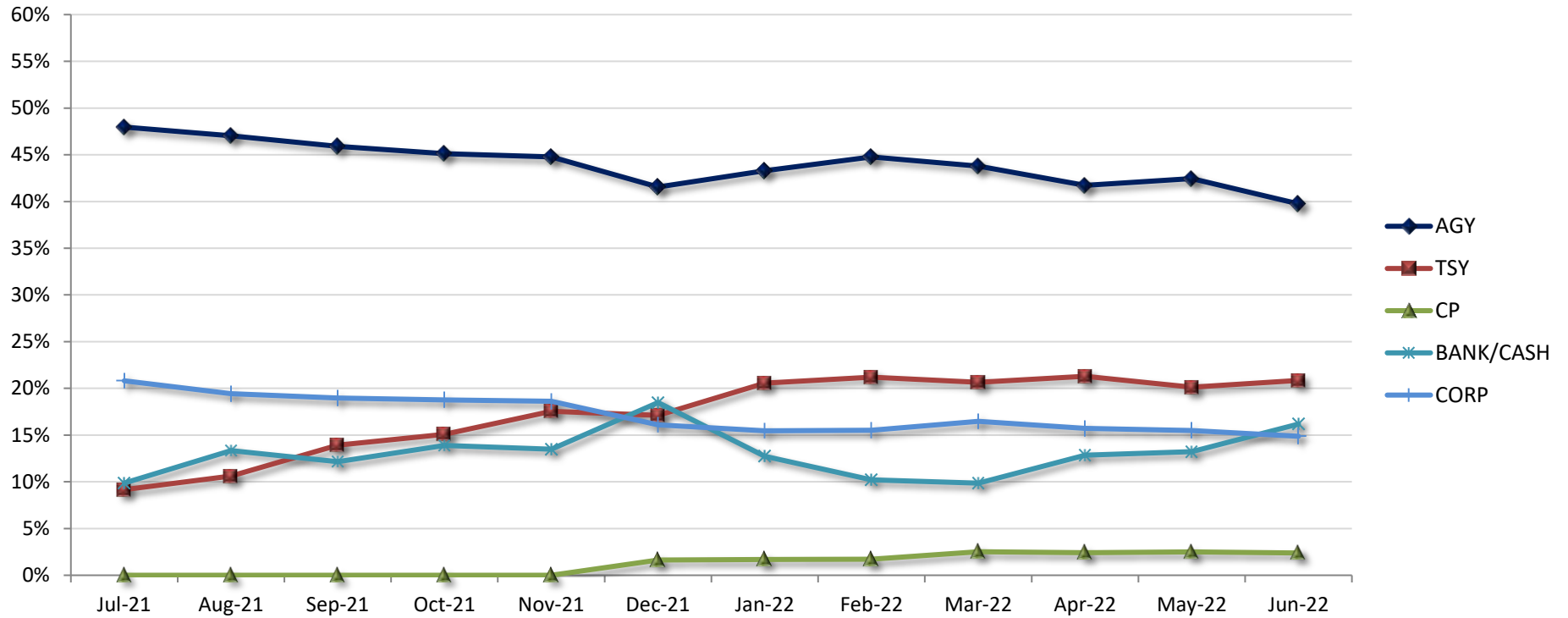
\*Based on Book Value



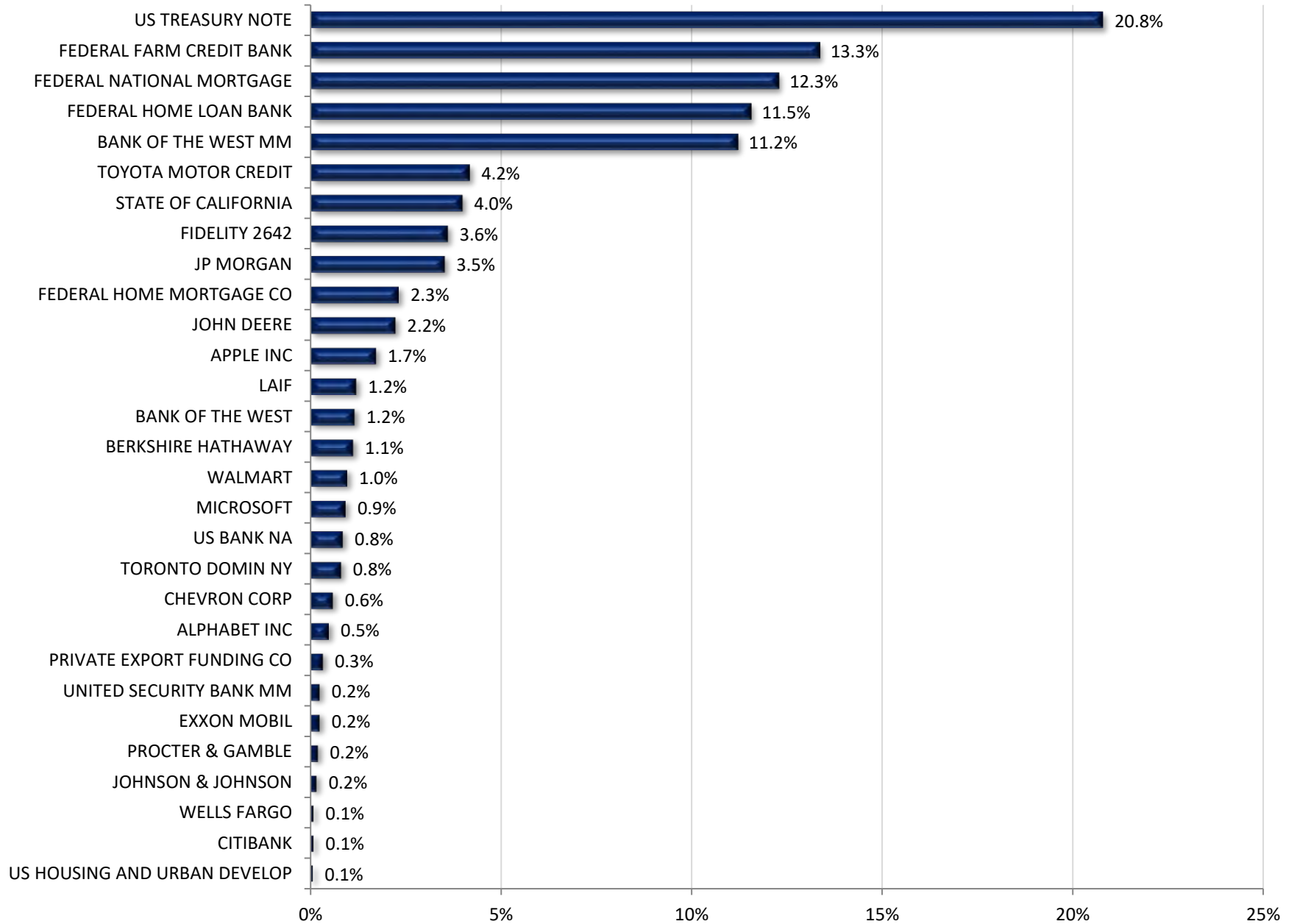


	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
<b>Maturities</b>	\$1,240.4	\$144.8	\$100.0	\$70.0	\$0.0	\$0.0	\$153.5	\$61.2	\$10.0	\$0.0	\$101.2	\$10.0

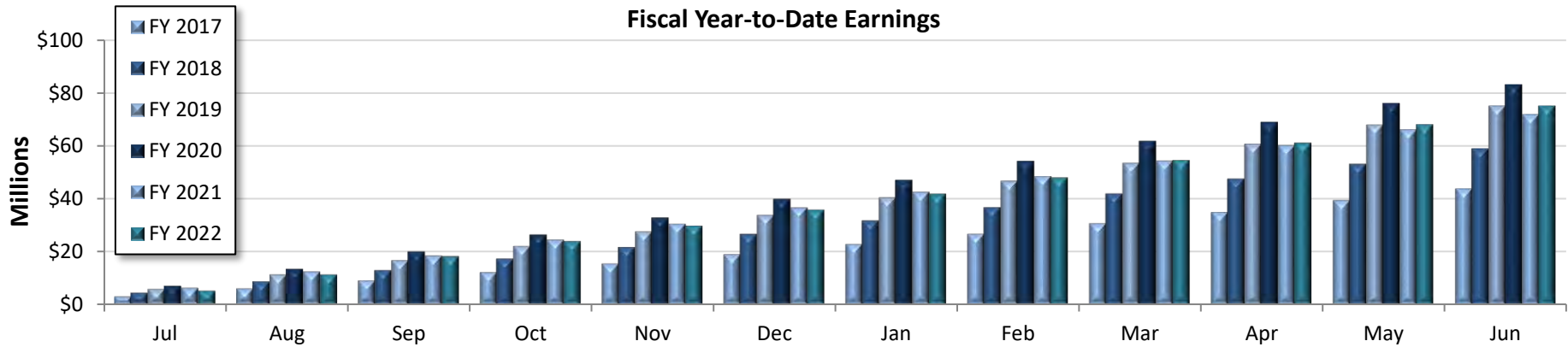
Par Value in Millions



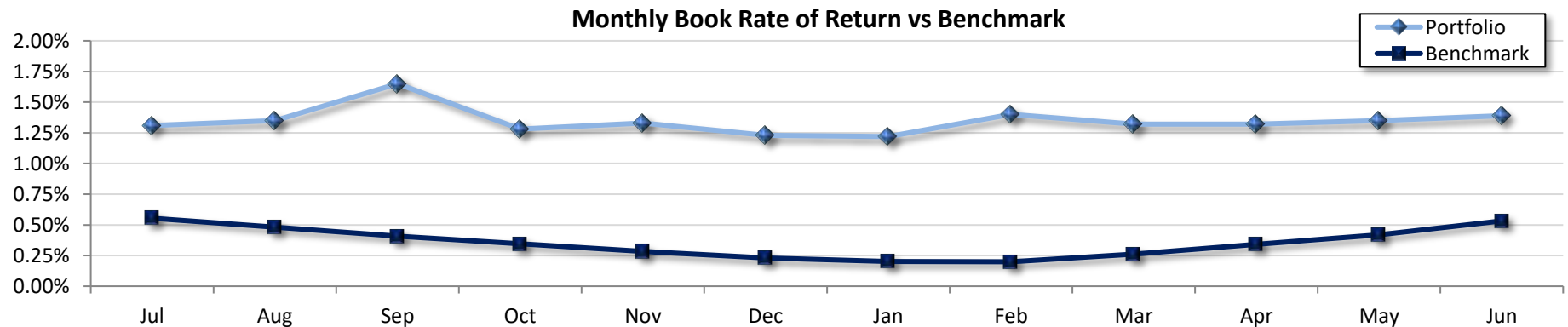
Sector	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Agency	48.0%	47.0%	45.9%	45.1%	44.8%	41.6%	43.3%	44.8%	43.8%	41.7%	42.5%	39.7%
Treasury	9.2%	10.6%	13.9%	15.1%	17.6%	17.1%	20.6%	21.2%	20.7%	21.3%	20.1%	20.8%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	1.7%	1.7%	2.5%	2.4%	2.5%	2.4%
LAIF	1.5%	1.5%	1.4%	1.4%	1.4%	1.2%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%
Muni	4.5%	4.2%	3.9%	3.9%	4.2%	3.8%	4.1%	4.5%	4.6%	4.0%	4.1%	4.0%
Corporates	20.8%	19.4%	19.0%	18.8%	18.6%	16.1%	15.5%	15.5%	16.5%	15.7%	15.5%	14.9%
CDs	6.2%	3.9%	3.8%	1.9%	0.0%	0.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
Bank/Cash	9.9%	13.3%	12.2%	13.9%	13.5%	18.5%	12.7%	10.2%	9.9%	12.9%	13.2%	16.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>





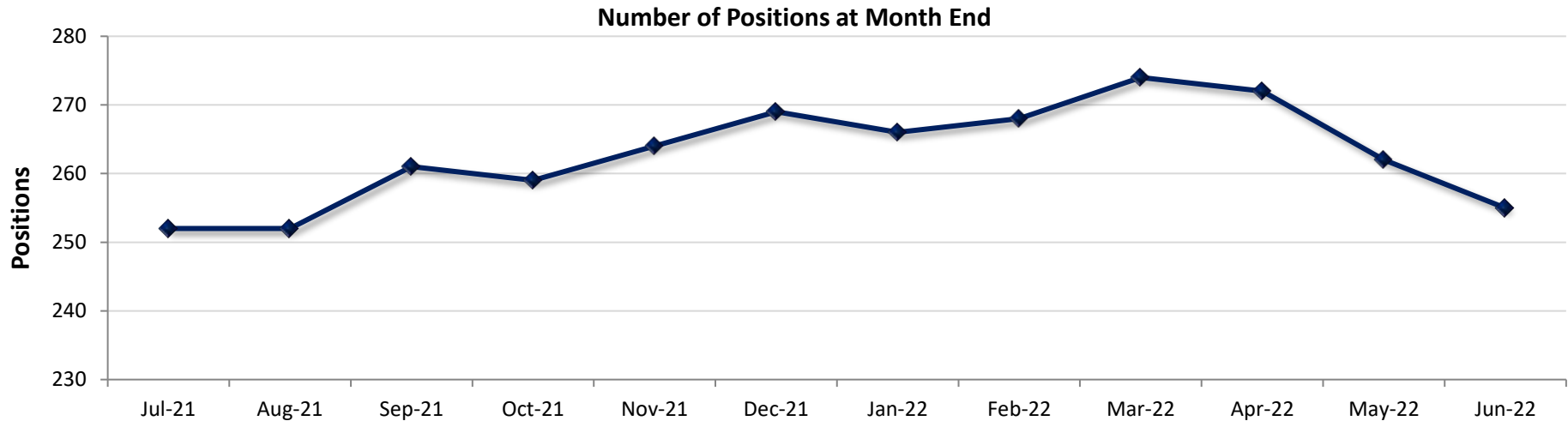


Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2017	\$3.0	\$6.0	\$9.0	\$12.1	\$15.3	\$18.9	\$22.7	\$26.5	\$30.5	\$34.8	\$39.2	\$43.5
FY 2018	\$4.5	\$8.7	\$12.9	\$17.3	\$21.6	\$26.7	\$31.7	\$36.7	\$41.9	\$47.4	\$53.0	\$58.8
FY 2019	\$5.8	\$11.3	\$16.7	\$22.1	\$27.5	\$33.8	\$40.4	\$46.7	\$53.5	\$60.7	\$68.0	\$75.1
FY 2020	\$7.1	\$13.5	\$20.0	\$26.4	\$32.9	\$39.9	\$47.1	\$54.2	\$61.8	\$68.9	\$76.1	\$83.1
FY 2021	\$6.3	\$12.4	\$18.5	\$24.5	\$30.5	\$36.6	\$42.5	\$48.4	\$54.2	\$60.0	\$65.9	\$71.6
FY 2022	\$5.2	\$11.3	\$18.2	\$23.9	\$29.8	\$35.7	\$41.9	\$48.0	\$54.5	\$61.1	\$68.1	\$75.1

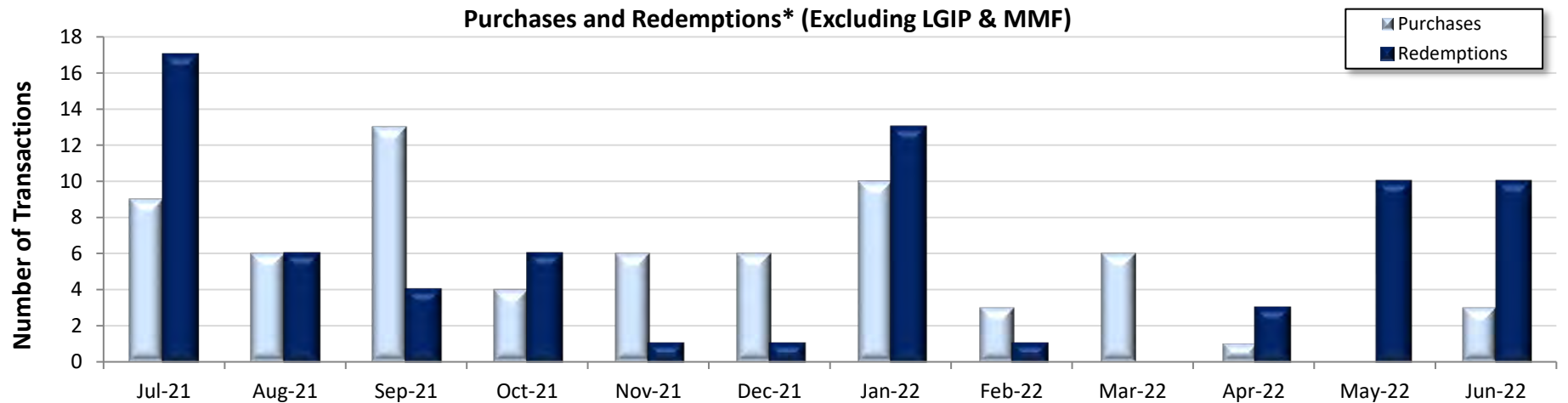


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Book Rate of Rtn</b>	1.31%	1.35%	1.65%	1.28%	1.33%	1.23%	1.22%	1.40%	1.32%	1.32%	1.35%	1.39%
<b>Benchmark*</b>	0.55%	0.48%	0.41%	0.35%	0.28%	0.23%	0.20%	0.20%	0.26%	0.34%	0.42%	0.53%
<b>Variance</b>	0.76%	0.87%	1.24%	0.93%	1.05%	1.00%	1.02%	1.20%	1.06%	0.98%	0.93%	0.86%

\*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
<b>Positions</b>	252	252	261	259	264	269	266	268	274	272	262	255



\*Redemptions include maturities, calls, and sells

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
<b>Purchases</b>	9	6	13	4	6	6	10	3	6	1	0	3
<b>Redemptions</b>	17	6	4	6	1	1	13	1	0	3	10	10
<b>Total Transactions</b>	26	12	17	10	7	7	23	4	6	4	10	13

Summary of Portfolio

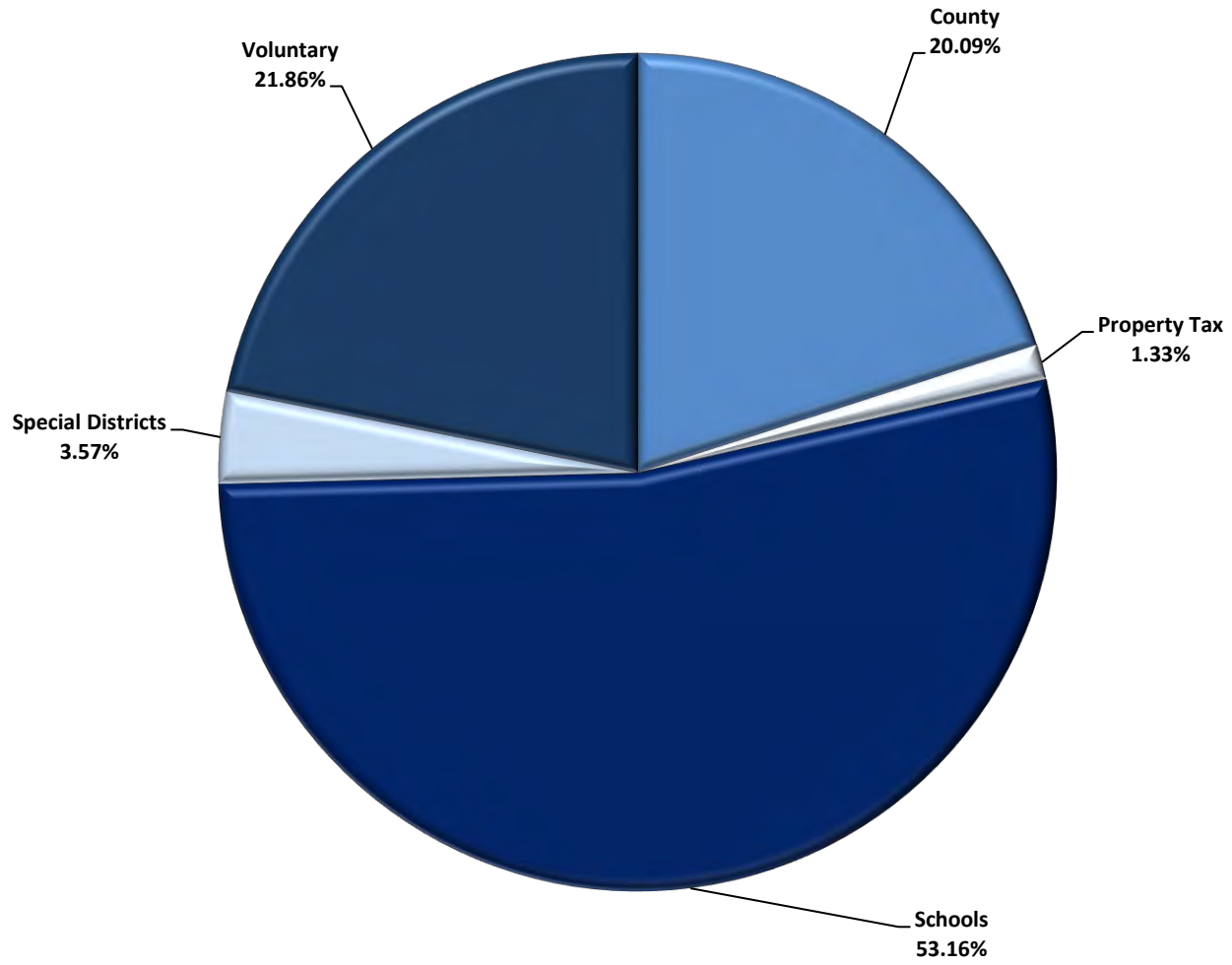
	June 2022	March 2022	December 2021	September 2021	June 2021
<b>Market Value</b>	\$6,012,424,829	\$5,767,967,369	\$6,086,492,025	\$5,365,022,356	\$5,247,428,458
<b>Amortize Cost Value</b>	\$6,258,299,137	\$5,946,488,176	\$6,078,251,859	\$5,311,818,457	\$5,173,562,608
<b>Unrealized Gain/Loss % on cost</b>	-3.93%	-3.00%	0.14%	1.00%	1.43%
<b>Yield (weighted on cost value)</b>	1.43%	1.32%	1.21%	1.29%	1.34%
<b>Years to Maturity (weighted on cost value)</b>	2.32	2.58	2.32	2.44	2.17
<b>Avg Dollar-Weighted Quality Rating</b>	AA+	AA+	AA+	AA+	AA+

Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					1,087.0
7/22	256.4	751.1	-494.7	133.9	726.2
8/22	313.2	525.4	-212.2	144.8	658.8
9/22	547.8	495.8	52.0	100.0	810.8
10/22	494.6	562.4	-67.8	70.0	813.0
11/22	535.9	477.6	58.3	0.0	871.3
12/22	913.0	609.3	303.7	0.0	1,175.0
<b>Totals</b>	<b>3,060.9</b>	<b>3,421.6</b>	<b>-360.7</b>	<b>448.7</b>	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.





**County of Fresno  
Portfolio Management  
Portfolio Summary  
June 30, 2022**

Fresno County  
P.O. Box 1247  
Fresno, CA 93715  
(559)600-3496

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>
Bank Accounts	72,045,158.16	72,045,158.16	72,045,158.16	1.15	1	1	1.460
Federal Agency Coupons	2,484,073,000.00	2,379,607,477.38	2,487,487,132.02	39.75	1,765	910	1.462
Medium Term Notes	931,089,000.00	893,116,806.72	930,815,883.80	14.87	1,735	893	1.925
Treasury Notes	1,313,500,000.00	1,216,659,518.95	1,304,186,766.39	20.84	1,797	1,494	1.245
Discount Commercial Paper	150,000,000.00	149,519,800.00	149,872,527.78	2.39	231	57	0.612
Mutual Funds	225,000,000.00	225,000,000.00	225,000,000.00	3.60	1	1	1.243
Local Agency Investment Funds	75,000,000.00	75,000,000.00	75,000,000.00	1.20	1	1	0.849
Bank Money Market Accounts	715,000,000.00	715,000,000.00	715,000,000.00	11.42	1	1	1.364
Negotiable CDs	50,000,000.00	49,927,050.00	50,000,000.00	0.80	209	38	0.390
Municipal Bonds	241,625,000.00	236,549,017.40	248,891,668.64	3.98	1,713	955	1.442
<b>Investments</b>	<b>6,257,332,158.16</b>	<b>6,012,424,828.61</b>	<b>6,258,299,136.79</b>	<b>100.00%</b>	<b>1,409</b>	<b>846</b>	<b>1.430</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	6,937,638.24	75,080,095.21	75,080,095.21
<b>Average Daily Balance</b>	<b>6,051,225,202.40</b>	<b>5,585,908,524.73</b>	
<b>Effective Rate of Return</b>	<b>1.39%</b>	<b>1.34%</b>	

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 06/01/2022-06/30/2022

Run Date: 07/18/2022 - 13:32

Portfolio FSNO  
AC  
PM (PRF\_PM1) 7.3.11  
Report Ver. 7.3.11

**County of Fresno  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Bank Accounts</b>											
SYS03400A	03400A	BANK OF THE WEST			72,045,158.16	72,045,158.16	72,045,158.16	1.480	1.480		
<b>Subtotal and Average</b>			<b>17,050,190.69</b>		<b>72,045,158.16</b>	<b>72,045,158.16</b>	<b>72,045,158.16</b>		<b>1.480</b>		
<b>Federal Agency Coupons</b>											
3133EHVS9	17499	FEDERAL FARM CREDIT BANK		09/28/2017	5,500,000.00	5,502,445.96	5,499,003.46	1.840	1.972	AA+	Aaa 08/23/2022
3133EJBP3	17536	FEDERAL FARM CREDIT BANK		02/28/2018	51,180,000.00	51,144,332.15	51,106,902.96	2.500	2.762	AA+	Aaa 02/02/2023
3133EH7F4	17557	FEDERAL FARM CREDIT BANK		04/19/2018	19,869,000.00	19,845,308.40	19,823,962.19	2.350	2.797	AA+	Aaa 01/17/2023
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	20,007,119.20	19,999,456.89	2.875	2.878	AA+	Aaa 07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	30,010,678.80	29,979,794.20	2.875	2.945	AA+	Aaa 07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	10,003,559.60	9,985,076.82	2.875	3.029	AA+	Aaa 07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	17,001,327.53	17,051,454.22	3.080	2.775	AA+	Aaa 07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	2,911,035.84	2,912,867.27	2.875	2.774	AA+	Aaa 07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	64,907,750.05	64,988,840.33	2.770	2.787	AA+	Aaa 07/28/2023
3133EJUS6	17615	FEDERAL FARM CREDIT BANK		01/18/2019	20,000,000.00	20,007,119.20	20,038,319.95	2.875	2.679	AA+	Aaa 07/17/2023
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	2,936,811.04	2,947,431.95	2.650	2.583	AA+	Aaa 10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	19,881,751.60	20,006,109.08	2.610	2.590	AA+	Aaa 02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	19,881,751.60	19,994,690.42	2.610	2.627	AA+	Aaa 02/27/2024
3133EKVV4	17647	FEDERAL FARM CREDIT BANK		08/28/2019	4,950,000.00	4,849,547.13	4,988,948.73	1.850	1.455	AA+	Aaa 07/26/2024
3133EKVV4	17648	FEDERAL FARM CREDIT BANK		08/28/2019	15,000,000.00	14,695,597.35	15,115,106.29	1.850	1.464	AA+	Aaa 07/26/2024
3133EKVV4	17649	FEDERAL FARM CREDIT BANK		09/13/2019	17,941,000.00	17,576,914.14	17,992,329.27	1.850	1.705	AA+	Aaa 07/26/2024
3133EKHV1	17655	FEDERAL FARM CREDIT BANK		10/16/2019	2,292,000.00	2,273,056.69	2,328,322.99	2.450	1.646	AA+	Aaa 07/22/2024
3133ELCS1	17666	FEDERAL FARM CREDIT BANK		12/11/2019	20,000,000.00	19,588,607.60	19,975,600.00	1.550	1.625	AA+	Aaa 03/11/2024
3133ELCS1	17667	FEDERAL FARM CREDIT BANK		12/11/2019	25,000,000.00	24,485,759.50	24,968,104.58	1.550	1.628	AA+	Aaa 03/11/2024
3133ELEM2	17674	FEDERAL FARM CREDIT BANK		12/17/2019	25,000,000.00	24,486,874.75	25,000,000.00	1.700	1.700	AA+	Aaa 05/17/2024
3133ELZM9	17711	FEDERAL FARM CREDIT BANK		05/19/2020	45,559,000.00	42,400,077.44	45,457,350.36	0.500	0.579	AA+	Aaa 05/14/2025
3133ELJM7	17712	FEDERAL FARM CREDIT BANK		05/19/2020	10,000,000.00	9,667,253.40	10,275,012.23	1.650	0.561	AA+	Aaa 01/23/2025
3133EMPC0	17783	FEDERAL FARM CREDIT BANK		01/29/2021	125,000,000.00	114,136,691.25	124,982,379.44	0.460	0.464	AA+	Aaa 01/29/2026
3133EMP48	17825	FEDERAL FARM CREDIT BANK		07/01/2021	30,000,000.00	27,579,147.30	29,976,240.00	0.900	0.920	AA+	Aaa 07/01/2026
3133EMP48	17826	FEDERAL FARM CREDIT BANK		07/01/2021	20,000,000.00	18,386,098.20	19,982,880.00	0.900	0.922	AA+	Aaa 07/01/2026
3133EM4A7	17837	FEDERAL FARM CREDIT BANK		08/27/2021	50,000,000.00	45,610,079.50	49,989,818.89	0.800	0.805	AA+	Aaa 08/27/2026
3133ENKV1	17879	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	46,637,000.00	49,672,794.89	1.500	1.664	AA+	Aaa 01/13/2027
3133ENKV1	17880	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	46,637,000.00	49,693,080.67	1.500	1.655	AA+	Aaa 01/13/2027
3133ENNS5	17882	FEDERAL FARM CREDIT BANK		02/28/2022	50,000,000.00	47,226,962.50	49,733,596.48	1.800	1.935	AA+	Aaa 02/16/2027
3133ENRD4	17893	FEDERAL FARM CREDIT BANK		03/15/2022	10,000,000.00	9,385,716.50	9,779,705.25	1.680	2.183	AA+	Aaa 03/10/2027
3130AC5A8	17494	FEDERAL HOME LOAN BANK		09/19/2017	10,000,000.00	10,002,383.20	9,999,458.35	1.850	1.896	AA+	Aaa 08/15/2022
3130AC5A8	17496	FEDERAL HOME LOAN BANK		09/27/2017	9,280,000.00	9,282,211.61	9,279,181.50	1.850	1.926	AA+	Aaa 08/15/2022

Portfolio FSNO  
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**County of Fresno**  
**Portfolio Management**  
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**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Federal Agency Coupons</b>											
3130ACKC7	17500	FEDERAL HOME LOAN BANK		10/18/2017	50,000,000.00	50,010,418.00	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	15,001,819.80	14,999,910.47	1.950	1.973	AA+	Aaa 07/11/2022
3130ACM27	17509	FEDERAL HOME LOAN BANK		10/19/2017	4,455,000.00	4,455,540.48	4,454,935.87	1.950	2.005	AA+	Aaa 07/11/2022
3130ACUV4	17512	FEDERAL HOME LOAN BANK		11/30/2017	50,000,000.00	50,021,698.00	50,000,000.00	2.070	2.070	AA+	Aaa 07/29/2022
3130ACYP3	17515	FEDERAL HOME LOAN BANK		12/05/2017	20,000,000.00	20,008,495.60	19,999,717.61	2.100	2.121	AA+	Aaa 07/27/2022
3130ACUV4	17517	FEDERAL HOME LOAN BANK		12/06/2017	8,890,000.00	8,893,857.90	8,889,382.83	2.070	2.165	AA+	Aaa 07/29/2022
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,111,382.22	21,126,303.58	2.760	2.893	AA+	Aaa 05/30/2023
3130AEP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	49,960,138.50	49,995,348.31	2.875	2.886	AA+	Aaa 05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	12,525,085.63	12,543,716.25	3.125	2.774	AA+	Aaa 07/25/2023
3130AOF70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,056,784.30	10,086,127.50	3.375	2.730	AA+	Aaa 12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	9,960,192.80	9,992,792.16	2.640	2.699	AA+	Aaa 10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	4,885,474.57	4,908,472.31	2.640	2.583	AA+	Aaa 10/27/2023
3130AFRW9	17621	FEDERAL HOME LOAN BANK		02/28/2019	20,000,000.00	19,939,028.80	20,027,393.30	2.700	2.574	AA+	Aaa 08/28/2023
3130AFRW9	17623	FEDERAL HOME LOAN BANK		03/01/2019	20,000,000.00	19,939,028.80	20,020,501.86	2.700	2.606	AA+	Aaa 08/28/2023
3130AOF70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,263,598.42	11,351,551.00	3.375	2.373	AA+	Aaa 12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	49,476,134.00	49,987,634.37	2.320	2.337	AA+	Aaa 01/29/2024
3133X8EW8	17651	FEDERAL HOME LOAN BANK		09/26/2019	3,760,000.00	3,944,451.12	4,044,177.42	5.375	1.653	AA+	Aaa 08/15/2024
3130A2UW4	17654	FEDERAL HOME LOAN BANK		10/15/2019	10,000,000.00	9,967,360.10	10,253,861.09	2.875	1.668	AA+	Aaa 09/13/2024
3130AGWK7	17658	FEDERAL HOME LOAN BANK		10/23/2019	10,000,000.00	9,693,300.00	9,966,987.44	1.500	1.662	AA+	Aaa 08/15/2024
3130AGWK7	17662	FEDERAL HOME LOAN BANK		11/05/2019	12,500,000.00	12,116,625.00	12,461,594.56	1.500	1.651	AA+	Aaa 08/15/2024
3130AGWK7	17676	FEDERAL HOME LOAN BANK		12/18/2019	10,000,000.00	9,693,300.00	9,953,075.73	1.500	1.731	AA+	Aaa 08/15/2024
3130A3GE8	17693	FEDERAL HOME LOAN BANK		02/05/2020	5,000,000.00	4,969,162.95	5,146,879.74	2.750	1.502	AA+	Aaa 12/13/2024
3130AN6L9	17828	FEDERAL HOME LOAN BANK		07/14/2021	10,750,000.00	9,839,638.62	10,739,022.88	0.820	0.846	AA+	Aaa 07/08/2026
3133XG6E9	17829	FEDERAL HOME LOAN BANK		07/14/2021	15,000,000.00	16,505,372.40	17,836,787.79	5.750	0.848	AA+	Aaa 06/12/2026
3130AN4T4	17830	FEDERAL HOME LOAN BANK		07/14/2021	22,000,000.00	20,215,933.10	22,020,988.68	0.875	0.850	AA+	Aaa 06/12/2026
3130AN4T4	17831	FEDERAL HOME LOAN BANK		08/09/2021	9,250,000.00	8,499,880.96	9,283,633.59	0.875	0.781	AA+	Aaa 06/12/2026
3130AN4T4	17832	FEDERAL HOME LOAN BANK		08/09/2021	12,000,000.00	11,026,872.60	12,042,067.47	0.875	0.784	AA+	Aaa 06/12/2026
3130AN4T4	17833	FEDERAL HOME LOAN BANK		08/11/2021	50,000,000.00	45,945,302.50	50,110,064.24	0.875	0.818	AA+	Aaa 06/12/2026
3130A8XY4	17845	FEDERAL HOME LOAN BANK		09/20/2021	6,515,000.00	6,185,843.57	6,777,447.19	1.875	0.891	AA+	Aaa 09/11/2026
3130A8XY4	17848	FEDERAL HOME LOAN BANK		09/23/2021	13,980,000.00	13,273,690.42	14,550,602.14	1.875	0.878	AA+	Aaa 09/11/2026
3130AQF65	17868	FEDERAL HOME LOAN BANK		12/22/2021	100,000,000.00	92,518,726.00	99,758,276.26	1.250	1.305	AA+	Aaa 12/21/2026
3130AQF65	17869	FEDERAL HOME LOAN BANK		12/22/2021	24,860,000.00	23,000,155.28	24,800,975.40	1.250	1.304	AA+	Aaa 12/21/2026
3130AQF65	17872	FEDERAL HOME LOAN BANK		01/06/2022	24,300,000.00	22,482,050.42	24,113,853.42	1.250	1.428	AA+	Aaa 12/21/2026
3137EAEU9	17724	FEDERAL HOME MORTGAGE CO		07/23/2020	65,000,000.00	60,019,407.50	64,801,963.29	0.375	0.476	AA+	Aaa 07/21/2025
3137EAEU9	17731	FEDERAL HOME MORTGAGE CO		09/10/2020	30,000,000.00	27,701,265.00	29,950,245.57	0.375	0.430	AA+	Aaa 07/21/2025
3137EAEEX3	17741	FEDERAL HOME MORTGAGE CO		10/08/2020	50,000,000.00	45,897,259.50	49,827,945.88	0.375	0.483	AA+	Aaa 09/23/2025

**County of Fresno  
Portfolio Management  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Federal Agency Coupons</b>											
3135G0T78	17501	FEDERAL NATIONAL MORTGAGE		10/10/2017	20,000,000.00	19,990,646.60	19,998,856.29	2.000	2.023	AA+	Aaa 10/05/2022
3135G0T78	17531	FEDERAL NATIONAL MORTGAGE		01/11/2018	5,000,000.00	4,997,661.65	4,995,342.48	2.000	2.379	AA+	Aaa 10/05/2022
3135G0T94	17533	FEDERAL NATIONAL MORTGAGE		01/23/2018	40,000,000.00	39,976,792.00	39,973,695.55	2.375	2.503	AA+	Aaa 01/19/2023
3135G0U43	17631	FEDERAL NATIONAL MORTGAGE		03/27/2019	20,000,000.00	20,008,142.20	20,142,780.50	2.875	2.245	AA+	Aaa 09/12/2023
3135G0V75	17652	FEDERAL NATIONAL MORTGAGE		09/26/2019	35,000,000.00	34,237,586.25	35,080,013.77	1.750	1.631	AA+	Aaa 07/02/2024
3135G0V75	17656	FEDERAL NATIONAL MORTGAGE		10/16/2019	10,000,000.00	9,782,167.50	10,021,255.90	1.750	1.639	AA+	Aaa 07/02/2024
3135G0V75	17659	FEDERAL NATIONAL MORTGAGE		10/23/2019	10,000,000.00	9,782,167.50	10,015,636.61	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17660	FEDERAL NATIONAL MORTGAGE		10/28/2019	8,632,000.00	8,443,966.99	8,642,828.60	1.750	1.684	AA+	Aaa 07/02/2024
3135G0V75	17661	FEDERAL NATIONAL MORTGAGE		11/05/2019	23,000,000.00	22,498,985.25	23,039,751.74	1.750	1.660	AA+	Aaa 07/02/2024
3135G0V75	17663	FEDERAL NATIONAL MORTGAGE		11/08/2019	25,000,000.00	24,455,418.75	24,959,406.06	1.750	1.835	AA+	Aaa 07/02/2024
3135G0V75	17668	FEDERAL NATIONAL MORTGAGE		12/06/2019	25,000,000.00	24,455,418.75	25,036,904.16	1.750	1.673	AA+	Aaa 07/02/2024
3135G0V75	17669	FEDERAL NATIONAL MORTGAGE		12/06/2019	15,000,000.00	14,673,251.25	15,023,594.57	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17670	FEDERAL NATIONAL MORTGAGE		12/09/2019	15,000,000.00	14,673,251.25	15,009,807.88	1.750	1.716	AA+	Aaa 07/02/2024
3135G0V75	17671	FEDERAL NATIONAL MORTGAGE		12/09/2019	25,000,000.00	24,455,418.75	25,017,114.42	1.750	1.714	AA+	Aaa 07/02/2024
3135G0V75	17673	FEDERAL NATIONAL MORTGAGE		12/12/2019	25,000,000.00	24,455,418.75	25,014,398.02	1.750	1.720	AA+	Aaa 07/02/2024
3135G0V75	17675	FEDERAL NATIONAL MORTGAGE		12/13/2019	20,000,000.00	19,564,335.00	19,992,609.64	1.750	1.769	AA+	Aaa 07/02/2024
3135G0X24	17680	FEDERAL NATIONAL MORTGAGE		01/10/2020	50,000,000.00	48,318,659.50	49,893,115.19	1.625	1.714	AA+	Aaa 01/07/2025
3135G05X7	17730	FEDERAL NATIONAL MORTGAGE		08/27/2020	125,000,000.00	114,921,530.00	124,631,040.04	0.375	0.470	AA+	Aaa 08/25/2025
3135G04Z3	17732	FEDERAL NATIONAL MORTGAGE		09/11/2020	20,000,000.00	18,570,194.20	20,038,043.03	0.500	0.435	AA+	Aaa 06/17/2025
3135G04Z3	17733	FEDERAL NATIONAL MORTGAGE		09/24/2020	50,000,000.00	46,425,485.50	50,108,321.37	0.500	0.426	AA+	Aaa 06/17/2025
3135G04Z3	17734	FEDERAL NATIONAL MORTGAGE		09/28/2020	20,000,000.00	18,570,194.20	20,056,468.51	0.500	0.404	AA+	Aaa 06/17/2025
3135G04Z3	17735	FEDERAL NATIONAL MORTGAGE		09/28/2020	50,000,000.00	46,425,485.50	50,140,637.96	0.500	0.404	AA+	Aaa 06/17/2025
3135G04Z3	17736	FEDERAL NATIONAL MORTGAGE		10/01/2020	75,000,000.00	69,638,228.25	75,202,137.74	0.500	0.408	AA+	Aaa 06/17/2025
3135G04Z3	17746	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,285,097.10	10,014,338.77	0.500	0.451	AA+	Aaa 06/17/2025
3135G05X7	17747	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,193,722.40	9,966,728.93	0.375	0.482	AA+	Aaa 08/25/2025
3135G05X7	17748	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,193,722.40	9,966,662.65	0.375	0.482	AA+	Aaa 08/25/2025
3135G06G3	17754	FEDERAL NATIONAL MORTGAGE		12/07/2020	25,000,000.00	22,977,582.00	24,985,947.03	0.500	0.517	AA+	Aaa 11/07/2025
742651DP4	17643	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,842,352.00	10,086,693.56	2.450	2.001		Aaa 07/15/2024
742651DP4	17644	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,842,352.00	10,084,944.19	2.450	2.010		Aaa 07/15/2024
<b>Subtotal and Average</b>			<b>2,508,808,273.89</b>		<b>2,484,073,000.00</b>	<b>2,379,607,477.38</b>	<b>2,487,487,132.02</b>		<b>1.483</b>		

**Medium Term Notes**

02079KAH0	17773	ALPHABET INC		01/19/2021	20,000,000.00	18,394,221.40	19,926,127.39	0.450	0.570	AA+	Aa2 08/15/2025
02079KAH0	17776	ALPHABET INC		01/20/2021	5,000,000.00	4,598,555.35	4,986,139.61	0.450	0.540	AA+	Aa2 08/15/2025
02079KAH0	17777	ALPHABET INC		01/20/2021	5,000,000.00	4,598,555.35	4,986,129.36	0.450	0.540	AA+	Aa2 08/15/2025
037833BU3	17540	APPLE INC		03/01/2018	10,000,000.00	10,004,260.70	9,987,312.50	2.850	3.064	AA+	Aaa 02/23/2023



**County of Fresno  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Medium Term Notes</b>											
037833DE7	17541	APPLE INC		03/01/2018	2,500,000.00	2,499,417.28	2,491,864.11	2.400	3.060	AA+	Aaa 01/13/2023
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	4,976,521.15	4,966,243.11	2.400	3.279	AA+	Aaa 05/03/2023
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	4,976,521.15	4,966,209.56	2.400	3.280	AA+	Aaa 05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	9,953,042.30	9,934,805.25	2.400	3.246	AA+	Aaa 05/03/2023
037833DX5	17729	APPLE INC		08/20/2020	10,000,000.00	9,163,213.60	9,985,197.56	0.550	0.598	AA+	Aaa 08/20/2025
037833DX5	17772	APPLE INC		01/19/2021	15,000,000.00	13,744,820.40	14,973,587.14	0.550	0.607	AA+	Aaa 08/20/2025
037833DX5	17782	APPLE INC		01/25/2021	10,000,000.00	9,163,213.60	9,990,727.79	0.550	0.580	AA+	Aaa 08/20/2025
037833EB2	17785	APPLE INC		02/08/2021	10,000,000.00	9,114,927.70	9,983,787.50	0.700	0.746	AA+	Aaa 02/08/2026
037833EB2	17787	APPLE INC		02/08/2021	20,000,000.00	18,229,855.40	19,969,592.56	0.700	0.743	AA+	Aaa 02/08/2026
037833CR9	17895	APPLE INC		06/13/2022	10,000,000.00	9,873,884.20	9,931,838.11	3.200	3.417	AA+	Aaa 05/11/2027
084664CZ2	17890	BERKSHIRE HATHAWAY		03/15/2022	60,000,000.00	56,755,231.80	59,989,271.33	2.300	2.304	AA	Aa2 03/15/2027
084664CZ2	17891	BERKSHIRE HATHAWAY		03/15/2022	10,000,000.00	9,459,205.30	9,929,510.78	2.300	2.460	AA	Aa2 03/15/2027
166764BW9	17710	CHEVRON CORP		05/11/2020	5,000,000.00	4,745,393.60	5,000,000.00	1.554	1.554	AA-	Aa2 05/11/2025
166756AE6	17725	CHEVRON CORP		08/12/2020	3,000,000.00	2,758,374.27	3,000,000.00	0.687	0.687	AA-	Aa2 08/12/2025
166756AE6	17726	CHEVRON CORP		08/13/2020	4,500,000.00	4,137,561.41	4,498,211.01	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17727	CHEVRON CORP		08/13/2020	9,000,000.00	8,275,122.81	8,996,410.81	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17728	CHEVRON CORP		08/13/2020	5,000,000.00	4,597,290.45	4,998,006.00	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17745	CHEVRON CORP		11/05/2020	10,000,000.00	9,194,580.90	9,978,311.23	0.687	0.758	AA-	Aa2 08/12/2025
17325FAS7	17702	CITIBANK		03/24/2020	5,000,000.00	5,017,650.45	4,949,024.68	3.650	4.365	A+	Aa3 01/23/2024
30231GBC5	17695	EXXON MOBIL		03/17/2020	5,000,000.00	4,874,980.25	4,989,288.07	2.019	2.125	AA-	Aa2 08/16/2024
30231GBC5	17696	EXXON MOBIL		03/17/2020	5,000,000.00	4,874,980.25	4,987,771.55	2.019	2.140	AA-	Aa2 08/16/2024
30231GBH4	17699	EXXON MOBIL		03/19/2020	5,000,000.00	4,925,450.50	5,000,000.00	2.992	2.992	AA-	Aa2 03/19/2025
24422ERT8	17635	JOHN DEERE		05/28/2019	11,125,000.00	11,156,112.62	11,133,758.69	2.800	2.654	A	A2 01/27/2023
24422EUA5	17637	JOHN DEERE		06/06/2019	10,000,000.00	9,995,160.10	10,006,625.58	2.700	2.564	A	A2 01/06/2023
24422EUA5	17638	JOHN DEERE		06/06/2019	5,000,000.00	4,997,580.05	5,003,348.64	2.700	2.562	A	A2 01/06/2023
24422ETT6	17650	JOHN DEERE		09/19/2019	7,059,000.00	6,974,290.31	7,113,571.36	2.650	2.236	A	A2 06/24/2024
24422EUR8	17665	JOHN DEERE		11/26/2019	5,000,000.00	5,018,667.70	5,103,788.38	3.450	2.024	A	A2 01/10/2024
24422EUR8	17672	JOHN DEERE		12/12/2019	3,306,000.00	3,318,343.08	3,374,606.28	3.450	2.025	A	A2 01/10/2024
24422EUR8	17678	JOHN DEERE		12/27/2019	6,413,000.00	6,436,943.19	6,542,101.77	3.450	2.067	A	A2 01/10/2024
24422EVC0	17681	JOHN DEERE		01/10/2020	3,925,000.00	3,803,441.06	3,923,018.95	2.050	2.071	A	A2 01/09/2025
24422EVC0	17683	JOHN DEERE		01/13/2020	10,000,000.00	9,690,295.70	9,993,078.78	2.050	2.079	A	A2 01/09/2025
24422EVC0	17686	JOHN DEERE		02/10/2020	10,000,000.00	9,690,295.70	10,053,285.54	2.050	1.828	A	A2 01/09/2025
24422EVC0	17688	JOHN DEERE		02/28/2020	5,000,000.00	4,845,147.85	5,055,960.49	2.050	1.587	A	A2 01/09/2025
24422EVC0	17689	JOHN DEERE		02/28/2020	10,000,000.00	9,690,295.70	10,113,139.60	2.050	1.582	A	A2 01/09/2025
24422EVC0	17697	JOHN DEERE		03/17/2020	5,000,000.00	4,845,147.85	5,029,551.94	2.050	1.804	A	A2 01/09/2025
24422EVC0	17701	JOHN DEERE		03/24/2020	4,500,000.00	4,360,633.07	4,400,206.85	2.050	3.000	A	A2 01/09/2025

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Medium Term Notes</b>											
24422EVC0	17755	JOHN DEERE		12/10/2020	8,210,000.00	7,955,732.77	8,510,384.53	2.050	0.580	A A2	01/09/2025
24422EVK2	17774	JOHN DEERE		01/20/2021	9,200,000.00	8,315,464.62	9,179,300.87	0.700	0.765	A A2	01/15/2026
24422EVK2	17775	JOHN DEERE		01/20/2021	4,510,000.00	4,076,385.37	4,502,333.68	0.700	0.749	A A2	01/15/2026
24422EVK2	17778	JOHN DEERE		01/21/2021	10,000,000.00	9,038,548.50	9,993,040.58	0.700	0.720	A A2	01/15/2026
24422EVK2	17779	JOHN DEERE		01/21/2021	5,000,000.00	4,519,274.25	4,996,520.29	0.700	0.720	A A2	01/15/2026
24422EVK2	17781	JOHN DEERE		01/22/2021	5,000,000.00	4,519,274.25	4,993,924.87	0.700	0.735	A A2	01/15/2026
478160CN2	17784	JOHNSON & JOHNSON		02/02/2021	5,000,000.00	4,612,058.70	5,000,000.00	0.550	0.550	AAA Aaa	09/01/2025
478160CN2	17786	JOHNSON & JOHNSON		02/04/2021	5,000,000.00	4,612,058.70	5,000,000.00	0.550	0.550	AAA Aaa	09/01/2025
46625HJH4	17559	JP MORGAN		04/26/2018	10,000,000.00	10,014,655.50	9,981,653.13	3.200	3.554	A- A2	01/25/2023
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	30,060,300.00	30,000,000.00	3.450	3.450	A+ Aa2	07/14/2023
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	29,901,600.00	30,000,000.00	3.050	3.050	A+ Aa2	01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	39,566,800.00	40,000,000.00	2.775	2.775	A+ Aa2	05/15/2024
46632FRT4	17756	JP MORGAN		12/14/2020	60,000,000.00	55,375,993.80	60,000,000.00	0.580	0.580	A+ Aa2	05/29/2025
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	9,970,364.90	9,939,584.91	2.375	3.162	AAA Aaa	05/01/2023
594918BQ6	17616	MICROSOFT		02/07/2019	2,880,000.00	2,852,975.64	2,858,324.83	2.000	2.730	AAA Aaa	08/08/2023
594918BQ6	17617	MICROSOFT		02/11/2019	20,000,000.00	19,812,330.80	19,856,323.81	2.000	2.696	AAA Aaa	08/08/2023
594918BQ6	17624	MICROSOFT		03/04/2019	10,000,000.00	9,906,165.40	9,924,136.64	2.000	2.735	AAA Aaa	08/08/2023
594918BQ6	17625	MICROSOFT		03/04/2019	5,000,000.00	4,953,082.70	4,962,113.15	2.000	2.734	AAA Aaa	08/08/2023
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	9,974,859.00	10,000,000.00	2.875	2.875	AAA Aaa	02/06/2024
742718FL8	17780	PROCTER & GAMBLE		01/22/2021	12,200,000.00	11,230,805.16	12,200,000.00	0.550	0.550	AA- Aa3	10/29/2025
89233P7F7	17538	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	4,985,317.55	4,989,605.54	2.625	3.054	A+ A1	01/10/2023
89236TEL5	17539	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	4,984,615.70	4,991,377.26	2.700	3.054	A+ A1	01/11/2023
89236TEL5	17542	TOYOTA MOTOR CREDIT		04/02/2018	20,000,000.00	19,938,462.80	19,957,711.46	2.700	3.134	A+ A1	01/11/2023
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,270,232.10	12,229,290.62	3.350	3.472	A+ A1	01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	2,961,866.52	2,970,691.18	2.250	3.063	A+ A1	10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	4,936,444.20	4,977,024.37	2.250	2.627	A+ A1	10/18/2023
89236TGM1	17653	TOYOTA MOTOR CREDIT		10/15/2019	30,000,000.00	29,126,966.10	30,000,000.00	1.875	1.875	A+ A1	07/31/2024
89236TGL3	17664	TOYOTA MOTOR CREDIT		11/12/2019	10,000,000.00	9,674,884.50	9,988,811.78	2.000	2.052	A+ A1	10/07/2024
89236TGL3	17682	TOYOTA MOTOR CREDIT		01/13/2020	21,410,000.00	20,713,927.71	21,389,392.12	2.000	2.044	A+ A1	10/07/2024
89236TGW9	17715	TOYOTA MOTOR CREDIT		06/11/2020	10,000,000.00	10,002,292.10	10,156,297.26	2.900	0.781	A+ A1	03/30/2023
89236THP3	17743	TOYOTA MOTOR CREDIT		10/16/2020	7,000,000.00	6,373,549.56	6,992,350.17	0.800	0.834	A+ A1	10/16/2025
89236THW8	17767	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,520,578.55	4,995,874.42	0.800	0.824	A+ A1	01/09/2026
89236THW8	17768	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,520,578.55	4,997,566.96	0.800	0.814	A+ A1	01/09/2026
89236THW8	17769	TOYOTA MOTOR CREDIT		01/11/2021	5,500,000.00	4,972,636.41	5,496,966.81	0.800	0.816	A+ A1	01/09/2026
89236THW8	17770	TOYOTA MOTOR CREDIT		01/11/2021	5,270,000.00	4,764,689.79	5,267,275.77	0.800	0.815	A+ A1	01/09/2026
89236TJV8	17884	TOYOTA MOTOR CREDIT		03/07/2022	11,581,000.00	10,657,784.80	11,435,828.78	1.900	2.260	A+ A1	01/13/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Medium Term Notes</b>											
90331HNL3	17534	US BANK NA		01/24/2018	10,000,000.00	9,997,222.10	9,997,922.73	2.850	2.890	AA-	A1 01/23/2023
90331HNL3	17537	US BANK NA		03/01/2018	5,000,000.00	4,998,611.05	4,992,665.18	2.850	3.134	AA-	A1 01/23/2023
90331HNL3	17556	US BANK NA		04/20/2018	10,000,000.00	9,997,222.10	9,983,727.97	2.850	3.164	AA-	A1 01/23/2023
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	9,993,142.60	9,997,274.93	3.400	3.428	AA-	A1 07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,498,971.39	1,499,359.72	3.400	3.444	AA-	A1 07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,249,142.83	1,249,574.21	3.400	3.435	AA-	A1 07/24/2023
90331HPL1	17690	US BANK NA		02/28/2020	5,000,000.00	4,807,119.60	5,049,809.42	2.050	1.636	AA-	A1 01/21/2025
90331HPL1	17691	US BANK NA		03/12/2020	5,000,000.00	4,807,119.60	5,058,306.12	2.050	1.574	AA-	A1 01/21/2025
90331HPL1	17692	US BANK NA		03/12/2020	5,000,000.00	4,807,119.60	5,054,153.23	2.050	1.608	AA-	A1 01/21/2025
931142EK5	17604	WALMART		11/13/2018	10,000,000.00	10,030,549.80	9,989,838.85	3.400	3.512	AA	Aa2 06/26/2023
931142ER0	17842	WALMART		09/17/2021	20,000,000.00	18,210,943.40	19,968,164.00	1.050	1.089	AA	Aa2 09/17/2026
931142ER0	17846	WALMART		09/21/2021	10,000,000.00	9,105,471.70	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
931142ER0	17847	WALMART		09/21/2021	10,000,000.00	9,105,471.70	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
931142ER0	17849	WALMART		09/27/2021	10,000,000.00	9,105,471.70	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
95000U2B8	17508	WELLS FARGO		10/20/2017	5,000,000.00	5,000,485.00	4,999,971.79	2.625	2.635	BBB+	A1 07/22/2022
<b>Subtotal and Average</b>			<b>931,501,462.09</b>		<b>931,089,000.00</b>	<b>893,116,806.72</b>	<b>930,815,883.80</b>		<b>1.952</b>		
<b>Treasury Notes</b>											
911759MW5	17630	US HOUSING AND URBAN DEVELOP		03/28/2019	3,500,000.00	3,484,138.95	3,500,000.00	2.618	2.618	AA+	Aaa 08/01/2023
912828L24	17510	US TREASURY NOTE		10/23/2017	20,000,000.00	20,009,800.00	19,995,645.62	1.875	2.012	AA+	Aaa 08/31/2022
912828XT2	17677	US TREASURY NOTE		12/18/2019	20,000,000.00	19,654,680.00	20,106,280.75	2.000	1.711	AA+	Aaa 05/31/2024
912828P46	17791	US TREASURY NOTE		02/26/2021	30,000,000.00	28,548,060.00	30,898,276.08	1.625	0.782	AA+	Aaa 02/15/2026
91282CBH3	17795	US TREASURY NOTE		03/08/2021	20,000,000.00	18,207,820.00	19,696,971.02	0.375	0.807	AA+	Aaa 01/31/2026
91282CBW0	17798	US TREASURY NOTE		05/03/2021	20,000,000.00	18,357,820.00	19,909,468.85	0.750	0.871	AA+	Aaa 04/30/2026
91282CBW0	17800	US TREASURY NOTE		05/12/2021	30,000,000.00	27,536,730.00	29,891,546.65	0.750	0.847	AA+	Aaa 04/30/2026
912828R36	17801	US TREASURY NOTE		05/18/2021	30,000,000.00	28,466,010.00	30,899,868.86	1.625	0.832	AA+	Aaa 05/15/2026
912828R36	17802	US TREASURY NOTE		05/19/2021	20,000,000.00	18,977,340.00	20,606,304.88	1.625	0.824	AA+	Aaa 05/15/2026
912828R36	17803	US TREASURY NOTE		05/20/2021	20,000,000.00	18,977,340.00	20,572,666.12	1.625	0.868	AA+	Aaa 05/15/2026
91282CCF6	17805	US TREASURY NOTE		06/16/2021	20,000,000.00	18,322,660.00	19,972,841.85	0.750	0.785	AA+	Aaa 05/31/2026
91282CCF6	17808	US TREASURY NOTE		06/17/2021	40,000,000.00	36,645,320.00	39,869,074.77	0.750	0.835	AA+	Aaa 05/31/2026
91282CCF6	17809	US TREASURY NOTE		06/17/2021	40,000,000.00	36,645,320.00	39,846,842.18	0.750	0.850	AA+	Aaa 05/31/2026
91282CCF6	17810	US TREASURY NOTE		06/17/2021	20,000,000.00	18,322,660.00	19,886,366.78	0.750	0.899	AA+	Aaa 05/31/2026
91282CCJ8	17823	US TREASURY NOTE		06/30/2021	30,000,000.00	27,577,740.00	29,900,694.41	0.875	0.960	AA+	Aaa 06/30/2026
91282CCJ8	17824	US TREASURY NOTE		06/30/2021	30,000,000.00	27,577,740.00	29,970,745.39	0.875	0.900	AA+	Aaa 06/30/2026
91282CCJ8	17827	US TREASURY NOTE		06/30/2021	30,000,000.00	27,577,740.00	29,930,662.99	0.875	0.934	AA+	Aaa 06/30/2026
91282CCW9	17836	US TREASURY NOTE		08/31/2021	50,000,000.00	45,576,150.00	49,918,430.89	0.750	0.790	AA+	Aaa 08/31/2026

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
<b>Treasury Notes</b>											
91282CCP4	17838	US TREASURY NOTE		08/26/2021	50,000,000.00	45,406,250.00	49,605,247.40	0.625	0.823	AA+ Aaa	07/31/2026
91282CCP4	17839	US TREASURY NOTE		09/07/2021	50,000,000.00	45,406,250.00	49,693,805.05	0.625	0.778	AA+ Aaa	07/31/2026
91282CCP4	17840	US TREASURY NOTE		09/08/2021	25,000,000.00	22,703,125.00	24,820,743.13	0.625	0.804	AA+ Aaa	07/31/2026
91282CCW9	17843	US TREASURY NOTE		09/13/2021	20,000,000.00	18,230,460.00	19,944,908.30	0.750	0.818	AA+ Aaa	08/31/2026
91282CCW9	17844	US TREASURY NOTE		09/17/2021	20,000,000.00	18,230,460.00	19,932,955.02	0.750	0.832	AA+ Aaa	08/31/2026
91282CCZ2	17850	US TREASURY NOTE		09/30/2021	20,000,000.00	18,292,180.00	19,954,425.94	0.875	0.930	AA+ Aaa	09/30/2026
91282CCZ2	17851	US TREASURY NOTE		09/30/2021	30,000,000.00	27,438,270.00	29,798,802.03	0.875	1.037	AA+ Aaa	09/30/2026
91282CCZ2	17852	US TREASURY NOTE		09/30/2021	30,000,000.00	27,438,270.00	29,844,619.39	0.875	1.000	AA+ Aaa	09/30/2026
91282CCW9	17853	US TREASURY NOTE		10/12/2021	20,000,000.00	18,230,460.00	19,775,384.49	0.750	1.027	AA+ Aaa	08/31/2026
91282CCP4	17854	US TREASURY NOTE		10/19/2021	20,000,000.00	18,162,500.00	19,585,699.90	0.625	1.148	AA+ Aaa	07/31/2026
91282CCP4	17855	US TREASURY NOTE		10/25/2021	20,000,000.00	18,162,500.00	19,535,401.40	0.625	1.212	AA+ Aaa	07/31/2026
91282CCP4	17856	US TREASURY NOTE		10/28/2021	5,000,000.00	4,540,625.00	4,900,079.61	0.625	1.129	AA+ Aaa	07/31/2026
91282CDG3	17859	US TREASURY NOTE		11/01/2021	30,000,000.00	27,692,580.00	29,889,286.37	1.125	1.213	AA+ Aaa	10/31/2026
91282CDG3	17860	US TREASURY NOTE		11/01/2021	20,000,000.00	18,461,720.00	19,916,989.74	1.125	1.224	AA+ Aaa	10/31/2026
91282CDG3	17861	US TREASURY NOTE		11/01/2021	50,000,000.00	46,154,300.00	49,832,280.61	1.125	1.205	AA+ Aaa	10/31/2026
91282CCP4	17862	US TREASURY NOTE		11/01/2021	20,000,000.00	18,162,500.00	19,559,066.65	0.625	1.182	AA+ Aaa	07/31/2026
91282CDG3	17864	US TREASURY NOTE		11/23/2021	20,000,000.00	18,461,720.00	19,844,981.45	1.125	1.310	AA+ Aaa	10/31/2026
91282CCP4	17867	US TREASURY NOTE		12/21/2021	50,000,000.00	45,406,250.00	48,965,275.46	0.625	1.146	AA+ Aaa	07/31/2026
91282CDQ1	17870	US TREASURY NOTE		12/31/2021	50,000,000.00	46,283,200.00	49,978,252.56	1.250	1.260	AA+ Aaa	12/31/2026
91282CDQ1	17873	US TREASURY NOTE		01/06/2022	30,000,000.00	27,769,920.00	29,813,695.05	1.250	1.393	AA+ Aaa	12/31/2026
91282CDQ1	17874	US TREASURY NOTE		01/07/2022	30,000,000.00	27,769,920.00	29,711,915.89	1.250	1.472	AA+ Aaa	12/31/2026
91282CDG3	17875	US TREASURY NOTE		01/10/2022	30,000,000.00	27,692,580.00	29,524,338.94	1.125	1.506	AA+ Aaa	10/31/2026
91282CDG3	17877	US TREASURY NOTE		01/19/2022	30,000,000.00	27,692,580.00	29,364,641.05	1.125	1.635	AA+ Aaa	10/31/2026
91282Z78	17878	US TREASURY NOTE		01/31/2022	50,000,000.00	46,751,950.00	49,717,000.68	1.500	1.629	AA+ Aaa	01/31/2027
91282Z78	17883	US TREASURY NOTE		02/28/2022	20,000,000.00	18,700,780.00	19,660,757.43	1.500	1.916	AA+ Aaa	01/31/2027
91282X88	17897	US TREASURY NOTE		06/22/2022	50,000,000.00	48,476,550.00	47,821,762.38	2.375	3.408	AA+ Aaa	05/15/2027
91282X88	17898	US TREASURY NOTE		06/22/2022	50,000,000.00	48,476,550.00	47,821,762.38	2.375	3.408	AA+ Aaa	05/15/2027
<b>Subtotal and Average</b>			<b>1,237,201,698.77</b>		<b>1,313,500,000.00</b>	<b>1,216,659,518.95</b>	<b>1,304,186,766.39</b>		<b>1.262</b>		
<b>Discount Commercial Paper</b>											
46640QH87	17888	JP MORGAN		03/08/2022	50,000,000.00	49,900,800.00	49,945,111.11		1.059	A-1 P-1	08/08/2022
89233HJ62	17865	TOYOTA MOTOR CREDIT		12/10/2021	100,000,000.00	99,619,000.00	99,927,416.67	0.390	0.402	A-1+ P-1	09/06/2022
<b>Subtotal and Average</b>			<b>149,835,875.00</b>		<b>150,000,000.00</b>	<b>149,519,800.00</b>	<b>149,872,527.78</b>		<b>0.621</b>		

**County of Fresno  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
<b>Mutual Funds</b>												
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2021	0.00	0.00	0.00	0.040	0.040	AAA	Aaa	
SYS02642	02642	FIDELITY 2642			225,000,000.00	225,000,000.00	225,000,000.00	1.260	1.260	AAA	Aaa	
SYS15497	15497	FIDELITY 2644		07/01/2021	0.00	0.00	0.00	0.010	0.010	AAA	Aaa	
<b>Subtotal and Average</b>			<b>268,000,000.00</b>		<b>225,000,000.00</b>	<b>225,000,000.00</b>	<b>225,000,000.00</b>		<b>1.260</b>			
<b>Local Agency Investment Funds</b>												
SYS05291	05291	LAIF			75,000,000.00	75,000,000.00	75,000,000.00	0.861	0.861			
<b>Subtotal and Average</b>			<b>75,000,000.00</b>		<b>75,000,000.00</b>	<b>75,000,000.00</b>	<b>75,000,000.00</b>		<b>0.861</b>			
<b>Bank Money Market Accounts</b>												
SYS16800	16800	BANK OF THE WEST MM			700,000,000.00	700,000,000.00	700,000,000.00	1.400	1.400			
SYS16900	16900	CENTRAL VALLEY COMM. BANK MM			0.00	0.00	0.00	0.350	0.350			
SYS16500	16500	UNION BANK MM		07/01/2021	0.00	0.00	0.00	0.030	0.030			
SYS16950	16950	UNITED SECURITY BANK MM			15,000,000.00	15,000,000.00	15,000,000.00	0.600	0.600			
<b>Subtotal and Average</b>			<b>564,833,333.33</b>		<b>715,000,000.00</b>	<b>715,000,000.00</b>	<b>715,000,000.00</b>		<b>1.383</b>			
<b>Negotiable CDs</b>												
89114WP66	17876	TORONTO DOMIN NY		01/11/2022	50,000,000.00	49,927,050.00	50,000,000.00	0.390	0.395	A-1+	P-1	08/08/2022
<b>Subtotal and Average</b>			<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>49,927,050.00</b>	<b>50,000,000.00</b>		<b>0.395</b>			
<b>Municipal Bonds</b>												
13063DDF2	17504	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,013,300.00	10,007,063.10	2.500	2.200	AA-	Aa2	10/01/2022
13063DDF2	17505	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,013,300.00	10,007,063.10	2.500	2.200	AA-	Aa2	10/01/2022
13063DDF2	17519	STATE OF CALIFORNIA		12/14/2017	20,000,000.00	20,026,600.00	20,003,251.88	2.500	2.430	AA-	Aa2	10/01/2022
13063DDF2	17532	STATE OF CALIFORNIA		01/16/2018	5,000,000.00	5,006,650.00	4,999,126.55	2.500	2.574	AA-	Aa2	10/01/2022
13063DRK6	17657	STATE OF CALIFORNIA		10/24/2019	50,000,000.00	49,011,000.00	50,523,514.35	2.400	1.910	AA-	Aa2	10/01/2024
13063DLZ9	17742	STATE OF CALIFORNIA		10/15/2020	22,790,000.00	22,699,751.60	23,786,742.42	3.000	0.477	AA-	Aa2	04/01/2024
13063DYW2	17744	STATE OF CALIFORNIA		11/03/2020	50,685,000.00	50,083,875.90	54,497,030.69	3.000	0.700	AA-	Aa2	11/01/2025
13063DGB8	17766	STATE OF CALIFORNIA		01/11/2021	7,500,000.00	7,495,050.00	8,054,530.26	3.375	0.645	AA-	Aa2	04/01/2025
13063DK31	17863	STATE OF CALIFORNIA		11/17/2021	16,635,000.00	15,177,274.95	16,662,279.88	1.250	1.210	AA-	Aa2	10/01/2026
13063DMA3	17866	STATE OF CALIFORNIA		12/17/2021	10,000,000.00	9,711,000.00	10,493,746.76	2.650	1.292	AA-	Aa2	04/01/2026
13063DRD2	17871	STATE OF CALIFORNIA		01/05/2022	7,840,000.00	7,497,627.20	8,128,489.48	2.375	1.475	AA-	Aa2	10/01/2026
13063DRD2	17881	STATE OF CALIFORNIA		02/01/2022	16,175,000.00	15,468,637.75	16,579,655.17	2.375	1.759	AA-	Aa2	10/01/2026
13063DRD2	17892	STATE OF CALIFORNIA		03/11/2022	15,000,000.00	14,344,950.00	15,149,175.00	2.375	2.128	AA-	Aa2	10/01/2026
<b>Subtotal and Average</b>			<b>248,994,368.63</b>		<b>241,625,000.00</b>	<b>236,549,017.40</b>	<b>248,891,668.64</b>		<b>1.462</b>			

**County of Fresno  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's
Total and Average			6,051,225,202.40		6,257,332,158.16	6,012,424,828.61	6,258,299,136.79		1.449	

**County of Fresno  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2022**

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			6,051,225,202.40		6,257,332,158.16	6,012,424,828.61	6,258,299,136.79		1.449	

**County of Fresno**  
**Inventory by Maturity Report**  
**June 30, 2022**

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	
3130ACM27	17502	TREAS	FAC	FEDERAL HOME LOAN	10/12/2017	14,999,910.47	1.950	07/11/2022	15,000,000.00	1,733	15,000,000.00	1.946	1.973	10
3130ACM27	17509	TREAS	FAC	FEDERAL HOME LOAN	10/19/2017	4,454,935.87	1.950	07/11/2022	4,455,000.00	1,726	4,455,000.00	1.977	2.005	10
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	17
95000U2B8	17508	TREAS	MTN	WELLS FARGO	10/20/2017	4,999,971.79	2.625	07/22/2022	5,000,000.00	1,736	5,000,000.00	2.599	2.635	21
3130ACYP3	17515	TREAS	FAC	FEDERAL HOME LOAN	12/05/2017	19,999,717.61	2.100	07/27/2022	20,000,000.00	1,695	20,000,000.00	2.092	2.121	26
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	28
3130ACUV4	17517	TREAS	FAC	FEDERAL HOME LOAN	12/06/2017	8,889,382.83	2.070	07/29/2022	8,890,000.00	1,696	8,890,000.00	2.135	2.165	28
89114WP66	17876	TREAS	NCB	TORONTO DOMIN NY	01/11/2022	50,000,000.00	0.390	08/08/2022	50,000,000.00	209	50,000,000.00	0.390	0.395	38
46640QH87	17888	TREAS	ACP	JP MORGAN	03/08/2022	49,945,111.11		08/08/2022	50,000,000.00	153	50,000,000.00	1.045	1.059	38
3130AC5A8	17494	TREAS	FAC	FEDERAL HOME LOAN	09/19/2017	9,999,458.35	1.850	08/15/2022	10,000,000.00	1,791	10,000,000.00	1.870	1.896	45
3130AC5A8	17496	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	9,279,181.50	1.850	08/15/2022	9,280,000.00	1,783	9,280,000.00	1.899	1.926	45
3133EHVS9	17499	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2017	5,499,003.46	1.840	08/23/2022	5,500,000.00	1,790	5,500,000.00	1.945	1.972	53
912828L24	17510	TREAS	TRC	US TREASURY NOTE	10/23/2017	19,995,645.62	1.875	08/31/2022	20,000,000.00	1,773	20,000,000.00	1.985	2.012	61
89233HJ62	17865	TREAS	ACP	TOYOTA MOTOR CREDIT	12/10/2021	99,927,416.67	0.390	09/06/2022	100,000,000.00	270	100,000,000.00	0.396	0.402	67
13063DDF2	17504	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,007,063.10	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	92
13063DDF2	17505	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,007,063.10	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	92
13063DDF2	17519	TREAS	MUN	STATE OF CALIFORNIA	12/14/2017	20,003,251.88	2.500	10/01/2022	20,000,000.00	1,752	20,000,000.00	2.397	2.430	92
13063DDF2	17532	TREAS	MUN	STATE OF CALIFORNIA	01/16/2018	4,999,126.55	2.500	10/01/2022	5,000,000.00	1,719	5,000,000.00	2.539	2.574	92
3135G0T78	17501	TREAS	FAC	FEDERAL NATIONAL	10/10/2017	19,998,856.29	2.000	10/05/2022	20,000,000.00	1,821	20,000,000.00	1.995	2.023	96
3135G0T78	17531	TREAS	FAC	FEDERAL NATIONAL	01/11/2018	4,995,342.48	2.000	10/05/2022	5,000,000.00	1,728	5,000,000.00	2.346	2.379	96
24422EUA5	17637	TREAS	MTN	JOHN DEERE	06/06/2019	10,006,625.58	2.700	01/06/2023	10,000,000.00	1,310	10,000,000.00	2.529	2.564	189
24422EUA5	17638	TREAS	MTN	JOHN DEERE	06/06/2019	5,003,348.64	2.700	01/06/2023	5,000,000.00	1,310	5,000,000.00	2.527	2.562	189
89233P7F7	17538	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,989,605.54	2.625	01/10/2023	5,000,000.00	1,776	5,000,000.00	3.012	3.054	193
89236TEL5	17539	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,991,377.26	2.700	01/11/2023	5,000,000.00	1,777	5,000,000.00	3.012	3.054	194
89236TEL5	17542	TREAS	MTN	TOYOTA MOTOR CREDIT	04/02/2018	19,957,711.46	2.700	01/11/2023	20,000,000.00	1,745	20,000,000.00	3.091	3.134	194
037833DE7	17541	TREAS	MTN	APPLE INC	03/01/2018	2,491,864.11	2.400	01/13/2023	2,500,000.00	1,779	2,500,000.00	3.018	3.060	196
3133EH7F4	17557	TREAS	FAC	FEDERAL FARM CREDIT	04/19/2018	19,823,962.19	2.350	01/17/2023	19,869,000.00	1,734	19,869,000.00	2.759	2.797	200
3135G0T94	17533	TREAS	FAC	FEDERAL NATIONAL	01/23/2018	39,973,695.55	2.375	01/19/2023	40,000,000.00	1,822	40,000,000.00	2.469	2.503	202
90331HNL3	17534	TREAS	MTN	US BANK NA	01/24/2018	9,997,922.73	2.850	01/23/2023	10,000,000.00	1,825	10,000,000.00	2.850	2.890	206
90331HNL3	17537	TREAS	MTN	US BANK NA	03/01/2018	4,992,665.18	2.850	01/23/2023	5,000,000.00	1,789	5,000,000.00	3.091	3.134	206
90331HNL3	17556	TREAS	MTN	US BANK NA	04/20/2018	9,983,727.97	2.850	01/23/2023	10,000,000.00	1,739	10,000,000.00	3.121	3.164	206
46625HJH4	17559	TREAS	MTN	JP MORGAN	04/26/2018	9,981,653.13	3.200	01/25/2023	10,000,000.00	1,735	10,000,000.00	3.505	3.554	208
24422ERT8	17635	TREAS	MTN	JOHN DEERE	05/28/2019	11,133,758.69	2.800	01/27/2023	11,125,000.00	1,340	11,125,000.00	2.618	2.654	210
3133EJBP3	17536	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2018	51,106,902.96	2.500	02/02/2023	51,180,000.00	1,800	51,180,000.00	2.724	2.762	216
037833BU3	17540	TREAS	MTN	APPLE INC	03/01/2018	9,987,312.50	2.850	02/23/2023	10,000,000.00	1,820	10,000,000.00	3.022	3.064	237



**County of Fresno  
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
89236TGW9	17715	TREAS	MTN	TOYOTA MOTOR CREDIT	06/11/2020	10,156,297.26	2.900	03/30/2023	10,000,000.00	1,022	10,000,000.00	0.770	0.781	272
594918AT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,939,584.91	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	304
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,966,243.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	306
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,966,209.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	306
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,934,805.25	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	306
3130AEEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,126,303.58	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	333
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,995,348.31	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	333
931142EK5	17604	TREAS	MTN	WALMART	11/13/2018	9,989,838.85	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	360
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	378
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,999,456.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	381
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,979,794.20	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	381
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,985,076.82	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	381
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,912,867.27	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	381
3133EJUS6	17615	TREAS	FAC	FEDERAL FARM CREDIT	01/18/2019	20,038,319.95	2.875	07/17/2023	20,000,000.00	1,641	20,000,000.00	2.642	2.679	381
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,997,274.93	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	388
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,499,359.72	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	388
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,249,574.21	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	388
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,051,454.22	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	388
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,543,716.25	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	389
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,988,840.33	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	392
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	396
594918BQ6	17616	TREAS	MTN	MICROSOFT	02/07/2019	2,858,324.83	2.000	08/08/2023	2,880,000.00	1,643	2,880,000.00	2.693	2.730	403
594918BQ6	17617	TREAS	MTN	MICROSOFT	02/11/2019	19,856,323.81	2.000	08/08/2023	20,000,000.00	1,639	20,000,000.00	2.659	2.696	403
594918BQ6	17624	TREAS	MTN	MICROSOFT	03/04/2019	9,924,136.64	2.000	08/08/2023	10,000,000.00	1,618	10,000,000.00	2.698	2.735	403
594918BQ6	17625	TREAS	MTN	MICROSOFT	03/04/2019	4,962,113.15	2.000	08/08/2023	5,000,000.00	1,618	5,000,000.00	2.697	2.734	403
3130AFRW9	17621	TREAS	FAC	FEDERAL HOME LOAN	02/28/2019	20,027,393.30	2.700	08/28/2023	20,000,000.00	1,642	20,000,000.00	2.539	2.574	423
3130AFRW9	17623	TREAS	FAC	FEDERAL HOME LOAN	03/01/2019	20,020,501.86	2.700	08/28/2023	20,000,000.00	1,641	20,000,000.00	2.570	2.606	423
3135G0U43	17631	TREAS	FAC	FEDERAL NATIONAL	03/27/2019	20,142,780.50	2.875	09/12/2023	20,000,000.00	1,630	20,000,000.00	2.214	2.245	438
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,970,691.18	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	474
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,977,024.37	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	474
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,947,431.95	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	479
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,992,792.16	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	483
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,908,472.31	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	483
3130AOF70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,086,127.50	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	525
3130AOF70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,351,551.00	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	525
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,229,290.62	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	556
24422EUR8	17665	TREAS	MTN	JOHN DEERE	11/26/2019	5,103,788.38	3.450	01/10/2024	5,000,000.00	1,506	5,000,000.00	1.996	2.024	558
24422EUR8	17672	TREAS	MTN	JOHN DEERE	12/12/2019	3,374,606.28	3.450	01/10/2024	3,306,000.00	1,490	3,306,000.00	1.997	2.025	558
24422EUR8	17678	TREAS	MTN	JOHN DEERE	12/27/2019	6,542,101.77	3.450	01/10/2024	6,413,000.00	1,475	6,413,000.00	2.039	2.067	558
17325FAS7	17702	TREAS	MTN	CITIBANK	03/24/2020	4,949,024.68	3.650	01/23/2024	5,000,000.00	1,400	5,000,000.00	4.305	4.365	571

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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	
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	574
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,987,634.37	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	577
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	585
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,006,109.08	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	606
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,994,690.42	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	606
3133ELCS1	17666	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	19,975,600.00	1.550	03/11/2024	20,000,000.00	1,552	20,000,000.00	1.603	1.625	619
3133ELCS1	17667	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	24,968,104.58	1.550	03/11/2024	25,000,000.00	1,552	25,000,000.00	1.606	1.628	619
13063DLZ9	17742	TREAS	MUN	STATE OF CALIFORNIA	10/15/2020	23,786,742.42	3.000	04/01/2024	22,790,000.00	1,264	22,790,000.00	0.470	0.477	640
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	684
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	686
912828XT2	17677	TREAS	TRC	US TREASURY NOTE	12/18/2019	20,106,280.75	2.000	05/31/2024	20,000,000.00	1,626	20,000,000.00	1.688	1.711	700
24422ETT6	17650	TREAS	MTN	JOHN DEERE	09/19/2019	7,113,571.36	2.650	06/24/2024	7,059,000.00	1,740	7,059,000.00	2.205	2.236	724
3135G0V75	17652	TREAS	FAC	FEDERAL NATIONAL	09/26/2019	35,080,013.77	1.750	07/02/2024	35,000,000.00	1,741	35,000,000.00	1.608	1.631	732
3135G0V75	17656	TREAS	FAC	FEDERAL NATIONAL	10/16/2019	10,021,255.90	1.750	07/02/2024	10,000,000.00	1,721	10,000,000.00	1.617	1.639	732
3135G0V75	17659	TREAS	FAC	FEDERAL NATIONAL	10/23/2019	10,015,636.61	1.750	07/02/2024	10,000,000.00	1,714	10,000,000.00	1.645	1.668	732
3135G0V75	17660	TREAS	FAC	FEDERAL NATIONAL	10/28/2019	8,642,828.60	1.750	07/02/2024	8,632,000.00	1,709	8,632,000.00	1.661	1.684	732
3135G0V75	17661	TREAS	FAC	FEDERAL NATIONAL	11/05/2019	23,039,751.74	1.750	07/02/2024	23,000,000.00	1,701	23,000,000.00	1.637	1.660	732
3135G0V75	17663	TREAS	FAC	FEDERAL NATIONAL	11/08/2019	24,959,406.06	1.750	07/02/2024	25,000,000.00	1,698	25,000,000.00	1.810	1.835	732
3135G0V75	17668	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	25,036,904.16	1.750	07/02/2024	25,000,000.00	1,670	25,000,000.00	1.650	1.673	732
3135G0V75	17669	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	15,023,594.57	1.750	07/02/2024	15,000,000.00	1,670	15,000,000.00	1.645	1.668	732
3135G0V75	17670	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	15,009,807.88	1.750	07/02/2024	15,000,000.00	1,667	15,000,000.00	1.692	1.716	732
3135G0V75	17671	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	25,017,114.42	1.750	07/02/2024	25,000,000.00	1,667	25,000,000.00	1.691	1.714	732
3135G0V75	17673	TREAS	FAC	FEDERAL NATIONAL	12/12/2019	25,014,398.02	1.750	07/02/2024	25,000,000.00	1,664	25,000,000.00	1.696	1.720	732
3135G0V75	17675	TREAS	FAC	FEDERAL NATIONAL	12/13/2019	19,992,609.64	1.750	07/02/2024	20,000,000.00	1,663	20,000,000.00	1.745	1.769	732
742651DP4	17643	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,086,693.56	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.974	2.001	745
742651DP4	17644	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,084,944.19	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.982	2.010	745
3133EKHV1	17655	TREAS	FAC	FEDERAL FARM CREDIT	10/16/2019	2,328,322.99	2.450	07/22/2024	2,292,000.00	1,741	2,292,000.00	1.623	1.646	752
3133EKVV4	17647	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	4,988,948.73	1.850	07/26/2024	4,950,000.00	1,794	4,950,000.00	1.435	1.455	756
3133EKVV4	17648	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	15,115,106.29	1.850	07/26/2024	15,000,000.00	1,794	15,000,000.00	1.444	1.464	756
3133EKVV4	17649	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2019	17,992,329.27	1.850	07/26/2024	17,941,000.00	1,778	17,941,000.00	1.682	1.705	756
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	761
3133X8EW8	17651	TREAS	FAC	FEDERAL HOME LOAN	09/26/2019	4,044,177.42	5.375	08/15/2024	3,760,000.00	1,785	3,760,000.00	1.630	1.653	776
3130AGWK7	17658	TREAS	FAC	FEDERAL HOME LOAN	10/23/2019	9,966,987.44	1.500	08/15/2024	10,000,000.00	1,758	10,000,000.00	1.640	1.662	776
3130AGWK7	17662	TREAS	FAC	FEDERAL HOME LOAN	11/05/2019	12,461,594.56	1.500	08/15/2024	12,500,000.00	1,745	12,500,000.00	1.628	1.651	776
3130AGWK7	17676	TREAS	FAC	FEDERAL HOME LOAN	12/18/2019	9,953,075.73	1.500	08/15/2024	10,000,000.00	1,702	10,000,000.00	1.707	1.731	776
30231GBC5	17695	TREAS	MTN	EXXON MOBIL	03/17/2020	4,989,288.07	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.096	2.125	777
30231GBC5	17696	TREAS	MTN	EXXON MOBIL	03/17/2020	4,987,771.55	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.111	2.140	777
3130A2UW4	17654	TREAS	FAC	FEDERAL HOME LOAN	10/15/2019	10,253,861.09	2.875	09/13/2024	10,000,000.00	1,795	10,000,000.00	1.645	1.668	805
13063DRK6	17657	TREAS	MUN	STATE OF CALIFORNIA	10/24/2019	50,523,514.35	2.400	10/01/2024	50,000,000.00	1,804	50,000,000.00	1.884	1.910	823
89236TGL3	17664	TREAS	MTN	TOYOTA MOTOR CREDIT	11/12/2019	9,988,811.78	2.000	10/07/2024	10,000,000.00	1,791	10,000,000.00	2.024	2.052	829

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												360	365	
89236TGL3	17682	TREAS	MTN	TOYOTA MOTOR CREDIT	01/13/2020	21,389,392.12	2.000	10/07/2024	21,410,000.00	1,729	21,410,000.00	2.016	2.044	829
3130A3GE8	17693	TREAS	FAC	FEDERAL HOME LOAN	02/05/2020	5,146,879.74	2.750	12/13/2024	5,000,000.00	1,773	5,000,000.00	1.481	1.502	896
3135G0X24	17680	TREAS	FAC	FEDERAL NATIONAL	01/10/2020	49,893,115.19	1.625	01/07/2025	50,000,000.00	1,824	50,000,000.00	1.691	1.714	921
24422EVC0	17681	TREAS	MTN	JOHN DEERE	01/10/2020	3,923,018.95	2.050	01/09/2025	3,925,000.00	1,826	3,925,000.00	2.043	2.071	923
24422EVC0	17683	TREAS	MTN	JOHN DEERE	01/13/2020	9,993,078.78	2.050	01/09/2025	10,000,000.00	1,823	10,000,000.00	2.051	2.079	923
24422EVC0	17686	TREAS	MTN	JOHN DEERE	02/10/2020	10,053,285.54	2.050	01/09/2025	10,000,000.00	1,795	10,000,000.00	1.803	1.828	923
24422EVC0	17688	TREAS	MTN	JOHN DEERE	02/28/2020	5,055,960.49	2.050	01/09/2025	5,000,000.00	1,777	5,000,000.00	1.565	1.587	923
24422EVC0	17689	TREAS	MTN	JOHN DEERE	02/28/2020	10,113,139.60	2.050	01/09/2025	10,000,000.00	1,777	10,000,000.00	1.560	1.582	923
24422EVC0	17697	TREAS	MTN	JOHN DEERE	03/17/2020	5,029,551.94	2.050	01/09/2025	5,000,000.00	1,759	5,000,000.00	1.779	1.804	923
24422EVC0	17701	TREAS	MTN	JOHN DEERE	03/24/2020	4,400,206.85	2.050	01/09/2025	4,500,000.00	1,752	4,500,000.00	2.959	3.000	923
24422EVC0	17755	TREAS	MTN	JOHN DEERE	12/10/2020	8,510,384.53	2.050	01/09/2025	8,210,000.00	1,491	8,210,000.00	0.572	0.580	923
90331HPL1	17690	TREAS	MTN	US BANK NA	02/28/2020	5,049,809.42	2.050	01/21/2025	5,000,000.00	1,789	5,000,000.00	1.613	1.636	935
90331HPL1	17691	TREAS	MTN	US BANK NA	03/12/2020	5,058,306.12	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.552	1.574	935
90331HPL1	17692	TREAS	MTN	US BANK NA	03/12/2020	5,054,153.23	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.586	1.608	935
3133ELJM7	17712	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	10,275,012.23	1.650	01/23/2025	10,000,000.00	1,710	10,000,000.00	0.553	0.561	937
30231GBH4	17699	TREAS	MTN	EXXON MOBIL	03/19/2020	5,000,000.00	2.992	03/19/2025	5,000,000.00	1,826	5,000,000.00	2.951	2.992	992
13063DGB8	17766	TREAS	MUN	STATE OF CALIFORNIA	01/11/2021	8,054,530.26	3.375	04/01/2025	7,500,000.00	1,541	7,500,000.00	0.636	0.645	1,005
166764BW9	17710	TREAS	MTN	CHEVRON CORP	05/11/2020	5,000,000.00	1.554	05/11/2025	5,000,000.00	1,826	5,000,000.00	1.533	1.554	1,045
3133ELZM9	17711	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	45,457,350.36	0.500	05/14/2025	45,559,000.00	1,821	45,559,000.00	0.571	0.579	1,048
46632FRT4	17756	TREAS	MTN	JP MORGAN	12/14/2020	60,000,000.00	0.580	05/29/2025	60,000,000.00	1,627	60,000,000.00	0.572	0.580	1,063
3135G04Z3	17732	TREAS	FAC	FEDERAL NATIONAL	09/11/2020	20,038,043.03	0.500	06/17/2025	20,000,000.00	1,740	20,000,000.00	0.429	0.435	1,082
3135G04Z3	17733	TREAS	FAC	FEDERAL NATIONAL	09/24/2020	50,108,321.37	0.500	06/17/2025	50,000,000.00	1,727	50,000,000.00	0.420	0.426	1,082
3135G04Z3	17734	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	20,056,468.51	0.500	06/17/2025	20,000,000.00	1,723	20,000,000.00	0.398	0.404	1,082
3135G04Z3	17735	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	50,140,637.96	0.500	06/17/2025	50,000,000.00	1,723	50,000,000.00	0.398	0.404	1,082
3135G04Z3	17736	TREAS	FAC	FEDERAL NATIONAL	10/01/2020	75,202,137.74	0.500	06/17/2025	75,000,000.00	1,720	75,000,000.00	0.402	0.408	1,082
3135G04Z3	17746	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	10,014,338.77	0.500	06/17/2025	10,000,000.00	1,666	10,000,000.00	0.445	0.451	1,082
3137EAEU9	17724	TREAS	FAC	FEDERAL HOME	07/23/2020	64,801,963.29	0.375	07/21/2025	65,000,000.00	1,824	65,000,000.00	0.469	0.476	1,116
3137EAEU9	17731	TREAS	FAC	FEDERAL HOME	09/10/2020	29,950,245.57	0.375	07/21/2025	30,000,000.00	1,775	30,000,000.00	0.424	0.430	1,116
166756AE6	17725	TREAS	MTN	CHEVRON CORP	08/12/2020	3,000,000.00	0.687	08/12/2025	3,000,000.00	1,826	3,000,000.00	0.678	0.687	1,138
166756AE6	17726	TREAS	MTN	CHEVRON CORP	08/13/2020	4,498,211.01	0.687	08/12/2025	4,500,000.00	1,825	4,500,000.00	0.690	0.700	1,138
166756AE6	17727	TREAS	MTN	CHEVRON CORP	08/13/2020	8,996,410.81	0.687	08/12/2025	9,000,000.00	1,825	9,000,000.00	0.690	0.700	1,138
166756AE6	17728	TREAS	MTN	CHEVRON CORP	08/13/2020	4,998,006.00	0.687	08/12/2025	5,000,000.00	1,825	5,000,000.00	0.690	0.700	1,138
166756AE6	17745	TREAS	MTN	CHEVRON CORP	11/05/2020	9,978,311.23	0.687	08/12/2025	10,000,000.00	1,741	10,000,000.00	0.748	0.758	1,138
02079KAH0	17773	TREAS	MTN	ALPHABET INC	01/19/2021	19,926,127.39	0.450	08/15/2025	20,000,000.00	1,669	20,000,000.00	0.562	0.570	1,141
02079KAH0	17776	TREAS	MTN	ALPHABET INC	01/20/2021	4,986,139.61	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	1,141
02079KAH0	17777	TREAS	MTN	ALPHABET INC	01/20/2021	4,986,129.36	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	1,141
037833DX5	17729	TREAS	MTN	APPLE INC	08/20/2020	9,985,197.56	0.550	08/20/2025	10,000,000.00	1,826	10,000,000.00	0.590	0.598	1,146
037833DX5	17772	TREAS	MTN	APPLE INC	01/19/2021	14,973,587.14	0.550	08/20/2025	15,000,000.00	1,674	15,000,000.00	0.599	0.607	1,146
037833DX5	17782	TREAS	MTN	APPLE INC	01/25/2021	9,990,727.79	0.550	08/20/2025	10,000,000.00	1,668	10,000,000.00	0.572	0.580	1,146
3135G05X7	17730	TREAS	FAC	FEDERAL NATIONAL	08/27/2020	124,631,040.04	0.375	08/25/2025	125,000,000.00	1,824	125,000,000.00	0.463	0.470	1,151

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												360	365	
3135G05X7	17747	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,966,728.93	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.475	0.482	1,151
3135G05X7	17748	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,966,662.65	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.476	0.482	1,151
478160CN2	17784	TREAS	MTN	JOHNSON & JOHNSON	02/02/2021	5,000,000.00	0.550	09/01/2025	5,000,000.00	1,672	5,000,000.00	0.542	0.550	1,158
478160CN2	17786	TREAS	MTN	JOHNSON & JOHNSON	02/04/2021	5,000,000.00	0.550	09/01/2025	5,000,000.00	1,670	5,000,000.00	0.542	0.550	1,158
3137EAEX3	17741	TREAS	FAC	FEDERAL HOME	10/08/2020	49,827,945.88	0.375	09/23/2025	50,000,000.00	1,811	50,000,000.00	0.476	0.483	1,180
89236THP3	17743	TREAS	MTN	TOYOTA MOTOR CREDIT	10/16/2020	6,992,350.17	0.800	10/16/2025	7,000,000.00	1,826	7,000,000.00	0.823	0.834	1,203
742718FL8	17780	TREAS	MTN	PROCTER & GAMBLE	01/22/2021	12,200,000.00	0.550	10/29/2025	12,200,000.00	1,741	12,200,000.00	0.542	0.550	1,216
13063DYW2	17744	TREAS	MUN	STATE OF CALIFORNIA	11/03/2020	54,497,030.69	3.000	11/01/2025	50,685,000.00	1,824	50,685,000.00	0.690	0.700	1,219
3135G06G3	17754	TREAS	FAC	FEDERAL NATIONAL	12/07/2020	24,985,947.03	0.500	11/07/2025	25,000,000.00	1,796	25,000,000.00	0.510	0.517	1,225
89236THW8	17767	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,995,874.42	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.813	0.824	1,288
89236THW8	17768	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,997,566.96	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.803	0.814	1,288
89236THW8	17769	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,496,966.81	0.800	01/09/2026	5,500,000.00	1,824	5,500,000.00	0.805	0.816	1,288
89236THW8	17770	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,267,275.77	0.800	01/09/2026	5,270,000.00	1,824	5,270,000.00	0.804	0.815	1,288
24422EVK2	17774	TREAS	MTN	JOHN DEERE	01/20/2021	9,179,300.87	0.700	01/15/2026	9,200,000.00	1,821	9,200,000.00	0.754	0.765	1,294
24422EVK2	17775	TREAS	MTN	JOHN DEERE	01/20/2021	4,502,333.68	0.700	01/15/2026	4,510,000.00	1,821	4,510,000.00	0.739	0.749	1,294
24422EVK2	17778	TREAS	MTN	JOHN DEERE	01/21/2021	9,993,040.58	0.700	01/15/2026	10,000,000.00	1,820	10,000,000.00	0.710	0.720	1,294
24422EVK2	17779	TREAS	MTN	JOHN DEERE	01/21/2021	4,996,520.29	0.700	01/15/2026	5,000,000.00	1,820	5,000,000.00	0.710	0.720	1,294
24422EVK2	17781	TREAS	MTN	JOHN DEERE	01/22/2021	4,993,924.87	0.700	01/15/2026	5,000,000.00	1,819	5,000,000.00	0.725	0.735	1,294
3133EMPC0	17783	TREAS	FAC	FEDERAL FARM CREDIT	01/29/2021	124,982,379.44	0.460	01/29/2026	125,000,000.00	1,826	125,000,000.00	0.458	0.464	1,308
91282CBH3	17795	TREAS	TRC	US TREASURY NOTE	03/08/2021	19,696,971.02	0.375	01/31/2026	20,000,000.00	1,790	20,000,000.00	0.796	0.807	1,310
037833EB2	17785	TREAS	MTN	APPLE INC	02/08/2021	9,983,787.50	0.700	02/08/2026	10,000,000.00	1,826	10,000,000.00	0.736	0.746	1,318
037833EB2	17787	TREAS	MTN	APPLE INC	02/08/2021	19,969,592.56	0.700	02/08/2026	20,000,000.00	1,826	20,000,000.00	0.733	0.743	1,318
912828P46	17791	TREAS	TRC	US TREASURY NOTE	02/26/2021	30,898,276.08	1.625	02/15/2026	30,000,000.00	1,815	30,000,000.00	0.771	0.782	1,325
13063DMA3	17866	TREAS	MUN	STATE OF CALIFORNIA	12/17/2021	10,493,746.76	2.650	04/01/2026	10,000,000.00	1,566	10,000,000.00	1.274	1.292	1,370
91282CBW0	17798	TREAS	TRC	US TREASURY NOTE	05/03/2021	19,909,468.85	0.750	04/30/2026	20,000,000.00	1,823	20,000,000.00	0.859	0.871	1,399
91282CBW0	17800	TREAS	TRC	US TREASURY NOTE	05/12/2021	29,891,546.65	0.750	04/30/2026	30,000,000.00	1,814	30,000,000.00	0.835	0.847	1,399
912828R36	17801	TREAS	TRC	US TREASURY NOTE	05/18/2021	30,899,868.86	1.625	05/15/2026	30,000,000.00	1,823	30,000,000.00	0.821	0.832	1,414
912828R36	17802	TREAS	TRC	US TREASURY NOTE	05/19/2021	20,606,304.88	1.625	05/15/2026	20,000,000.00	1,822	20,000,000.00	0.813	0.824	1,414
912828R36	17803	TREAS	TRC	US TREASURY NOTE	05/20/2021	20,572,666.12	1.625	05/15/2026	20,000,000.00	1,821	20,000,000.00	0.856	0.868	1,414
91282CCF6	17805	TREAS	TRC	US TREASURY NOTE	06/16/2021	19,972,841.85	0.750	05/31/2026	20,000,000.00	1,810	20,000,000.00	0.775	0.785	1,430
91282CCF6	17808	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,869,074.77	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.824	0.835	1,430
91282CCF6	17809	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,846,842.18	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.838	0.850	1,430
91282CCF6	17810	TREAS	TRC	US TREASURY NOTE	06/17/2021	19,886,366.78	0.750	05/31/2026	20,000,000.00	1,809	20,000,000.00	0.886	0.899	1,430
3133XG6E9	17829	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	17,836,787.79	5.750	06/12/2026	15,000,000.00	1,794	15,000,000.00	0.836	0.848	1,442
3130AN4T4	17830	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	22,020,988.68	0.875	06/12/2026	22,000,000.00	1,794	22,000,000.00	0.839	0.850	1,442
3130AN4T4	17831	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	9,283,633.59	0.875	06/12/2026	9,250,000.00	1,768	9,250,000.00	0.770	0.781	1,442
3130AN4T4	17832	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	12,042,067.47	0.875	06/12/2026	12,000,000.00	1,768	12,000,000.00	0.774	0.784	1,442
3130AN4T4	17833	TREAS	FAC	FEDERAL HOME LOAN	08/11/2021	50,110,064.24	0.875	06/12/2026	50,000,000.00	1,766	50,000,000.00	0.807	0.818	1,442
91282CCJ8	17823	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,900,694.41	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.947	0.960	1,460
91282CCJ8	17824	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,970,745.39	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.888	0.900	1,460

**County of Fresno  
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
91282CCJ8	17827	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,930,662.99	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.922	0.934	1,460
3133EMP48	17825	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	29,976,240.00	0.900	07/01/2026	30,000,000.00	1,826	30,000,000.00	0.908	0.920	1,461
3133EMP48	17826	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	19,982,880.00	0.900	07/01/2026	20,000,000.00	1,826	20,000,000.00	0.909	0.922	1,461
3130AN6L9	17828	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	10,739,022.88	0.820	07/08/2026	10,750,000.00	1,820	10,750,000.00	0.834	0.846	1,468
91282CCP4	17838	TREAS	TRC	US TREASURY NOTE	08/26/2021	49,605,247.40	0.625	07/31/2026	50,000,000.00	1,800	50,000,000.00	0.811	0.823	1,491
91282CCP4	17839	TREAS	TRC	US TREASURY NOTE	09/07/2021	49,693,805.05	0.625	07/31/2026	50,000,000.00	1,788	50,000,000.00	0.767	0.778	1,491
91282CCP4	17840	TREAS	TRC	US TREASURY NOTE	09/08/2021	24,820,743.13	0.625	07/31/2026	25,000,000.00	1,787	25,000,000.00	0.793	0.804	1,491
91282CCP4	17854	TREAS	TRC	US TREASURY NOTE	10/19/2021	19,585,699.90	0.625	07/31/2026	20,000,000.00	1,746	20,000,000.00	1.132	1.148	1,491
91282CCP4	17855	TREAS	TRC	US TREASURY NOTE	10/25/2021	19,535,401.40	0.625	07/31/2026	20,000,000.00	1,740	20,000,000.00	1.195	1.212	1,491
91282CCP4	17856	TREAS	TRC	US TREASURY NOTE	10/28/2021	4,900,079.61	0.625	07/31/2026	5,000,000.00	1,737	5,000,000.00	1.113	1.129	1,491
91282CCP4	17862	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,559,066.65	0.625	07/31/2026	20,000,000.00	1,733	20,000,000.00	1.165	1.182	1,491
91282CCP4	17867	TREAS	TRC	US TREASURY NOTE	12/21/2021	48,965,275.46	0.625	07/31/2026	50,000,000.00	1,683	50,000,000.00	1.131	1.146	1,491
3133EM4A7	17837	TREAS	FAC	FEDERAL FARM CREDIT	08/27/2021	49,989,818.89	0.800	08/27/2026	50,000,000.00	1,826	50,000,000.00	0.794	0.805	1,518
91282CCW9	17836	TREAS	TRC	US TREASURY NOTE	08/31/2021	49,918,430.89	0.750	08/31/2026	50,000,000.00	1,826	50,000,000.00	0.779	0.790	1,522
91282CCW9	17843	TREAS	TRC	US TREASURY NOTE	09/13/2021	19,944,908.30	0.750	08/31/2026	20,000,000.00	1,813	20,000,000.00	0.806	0.818	1,522
91282CCW9	17844	TREAS	TRC	US TREASURY NOTE	09/17/2021	19,932,955.02	0.750	08/31/2026	20,000,000.00	1,809	20,000,000.00	0.821	0.832	1,522
91282CCW9	17853	TREAS	TRC	US TREASURY NOTE	10/12/2021	19,775,384.49	0.750	08/31/2026	20,000,000.00	1,784	20,000,000.00	1.013	1.027	1,522
3130A8XY4	17845	TREAS	FAC	FEDERAL HOME LOAN	09/20/2021	6,777,447.19	1.875	09/11/2026	6,515,000.00	1,817	6,515,000.00	0.879	0.891	1,533
3130A8XY4	17848	TREAS	FAC	FEDERAL HOME LOAN	09/23/2021	14,550,602.14	1.875	09/11/2026	13,980,000.00	1,814	13,980,000.00	0.866	0.878	1,533
931142ER0	17842	TREAS	MTN	WALMART	09/17/2021	19,968,164.00	1.050	09/17/2026	20,000,000.00	1,826	20,000,000.00	1.074	1.089	1,539
931142ER0	17846	TREAS	MTN	WALMART	09/21/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,822	10,000,000.00	1.036	1.050	1,539
931142ER0	17847	TREAS	MTN	WALMART	09/21/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,822	10,000,000.00	1.036	1.050	1,539
931142ER0	17849	TREAS	MTN	WALMART	09/27/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,816	10,000,000.00	1.036	1.050	1,539
91282CCZ2	17850	TREAS	TRC	US TREASURY NOTE	09/30/2021	19,954,425.94	0.875	09/30/2026	20,000,000.00	1,826	20,000,000.00	0.917	0.930	1,552
91282CCZ2	17851	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,798,802.03	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	1.023	1.037	1,552
91282CCZ2	17852	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,844,619.39	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	0.987	1.000	1,552
13063DK31	17863	TREAS	MUN	STATE OF CALIFORNIA	11/17/2021	16,662,279.88	1.250	10/01/2026	16,635,000.00	1,779	16,635,000.00	1.194	1.210	1,553
13063DRD2	17871	TREAS	MUN	STATE OF CALIFORNIA	01/05/2022	8,128,489.48	2.375	10/01/2026	7,840,000.00	1,730	7,840,000.00	1.455	1.475	1,553
13063DRD2	17881	TREAS	MUN	STATE OF CALIFORNIA	02/01/2022	16,579,655.17	2.375	10/01/2026	16,175,000.00	1,703	16,175,000.00	1.735	1.759	1,553
13063DRD2	17892	TREAS	MUN	STATE OF CALIFORNIA	03/11/2022	15,149,175.00	2.375	10/01/2026	15,000,000.00	1,665	15,000,000.00	2.099	2.128	1,553
91282CDG3	17859	TREAS	TRC	US TREASURY NOTE	11/01/2021	29,889,286.37	1.125	10/31/2026	30,000,000.00	1,825	30,000,000.00	1.196	1.213	1,583
91282CDG3	17860	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,916,989.74	1.125	10/31/2026	20,000,000.00	1,825	20,000,000.00	1.207	1.224	1,583
91282CDG3	17861	TREAS	TRC	US TREASURY NOTE	11/01/2021	49,832,280.61	1.125	10/31/2026	50,000,000.00	1,825	50,000,000.00	1.188	1.205	1,583
91282CDG3	17864	TREAS	TRC	US TREASURY NOTE	11/23/2021	19,844,981.45	1.125	10/31/2026	20,000,000.00	1,803	20,000,000.00	1.292	1.310	1,583
91282CDG3	17875	TREAS	TRC	US TREASURY NOTE	01/10/2022	29,524,338.94	1.125	10/31/2026	30,000,000.00	1,755	30,000,000.00	1.485	1.506	1,583
91282CDG3	17877	TREAS	TRC	US TREASURY NOTE	01/19/2022	29,364,641.05	1.125	10/31/2026	30,000,000.00	1,746	30,000,000.00	1.613	1.635	1,583
3130AQF65	17868	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	99,758,276.26	1.250	12/21/2026	100,000,000.00	1,825	100,000,000.00	1.287	1.305	1,634
3130AQF65	17869	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	24,800,975.40	1.250	12/21/2026	24,860,000.00	1,825	24,860,000.00	1.286	1.304	1,634
3130AQF65	17872	TREAS	FAC	FEDERAL HOME LOAN	01/06/2022	24,113,853.42	1.250	12/21/2026	24,300,000.00	1,810	24,300,000.00	1.408	1.428	1,634
91282CDQ1	17870	TREAS	TRC	US TREASURY NOTE	12/31/2021	49,978,252.56	1.250	12/31/2026	50,000,000.00	1,826	50,000,000.00	1.243	1.260	1,644

**County of Fresno  
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
91282CDQ1	17873	TREAS	TRC	US TREASURY NOTE	01/06/2022	29,813,695.05	1.250	12/31/2026	30,000,000.00	1,820	30,000,000.00	1.374	1.393	1,644
91282CDQ1	17874	TREAS	TRC	US TREASURY NOTE	01/07/2022	29,711,915.89	1.250	12/31/2026	30,000,000.00	1,819	30,000,000.00	1.452	1.472	1,644
3133ENKV1	17879	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,672,794.89	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.642	1.664	1,657
3133ENKV1	17880	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,693,080.67	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.632	1.655	1,657
89236TJV8	17884	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2022	11,435,828.78	1.900	01/13/2027	11,581,000.00	1,773	11,581,000.00	2.229	2.260	1,657
912828Z78	17878	TREAS	TRC	US TREASURY NOTE	01/31/2022	49,717,000.68	1.500	01/31/2027	50,000,000.00	1,826	50,000,000.00	1.607	1.629	1,675
912828Z78	17883	TREAS	TRC	US TREASURY NOTE	02/28/2022	19,660,757.43	1.500	01/31/2027	20,000,000.00	1,798	20,000,000.00	1.890	1.916	1,675
3133ENNS5	17882	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2022	49,733,596.48	1.800	02/16/2027	50,000,000.00	1,814	50,000,000.00	1.908	1.935	1,691
3133ENRD4	17893	TREAS	FAC	FEDERAL FARM CREDIT	03/15/2022	9,779,705.25	1.680	03/10/2027	10,000,000.00	1,821	10,000,000.00	2.153	2.183	1,713
084664CZ2	17890	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	59,989,271.33	2.300	03/15/2027	60,000,000.00	1,826	60,000,000.00	2.272	2.304	1,718
084664CZ2	17891	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	9,929,510.78	2.300	03/15/2027	10,000,000.00	1,826	10,000,000.00	2.426	2.460	1,718
037833CR9	17895	TREAS	MTN	APPLE INC	06/13/2022	9,931,838.11	3.200	05/11/2027	10,000,000.00	1,793	10,000,000.00	3.370	3.417	1,775
912828X88	17897	TREAS	TRC	US TREASURY NOTE	06/22/2022	47,821,762.38	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,779
912828X88	17898	TREAS	TRC	US TREASURY NOTE	06/22/2022	47,821,762.38	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,779
<b>Subtotal and Average</b>						<b>5,171,253,978.63</b>			<b>5,170,287,000.00</b>		<b>5,170,287,000.00</b>	<b>1.455</b>	<b>1.475</b>	<b>1,023</b>
<b>Net Maturities and Average</b>						<b>5,171,253,978.63</b>			<b>5,170,287,000.00</b>		<b>5,170,287,000.00</b>	<b>1.455</b>	<b>1.475</b>	<b>1,023</b>



# Quarterly Economic and Market Update

June 2022

**Economic and Market Update**  
**6/30/2022**

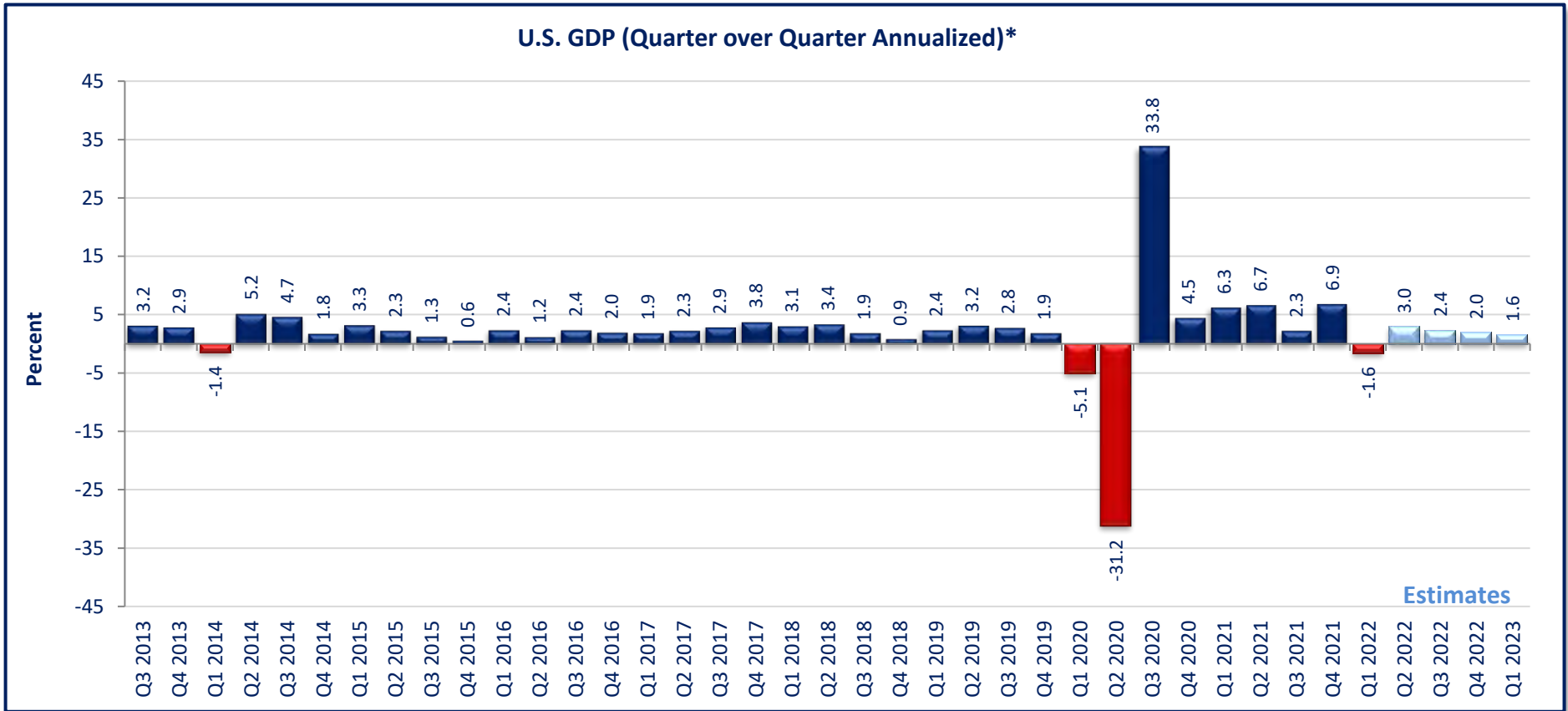
Item	6/30/2022	3/31/2022	Change
U.S. Payrolls Monthly Change	372,000	398,000	(26,000)
Unemployment Rate	3.6%	3.6%	0.0%
Labor Force Participation	62.2%	62.4%	(0.2%)
Effective Fed Funds Rate	1.58%	0.33%	1.25%
3 Month T-Bill	1.67%	0.50%	1.17%
2 Year T-Note	2.96%	2.34%	0.62%
3 Year T-Note	3.01%	2.51%	0.50%
5 Year T-Note	3.04%	2.46%	0.58%
10 Year T-Note	3.02%	2.34%	0.68%
U.S. Fed Debt Avg Yield*	1.60%	1.48%	0.12%
30 Year Mortgage Rate	5.83%	4.90%	0.93%
1-5 Yr Agency Spread	0.03%	0.03%	0.00%
1-5 Yr A-AAA Corporate Spread	0.80%	0.63%	0.17%
Dow Jones	30,775	34,678	(11.3%)
S&P 500	3,785	4,530	(16.4%)
Consumer Price Index YOY*	8.3%	8.5%	(0.2%)
U.S. Avg Regular Unleaded	\$4.84	\$4.22	\$0.63
Retail Sales YOY*	7.3%	7.1%	0.2%
Case-Shiller Home Prices YOY*	21.2%	21.1%	0.1%
Gold (per ounce)	\$1,807.27	\$1,937.44	(\$130.17)
Dollar Index	104.69	98.31	6.37
Consumer Confidence	98.7	103.2	(4.5)

\*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg



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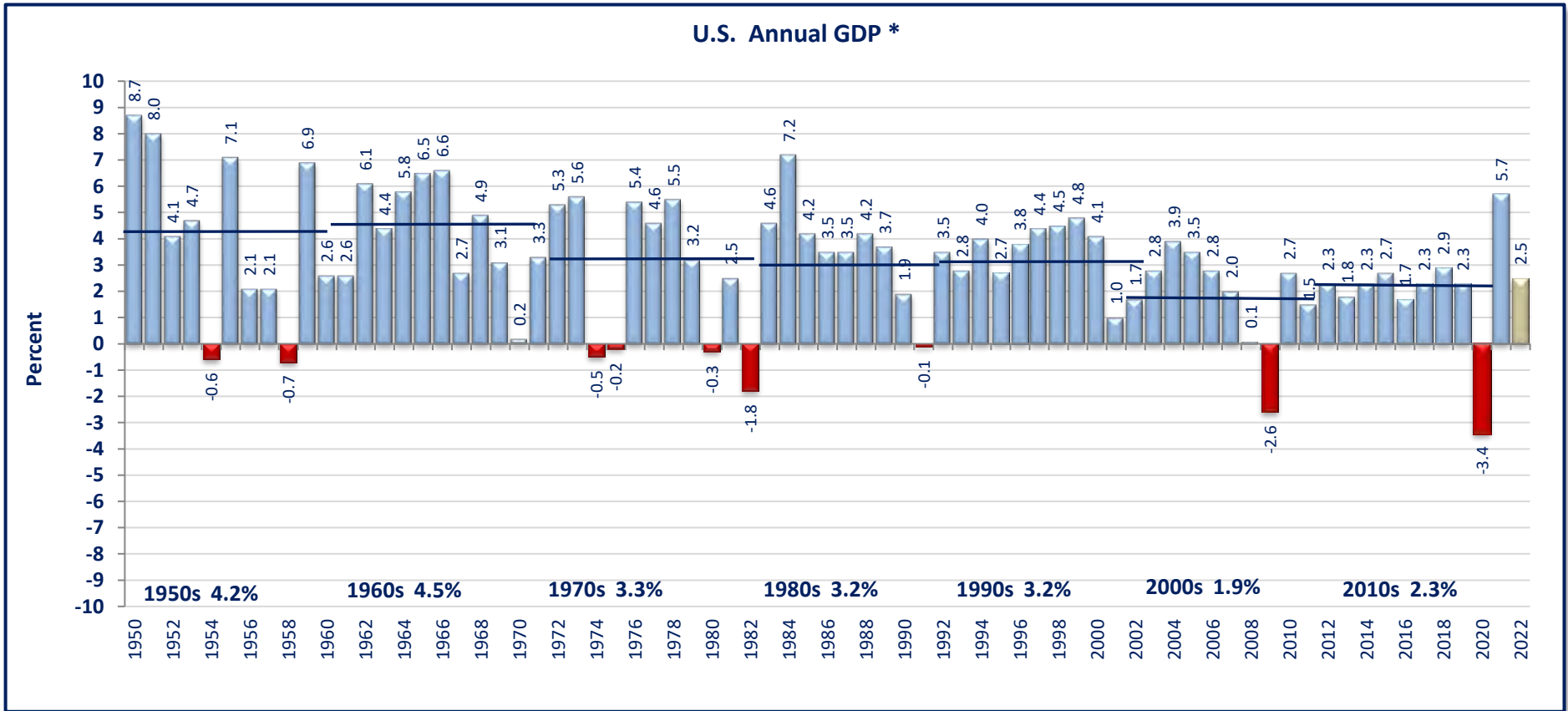
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/2022

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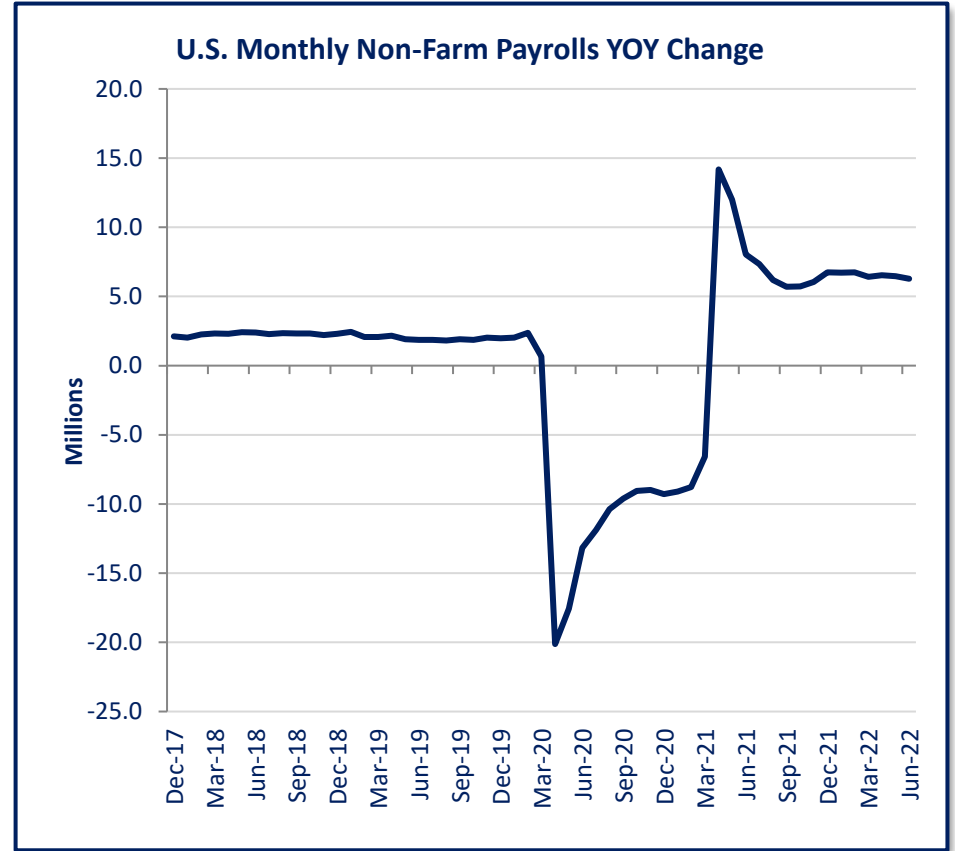
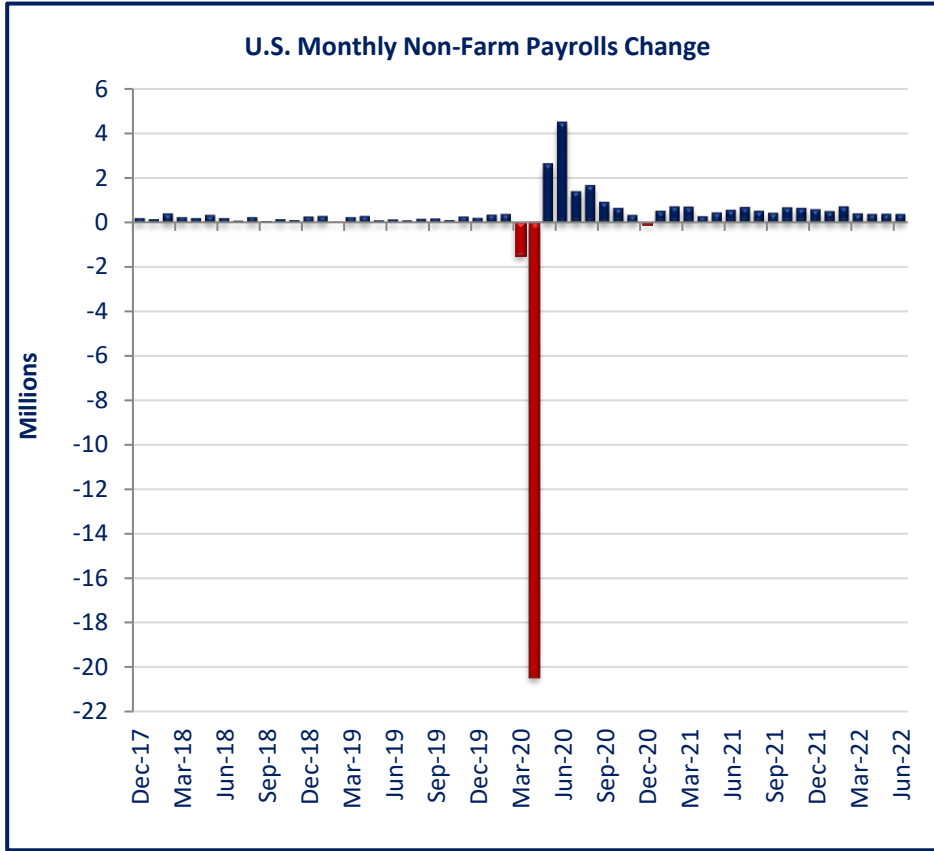
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/2022

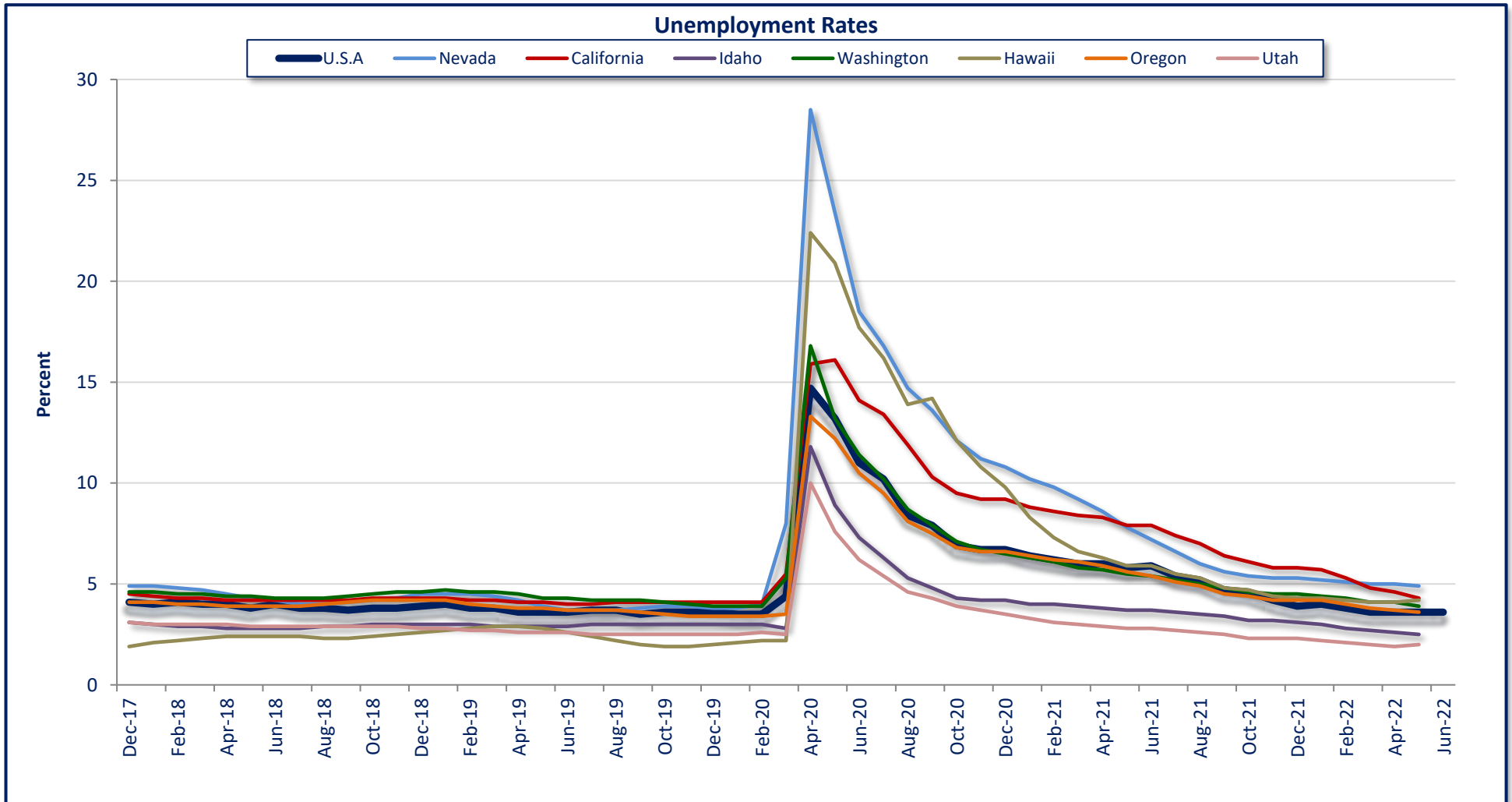
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**12 Month Average Job Change**                      **523,500**

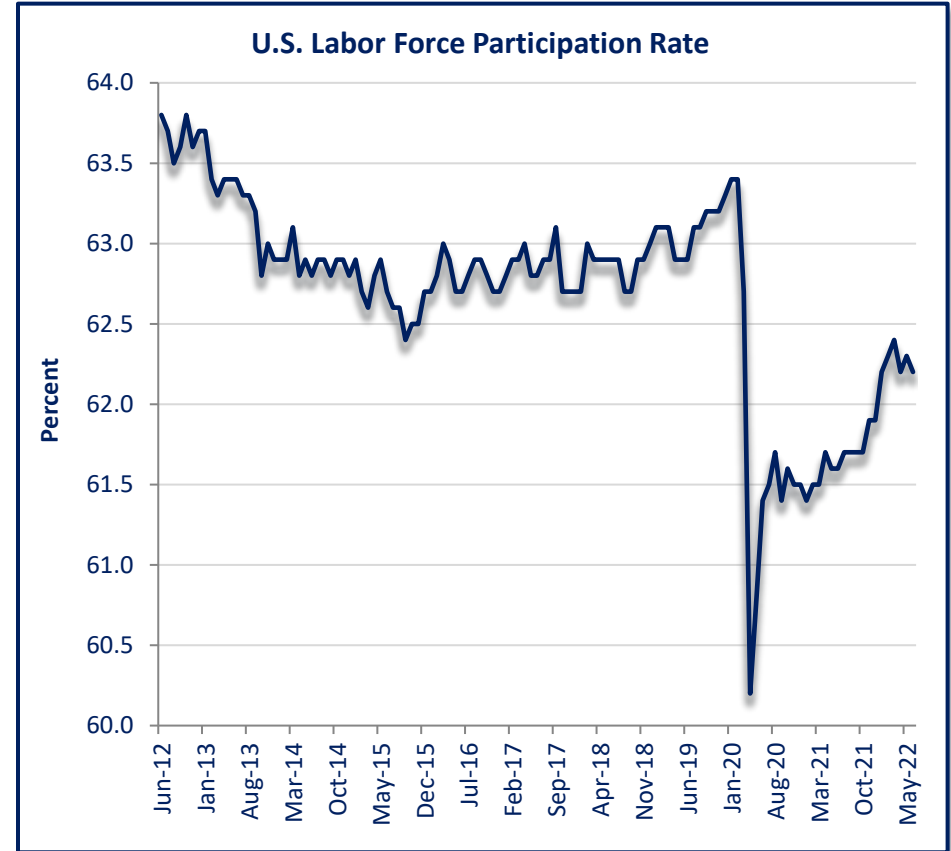
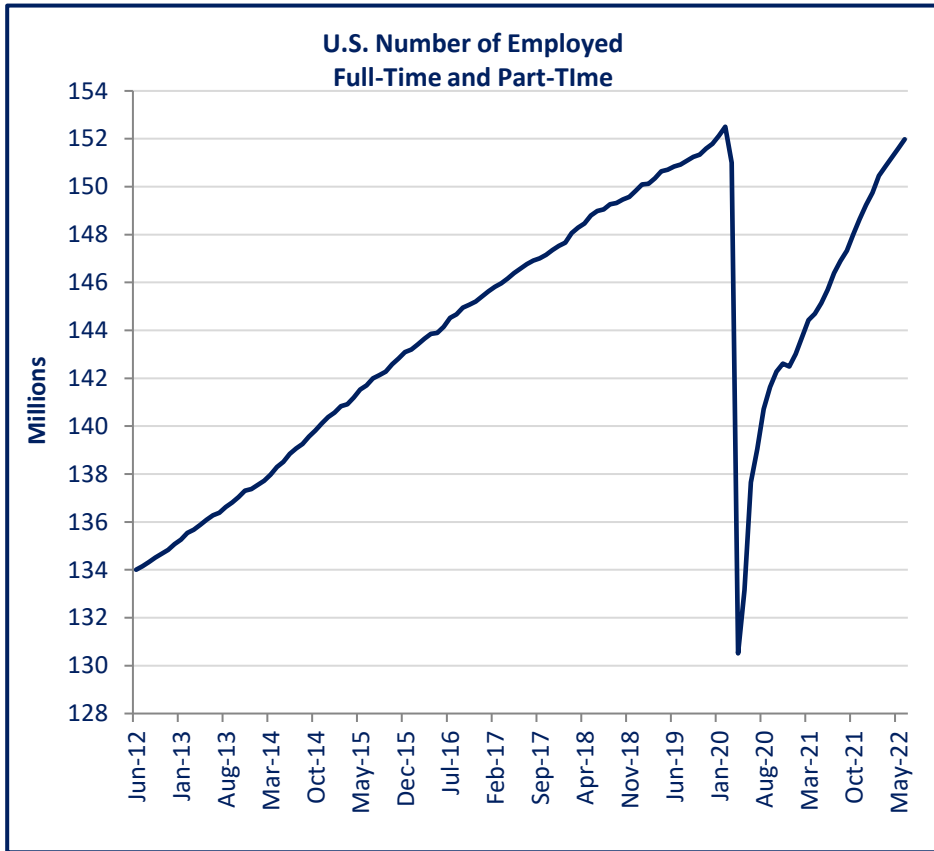
Source: Bureau of Labor Statistics

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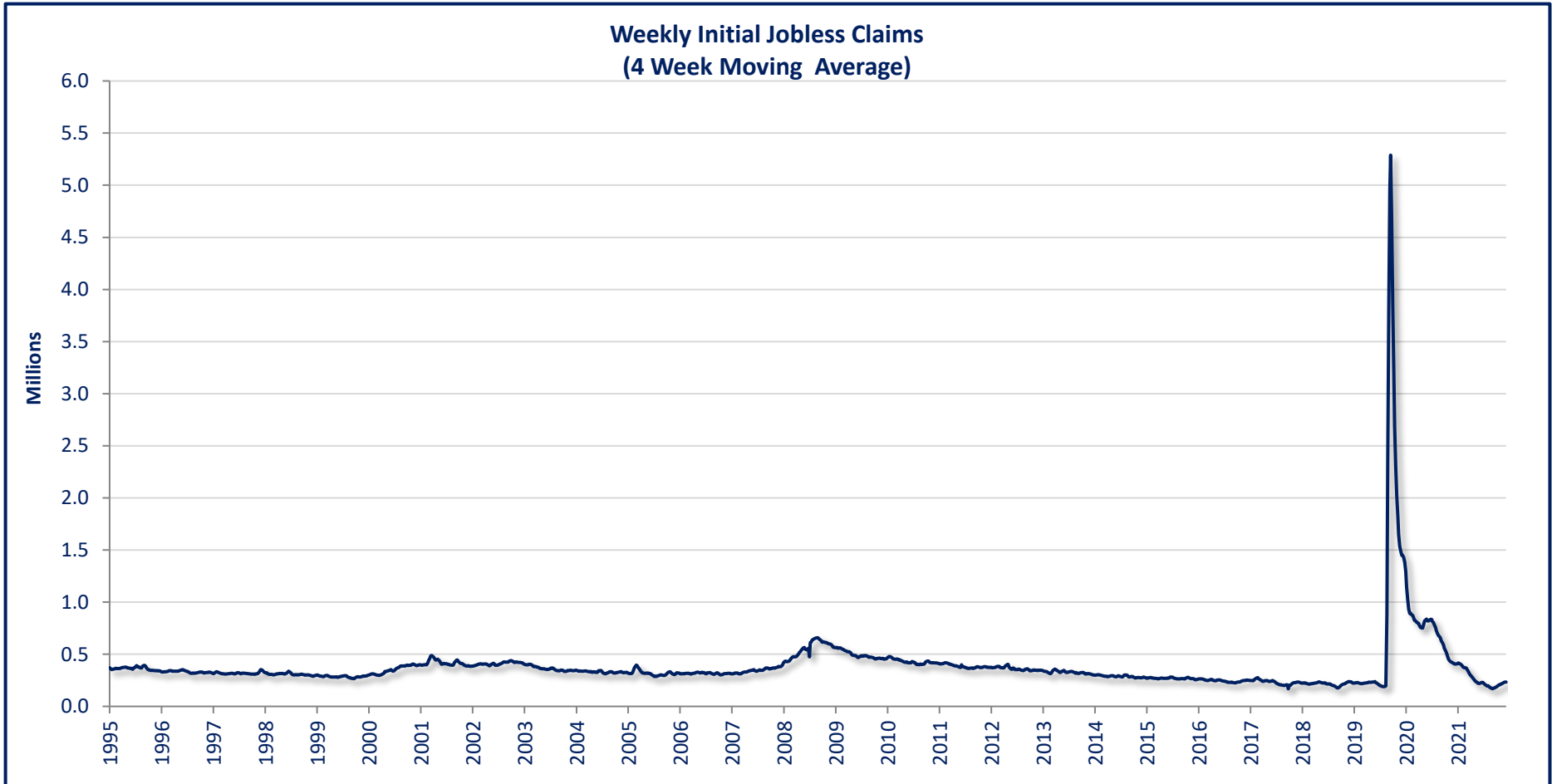


Source: Bureau of Labor Statistics

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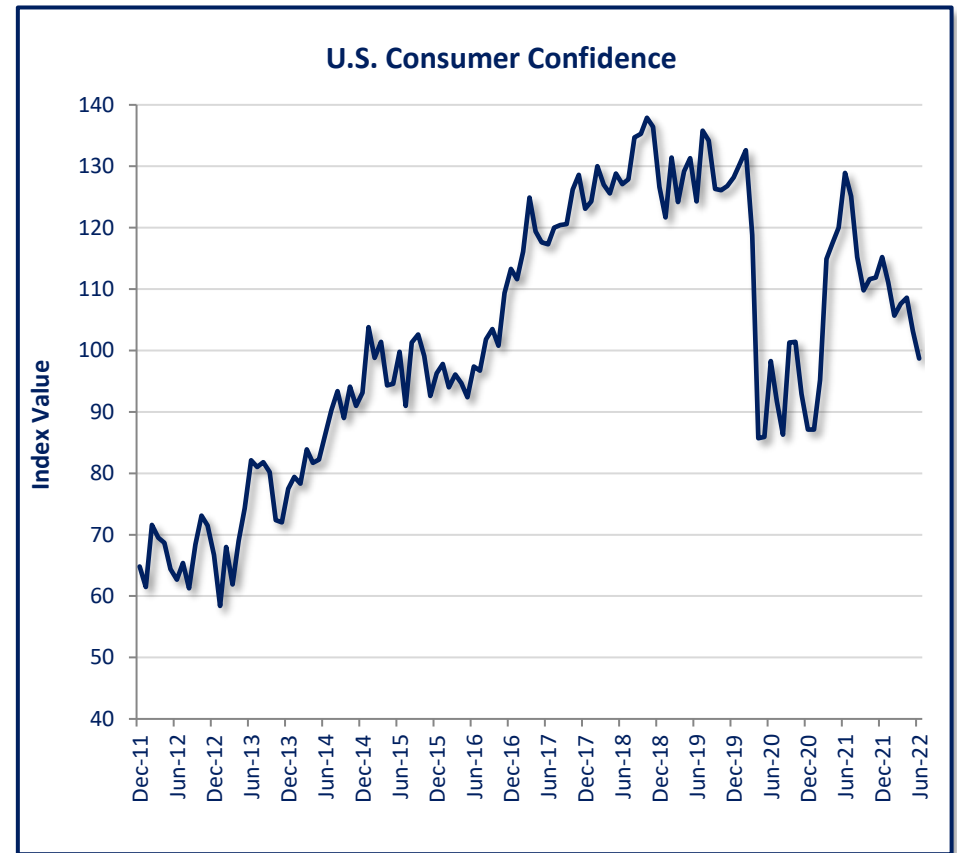
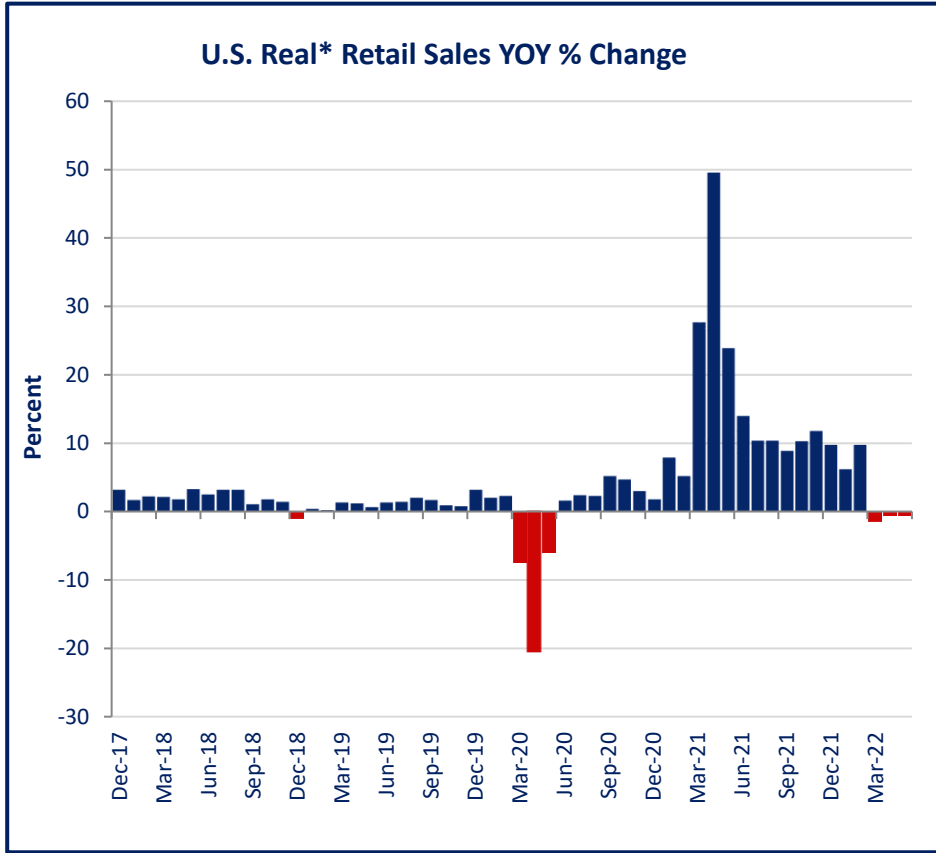
Source: Bureau of Labor Statistics



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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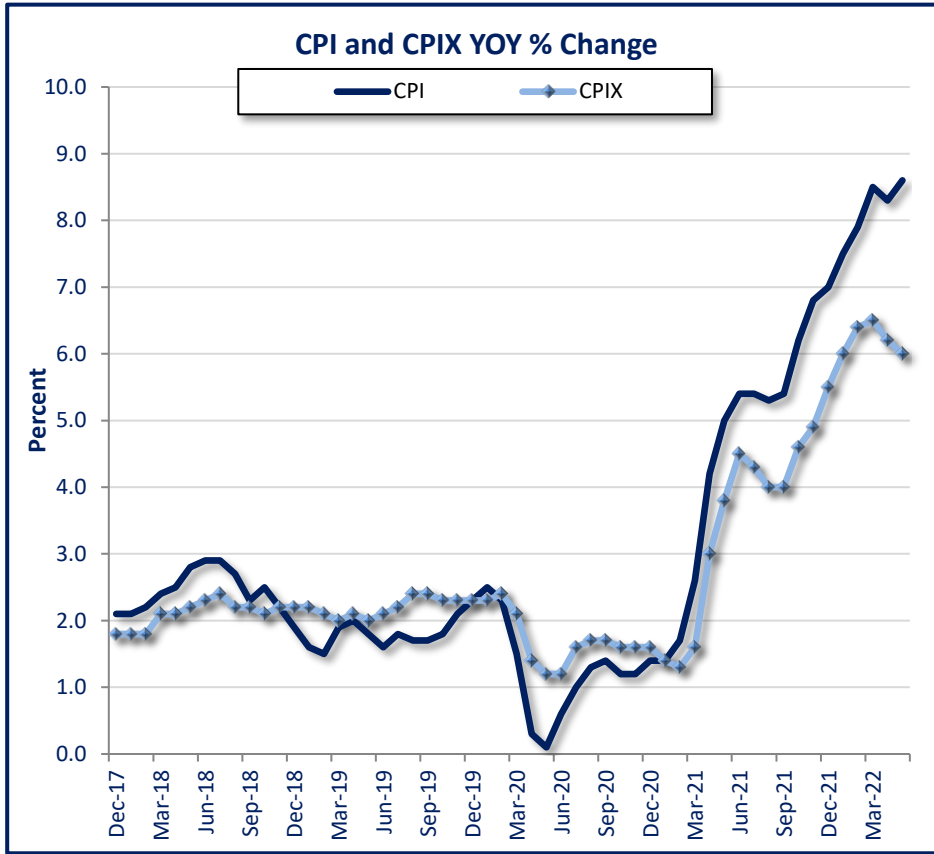


\*Real: Inflation Adjusted

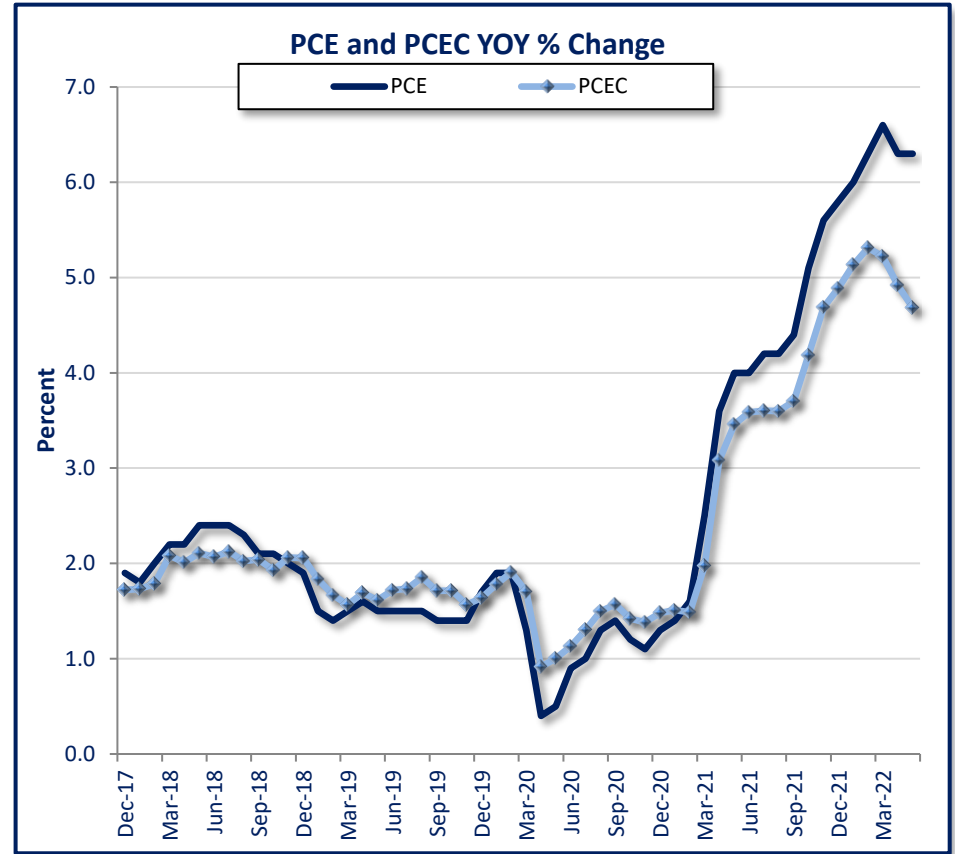
Source: U.S. Census Bureau

Source: Conference Board

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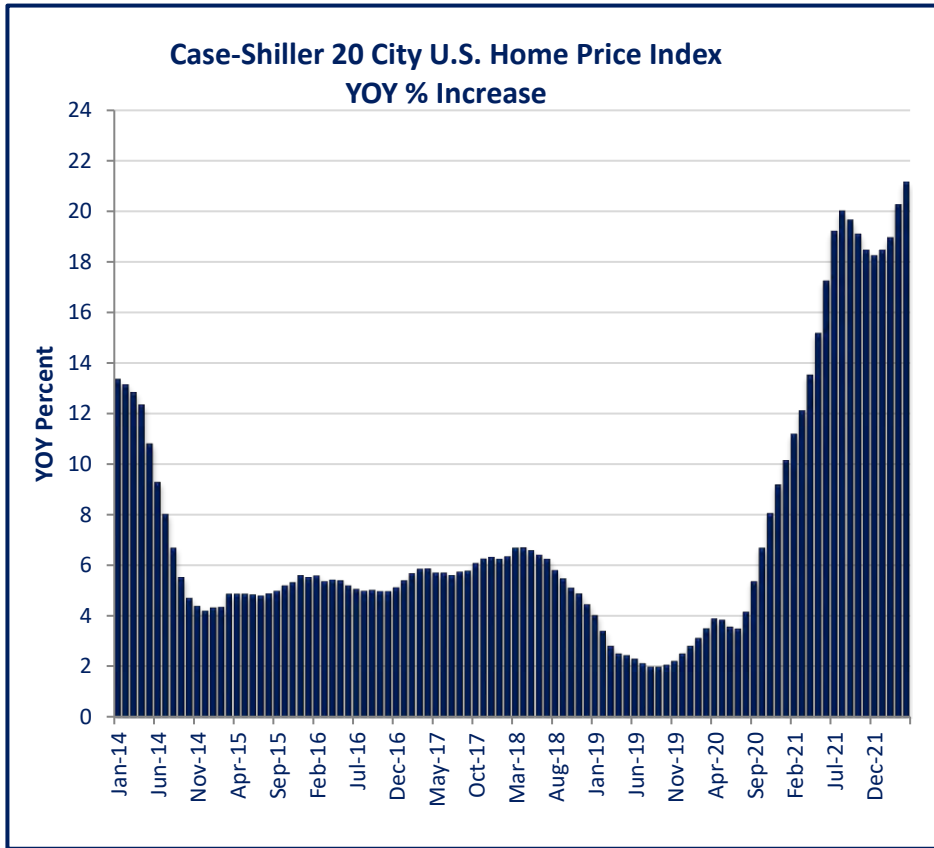
CPIX: Consumer Price Index, excluding food and energy



PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

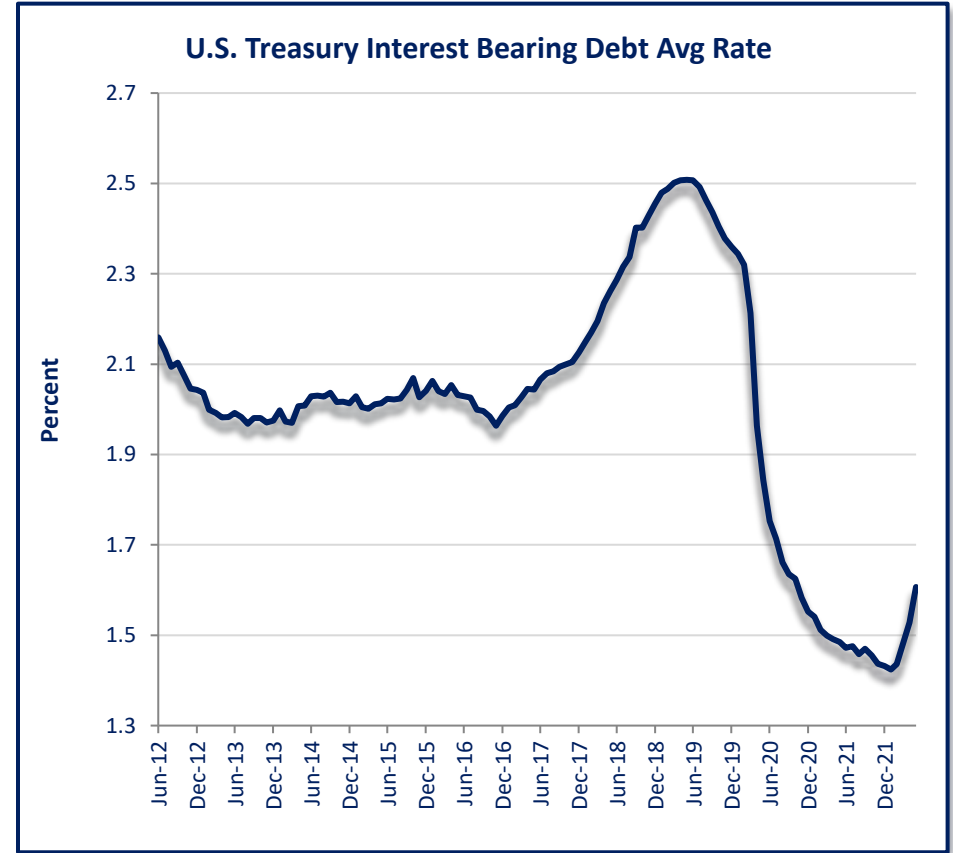
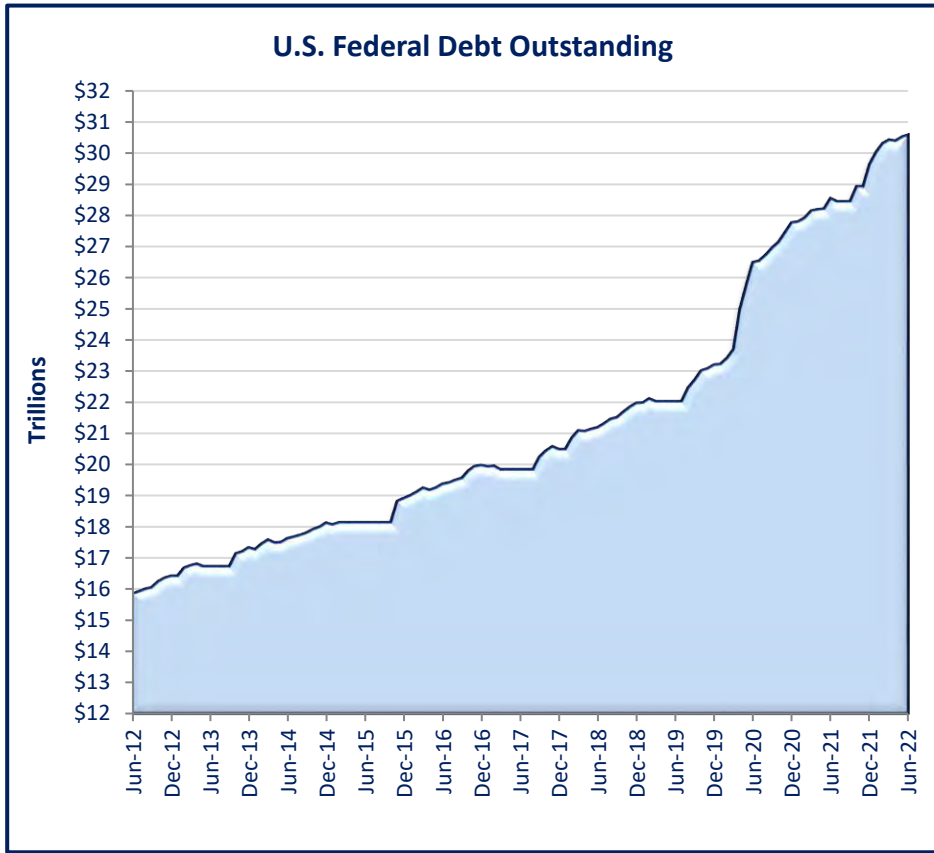




Source: Case-Shiller

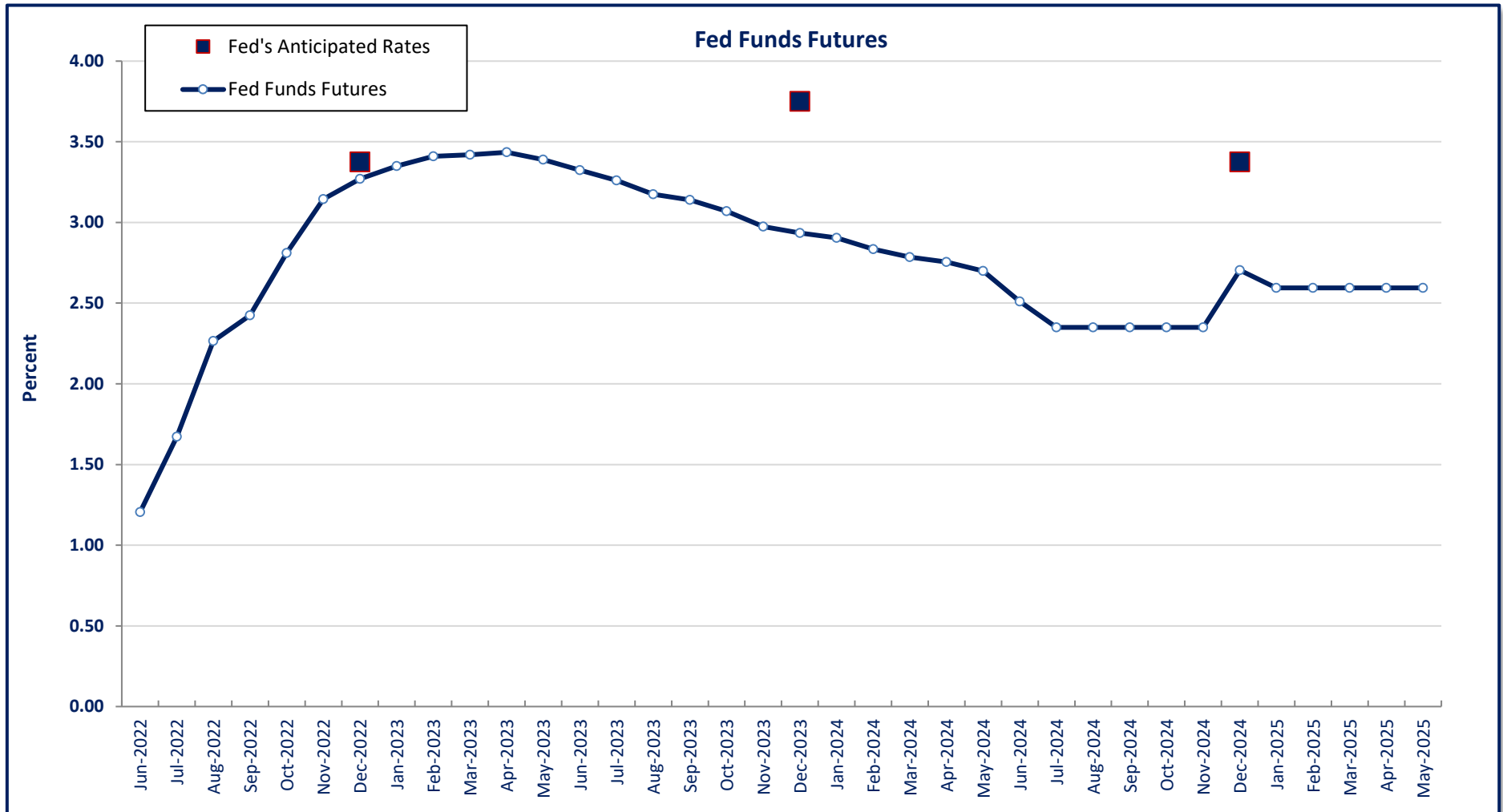
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)  
Seasonally Adjusted Annual Rate

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Source: U.S. Treasury

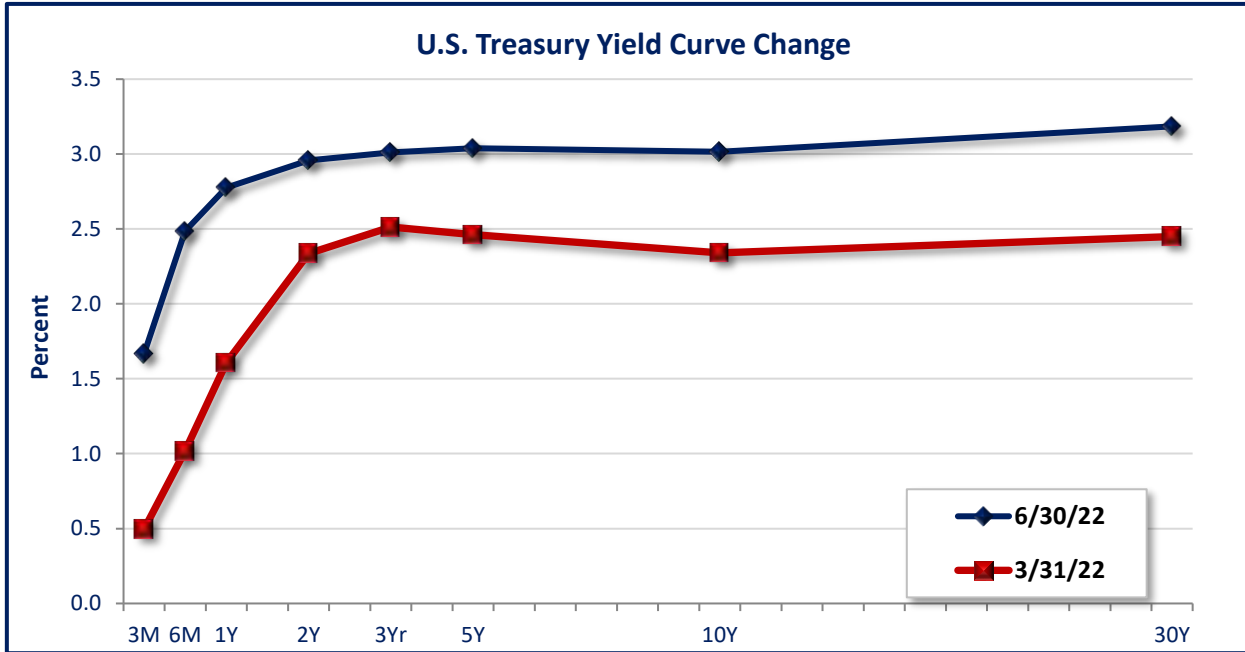
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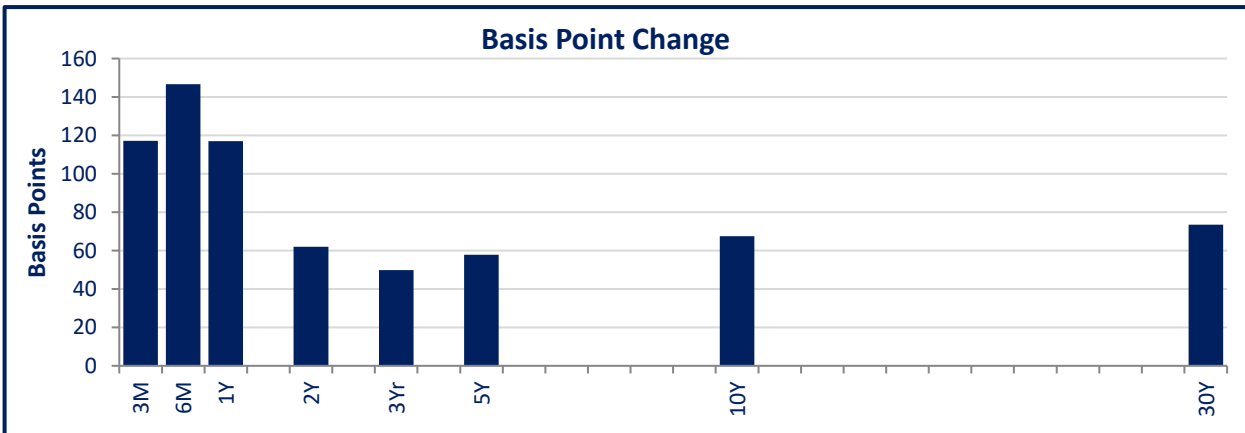
Fed Funds Anticipated Rate from the June 15, 2022 FOMC Meeting

Source: Bloomberg

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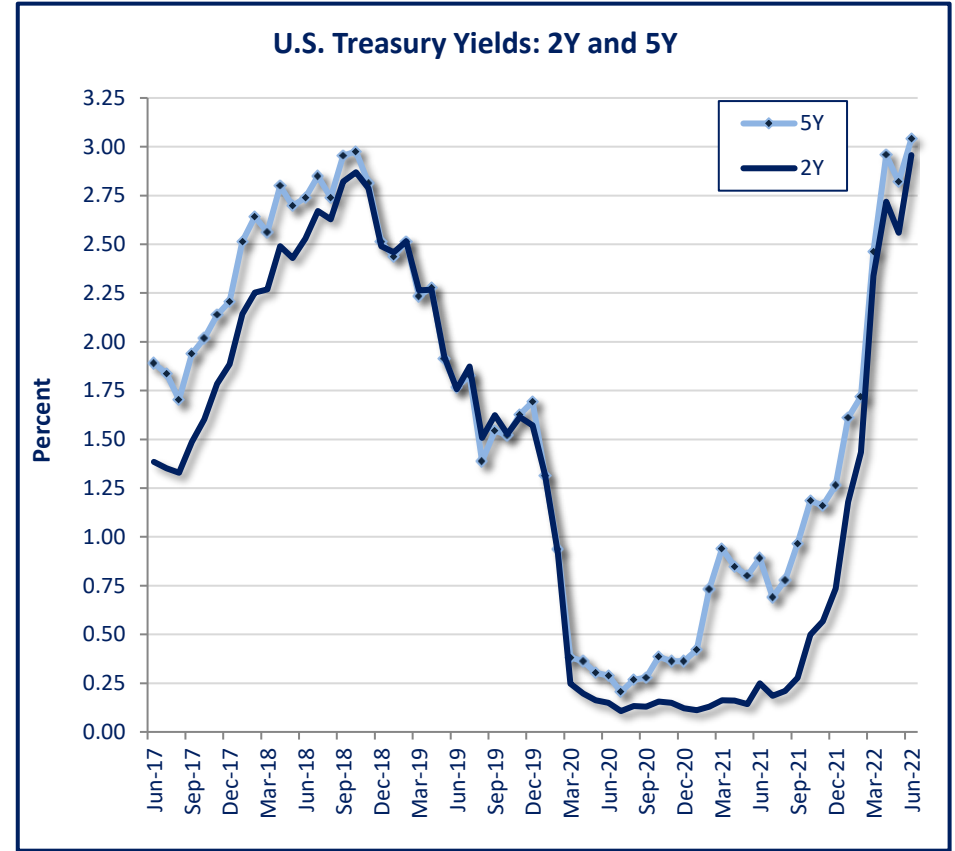
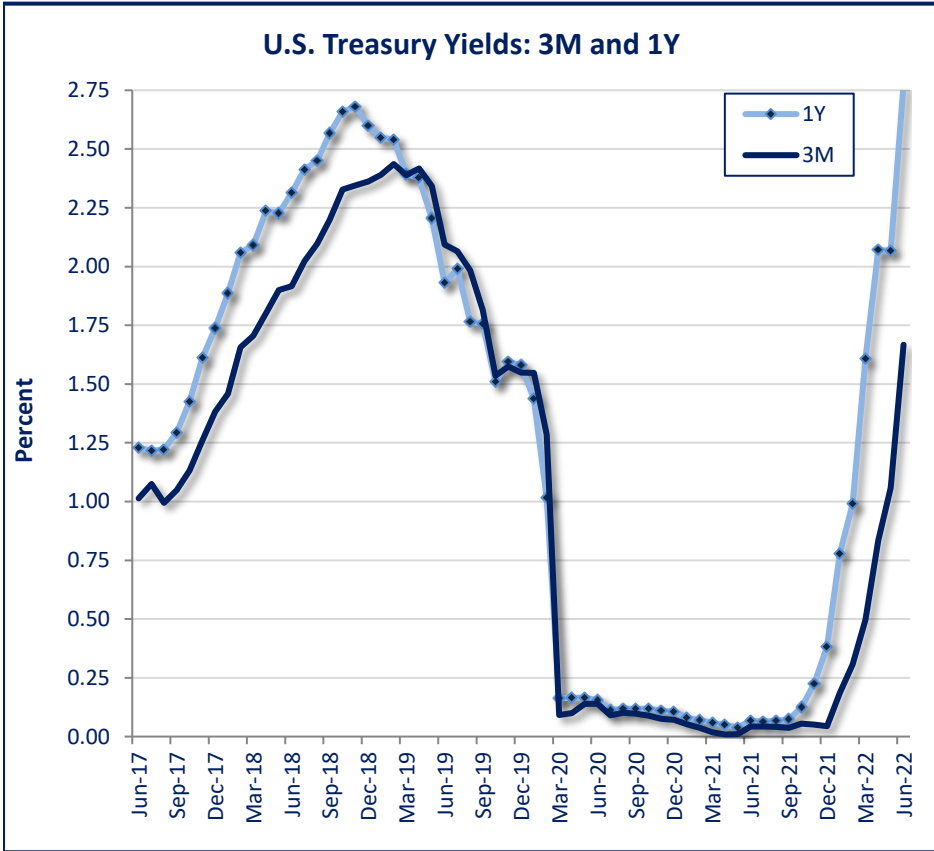


Maturity	6/30/22	3/31/22	Change
3M	1.67	0.50	1.17
6M	2.49	1.02	1.47
1Y	2.78	1.61	1.17
2Y	2.96	2.34	0.62
3Y	3.01	2.51	0.50
5Y	3.04	2.46	0.58
10Y	3.02	2.34	0.68
30Y	3.19	2.45	0.74



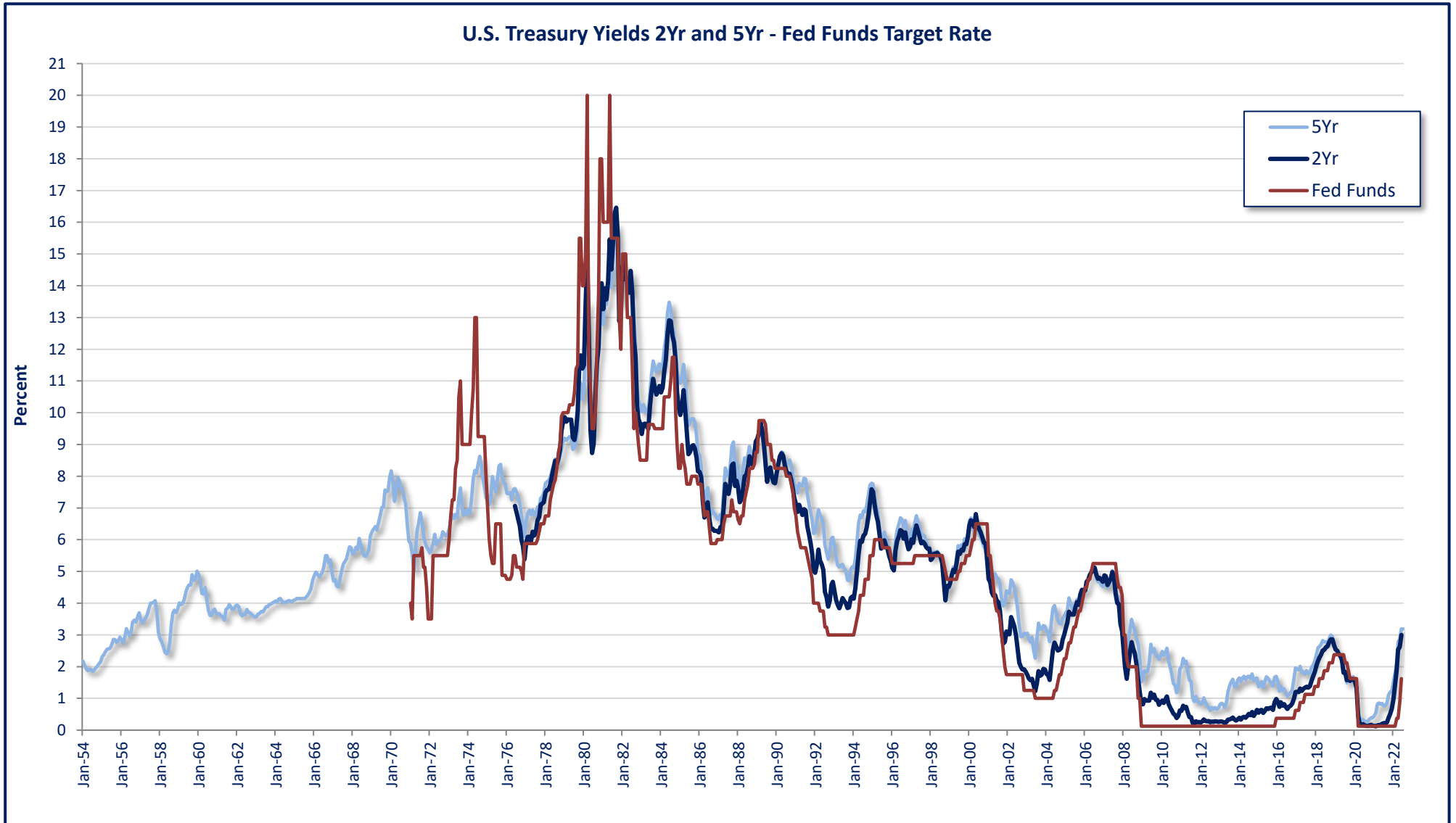
Source: Bloomberg  
Figures may not total due to rounding

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Source: Bloomberg

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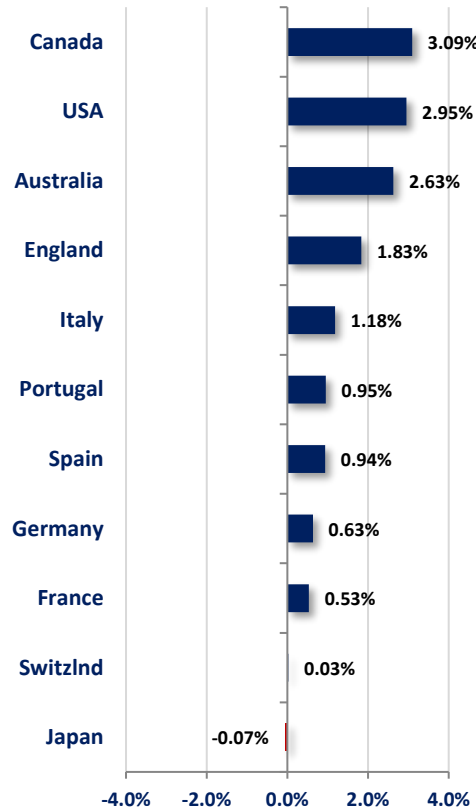


Source: Bloomberg

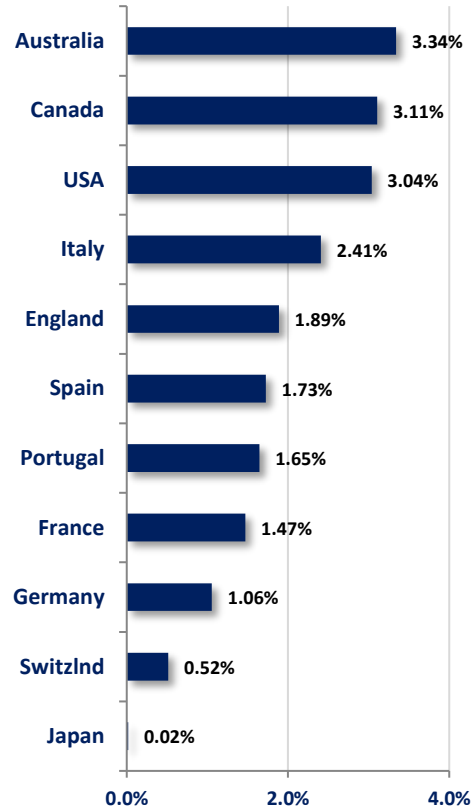
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Global Treasury Rates

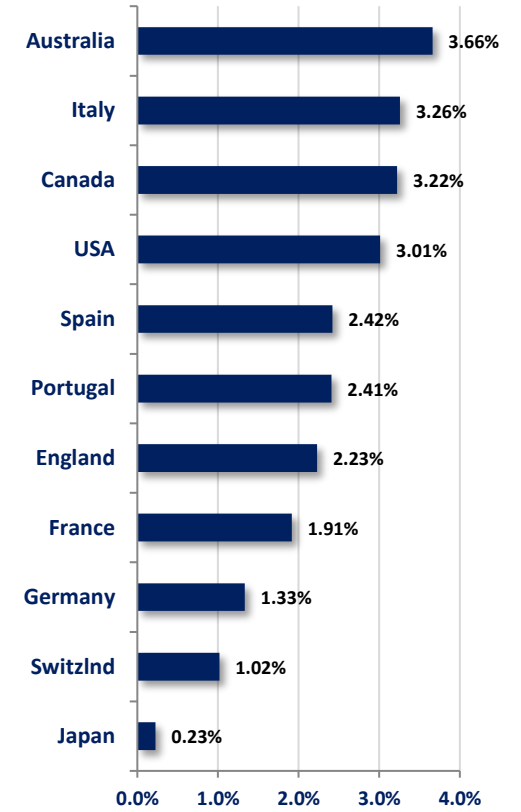
2 Year Yields



5 Year Yields

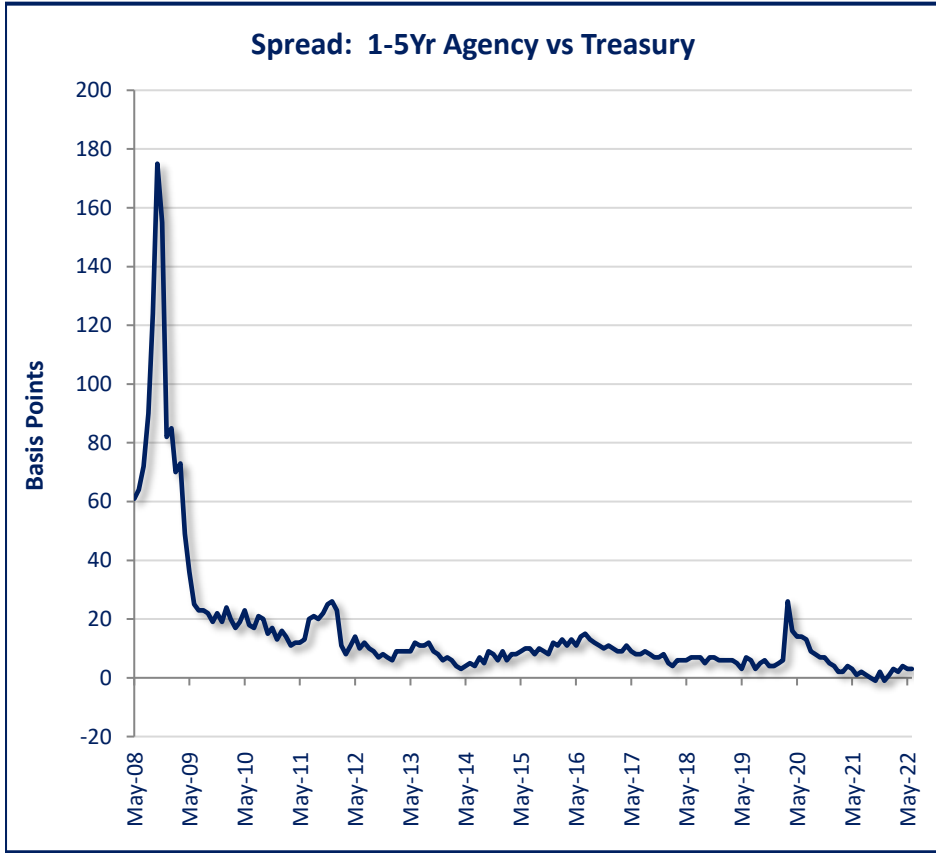


10 Year Yields



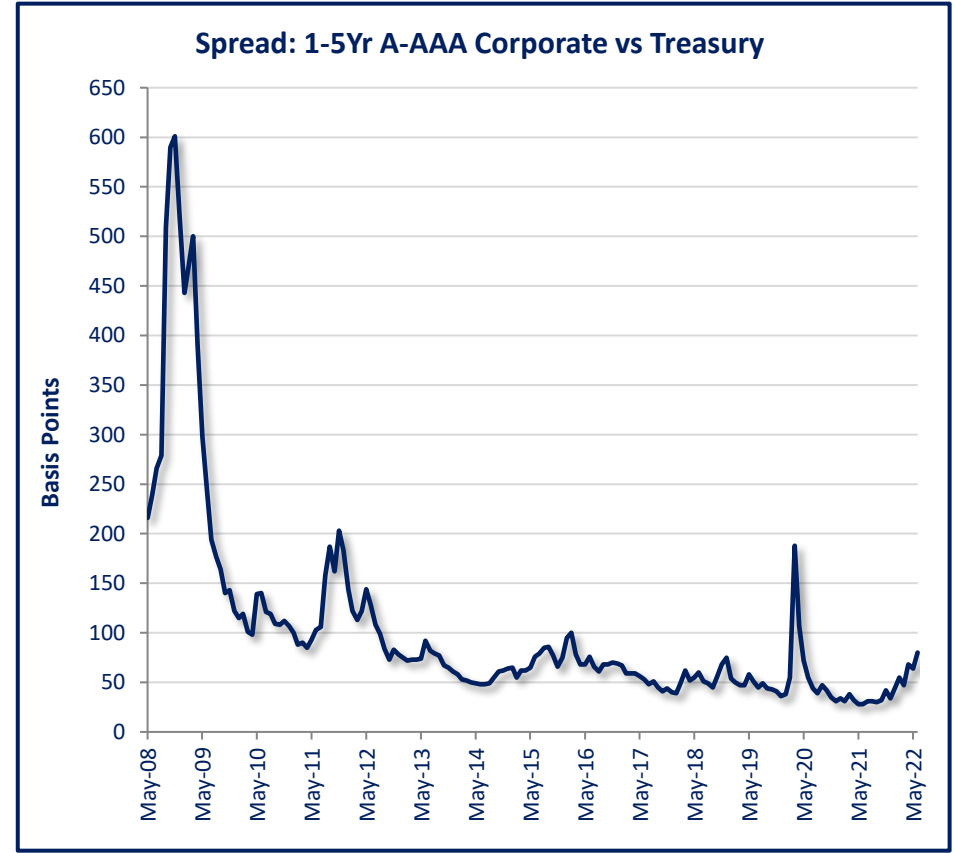
Source: Bloomberg

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Current Spread is 3

ICE BofAML Index (option adjusted spread vs. Treasury)  
1-5Yr Non-Callable Agency (GVPB)



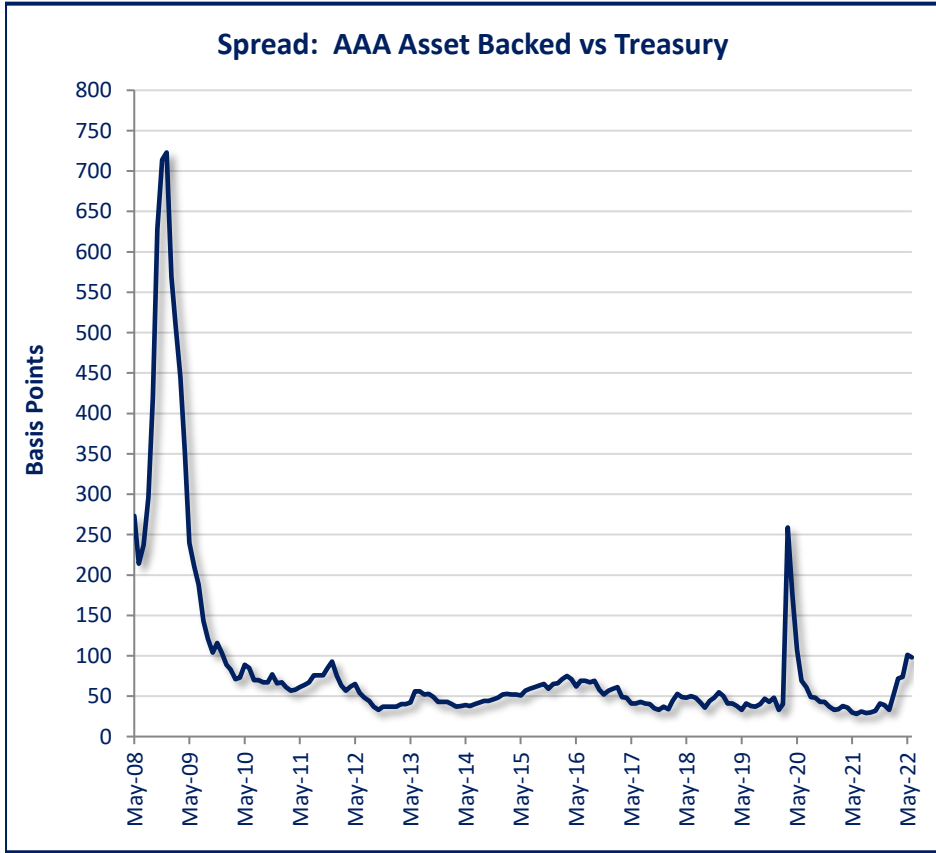
Current Spread is 80

ICE BofAML Index (option adjusted spread vs. Treasury)  
Corporate A-AAA Excluding Yankee (CVAC)

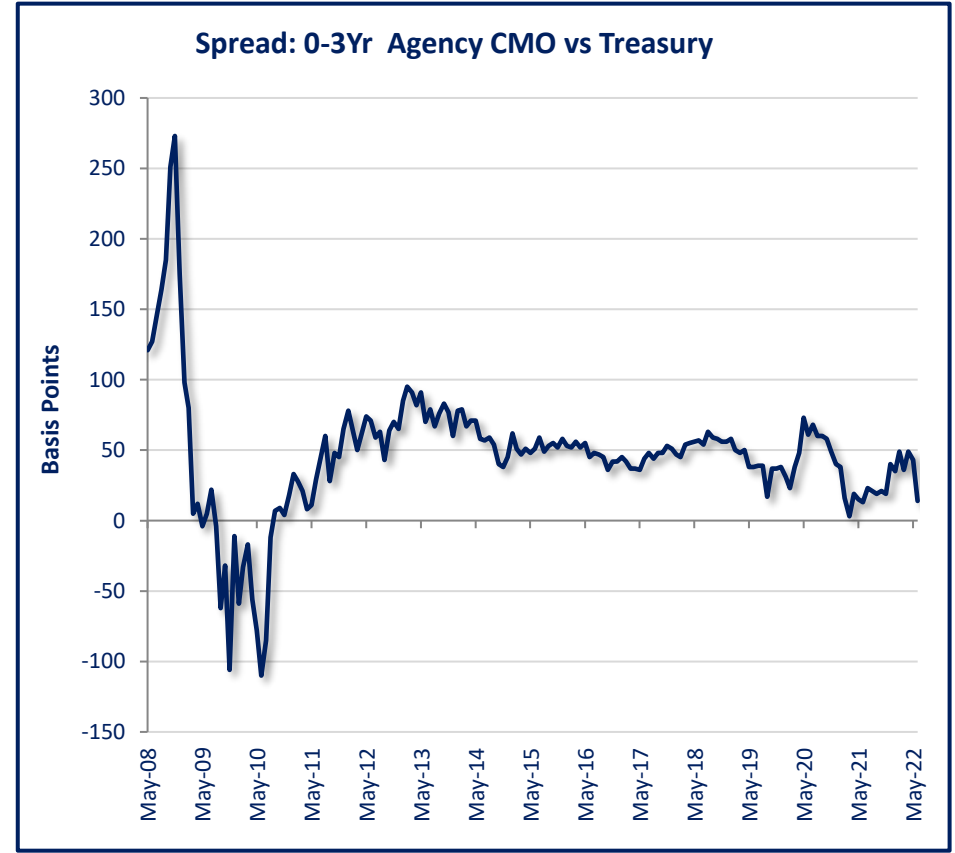
Source: ICE BofAML Indices



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Current Spread is 98



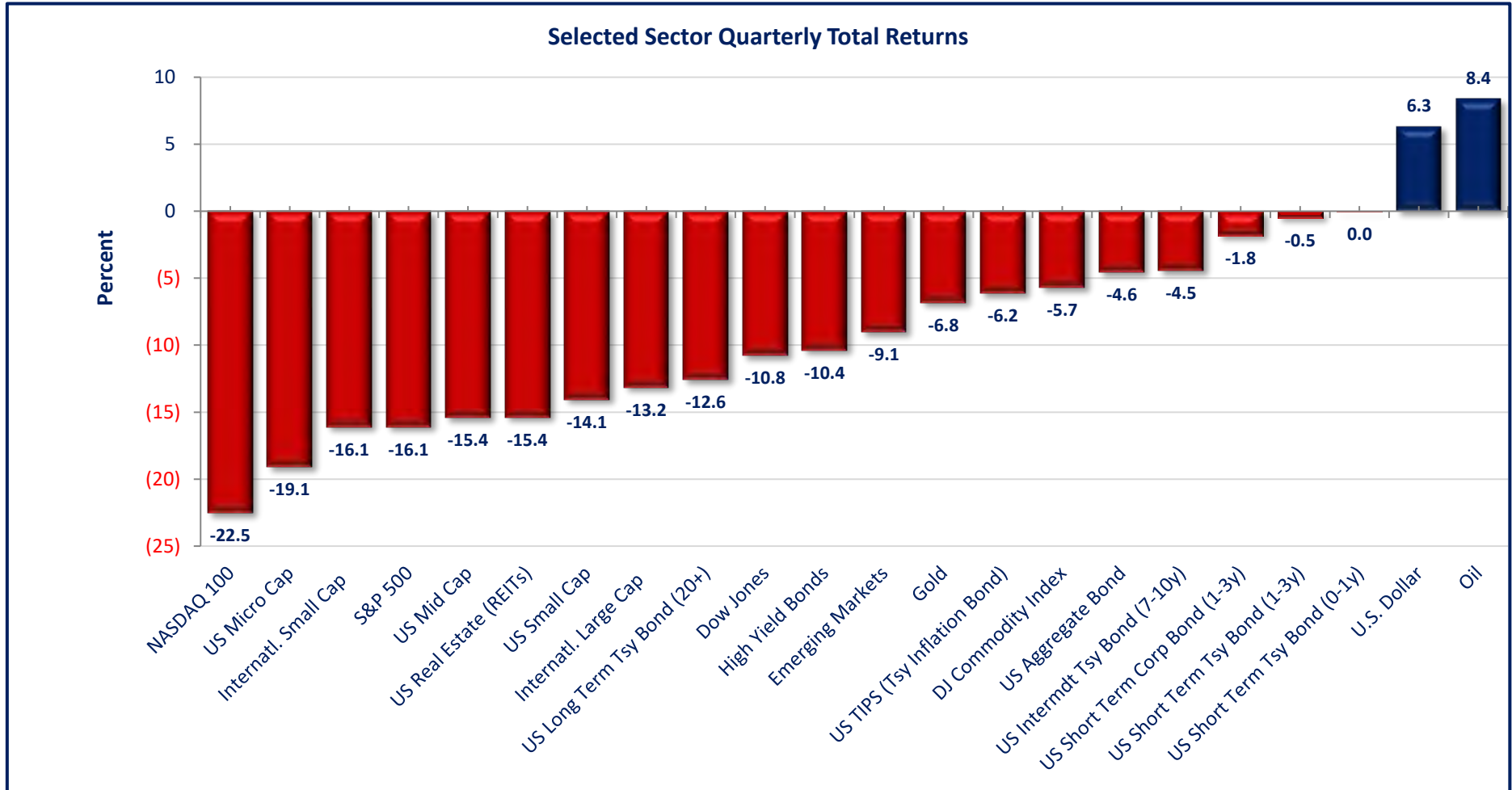
Current Spread is 14

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
AAA Rated ABS (ROA1)

\*ICE BofAML Index (option adjusted spread vs. Treasury)  
CMO Agency 0-3Yr PAC (CM1P)

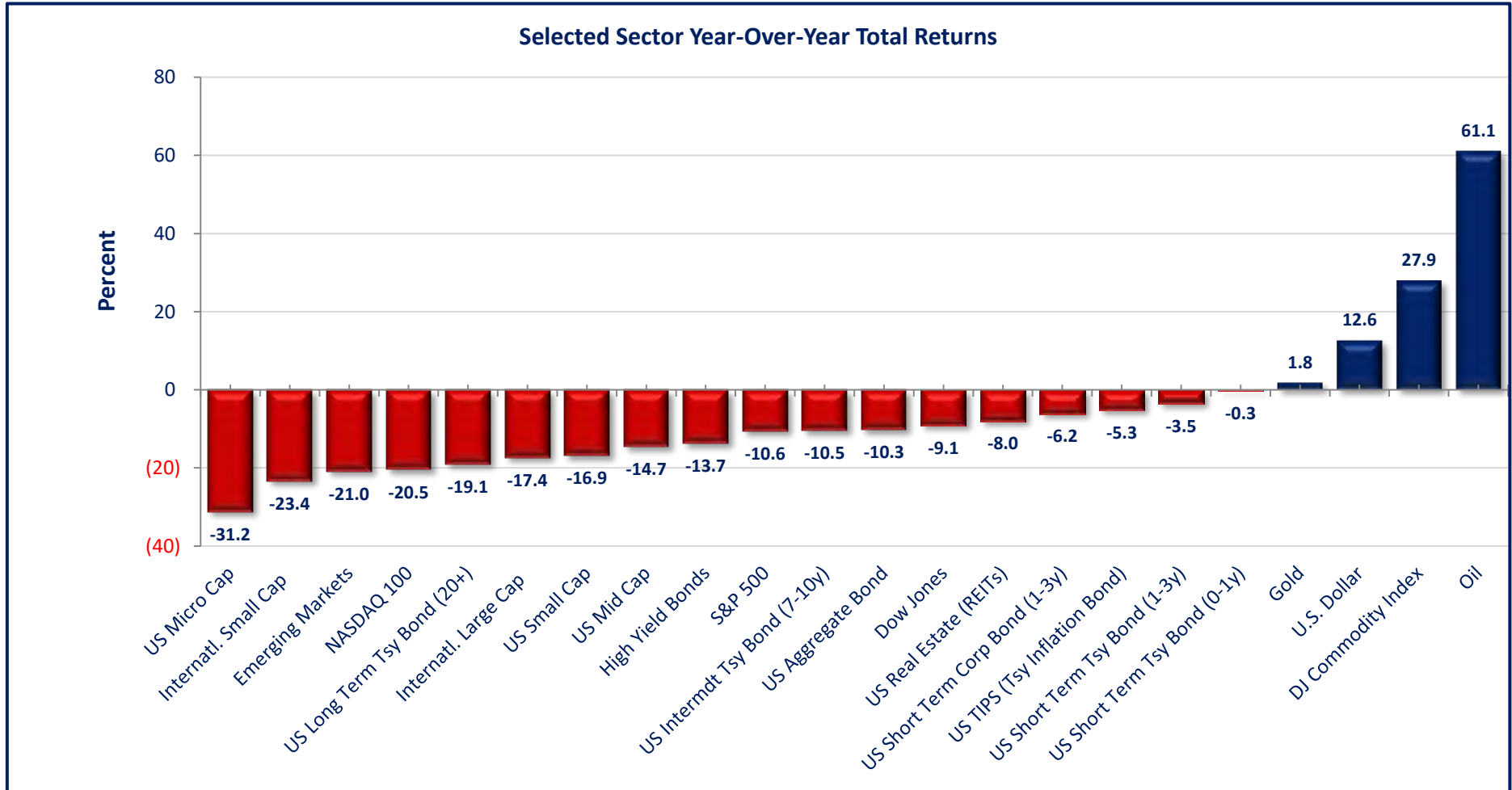
Source: ICE BofAML Indices

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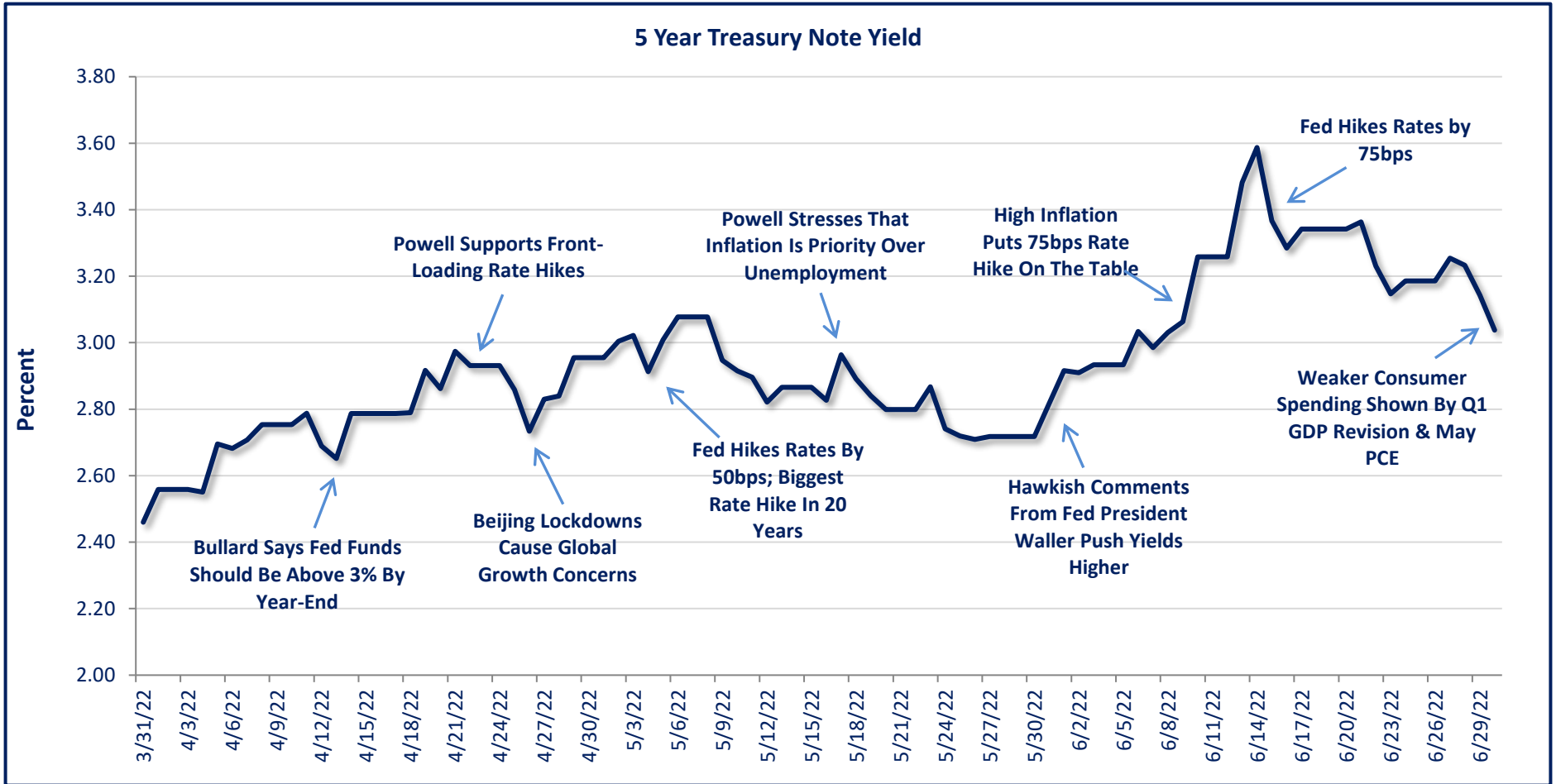
Source: Bloomberg

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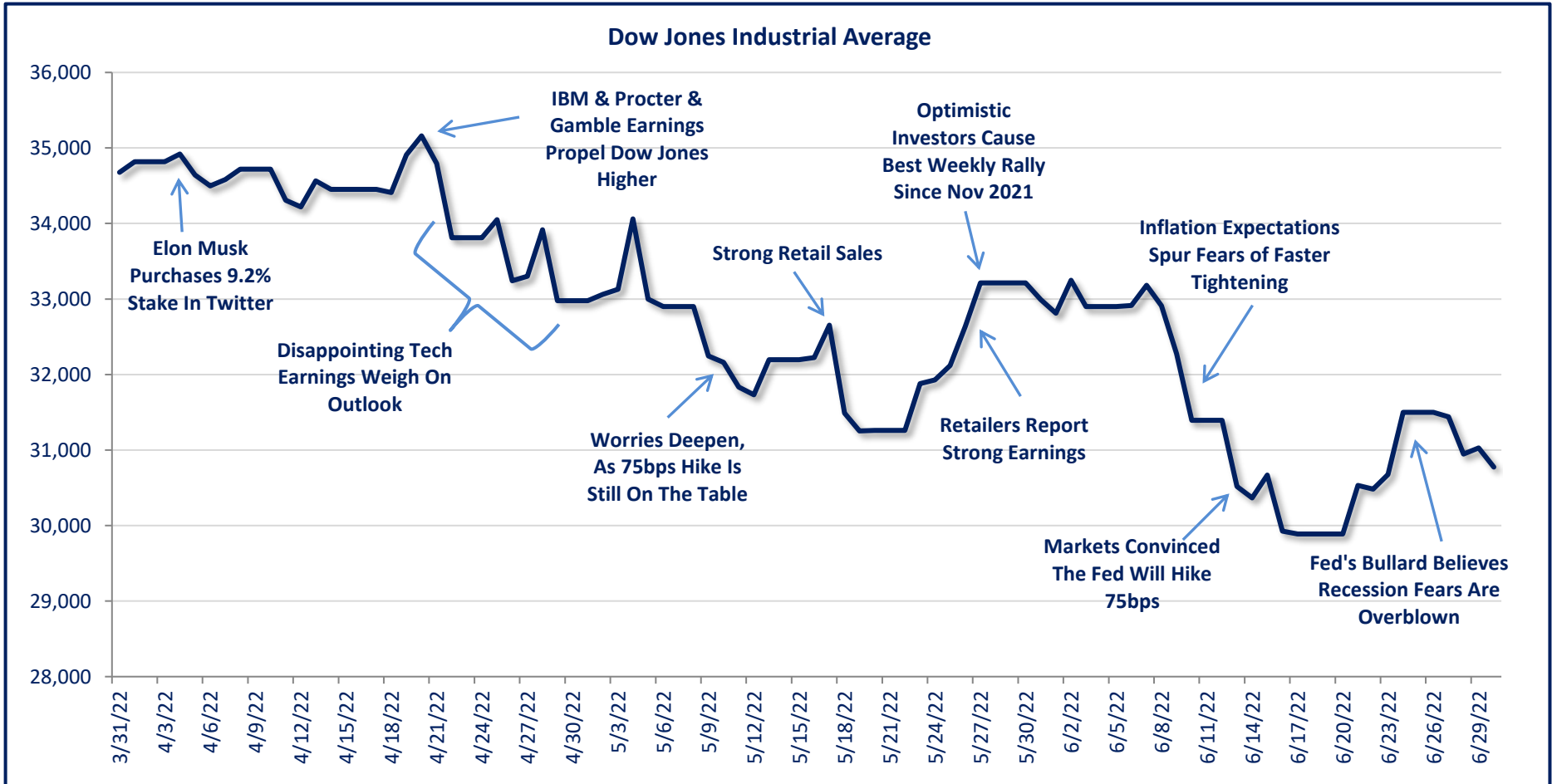
Source: Bloomberg

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Sources: Bloomberg, FHN Main Street

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Sources: Bloomberg, FHN Financial, FHN Main Street

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## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Bonds (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “Agent”) take any responsibility for the information contained in this APPENDIX.*

*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) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

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 is currently rated by Standard & Poor’s as “AA+.” The DTC Rules applicable

to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and



customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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



