

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 18, 2025**

**NEW ISSUE—BOOK-ENTRY ONLY**

**Rating: S&P: “AA+”  
(See “MISCELLANEOUS — Rating” herein.)**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. See “TAX MATTERS” herein.*

**\$25,000,000\***

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
General Obligation Bonds, Election of 2024, Series 2025**

**Dated: Date of Delivery**

**Due: August 1, as shown herein**

*This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

The Mammoth Unified School District (Mono County, California) General Obligation Bonds, Election of 2024, Series 2025 (the “Series 2025 Bonds”) are being issued by the Mammoth Unified School District (the “District”), located in the County of Mono, California (the “County”), under the laws of the State of California (the “State”) and pursuant to a resolution of the Board of Education of the District, adopted on January 30, 2025. Proceeds of the Series 2025 Bonds will be applied to (i) finance specific construction, reconstruction, rehabilitation, or replacement projects approved by the voters of the District, and (ii) pay costs of issuance of the Series 2025 Bonds, as further described herein. The Series 2025 Bonds were authorized at an election of the voters of the District held on November 5, 2024, at which at least 55% of the voters voting on the proposition authorized the issuance and sale of \$70,000,000 aggregate principal amount of bonds of the District.

The Series 2025 Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is 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 Series 2025 Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS” herein.

The Series 2025 Bonds will be issued as current interest bonds, in denominations of \$5,000 principal amount or any integral multiple thereof, as set forth on the inside front cover page hereof. Interest on the Series 2025 Bonds is payable on each February 1 and August 1 to maturity or earlier redemption thereof, commencing August 1, 2025. Principal of the Series 2025 Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover page hereof.

The Series 2025 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 Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Series 2025 Bonds purchased by them. See “THE SERIES 2025 BONDS – Form and Registration” herein. Payments of the principal of and interest on the Series 2025 Bonds will be made by U.S. Bank Trust Company, National Association, as paying agent, registrar and transfer agent with respect to the Series 2025 Bonds, to DTC for subsequent disbursement to DTC participants, who will remit such payments to the beneficial owners of the Series 2025 Bonds. See “THE SERIES 2025 BONDS – Payment of Principal and Interest” herein.

**The Series 2025 Bonds are subject to redemption prior to maturity as described herein.\* See “THE SERIES 2025 BONDS – Redemption” herein.**

*The Series 2025 Bonds will be sold and awarded by competitive bid to be held on March 25, 2025, as set forth in the Official notice of Sale, dated March 13, 2025, relating to the Series 2025 Bonds. The Series 2025 Bonds will be offered when, as and if issued by the District, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District. It is anticipated that the Series 2025 Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about April 8, 2025.*

Dated: \_\_\_\_\_, 2025

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**MATURITY SCHEDULE\***  
**BASE CUSIP<sup>†</sup>: 561545**

**\$25,000,000\***  
**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**General Obligation Bonds, Election of 2024, Series 2025**

\$ \_\_\_\_\_ **Serial Series 2025 Bonds**

<u>Maturity (August 1,)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>†</sup> Suffix</u>
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\$ \_\_\_\_\_ % **Term Series 2025 Bonds due August 1, 20\_\_** – Yield \_\_\_\_\_ % – CUSIP<sup>†</sup> Suffix \_\_\_\_\_

\$ \_\_\_\_\_ % **Term Series 2025 Bonds due August 1, 20\_\_** – Yield \_\_\_\_\_ % – CUSIP<sup>†</sup> Suffix \_\_\_\_\_

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\* *Preliminary; subject to change.*

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**MAMMOTH UNIFIED SCHOOL DISTRICT  
(MONO COUNTY, CALIFORNIA)**

**BOARD OF EDUCATION**

Shana Stapp, *President*  
Chelsea Nash, *Clerk*  
Marcy Castro, *Member*  
Alonso Escobar, *Member*  
Marty Thompson, *Member*

**DISTRICT ADMINISTRATORS**

Annie Rinaldi, Ed.D., *Superintendent*  
Casey O'Neill, *Interim Chief Business Officer*

**PROFESSIONAL SERVICES**

**Municipal Advisor**

Dale Scott & Company  
*San Francisco, California*

**Bond Counsel and Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
*Irvine, California*

**Paying Agent**

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

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This Official Statement does not constitute an offering of any security other than the original offering of the Series 2025 Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Series 2025 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2025 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed by the District to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2025 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2025 Bonds.

In connection with this offering, the initial purchaser of the Series 2025 Bonds (the “Initial Purchaser”) may overallocate or effect transactions which stabilize or maintain the market prices of the Series 2025 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Initial Purchaser may offer and sell the Series 2025 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Initial Purchaser.

**\$25,000,000\***  
**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**General Obligation Bonds, Election of 2024, Series 2025**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement.*

**General**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, is provided to furnish information in connection with the sale of \$25,000,000\* aggregate principal amount of Mammoth Unified School District (Mono County, California) General Obligation Bonds, Election of 2024, Series 2025 (the “Series 2025 Bonds”), all as indicated on the inside cover page hereof, to be offered by the Mammoth 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 “OTHER LEGAL MATTERS – Continuing Disclosure” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

**The Series 2025 Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied 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). The Series 2025 Bonds are not a debt or obligation of the County of Mono (the “County”) or of the general fund of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS.”**

The purpose of this Official Statement is to supply information to prospective buyers of the Series 2025 Bonds. Quotations from and summaries and explanations of the Series 2025 Bonds, the Resolution (as defined herein) of the Board of Education of the District providing for the issuance of the Series 2025 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 Series 2025 Bonds.

Copies of documents referred to herein and information concerning the Series 2025 Bonds are available from the District by contacting: Mammoth Unified School District, 461 Sierra Park Road,

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\* Preliminary; subject to change.

Mammoth Lakes, California 93546, Attention: Superintendent. The District may impose a charge for copying, handling and mailing such requested documents.

### **The District**

The District was established as a unified school district in 1973 and is located in Mammoth Lakes in the southern portion of the County in the Eastern Sierra Mountains. It encompasses the Town of Mammoth Lakes and unincorporated portions of the County. The District operates one elementary school for students in transitional kindergarten through fifth grade, one middle school for students in sixth through eighth grade, one high school for students in ninth through twelfth grade, and one continuation high school. Total enrollment in the District was approximately 1,124 students in fiscal year 2023-24. As of the preparation of the District’s second interim report for fiscal year 2024-25, total enrollment in the District is projected to be approximately 1,123 students in fiscal year 2024-25. Since the District is a community funded district that is primarily funded by property tax revenues, changes in enrollment do not impact property tax revenues and have a negligible impact on State aid received by the District. For more information on enrollment and the District’s funding, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Enrollment, A.D.A. and LCFF.*” The District operates under the jurisdiction of the Mono County Superintendent of Schools. Total assessed valuation of taxable property in the District in fiscal year 2024-25 is approximately \$7.275 billion.

For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

### **Cybersecurity**

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District has faced and may face in the future cybersecurity threats, attacks or incidents from time to time, as more fully described in Appendix A hereto. Moreover, the District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the Owners of the Series 2025 Bonds, including the possibility of impacting the timely payments of debt service on the Series 2025 Bonds or timely filings pursuant to the District’s continuing disclosure undertakings. See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – Cybersecurity.”

## **THE SERIES 2025 BONDS**

### **Authority for Issuance; Purpose**

**Authority for Issuance.** The Series 2025 Bonds are issued by the District under the provisions of California Government Code Section 53506 *et seq.*, including Section 53508.7 thereof, and California Education Code Sections 15140 and 15146 and Article XIII A of the Constitution of the State of



California (the “California Constitution”) and pursuant to a resolution of the Board of Education of the District, adopted on January 30, 2025 (the “Resolution”).

**Purpose.** At an election held on November 5, 2024, the District received approval by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$70,000,000 to construct classrooms; upgrade heating, air conditioning and ventilation systems; improve school facilities; and construct teacher and staff housing (collectively, the “2024 Authorization”). The Series 2025 Bonds represent the first series of authorized bonds to be issued under the 2024 Authorization. Proceeds of the Series 2025 Bonds will be applied to (i) finance specific construction, reconstruction, rehabilitation or replacement projects approved by the voters of the District under the 2024 Authorization, and (ii) pay costs of issuance of the Series 2025 Bonds. See “– Application and Investment of Series 2025 Bond Proceeds” herein. Prior to the issuance of the Series 2025 Bonds, the District has \$70,000,000 aggregate principal amount of bonds authorized but unissued under the 2024 Authorization.

Pursuant to the Resolution, the term “Bonds” means all bonds, including the Series 2025 Bonds and refunding bonds, of the District heretofore or hereafter issued pursuant to the voter-approved measures of the District, including bonds approved by the voters pursuant to the 2024 Authorization.

### **Form and Registration**

The Series 2025 Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Series 2025 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Series 2025 Bonds. Purchases of the Series 2025 Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in the Series 2025 Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Series 2025 Bonds, beneficial owners of the Series 2025 Bonds (“Beneficial Owners”) will not receive physical certificates representing their ownership interests. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

### **Payment of Principal and Interest**

**Interest.** The Series 2025 Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2025 Bonds is payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing on August 1, 2025. Interest on the Series 2025 Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months. Each Series 2025 Bond will bear interest from the Interest Payment Date of such Series 2025 Bond 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 for such Series 2025 Bond (the “Record Date”) and on or prior to the succeeding Interest Payment Date for such Series 2025 Bond, in which event it will bear interest from such Interest Payment Date for such Series 2025 Bond, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Series 2025 Bond, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Series 2025 Bond, interest is in default on any outstanding Series 2025 Bonds, such Series 2025 Bond will bear interest from the Interest Payment Date for such Series 2025 Bond to which interest has previously been paid or made available for payment on the outstanding Series 2025 Bonds.

**Payment of Series 2025 Bonds.** The principal of the Series 2025 Bonds is payable in lawful money of the United States of America to the registered owner thereof (the “Owner”), upon the surrender thereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, as paying agent, registrar and transfer agent for the Series 2025 Bonds (the “Paying Agent”) at the maturity thereof or upon redemption prior to maturity.

The interest on the Series 2025 Bonds is payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such 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 Owner thereof 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 will be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 in principal amount of outstanding Series 2025 Bonds who requests in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date. So long as the Series 2025 Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

**Redemption\***

**Optional Redemption.** The Series 2025 Bonds maturing on or before August 1, 2034, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2025 Bonds maturing on or after August 1, 2035 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2034, at a redemption price equal to the principal amount of the Series 2025 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption.** The \$\_\_\_\_\_ term Series 2025 Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

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

The principal amount of the \$\_\_\_\_\_ term Series 2025 Bonds maturing on August 1, 20\_\_, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Series 2025 Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$\_\_\_\_\_ term Series 2025 Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set

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\* Preliminary; subject to change.

forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

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

The principal amount of the \$\_\_\_\_\_ term Series 2025 Bonds maturing on August 1, 20\_\_\_, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Series 2025 Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

**Selection of Series 2025 Bonds for Redemption.** If less than all of the Series 2025 Bonds, if any, are subject to optional redemption and are called for redemption, such Series 2025 Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Series 2025 Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Series 2025 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series 2025 Bond will be deemed to consist of individual Series 2025 Bonds of denominations of \$5,000 principal amount, each, which may be separately redeemed.

**Notice of Redemption.** Notice of redemption of any Series 2025 Bond will be given by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the 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 with respect to the Series 2025 Bonds. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption is required to contain the following information: (i) the date of such notice; (ii) the name of the Series 2025 Bonds and the date of issue of such Series 2025 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Series 2025 Bonds to be redeemed; (vi) if less than all of the Series 2025 Bonds of any maturity are to be redeemed the distinctive numbers of the Series 2025 Bonds of each maturity to be redeemed; (vii) in the case of Series 2025 Bonds redeemed in part only, the respective portions of the principal amount of the Series 2025 Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2025 Bonds to be redeemed; (ix) a statement that such Series 2025 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 Series 2025 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 to receive such notice, nor any defect in the notice given, will affect the sufficiency of the proceedings for the redemption of the Series 2025 Bonds called for redemption or the cessation of interest on the date fixed for redemption.

**Effect of Notice of Redemption.** When notice of redemption has been given substantially as described above and when the redemption price of the Series 2025 Bonds called for redemption is set aside for the purpose of redeeming the Series 2025 Bonds, the Series 2025 Bonds designated for

redemption become due and payable on the specified redemption date and interest ceases to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2025 Bonds at the place specified in the notice of redemption, such Series 2025 Bonds are to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2025 Bonds so called for redemption after such redemption date will look for the payment of such Series 2025 Bonds and the redemption premium thereon, if any, only from monies on deposit for such purpose in the interest and sinking fund of the District established for the Series 2025 Bonds within the County treasury (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Series 2025 Bonds redeemed are to be cancelled forthwith by the Paying Agent and are not to 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 Series 2025 Bonds so called for redemption. Any optional redemption and notice thereof is to be rescinded if for any reason on the date fixed for redemption monies are not available in the Interest and Sinking Fund 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 Series 2025 Bonds called for redemption. Notice of rescission of redemption is to be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2025 Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice does not affect the validity of the rescission.

***Funds for Redemption.*** Prior to or on the redemption date of any Series 2025 Bonds there is to be available in the Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided in the Resolution, the Series 2025 Bonds designated in the notice of redemption. Such monies are to be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Series 2025 Bonds to be redeemed upon presentation and surrender of such Series 2025 Bonds, provided that all monies in the Interest and Sinking Fund are to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is to be paid from the Interest and Sinking Fund, unless otherwise provided to be paid from such monies held in trust. If, after all of the Series 2025 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund or otherwise held in trust for the payment of the redemption price of the Series 2025 Bonds, the monies are to be held in or returned or transferred to any interest and sinking fund of the District for payment of any outstanding Bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of Bonds of the District, the monies are to be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such Bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

### **Defeasance of Series 2025 Bonds**

The Resolution provides that if at any time the District will pay or cause to be paid or there will otherwise be paid to the Owners of any or all of the outstanding Series 2025 Bonds all or any part of the principal of and interest and premium, if any, on the Series 2025 Bonds at the times and in the manner provided in the Resolution and in the Series 2025 Bonds, or as described in the following paragraph, or as otherwise provided by law consistent with the provisions of the Resolution, then such Owners of such Series 2025 Bonds will cease to be entitled to the obligation of the District and of the County to levy and collect property taxes to pay the Series 2025 Bonds as provided in the Resolution, and such obligation and all agreements and covenants of the District to such Owners under the Resolution and under the Series 2025 Bonds will thereupon be satisfied and discharged and will terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by the

Series 2025 Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of the Resolution described below under “– Unclaimed Monies” will apply.

The District may pay and discharge any or all of the Series 2025 Bonds by depositing in trust with the Paying Agent or an escrow agent selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund, be fully sufficient to pay and discharge the indebtedness on such Series 2025 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

**Unclaimed Monies**

Any money held in any fund created pursuant to the Resolution, or by the Paying Agent or an escrow agent in trust for the payment of the principal of, redemption premium, if any, or interest on the Series 2025 Bonds and remaining unclaimed for two years after the principal of all of the Series 2025 Bonds has become due and payable (whether by maturity or upon prior redemption) is required to be transferred to any interest and sinking fund of the District for payment of any outstanding Bonds of the District payable from such fund; or, if no such Bonds of the District are at such time outstanding, the monies are required to be transferred to the general fund of the District as provided and permitted by law.

**Application and Investment of Series 2025 Bond Proceeds**

The proceeds of the Series 2025 Bonds are expected to be applied as follows:

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(MONO COUNTY, CALIFORNIA)  
GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES 2025**

**Estimated Sources and Uses of Funds**

Sources of Funds:

Aggregate Principal Amount of Series 2025 Bonds	\$
Plus [Net] Original Issue Premium	
Total Sources of Funds	\$

Uses of Funds:

Deposit to Building Fund	\$
Deposit to Interest and Sinking Fund <sup>(1)</sup>	
Costs of Issuance <sup>(2)</sup>	
Initial Purchaser’s Discount	
Total Uses of Funds	\$

<sup>(1)</sup> Consists of premium received by the District.

<sup>(2)</sup> Includes legal fees, municipal advisor fees, rating agency fee, printing fees and other miscellaneous expenses.

Under State law, all money received by or apportioned to a school district must generally be paid into and held in the county treasury. The proceeds from the sale of the Series 2025 Bonds received by the District, except for certain amounts permitted to be held and disbursed by a costs of issuance administrator and exclusive of any premium and accrued interest received by the District, will be deposited in the County treasury to the credit of the building fund of the District established for the Series 2025 Bonds (the “Building Fund”) and will be accounted for separately from all other District and County funds. Such proceeds will be applied solely for the purposes for which the Series 2025 Bonds were authorized. Any premium or accrued interest on the Series 2025 Bonds received by the District will be deposited in the Interest and Sinking Fund in the County treasury. Taxes collected to pay principal and interest on the Series 2025 Bonds will also be deposited in the Interest and Sinking Fund. Earnings on the investment of monies in either fund will be retained in that fund and used only for the purpose to which that fund may lawfully be applied. Monies in the Building Fund may only be applied for the purposes for which the Series 2025 Bonds were authorized. Monies in the Interest and Sinking Fund may only be applied to pay principal, interest and redemption premium, if any, on the Series 2025 Bonds.

All funds held by the Treasurer-Tax Collector of the County (the “County Treasurer”) in the Building Fund and the Interest and Sinking Fund are expected to be invested at the sole discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 *et seq.* of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX E – “MONO COUNTY STATEMENT OF INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT” for a description of the permitted investments under the investment policy of the County. In addition, to the extent permitted by law and the investment policy of the County, the District may request in writing that all or any portion of the funds held in the Building Fund may be invested in investment agreements, including guaranteed investment contracts, float contracts or other investment products which comply with the requirements of each rating agency then rating the Series 2025 Bonds. The County Treasurer does not monitor such investments for arbitrage compliance and does not perform any arbitrage calculations with respect to such investments.

**Debt Service**

Annual debt service on the Series 2025 Bonds, assuming no early optional redemptions, is set forth in the following table.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
General Obligation Bonds, Election of 2024, Series 2025**

Period Ending (August 1,)	Principal	Interest	Total Debt Service
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			
2053			
2054			
Total:	\$	\$	\$

Source: Dale Scott & Company

## **Outstanding Bonds**

In addition to the Series 2025 Bonds, the District has four series of general obligation bonds outstanding, each of which is secured by *ad valorem* property taxes levied upon all property subject to taxation by the District.

**1998 Authorization.** At an election held on April 14, 1998, the District received authorization by more than two-thirds of votes cast by eligible voters within the District to issue bonds of the District in an aggregate principal amount not to exceed \$14,100,000 to acquire, construct and modernize school facilities, including upgrading classrooms for modern technology and expanding facilities to reduce student overcrowding (the “1998 Authorization”). On August 4, 1998, the County, on behalf of the District, issued \$7,540,161.65 aggregate initial principal amount of the District’s 1998 Series A General Obligation Bonds (the “Series 1998 Bonds”) as the first series of bonds issued under the 1998 Authorization. On February 17, 2000, the County, on behalf of the District, issued \$3,499,968 aggregate initial principal amount of the District’s General Obligation Bonds, Election of 1998, Series 2000 (the “Series 2000 Bonds”) as the second series of bonds issued under the 1998 Authorization. On October 4, 2001, the County, on behalf of the District, issued \$3,059,847.85 aggregate initial principal amount of the District’s General Obligation Bonds, Election of 1998, Series 2001 (the “Series 2001 Bonds”) as the third and final series of bonds issued under the 1998 Authorization. The Series 1998 Bonds and the Series 2000 Bonds matured on August 1, 2023, and August 1, 2024, respectively.

**2018 Authorization.** At an election held on June 5, 2018, the District received authorization by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$63,100,000 to renovate and improve aging classrooms/schools, including deteriorating roofs, enhance safety and technology infrastructure, improve energy efficiency, and construct and equip science labs, classrooms and school facilities (the “2018 Authorization”). On November 6, 2018, the District issued \$10,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series A (the “Series 2018 Bonds”), as the first series of authorized bonds to be issued under the 2018 Authorization. On July 1, 2020, the District issued \$27,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series B (the “Series 2020 Bonds”) as the second series of authorized bonds to be issued under the 2018 Authorization. On May 24, 2022, the District issued \$26,100,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series C (the “Series 2022 Bonds”) as the third and final series of authorized bonds to be issued under the 2018 Authorization.

**2024 Authorization.** As indicated above, at an election held on November 5, 2024, the District received approval by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$70,000,000 to construct classrooms; upgrade heating, air conditioning and ventilation systems; improve school facilities; and construct teacher and staff housing. The Series 2025 Bonds represent the first series of authorized bonds to be issued under the 2024 Authorization.

A summary of the District’s outstanding general obligation bonded debt is set forth on the following page.



## Aggregate Debt Service

Debt service on each series of the District's outstanding bonds, assuming no early redemptions, is shown in the following table.

**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**General Obligation Bonds - Aggregate Debt Service**

Period Ending August 1,	Series 2001 Bonds	Series 2018 Bonds	Series 2020 Bonds	Series 2022 Bonds	Series 2025 Bonds	Aggregate Total Debt Service
2025	\$3,205,000.00	\$743,900.00	\$651,375.00	\$1,611,975.00	\$	\$
2026	3,365,000.00	724,400.00	651,375.00	2,410,475.00		
2027	-	648,400.00	1,386,375.00	1,647,975.00		
2028	-	634,400.00	1,381,975.00	1,670,475.00		
2029	-	-	1,666,575.00	2,070,475.00		
2030	-	-	1,598,575.00	2,113,975.00		
2031	-	-	1,636,575.00	2,232,725.00		
2032	-	-	1,671,375.00	2,167,725.00		
2033	-	-	1,725,075.00	2,202,725.00		
2034	-	-	1,721,075.00	2,132,725.00		
2035	-	-	1,781,025.00	2,112,725.00		
2036	-	-	1,872,325.00	2,090,225.00		
2037	-	-	1,971,225.00	2,065,225.00		
2038	-	-	1,987,525.00	2,087,725.00		
2039	-	-	2,077,825.00	2,121,725.00		
2040	-	-	2,165,625.00	2,101,725.00		
2041	-	-	2,168,443.76	1,929,725.00		
2042	-	-	2,130,306.26	1,853,225.00		
2043	-	-	2,134,518.76	1,781,725.00		
2044	-	-	-	-		
2045	-	-	-	-		
2046	-	-	-	-		
2047	-	-	-	-		
2048	-	-	-	-		
2049	-	-	-	-		
2050	-	-	-	-		
2051	-	-	-	-		
2052	-	-	-	-		
2053	-	-	-	-		
2054	-	-	-	-		
<b>Total</b>	<b>\$6,570,000.00</b>	<b>\$2,751,100.00</b>	<b>\$32,379,168.78</b>	<b>\$38,405,275.00</b>	<b>\$</b>	<b>\$</b>

Source: Dale Scott & Company

## SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS

### General

In order to provide sufficient funds for repayment of principal and interest when due on the Series 2025 Bonds, the Board of Supervisors of the County (the “Board of Supervisors”) is empowered and is 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 Series 2025 Bonds. Such taxes are in addition to but separate from other taxes levied upon property within the District that are deposited by the County to the District’s general fund. When collected, the tax revenues with respect to each voter-approved bond measure of the District for the payment of Bonds issued under such bond measure will be deposited by the County in the interest and sinking fund established for such Bonds, which is required to be maintained by the County and to be used solely for the payment of the principal or redemption price of and interest on such Bonds.

The Series 2025 Bonds are payable from *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 the County. No fund of the County is pledged or obligated to repayment of the Series 2025 Bonds.

### Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Series 2025 Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien. For information on outstanding bonds of the District, see “THE SERIES 2025 BONDS – Outstanding Bonds” above.

### Pledge of, Lien on and Security Interest in Tax Revenues

As provided in the Resolution, the District has pledged, and granted a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors of the County with respect to each voter-approved bond measure of the District for the payment of Bonds issued under such bond measure and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to the Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such Bonds. Pursuant to the Resolution, such pledge and grant is valid and binding from the date of the Resolution for the benefit of the Owners of the Bonds and

successors thereto. The Resolution provides that the property taxes and amounts held in any interest and sinking fund of the District will be immediately subject to this pledge and grant, and the pledge and grant will constitute a lien and security interest which will immediately attach to (a) the property taxes and (b) the amounts held in any interest and sinking fund of the District. Pursuant to the Resolution, this pledge and grant will secure the payment of such Bonds and will be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The Resolution provides that this pledge and grant constitutes an agreement between the District and the Owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge and grant are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

The pledge of and grant of a lien on and security interest in tax revenues provided for in the Resolution specifies that said pledge and grant secures the Series 2025 Bonds and other general obligations bonds, including refunding bonds, previously issued or that may be issued in the future pursuant to the related voter-approved measure. Previous general obligation bonds of the District have been issued under resolutions that pledge and grant a lien on and security interest in tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder, and the District may provide for a similar pledge and grant of a lien on and security interest in tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The Resolution does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the pledge of and grant of a lien on and security interest in such tax revenues.

### **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. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. 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. Both the county auditor-controller and the county treasurer-tax collector have accounting responsibilities related to the collecting of the property taxes. Once collected, the county auditor-controller apportions and distributes the taxes to the various taxing entities and related funds and accounts. The county treasurer-tax collector, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal of and interest on the school bonds when due, as *ex-officio* treasurer of the school district.

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

**General.** Taxable property located in the District has a fiscal year 2024-25 assessed value of \$7,275,145,497. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the California 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, as described 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 of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Under the California 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 each 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 the State, 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 County. 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 County. The District is unable to predict future transfers of State-assessed property in the District and the County, 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 within the County, including the District.

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.

The following table sets forth the assessed valuation of the various classes of property in the District’s boundaries from fiscal years 2015-16 through 2024-25, each as of the date the equalized assessment roll is established in August of each year.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Assessed Valuations  
Fiscal Years 2015-16 through 2024-25**

Fiscal Year	Local Secured	Utility	Unsecured	Total Valuation
2015-16	\$4,128,482,351	\$0	\$341,418,270	\$4,469,900,621
2016-17	4,231,526,349	0	346,249,458	4,577,775,807
2017-18	4,346,272,749	0	351,801,434	4,698,074,183
2018-19	4,534,200,695	0	363,830,879	4,898,031,574
2019-20	4,829,502,543	0	374,616,818	5,204,119,361
2020-21	5,052,739,397	0	410,961,528	5,463,700,925
2021-22	5,395,298,547	0	364,708,639	5,760,007,186
2022-23	5,944,359,235	0	389,147,681	6,333,506,916
2023-24	6,435,875,914	0	412,686,144	6,848,562,058
2024-25	6,817,917,734	0	457,227,763	7,275,145,497

Source: California Municipal Statistics, Inc.

***Risk of Decline in Property Values.*** 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, including potential market declines caused by the effects of a 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), the lack of availability or unaffordability of property or homeowners’ insurance, pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, 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 of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

***Risk of Changing Economic Conditions.*** Property values could be reduced by factors beyond the District’s control, including a depressed real estate market due to general economic conditions in the County, the region, and the State. A pandemic, like the outbreak of the respiratory disease caused by the Coronavirus Disease 2019, which was declared a pandemic by the World Health Organization, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property within the District. The lack of availability or unaffordability of property or homeowners’ insurance may result in a disruption of the real estate market causing a general market decline in property values therefore affecting the assessed value of property within the District. Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District’s Bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.”

***Risk of Climate Change.*** The change in the earth’s average atmospheric temperature, generally referred to as “climate change,” is expected to, among other things, increase the frequency of extreme

weather events. The direct risks posed by climate change currently include or are expected to include more extreme heat events, increased incidence of wildfire and drought, rising sea levels, changes in precipitation levels, including flooding, and more intense storms. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. One or more of such extreme weather events could negatively impact the assessed value of the property within the District. The District cannot predict the timing, extent, or severity of climate change and its impact on property values in the District.

***Risk of Earthquake.*** The District is located in a seismically active region. The most notable earthquake faults in the region include the Hilton Creek Fault, the Mammoth Yosemite Airport Fault zone, the Long Valley Caldera Faults, the Eastern Sierra Faults and the White Mountains Faults. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

***Risk of Drought.*** Most recently, the State has experienced periods of extreme precipitation, after having experienced severe drought conditions that led to the Governor of California (the “Governor”) declaring a Statewide drought emergency in spring 2021. While storms have helped ease drought impacts, regions and communities across the State continue to experience water supply shortages, especially communities that rely on groundwater supplies that have been severely depleted in recent years. In March 2023, the Governor rolled back some drought emergency provisions that are no longer needed due to current water conditions, while maintaining other measures that support regions and communities still facing water supply challenges, and that continue building up long-term water resilience. The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

***Risk of Wildfire.*** Property damage due to wildfire could result in significant damage to, destruction of, and significant decreases in the assessed value of taxable property within the boundaries of the District, as well as in damage to or destruction of District facilities and property. In recent years, portions of the State, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. A notable incident that has impacted the County in recent years includes the Mountain View Fire which started in November 2020 near the community of Walker and burned over 20,000 acres. However, within the boundaries of the District, no facilities or property were damaged or destroyed by said wildfire or other recent wildfires. The District cannot predict the extent to which any future wildfires within the District, the County, or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact District facilities or the assessed value of taxable property within the District.

**Prospective purchasers of the Series 2025 Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Series 2025 Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Series 2025 Bonds in full. However, increases in tax rates may impact the ability or willingness of taxpayers to pay their property taxes. See “ - Tax Charges and Delinquencies” and “- Teeter Plan” below.**

***Appeals of Assessed Valuation; Blanket Reductions of Assessed Values.*** 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 or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

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 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 county 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 (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county 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 California 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 measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the California Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single-family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

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* property taxes.

**Bonding Capacity.** As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. The District's fiscal year 2024-25 gross bonding capacity (also commonly referred to as the "bonding limit" or "debt limit") is approximately \$127.58 million and its net bonding capacity is approximately \$181.87 million (taking into account current outstanding debt before the issuance of the Series 2025 Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

**Assessed Valuation by Jurisdiction.** The following table describes the percentage and value of the total assessed valuation of the property within the District’s boundaries by political jurisdiction for fiscal year 2024-25. The District is located entirely within the County and within a large portion of the Town of Mammoth Lakes and unincorporated portions of the County.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Fiscal Year 2024-25 Assessed Valuation by Jurisdiction**

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
Town of Mammoth Lakes	\$6,579,375,991	90.44%	\$6,579,375,991	100.00%
Unincorporated Mono County	695,769,506	9.56	\$2,243,336,815	31.01%
Total District	\$7,275,145,497	100.00%		
Mono County	\$7,275,145,497	100.00%	\$8,822,712,806	82.46%

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table sets forth a distribution of taxable property located in the District on the fiscal year 2024-25 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Fiscal Year 2024-25 Assessed Valuation and Parcels by Land Use**

	2024-25 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b><u>Non-Residential:</u></b>				
Commercial	\$ 326,621,280	4.79%	294	2.58%
Hotel/Motel	177,796,123	2.61	31	0.27
Industrial/Power Generation	267,779,300	3.93	150	1.32
Recreational	63,508,620	0.93	28	0.25
Government/Social/Institutional	921,441	0.01	274	2.41
City of Los Angeles/Water Rights	169,926,839	2.49	101	0.89
Subtotal Non-Residential	\$1,006,553,603	14.76%	878	7.71%
<b><u>Residential:</u></b>				
Single-Family Residence	\$2,384,895,139	34.98%	2,642	23.21%
Condominium/Townhouse	3,075,226,264	45.11	6,692	58.78
Mobile Homes	4,092,559	0.06	12	0.11
2-4 Residential Units	33,794,733	0.50	72	0.63
5+ Residential Units/Apartments	63,168,884	0.93	84	0.74
Miscellaneous Residential	10,906,089	0.16	12	0.11
Subtotal Residential	\$5,572,083,668	81.73%	9,514	83.57%
Vacant/Unknown	\$239,280,463	3.51%	992	8.71%
Total	\$6,817,917,734	100.00%	11,384	100.00%

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



**Assessed Valuation of Single-Family Homes.** The following table sets forth the assessed valuation of single-family homes in the District’s boundaries for fiscal year 2024-25, including the average and median per parcel assessed value.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Fiscal Year 2024-25 Per Parcel Assessed Valuation of Single-Family Homes**

	Number of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	2,642	\$2,384,895,139	\$902,686	\$732,282

2024-25 Assessed Valuation	No. of Parcels <sup>(1)</sup>	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	62	2.347%	2.347%	\$4,388,633	0.184%	0.184%
\$100,000 - \$199,999	113	4.277	6.624	17,495,216	0.734	0.918
\$200,000 - \$299,999	181	6.851	13.475	46,137,017	1.935	2.852
\$300,000 - \$399,999	245	9.273	22.748	85,190,567	3.572	6.424
\$400,000 - \$499,999	199	7.532	30.280	89,774,242	3.764	10.189
\$500,000 - \$599,999	218	8.251	38.531	120,439,759	5.050	15.239
\$600,000 - \$699,999	236	8.933	47.464	153,841,589	6.451	21.689
\$700,000 - \$799,999	247	9.349	56.813	186,253,655	7.810	29.499
\$800,000 - \$899,999	211	7.986	64.799	178,212,244	7.473	36.972
\$900,000 - \$999,999	154	5.829	70.628	145,876,656	6.117	43.088
\$1,000,000 - \$1,099,999	117	4.428	75.057	122,547,847	5.139	48.227
\$1,100,000 - \$1,199,999	102	3.861	78.917	117,461,682	4.925	53.152
\$1,200,000 - \$1,299,999	72	2.725	81.643	90,061,454	3.776	56.928
\$1,300,000 - \$1,399,999	64	2.422	84.065	86,274,386	3.618	60.546
\$1,400,000 - \$1,499,999	58	2.195	86.260	83,673,163	3.508	64.054
\$1,500,000 - \$1,599,999	50	1.893	88.153	77,414,668	3.246	67.300
\$1,600,000 - \$1,699,999	42	1.590	89.743	69,330,630	2.907	70.207
\$1,700,000 - \$1,799,999	34	1.287	91.030	59,476,447	2.494	72.701
\$1,800,000 - \$1,899,999	35	1.325	92.354	64,757,668	2.715	75.417
\$1,900,000 - \$1,999,999	27	1.022	93.376	52,524,165	2.202	77.619
\$2,000,000 and greater	175	6.624	100.000	533,763,451	22.381	100.000
Total	2,642	100.000%		\$2,384,895,139	100.000%	

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

**Largest Secured Taxpayers in District.** The following table sets forth the 20 taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2024-25 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, as set forth below.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Largest Fiscal Year 2024-25 Local Secured Taxpayers**

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	Percent of Total <sup>(1)</sup>
1.	City of Los Angeles	Water Rights	\$169,926,839	2.49%
2.	Ormat Nevada Inc.	Power Generation	119,302,526	1.75
3.	WH SN Mammoth LLC	Resort/Restaurants	69,496,172	1.02
4.	Mammoth Main Lodge Redevelopment LLC	Hotel/Motel	56,939,478	0.84
5.	IW Mammoth Holdings LLC	Ski Resort	43,535,242	0.64
6.	Limelight Mammoth LLC	Hotel/Motel	41,341,431	0.61
7.	Mammoth Pacific LP	Power Generation	31,184,685	0.46
8.	JPK Mammoth Village Owner LLC	Resort	30,950,137	0.45
9.	Snowcreek Investment Company II LLC	Resort	24,595,865	0.36
10.	PI Mammoth Lakes LLC	Hotel/Motel	17,456,815	0.26
11.	SFI Mammoth Crossing LLC	Brewery/Undeveloped	17,406,489	0.26
12.	Beacon Mammoth Inc.	Commercial Land	16,404,680	0.24
13.	Scripps Family Trust	Residential	15,785,523	0.23
14.	Vons Company Inc.	Shopping Center	14,689,610	0.22
15.	MAMMOTH SPRINGS RESORTS LLC	Residential Development	14,244,156	0.21
16.	Sierra Holiday MHP LLC	RV Park	11,449,223	0.17
17.	452 Om Rd Investors LLC	Shopping Center	10,770,197	0.16
18.	Mammoth View LLC	Commercial	10,440,000	0.15
19.	YSD Park Corporation	Shopping Center	9,564,040	0.14
20.	Arcularius Ranch LC-Tredegar	Residential	9,422,540	0.14
			\$734,905,648	10.78%

<sup>(1)</sup> Fiscal year 2024-25 local secured assessed valuation is \$6,817,917,734.  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer’s financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control. See “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” above.

**Tax Rates**

**General.** The California Constitution permits the levy of an *ad valorem* property 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 Series 2025 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 Series 2025 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), lack or unaffordability of property or homeowners’ insurance, pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, 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 Series 2025 Bonds. Issuance of additional authorized bonds in the future could also cause the tax rate to increase.

**Typical Tax Rate Area.** The following table sets forth *ad valorem* property tax rates for the last five fiscal years in a typical tax rate area of the District (TRA 7090). TRA 7090 comprises approximately 57.51% of the total assessed value of taxable property in the District for fiscal year 2024-25.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Typical Total Tax Rates as Percentage of Assessed Valuation (TRA 7090)<sup>(1)</sup>  
Fiscal Years 2020-21 through 2024-25**

	2020-21	2021-22	2022-23	2023-24	2024-25
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Mammoth Unified School District	0.062222	0.060663	0.083357	0.065133	0.064482
Kern Community College District Mammoth SFID	0.029178	0.028426	0.018548	0.02787	0.010813
Southern Mono Hospital	0.045784	0.045138	0.042562	0.021356	0.037858
Total	1.137184%	1.134227%	1.144467%	1.107276%	1.113153%

<sup>(1)</sup> Fiscal year 2024-25 assessed valuation of TRA 7090 is \$4,184,188,654.  
Source: California Municipal Statistics, Inc.

In accordance with the California Constitution and the California Education Code, bonds approved pursuant to the 2024 Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved under the 2024 Authorization will require a tax rate no greater than \$60.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Series 2025 Bonds, the District projects that the maximum tax rate required to repay the Series 2025 Bonds and all other outstanding bonds issued under the 2024 Authorization, will be within such legal limit. The tax rate limitation applies only when new bonds are issued and does not restrict the authority of the Board of Supervisors to levy taxes at such rate as may be necessary to pay debt service on the Series 2025 Bonds, and any other series of bonds issued under the 2024 Authorization, in each year.

**Tax Charges and Delinquencies**

**General.** 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 a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* property taxes for voter-approved indebtedness, including the Series 2025 Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The County Treasurer prepares 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 and a 10% penalty attaches. The second installment is due on February 1 and becomes delinquent after April 10. If the second installment payment is delinquent, a 10% penalty attaches and a \$10 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 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 Treasurer. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

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 plus a \$20 Notice of Enforcement collection cost. Starting the first day of the second month after the delinquency date, an additional \$29 Notice of Lien collection cost and penalties of 1.5% per month begins to accrue until the taxes are paid in full. To collect unpaid taxes, the County Treasurer 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 Treasurer may also bring a civil suit against the taxpayer for payment.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic dumping or the lack of availability or unaffordability of property or homeowners' insurance. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. Since the County has not adopted the Teeter Plan (defined herein), the District's receipt of property taxes is therefore subject to delinquencies. If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

***The County Does Not Participate in a Teeter Plan.*** Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. Therefore, the District's receipt of property taxes is subject to delinquencies. Secured property taxes actually collected are allocated to political subdivisions for which the County acts as tax-levying or tax-collecting agency, including the District, when the secured property taxes are actually collected, including receipts of charges for penalties on delinquent amounts.

***Secured Tax Charges and Delinquencies within the District.*** The table on the following page sets forth real property secured tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2019-20 through 2023-24. The County does not provide the real property tax charges and corresponding delinquencies for the County's 1% general fund apportionment, with respect to the property located in the County.

**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**Secured Tax Charges and Delinquencies**  
**Fiscal Years 2019-20 through 2023-24<sup>(1)</sup>**

Fiscal Year	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent June 30	% Delinquent June 30
2019-20	\$2,978,751.85	\$29,461.68	0.99%
2020-21	3,139,479.70	67,732.22	2.16
2021-22	3,268,564.55	19,205.08	0.59
2022-23	4,949,115.44	41,556.10	0.84
2023-24	4,187,265.98	48,483.18	1.16

<sup>(1)</sup> Secured assessed values from which the secured tax charges are derived do not include property tax exemption amounts that reduce the assessed value of a qualifying owner-occupied home for which the State reimburses the County.

<sup>(2)</sup> District's general obligation bond debt service levy.

Source: County of Mono.

**Direct and Overlapping Debt**

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics, Inc. effective December 19, 2024 for debt outstanding as of December 1, 2024. 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 sets forth 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 set forth in the table) produces the amount set forth 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.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Statement of Direct and Overlapping Bonded Debt**

December 19, 2024

2024-25 Assessed Valuation: \$7,275,145,497

	% Applicable	Debt 12/1/24
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>		
Kern Community College School Facilities Improvement District - Mammoth Campus	100.000%	\$1,163,164
Mammoth Unified School District	100.000	54,289,041
Southern Mono Hospital District	99.960	5,872,205
Town of Mammoth Lakes Community Facilities District No. 2001-1	100.000	3,980,946
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$65,305,356
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
Mono County Certificates of Participation	82.459%	\$19,750,580
Kern Community College District Certificates of Participation	5.443	1,150,051
Kern Community College District Benefit Obligations	5.443	3,835,138
Town of Mammoth Lakes Certificates of Participation	100.000	31,232,000
Town of Mammoth Lakes Judgment Obligation Bonds	100.000	16,410,000
TOTAL OVERLAPPING GENERAL FUND DEBT		\$72,377,769
<b>COMBINED TOTAL DEBT</b>		<b>\$137,683,125<sup>(1)</sup></b>

**Ratios to 2024-25 Assessed Valuation:**

Direct Debt (\$54,289,041).....	0.75%
Total Direct and Overlapping Tax and Assessment Debt.....	0.90%
Combined Total Debt .....	1.89%

<sup>(1)</sup> Excludes the Series 2025 Bonds.

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

Source: California Municipal Statistics, Inc.

**TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C.

To the extent the issue price of any maturity of the Series 2025 Bonds is less than the amount to be paid at maturity of such Series 2025 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2025 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is

treated as interest on the Series 2025 Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2025 Bonds is the first price at which a substantial amount of such maturity of the Series 2025 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025 Bonds accrues daily over the term to maturity of such Series 2025 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025 Bonds. Beneficial Owners of the Series 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2025 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2025 Bonds is sold to the public.

Series 2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The 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 Series 2025 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2025 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 Series 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2025 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 Series 2025 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025 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 Series 2025 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 amounts treated as interest on, the Series 2025 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 Code or court decisions may cause interest on the Series 2025 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. The

introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2025 Bonds. Prospective purchasers of the Series 2025 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 expresses 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 Series 2025 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 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 Code.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 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 Series 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, 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 Series 2025 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 Series 2025 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2025 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2025 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2025 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2025 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **OTHER LEGAL MATTERS**

### **Legal Opinion**

The validity of the Series 2025 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Series 2025 Bonds at the time of issuance substantially in the form set forth in Appendix D. 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 Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District.

### **Legality for Investment in California**

Under the provisions of the California Financial Code, the Series 2025 Bonds are legal investments for commercial banks in the State to the extent that the Series 2025 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 Series 2025 Bonds are eligible securities for deposit of public monies in the State.

### **Continuing Disclosure**

The District will covenant under the Continuing Disclosure Certificate to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for fiscal year 2024-25 (such initial Annual Report due no later than March 31, 2026) and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made for the benefit of the holders and Beneficial Owners of the Series 2025 Bonds to assist the Initial Purchaser in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”).

In the preceding five years, the District failed to timely file an insured rating change with respect to the District’s Series 2001 Bonds.

Dale Scott & Company currently serves as the District’s dissemination agent in connection with each of the District’s prior continuing disclosure undertakings pursuant to the Rule and will serve as dissemination agent in connection with the continuing disclosure undertaking pursuant to the Rule, relating to the Series 2025 Bonds.

### **Litigation**

No litigation is pending or threatened concerning or contesting the validity of the Series 2025 Bonds or the District’s ability to receive *ad valorem* property taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Series 2025 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 Series 2025 Bonds or District officials who will sign certifications relating to the Series 2025 Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Initial Purchaser at the time of the original delivery of the Series 2025 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.

## **FINANCIAL STATEMENTS**

The District's audited financial statements for fiscal year ended June 30, 2024 are included in Appendix B. Such financial statements have been audited by Eide Bailly LLP, Certified Public Accountants, Rancho Cucamonga, California ("Eide Bailly"). The District has not requested nor has the District obtained the consent of Eide Bailly to the inclusion of its report in Appendix B. Eide Bailly has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Eide Bailly has not been requested to perform and has not performed any procedures relating to the Official Statement.

With respect to the audited financial statements for fiscal year 2023-24, Eide Bailly identified four audit findings, including one financial statement material weakness finding (which caused Eide Bailly to give a partially qualified opinion with respect to compliance with federal programs), one federal awards material weakness and material noncompliance finding, and two state compliance significant deficiency findings. In addition, there was one material deficiency finding from fiscal year 2022-23 that was identified as not implemented. For detailed information regarding such findings and Eide Bailly's partially qualified opinion with respect to compliance with federal programs, see Appendix B.

## **MISCELLANEOUS**

### **Rating**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, has assigned its rating of "AA+" to the Series 2025 Bonds. A rating agency generally bases its rating on its own investigations, studies and assumptions as well as information and materials furnished to it (which may include information and materials from the District, which are not included in this Official Statement). The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of the rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Series 2025 Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2025 Bonds. Neither the Initial Purchaser nor the District has undertaken any responsibility after the offering of the Series 2025 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

### **Professionals Involved in the Offering**

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Series 2025 Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Series 2025 Bonds. Dale Scott & Company, is acting as the District's municipal advisor (the "Municipal Advisor") with respect to the Series 2025 Bonds. Payment of the fees and expenses of the District's Municipal Advisor is also contingent upon the sale and delivery of the Series 2025 Bonds.

### **Underwriting**

The Series 2025 Bonds were purchased by \_\_\_\_\_, the initial purchaser (the "Initial Purchaser") of the Series 2025 Bonds, as the winner of a competitive bid conducted on \_\_\_\_\_, 2025. The Initial Purchaser has agreed to purchase the Series 2025 Bonds at a price of \$\_\_\_\_\_. The Initial

Purchaser's total discount is \$\_\_\_\_\_. See "THE SERIES 2025 BONDS – Application and Investment of Series 2025 Bond Proceeds."

The Initial Purchaser may offer and sell the Series 2025 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices set forth on the inside front cover page of this Official Statement. The public offering prices may be changed from time to time by the Initial Purchaser.

**ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to purchasers of the Series 2025 Bonds. Quotations from and summaries and explanations of the Series 2025 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.

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 Series 2025 Bonds.

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

**MAMMOTH UNIFIED SCHOOL  
DISTRICT**

By: \_\_\_\_\_  
Superintendent

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**APPENDIX A**

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

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*The information in this appendix concerning the operations of the Mammoth 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 Series 2025 Bonds (as defined in the front portion of this Official Statement) is payable from the general fund of the District or from State revenues. The Series 2025 Bonds are payable from the proceeds of an ad valorem property tax approved by the voters of the District pursuant to all applicable laws and requirements of the Constitution of the State (the “California Constitution”), and required to be levied by the County of Mono (the “County”) on property within the District in an amount sufficient for the timely payment of principal of and interest on the Series 2025 Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS” in the front portion of this Official Statement.*

**THE DISTRICT**

**Introduction**

The District was established as a unified school district in 1973 and is located in Mammoth Lakes in the southern portion of the County in the Eastern Sierra Mountains. It encompasses the Town of Mammoth Lakes and unincorporated portions of the County. The District operates one elementary school for students in transitional kindergarten through fifth grade, one middle school for students in sixth through eighth grade, one high school for students in ninth through twelfth grade and one continuation high school. Total enrollment in the District was approximately 1,124 students in fiscal year 2023-24. As of the preparation of the District’s second interim report for fiscal year 2024-25 (the “Fiscal Year 2024-25 Second Interim Report”), total enrollment in the District is projected to be approximately 1,123 students in fiscal year 2024-25. Since the District is a community funded district that is primarily funded by property tax revenues, changes in enrollment do not impact property tax revenues and have a negligible impact on State aid received by the District. For more information on enrollment and the District’s funding, see “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Enrollment and A.D.A.” The District operates under the jurisdiction of the Mono County Superintendent of Schools. Total assessed valuation of taxable property in the District in fiscal year 2024-25 is approximately \$7.275 billion.

**Board of Education**

The District is governed by a five-member Board of Education (the “Board of Education”), each member of which is a voting member. Each member is elected at-large to a four-year term. Elections are held every two years in alternate slates of two and three. Each December, the Board of Education elects a President, Vice President and Clerk to serve one-year terms. Current members of the Board of Education, together with their office and the date their current term expires, are listed in the following table.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)**

**Board of Education**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Shana Stapp	President	December 2028
Chelsea Nash	Clerk	December 2026
Nancy Castro	Member	December 2028
Alonso Escobar	Member	December 2028
Marty Thompson	Member	December 2026

## **Superintendent and Business Services Personnel**

**General.** The Superintendent of the District is appointed by and reports directly to the Board of Education. The Manager of Fiscal Services / Chief Business Officer is hired by and reports directly to the Superintendent. The Superintendent is responsible for management of the District’s day-to-day operations and supervises the work of other key District administrators. The current Superintendent, Annie Rinaldi, Ed.D., has served in this position since 2022. The Manager of Fiscal Services / Chief Business Officer is responsible for management of the District’s finances and business operations. Casey O’Neill served as Manager of Fiscal Services since July 1, 2024 and became Interim Chief Business Officer in March 2025.

**Ann Elizabeth (Annie) Rinaldi, Ed.D., Superintendent.** Dr. Rinaldi began her public education career as a teacher in early 2000s, later serving as an Instructional Coordinator, Elementary School Principal, and Middle School Principal. She held leadership positions as Director of Equity and Inclusion and Interim Chief Business Officer for the District. In 2022, Dr. Rinaldi was appointed Superintendent of Schools for the District, where she leads initiatives to enhance student achievement, promote diversity and inclusion, and ensure long-term fiscal stability for the district. Dr. Rinaldi received a Bachelor of Arts Degree in English Literature from Boston College, a Master of Science Degree in Educational Administration from National University, and a Doctor of Education Degree in Organizational Change and Leadership from the University of Southern California.

**Casey O’Neill, Interim Chief Business Officer.** Mr. O’Neill has worked for the District for 11 years. Mr. O’Neill first worked as a math teacher at Mammoth High, then principal of Mammoth High, and then since July 1, 2024, served the District as the Manager of Fiscal Services. Casey recently became Interim Chief Business Officer in March 2025. Casey graduated from Humboldt State with degrees in Economics and Applied Mathematics in 2009, with a focus in natural resource allocation and optimization.

## **Cybersecurity**

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face in the future cybersecurity threats, attacks or incidents from time to time. Given the importance of cybersecurity for school districts, federal lawmakers approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks.

The District is not aware of any major cyberattack or breach of its systems during the last five years. To protect itself against cyberattacks, the District employs security systems and maintains a technology use policy applicable to students and employees. The District’s Chief Technology Office works alongside Mono County Office of Education’s IT department to review and implement new cyber safety measures. As a result, the District expects that any such disruptions caused by a cyberattack would be temporary in nature. The District currently maintains cyber liability insurance through the Self-Insured Schools of California (“SISC”). For more information on BSSP, see “DISTRICT FINANCIAL MATTERS – Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures.” There can be no assurance that a future cybersecurity incident or attempted cybersecurity incident would not compromise the personal information that the District collects, processes and stores or cause a disruption in District operations, particularly given that students, teachers, and staff are accessing District computer systems and platforms remotely which may increase the risks of intrusion by third parties.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy, collection and holding of *ad valorem* property taxes and its



servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the Owners of the Series 2025 Bonds, including the possibility of impacting the timely payments of debt service on the Series 2025 Bonds or timely filings pursuant to the District’s continuing disclosure undertakings.

## **DISTRICT FINANCIAL MATTERS**

### **State Funding of Education; State Budget Process**

**General.** As is true for all school districts in the State, the District’s operating income consists primarily of two components: a State portion funded from the State’s general fund in accordance with the Local Control Funding Formula (the “Local Control Funding Formula” or “LCFF”) (see “– *Allocation of State Funding to School Districts; Local Control Funding Formula*”) and a local portion derived from the District’s share of the 1% local *ad valorem* property tax authorized by the California Constitution (see “– Local Property Tax Revenues”). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District received approximately 20.12% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* property tax), at approximately \$4.59 million in fiscal year 2023-24. As of the District’s Fiscal Year 2024-25 Second Interim Report, the District projects it will receive approximately 14.11% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* property tax), projected at approximately \$2.91 million in fiscal year 2024-25. Such amount includes both the State funding provided under the LCFF as well as other State revenues. See “– *Allocation of State Funding to School Districts; Local Control Funding Formula*,” “– Enrollment, A.D.A. and LCFF” and “– Other District Revenues – *Other State Revenues*” below). Because the District is a community funded district, it receives a minimal amount of general fund financial support from the State, and the District is funded primarily by local property tax collections, which derive from the 1% countywide property tax levy required by statute. However, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may still affect the District’s revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by voters of the State in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the California Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State’s general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– *Allocation of State Funding to School Districts; Local Control Funding Formula*” for more information.

**State Budget Process.** According to the California Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor.

School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2024-25 State budget on June 29, 2024, which was amended through a series of legislative trailer bills (as amended, the “2024-25 State Budget”).

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a California 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 California 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. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

***Aggregate State Education Funding.*** The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year’s budget, from the Governor’s initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually 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 the State 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 deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the California Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Series 2025 Bonds, and the District takes no responsibility for informing owners of the Series 2025 Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). 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). The information referred to 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.

**2024-25 State Budget.** The 2024-25 State Budget notes that the State has experienced significant revenue volatility—seeing unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. The 2024-25 State Budget also notes that the unprecedented Internal Revenue Service tax filing and payment postponement in 2023 significantly clouded the State's revenue forecast, and indicates that, with the revenue picture now clearer, the 2024-25 State Budget takes steps to ensure the State is on sound fiscal footing by setting the State on a fiscally responsible long-term path that protects vital programs.

In this regard, the 2024-25 State Budget includes provisions intended to address a budget deficit of approximately \$46.8 billion while also creating a positive fund balance in the State's Special Fund for Economic Uncertainties (the "SFEU") in fiscal years 2024-25 and 2025-26 and maintaining core programs for vulnerable populations. The 2024-25 State Budget includes approximately \$16.0 billion in budgetary reductions, comprising (a) an approximately 7.95% reduction in the State's operations budget resulting in State general fund savings of approximately \$2.2 billion, (b) a \$1.5 billion permanent reduction in State departments' budgets for vacant positions, (c) a reduction of approximately \$358.0 million in the State Department of Corrections and Rehabilitation budget in fiscal year 2024-25 and a total reduction of approximately \$750.0 million in fiscal years 2022-23 through 2024-25, (d) a \$500.0 million reduction to the State Student Housing Revolving Loan Program, (e) a \$485.0 million reduction in unspent one-time Learning-Aligned Employment Program resources, (f) an ongoing reduction of \$110.0 million to the Middle Class Scholarship Program, beginning in fiscal year 2025-26, (g) a \$1.1 billion reduction in various affordable housing programs, and (h) a \$746.1 million reduction for various healthcare workforce programs. The 2024-25 State Budget includes a \$13.6 billion increase in revenues in fiscal year 2024-25 through fiscal year 2026-27 by means of additional revenue sources and internal borrowing from special funds. As part of this revenue increase, the 2024-25 State Budget includes suspension of net operating loss deductions for companies with over \$1.0 million in taxable income and limits business tax credits to \$5.0 million in fiscal years 2023-2024 through 2025-2026, which is projected to increase revenues by \$5.95 billion in fiscal year 2024-25, \$5.5 billion in fiscal year 2025-26 and \$3.4 billion in fiscal year 2026-27.

Additionally, the 2024-25 State Budget includes an increased managed care organization tax generating a projected \$5.1 billion in fiscal year 2024-25, \$4.6 billion in fiscal year 2025-26, and \$4.0 billion in fiscal year 2026-27. Significantly, the 2024-25 State Budget provides for the withdrawal of approximately \$12.2 billion from the State Rainy Day Fund (the “Rainy Day Fund” or “State Rainy Day Fund”) over fiscal years 2024-25 and 2025-26 and approximately \$900.0 million from the State Safety Net Reserve in fiscal year 2024-25.

Additional budgeting maneuvers include \$6.0 billion in fund shifts, including (a) applying a prior CalPERS supplemental pension payment to the State’s overall pension liability which reduces the State’s required employer contributions in fiscal year 2024-25 by \$1.7 billion, (b) shifting approximately \$958.0 million from the State general fund to the State’s Greenhouse Gas Reduction Fund for the Formula and Competitive Transit and Intercity Rail Capital Program, and (c) shifting approximately \$3.0 billion from the State general fund to the State’s Greenhouse Gas Reduction Fund for clean energy and other climate programs. The 2024-25 State Budget also delays funding for programs such as the State Food Assistance Program Expansion, Developmental Services, childcare slots and the State’s broadband program by a total amount of approximately \$3.1 billion. The 2024-25 State Budget also includes approximately \$2.1 billion in payroll and University of California and California State University compact deferrals.

The 2024-25 State Budget projects total resources available in fiscal year 2023-24 of approximately \$236.5 billion, including revenues and transfers of approximately \$189.4 billion and a prior year balance of approximately \$47.1 billion, and total expenditures in fiscal year 2023-24 of approximately \$223.1 billion. The 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately \$225.6 billion, inclusive of revenues and transfers of approximately \$212.1 billion and a prior year balance of approximately \$13.4 billion. The 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately \$211.5 billion, inclusive of non-Proposition 98 expenditures of approximately \$128.9 billion and Proposition 98 expenditures of approximately \$82.6 billion. The 2024-25 State Budget projects total reserve balances of \$22.2 billion at the end of fiscal year 2024-25. This includes \$17.6 billion in the State Rainy Day Fund, \$3.5 billion in the SFEU, and \$1.1 billion in the Public School System Stabilization Account (the “Proposition 98 Rainy Day Fund”). In addition, the 2024-25 State Budget maintains approximately \$10.6 billion in the Reserve for Liquidation of Encumbrances. The 2024-25 State Budget includes total funding of \$133.8 billion for all K-12 education programs, including \$81.5 billion from the State’s general fund and \$52.3 billion from other funds. The 2024-25 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2024-25 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2024-25 State Budget suspends the Proposition 98 minimum guarantee in fiscal year 2023-24 and projects the Proposition 98 minimum guarantee to be in Test 1 in fiscal year 2024-25. In Test 1 years, the Proposition 98 minimum guarantee is equal to the percentage of State general fund appropriated for K-14 schools in fiscal year 1986-87. Suspending the Proposition 98 minimum guarantee is projected to create a maintenance factor obligation of approximately \$8.3 billion in fiscal year 2023-24 and is projected to result in a \$4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 minimum guarantee level in fiscal year 2024-25. The 2024-25 State Budget reflects Proposition 98 funding levels of \$103.7 billion in fiscal year 2022-23, \$98.5 billion in fiscal year 2023-24, and \$115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State’s general fund revenues, plus local property tax revenues and a \$4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to

approximately 39.2% to increase the percentage of State general fund revenues obligated to the Proposition 98 minimum guarantee.

- Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes a withdrawal of the entire \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 and a discretionary payment of approximately \$1.1 billion in fiscal year 2024-25, leaving a projected balance of \$1.1 billion at the end of fiscal year 2024-25. Because there is no ending balance at the end of fiscal year 2023-24 and a balance of \$1.1 billion at the end of fiscal year 2024-25, school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. See “ – *School District Reserves*” and “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751.”
- Local Control Funding Formula. The 2024-25 State Budget includes an LCFF cost-of-living adjustment of 1.07%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local agencies by approximately \$983.0 million. To fully fund the LCFF, the 2024-25 State Budget withdraws approximately \$5.3 billion from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2023-24, and uses available reappropriation and reversion funding of \$253.9 million to support ongoing LCFF costs in fiscal year 2024-25.
- Deferrals. The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately \$3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately \$246.0 million. Additionally, the 2024-25 State Budget reflects approximately \$2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using Proposition 98 Rainy Day Fund resources.
- Learning Recovery Emergency Block Grant. The 2024-25 State Budget focuses the use of allocated but unexpended Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs, and incorporates the use of these funds into the existing Local Control and Accountability Plan development process.
- Employee Protections. To ensure stable employment for school staff, the 2024-25 State Budget includes a suspension of the August 15, 2024, layoff window for certificated and classified staff.
- Instructional Continuity and Attendance Program. The 2024-25 State Budget includes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to local educational agencies. Beginning in fiscal year 2024-25, the 2024-25 State Budget allows local educational agencies to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education for funding purposes. Beginning July 1, 2025, the 2024-25 State Budget requires local educational agencies to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application. The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The 2024-25 State Budget also includes a \$4.0 million in one-time Proposition 98 general fund resources to research existing, and develop new models of hybrid and remote learning to support students’ attendance, including developing and disseminating guidance and resources for local educational agencies to develop their own hybrid and remote learning programs to enable instructional continuity.

- Teacher Professional Development and Preparation. To expand the State’s educator training infrastructure, the 2024-25 State Budget (a) provides \$25.0 million of one-time Proposition 98 general fund resources to support necessary costs, including training for educators to administer literacy screenings to meet the requirement to screen students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year; and (b) provides \$20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training aligned with the new California Mathematics Framework for mathematics coaches and leaders who in turn can provide training and support to mathematics teachers to deliver high-quality instruction.
- State Preschool Program. The 2024-25 State Budget provides approximately \$53.7 billion of State general fund resources to support reimbursement rate increases previously supported by available one-time federal stimulus funding. The 2024-25 State Budget reflects one-time savings of \$190.7 million general fund and \$522.3 million Proposition 98 general fund. The 2024-25 State Budget authorized State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027. The 2024-25 State Budget maintains that the State Preschool Program continue to require providers to reserve 5% of funded enrollment for children with disabilities. However, the 2024-25 State Budget suspends provisions to increase this requirement to 7.5% in fiscal year 2025-26 and 10% in fiscal year 2026-27.
- Transitional Kindergarten. The 2024-25 State Budget provides approximately \$988.7 million in Proposition 98 general fund resources for the 2023-24 school year to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2024-25 State Budget also provides approximately \$390.2 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2024-25 State Budget provides approximately \$1.5 billion in ongoing Proposition 98 general fund resources beginning in fiscal year 2024-25 to support the third year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and June 2. The 2024-25 State Budget also provides approximately \$515.5 million in ongoing Proposition 98 general fund resources to support the third year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

The 2024-25 State Budget solution-oriented measures that directly impact funding for school districts, including forgoing planned investments of (a) \$875.0 million to support the School Facility Program, (b) \$550.0 million support to the State Preschool, Transitional Kindergarten And Full-Day Kindergarten Facilities Grant Program, and (c) \$500.0 million one-time Proposition 98 general fund investment in zero-emission school buses.

Additional budgeted programs and adjustments for K-12 education set forth in the 2024-25 State Budget include the following:

- Arts and Music in Schools. The 2024-25 State Budget provides approximately \$907.1 million to support arts and music in schools.
- Nutrition. The 2024-25 State Budget provides an additional \$179.4 million in ongoing Proposition 98 general fund resources and an additional \$120.8 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25. This is in addition to the \$1.6 billion base funding for such program.

The complete 2024-25 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) or [www.ebudget.ca.gov](http://www.ebudget.ca.gov). The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

*LAO Analysis of the 2024-25 State Budget.* The Legislative Analyst's Office (the "LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2024-25 State Budget entitled "The 2024-25 Budget: Overview of the Spending Plan" on September 6, 2024 (the "2024-25 State Budget Analysis"). In the 2024-25 State Budget Analysis, the LAO assesses the budget problem that was addressed in the 2024-25 State Budget and analyzes the major proposals for K-12 education.

The LAO estimates that the State addressed a budget shortfall of \$55.0 billion, which is larger than the budget shortfall of \$47.0 billion cited in the 2024-25 State Budget. The main driver for the \$8.0 billion difference is the difference in treatment of assumptions about baseline spending for schools and community colleges.

The LAO notes that the 2024-25 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and cost shifts. The LAO indicates that spending-related adjustments (including school spending) were the largest component of the budget package, accounting for \$39.0 billion and approximately 70% of the total solutions. The LAO also shows that reserve withdrawals were the second largest component, totaling \$6.0 billion from the State Rainy Day Fund and the Safety Net Reserve. The report further details that cost shifts and revenue-related solutions were smaller components, amounting to \$2.0 billion and \$8.0 billion, respectively. The LAO estimates \$16.0 billion in one time or temporary spending solutions (excluding school spending) and \$4.0 billion in ongoing reductions, which grow to approximately \$6 billion over time.

The LAO notes that the budget emergency proclamation by the Governor on June 26, 2024 allowed the 2024-25 State Budget to withdraw approximately \$5.0 billion from the State Rainy Day Fund. The 2024-25 State Budget also includes a withdrawal of the \$900.0 million balance from the Safety Net Reserve.

The LAO estimates that, pursuant to the 2024-25 State Budget, the State would end the 2024-25 fiscal year with \$21.1 billion in General Fund reserves, including \$17.6 billion in the State Rainy Day Fund and \$3.5 billion in the SFEU. The LAO also estimates that the State would have room under the State appropriations limit in fiscal years 2022-23 through 2024-25. The LAO projects that revenues from the major tax sources would grow from fiscal year 2023-24 to fiscal year 2024-25, but not enough to offset the revenue shortfalls in the prior and current fiscal years.

The LAO explains that the 2024-25 State Budget includes \$12.7 billion in reductions to Proposition 98 funding for schools and community colleges over fiscal years 2022-23 through 2024-25. This includes a reduction to the Proposition 98 funding by \$2.6 billion for fiscal year 2022-23. For fiscal year 2023-24, the 2024-25 State Budget invokes a provision allowing the State to suspend the minimum requirement and reduces the amount of Proposition 98 funding by \$8.3 billion. The LAO states that these reductions lower the Proposition 98 requirement on an ongoing basis but create an obligation to increase funding more rapidly in the future. Additionally, the 2024-25 State Budget introduces a new type of fiscal maneuver that accrues \$6.2 billion in previous school and community college payments to future fiscal years. Specifically, the State will not recognize these payments as a cost to the State general fund in the year it provided them i.e., fiscal year 2022-23. The maneuver does not delay or reduce any payments to schools or community colleges, nor does it reduce the Proposition 98 funding requirement in future fiscal years.

The LAO notes that the 2024-25 State Budget contains reserve withdrawals from the Proposition 98 Rainy Day Fund to mitigate the funding reductions to schools in fiscal year 2023-24. Additionally, the

LAO estimates cost savings because the Coronavirus Disease 2019 disease (“COVID-19”) attendance policies preserving attendance numbers to pre-pandemic levels are being phased out. The LAO describes other minor savings for schools and community colleges from (1) deferring payments from fiscal year 2024-25 to fiscal year 2025-26, (2) reducing funding for the State Preschool program that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. The payment deferral involved deferring \$487.0 million in payments from fiscal year 2024-25 to fiscal year 2025-26 by delaying a portion of payment to school districts from June 2025 to July 2025. The LAO notes that school districts may be exempt from this deferral if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in fiscal year 2024-25 to the minimum level required by Proposition 98.

The LAO indicates that after accounting for these actions, the State has \$1.5 billion available to augment school and community college programs. The LAO highlights that the budget allocates \$1.0 billion of this amount to cover a 1.07% cost-of-living adjustment for existing programs. For schools, the 2024-25 State Budget also provides an increase of \$300.0 million to cover cost increases of universal school meals. For community colleges, the 2024-25 Budget also provides \$75.0 million to cover increased costs.

The 2024-25 State Budget Analysis is available on the LAO website at [www.lao.ca.gov](http://www.lao.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.

***Proposed 2025-26 State Budget.*** The Governor released the fiscal year 2025-26 proposed State budget (the “Proposed 2025-26 State Budget”) on January 10, 2025, which reflects a stronger financial position than it has in recent years. The Proposed 2025-26 State Budget notes that although the budget framework from the 2024-25 State Budget represents significant progress on the budget shortfall from the past two years, the current fiscal outlook underscores the need for continued vigilance to strengthen budget resiliency and fiscal stability even further. Citing the State revenue volatility, which is in part due to its reliance on the top 1% of income earners and capital gains revenues, the Proposed 2025-26 State Budget is balanced and reflects a modest surplus of \$363.0 million. The Proposed 2025-26 State Budget proposes reforms to the State’s reserve funds requirements to double the size of the State’s reserve cap from 10% to 20% and to clarify that deposits in the State Rainy Day Fund are not counted as expenditures toward the State’s appropriations limit. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII B of the California Constitution.” This proposed reform will require a statewide ballot initiative. The Proposed 2025-26 State Budget reflects support for vital initiatives in education, health care, housing, and homelessness, while enhancing economic development and supporting public safety.

The Proposed 2025-26 State Budget indicates that a stronger-than-anticipated performance by the economy, stock market, and cash receipts, combined with an improved economic outlook, have contributed toward an upgraded revenue forecast in the Proposed 2025-26 State Budget. The Proposed 2025-26 State Budget projects that State general fund revenues before accounting for transfers and tax policy proposals are to increase by approximately \$16.5 billion from fiscal year 2023-24 through fiscal year 2025-26. Although the Proposed 2025-26 State Budget forecast does not reflect a recession, it does recognize volatility in personal income tax and capital gains realization and several other risk factors that could negatively affect the economy and State revenue, including stock market and asset price volatility affecting high-income earners as well as geopolitical instability. While the Proposed 2025-26 State Budget is balanced, it cautions against shortfalls in future years driven by expenditures exceeding revenues and recognizes that further action may be necessary to maintain a balanced budget. The Proposed 2025-26 State Budget notes that potential federal policy changes could also negatively impact State’s economy, specifically in the areas of international trade, immigration, and health care.



To provide for a balanced budget over two fiscal years, the 2024-25 State Budget assumed withdrawals from the State Rainy Day Fund of approximately \$5.1 billion in fiscal year 2024-25 and \$7.1 billion in fiscal year 2025-26, and the Proposed 2025-26 State Budget maintains such planned withdrawals. The Proposed 2025-26 State Budget maintains the planned withdrawal of approximately \$7.1 billion from the State Rainy Day Fund. The Proposed 2025-26 State Budget predicts a total reserve balance of \$17.0 billion at the end of fiscal year 2025-26. This includes \$10.9 billion in the State Rainy Day Fund, \$4.5 billion in SFEU, and \$1.5 billion in the Proposition 98 Rainy Day Fund. To remove the cap on deposits to the State Rainy Day Fund and increase budget resiliency, the Proposed 2025-26 State Budget proposes statutory changes to allow the State to make larger deposits into reserve accounts during fiscal upturns, enhancing the State’s ability to protect vital programs and services during future downturns. Specifically, the Proposed 2025-26 Budget suggests increasing the mandatory deposit level in the State Rainy Day Fund from the current 10% to 20% of State general fund revenues and exempt deposits into the State Rainy Day Fund from the State’s appropriations limit. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII B of the California Constitution.”

The Proposed 2025-26 State Budget estimates total resources available in fiscal year 2024-25 of approximately \$258.4 billion, including revenues and transfers of approximately \$222.5 billion and a prior year balance of approximately \$35.9 billion, and total expenditures in fiscal year 2024-25 of approximately \$232.1 billion. The Proposed 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$251.4 billion, inclusive of revenues and transfers of approximately \$225.1 billion and a prior year balance of approximately \$26.3 billion. The Proposed 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.9 billion, inclusive of non-Proposition 98 expenditures of approximately \$144.3 billion and Proposition 98 expenditures of approximately \$84.6 billion. The Proposed 2025-26 State Budget includes approximately \$34.9 billion in reserves in fiscal year 2025-26 and allocates reserves as follows: approximately \$10.9 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$1.5 billion in the Proposition 98 Rainy Day Fund, approximately \$18.0 billion in the Reserve for Liquidation and Encumbrances, and approximately \$4.5 billion in the SFEU.

The Proposed 2025-26 State Budget includes total funding of approximately \$137.1 billion for all TK-12 education programs, including approximately \$83.3 billion from the State’s general fund and approximately \$53.8 billion from other funds. Per-pupil funding totals \$18,918 per pupil in Proposition 98 funding and \$24,764 per pupil when accounting for all funding sources.

Certain budgeted programs and adjustments for K-12 education set forth in the Proposed 2025-26 State Budget include the following:

- California for All Kids. As part of the California for All Kids Plan, the Proposed 2025-26 State Budget fully implements universal transitional kindergarten and universal before, after, and summer school for TK-6 grade students. The Proposed 2025-26 State Budget contemplates other key achievements in fiscal year 2025-26, including: State schools will serve nearly 1 billion meals through the universal school meals program; all kindergarten through second grade students will be screened for risk of reading difficulties, grants to local educational agencies for the California Community Schools Partnership Program will be fully disbursed; all educators will have access to the Literacy Roadmap; and beginning January 1, 2025, all local educational agencies may apply to participate in the Children and Youth Behavioral Health Initiative Fee Schedule Program. The Proposed 2025-26 State Budget also protects core programs by providing increased ongoing funding for the LCFF, special education, and nutrition programs.
- Proposition 98 Minimum Guarantee. The revised estimates of general fund revenues in the Proposed 2025-26 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately \$98.5 billion in fiscal year 2023-24,

\$119.2 billion in fiscal year 2024-25, and \$118.9 billion in fiscal year 2025-26, representing a three-year increase in the minimum guarantee of approximately \$7.5 billion over the level funded in the 2024-25 State Budget. Recognizing the inherent risk in revenue projections, the Proposed 2025-26 State Budget appropriates the Proposition 98 minimum guarantee at \$117.6 billion, instead of the currently calculated level of \$119.2 billion in fiscal year 2024-25. This is intended to mitigate the risk of potentially appropriating more resources to the Proposition 98 minimum guarantee than are ultimately available in the final calculation for fiscal year 2024-25. Unlike fiscal year 2023-24, where Proposition 98 minimum guarantee was in a Test 2 year, it is anticipated that the minimum guarantee will be in Test 1 for fiscal years 2024-25 and 2025-26, a funding level equal to approximately 40% of the State's general fund revenues. With the Proposition 98 minimum guarantee being "rebenched" to reflect the ongoing implementation of universal transitional kindergarten, Test 1 will increase the State general fund revenues due to the Proposition 98 minimum funding guarantee from 39.2% to 39.6%.

- Proposition 98 Rainy Day Fund. The 2024-25 State Budget projected a total balance of \$1.1 billion in the Proposition 98 Rainy Day Fund. The Proposed 2025-26 State Budget reflects revised fiscal year 2024-25 payment of approximately \$1.2 billion, a mandatory repayment that replaces the discretionary repayment, and an additional mandatory repayment of \$376.0 million in fiscal year 2025-26, into the Proposition 98 Rainy Day Fund, for a revised balance of approximately \$1.5 billion at the end of fiscal year 2025-26. The Proposed 2025-26 State Budget makes no change to the withdrawal of \$8.4 billion in fiscal year 2023-24. Under current law, there is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total TK-12 share of the Proposition 98 minimum guarantee. The balance of \$1.2 billion in the Proposition 98 Rainy Day Fund in fiscal year 2024-25 does not trigger school district reserve caps in fiscal year 2025-26. See "– School District Reserves" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751."
- Local Control Funding Formula. The Proposed 2025-26 State Budget includes a LCFF cost-of-living adjustment of approximately 2.43%. When combined with population growth adjustments, this will result in an increase of approximately \$2.5 billion in discretionary funds for local educational agencies. Budgetary deferrals of \$246.6 million for TK-12 education are fully repaid in fiscal year 2025-26. To fully fund the LCFF and maintain the level of past year principal apportionments, the Proposed 2025-26 State Budget proposes using available reappropriation and reversion funding totaling \$25.9 million to support ongoing LCFF costs in fiscal year 2023-24 and deferring LCFF funding totaling \$35.1 million from fiscal year 2023-24 to fiscal year 2024-25. This one-time deferral is fully repaid in fiscal year 2024-25.
- Universal Transitional Kindergarten. For fiscal year 2024-25, the Proposed 2025-26 State Budget provides a total of \$1.5 billion of ongoing Proposition 98 general fund resources to support expanded eligibility for transitional kindergarten, shifting age eligibility from all children turning five years old between September 2 and April 2 to all children turning five between September 2 and June 2, and an additional \$516.7 million Proposition 98 general fund resources to support the third year of adding one additional certificated or classified staff person to every transitional kindergarten class. For fiscal year 2025-26, the Proposed 2025-26 State Budget provides a total of \$2.4 billion (inclusive of all prior years' investments), in ongoing Proposition 98 general fund resources to support the full implementation of universal transitional kindergarten. The Proposed 2025-26 State Budget also provides \$1.5 billion ongoing Proposition 98 general fund resources to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every transitional kindergarten classroom.

- Before School, After School, and Summer School. The Proposed 2025-26 State Budget fully implements the Expanded Learning Opportunities Program, which is a multi-year investment plan to implement before, after, and summer school instruction and enrichment for students in grades TK-6, with a focus on local educational agencies with the highest concentration of low-income students, English learners, and youth in foster care. The Proposed 2025-26 State Budget increases the number of local educational agencies that offer universal access to students, from those with an unduplicated pupil percentage of 75% to those with 55% unduplicated students. The Proposed 2025-26 State Budget also includes \$435.0 million in ongoing Proposition 98 general fund resources to cover implementation of this program, for a total program funding of \$4.4 billion.
- Master Plan for Career Education. As part of the plan to make it easier for Californians to receive college credit both in high school and in recognition of their real-world experience and create more pathways to in-demand careers in the State, the Proposed 2025-26 State Budget proposes including dual enrollment and pathways programs as allowable expenditures for funds allocated through the \$1.8 billion Student Support and Discretionary Block Grant and includes an increase of \$3.0 million in ongoing Proposition 98 general fund resources to the California College Guidance Initiative and the Cradle-to-Career Data System. The Proposed 2025-26 State Budget also proposes to direct the Department of Education to examine feasibility of streamlining applications for TK-12 career technical education programs into a single consolidated application.
- Literacy Instruction. To support the State’s research-based English Language Arts/English Language Development (“ELA/ELD”) Framework, the Proposed 2025-26 State Budget allocates \$500.0 million in one-time Proposition 98 general fund resources for TK-12 literacy and mathematics coaches; \$40.0 million in one-time Proposition 98 general fund resources to support necessary costs, including purchasing screening materials and training for educators to administer literacy screenings; and \$5.0 million in Proposition 98 general fund resources annually through fiscal year 2029-30 to launch a Literacy Network for state-developed literacy resources, elevate high performing districts and best practices, and provide support to select local educational agencies facing persistent performance challenges. The Proposed 2025-26 State Budget also directs the Instructional Quality Commission to initiate a follow-up adoption for ELA/ELD instruction materials, and provides \$300,000 one-time non-Proposition 98 general fund resources in fiscal year 2024-25 for the Instructional Quality Commission to develop a curriculum guide and resources in personal finance, and \$1.8 billion for the Student Support and Discretionary Block Grant which can fund professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap.
- Teacher Preparation and Professional Development. The Proposed 2025-26 State Budget includes proposals intended to support teachers and improve access to the educator pipeline, including \$150.0 million in one-time Proposition 98 general fund resources to provide financial assistance for teacher candidates through the Teacher Recruitment Incentive Grant Program and an additional \$100.0 million in one-time Proposition 98 general fund resources to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified Teachers to teach and mentor other staff in high poverty schools.
- Student Support and Professional Development Discretionary Block Grant. The Proposed 2025-26 State Budget includes \$1.8 billion one-time in Proposition 98 general fund resources for a discretionary block grant to provide local educational agencies with additional fiscal support to address rising costs and fund statewide priorities, including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners, (2) professional development for teachers on the Mathematics Framework, (3) teacher recruitment and retention strategies, and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.

- School Facility Program. The Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024, approved by voters on November 5, 2024 (“Proposition 2 (2024)”), authorized a total of \$8.5 billion in State general obligation bonds for K-12 schools to be allocated through the School Facility Program. These funds are allocated across several key areas: \$4.0 billion for modernization projects, \$3.3 billion for new construction, \$600.0 million for charter schools, and \$600.0 million for career technical education projects. Proposition 2 (2024) also supports the replacement of school buildings that are at least 75 years old, funding for school districts with specific needs, such as small districts and those located in military installations, programmatic changes for energy-efficient components in new construction and modernization projects, and construction or retrofit of transitional kindergarten classrooms. Proposition 2 (2024) also includes programmatic changes that emphasize health and safety components of school facilities and allows the State Allocation Board to provide assistance for purposes of procuring interim housing for school districts and county offices of education impacted by a natural disaster for which the Governor has declared state of emergency.
- Learning Recovery Emergency Block Grant. The Proposed 2025-26 State Budget includes \$378.6 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant to support local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- Cost-of-Living Adjustments. The Proposed 2025-26 State Budget includes \$204.0 million in ongoing Proposition 98 general fund resources to reflect a 2.43% cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- Kitchen Infrastructure and Training. The Proposed 2025-26 State Budget includes \$150.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- Local Property Tax Adjustments. The Proposed 2025-26 State Budget includes an additional \$125.0 million in ongoing Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2024-25, and a decrease of \$1.5 billion in fiscal year 2025-26, as a result of increased offsetting property taxes.
- Nutrition. The Proposed 2025-26 State Budget includes \$106.3 million in additional ongoing Proposition 98 general fund resources to fully fund the universal school meals program in fiscal year 2025-26.
- County Offices of Education. The Proposed 2025-26 State Budget includes \$12.2 million in ongoing Proposition 98 general fund resources to reflect A.D.A. changes applicable to the county office of education LCFF, and a 2.43 % cost-of-living adjustment.
- English Language Proficiency Screener for Transitional Kindergarten Students. The Proposed 2025-26 State Budget includes \$10.0 million in one-time Proposition 98 general fund resources for the statewide use of English language proficiency screeners to support multilingual learnings in transitional kindergarten.

The complete Proposed 2025-26 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) or [www.ebudget.ca.gov](http://www.ebudget.ca.gov). The District can take no responsibility for

the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

***LAO Analysis of the Proposed 2025-26 State Budget.*** The LAO released its report on the Proposed 2025-26 State Budget entitled “The 2025-26 Budget: Overview of the Governor’s Budget” on January 13, 2025 (the “LAO Analysis of the Proposed 2025-26 State Budget”). In the LAO Analysis of the Proposed 2025-26 State Budget, the LAO assesses the budget condition and analyzes the major proposals for K-12 education.

The LAO estimates that the underlying condition of the Proposed 2025-26 State Budget is roughly balanced. The LAO notes that one of the main reasons for the balanced budget is the State Legislature’s atypical action taken last year to address the deficit and withdraw more in reserves as well as proactive decisions to address the anticipated budget deficit for fiscal year 2025-26. The 2024-25 State Budget committed a total of \$28.0 billion in budgeting maneuvers for fiscal year 2025-26, which included, \$12.0 billion in spending-related reductions and approximately \$16.0 billion in all other reductions. The LAO notes that the Proposed 2025-26 State Budget does not propose any significant policy changes to the already-adopted 2024-25 State Budget, but some of the assumed savings are now lower, totaling \$24.0 billion for fiscal year 2025-26. Two key areas where these savings have eroded are in the managed care organization tax package and reductions to State operations. The LAO notes that their estimates are slightly different than the Proposed 2025-26 State Budget estimates, but the differences are small enough on net that they do not substantively change the assessment of the budget condition. Specifically, the Proposed 2025-26 State Budget estimates the revenues to be \$9.0 billion higher, but this is partially offset by the Proposed 2025-26 State Budget’s estimate of constitutionally required State general fund spending on K-14 education, which is \$4.7 billion higher than the LAO’s November 2024 estimates. The Proposed 2025-26 State Budget estimates of baseline spending (for example, for caseload growth, federal reimbursements, and statutory cost increases) are lower than LAO estimates by \$600.0 million. The LAO cautions that neither LAO’s November 2024 estimates nor the Proposed 2025-26 State Budget included any costs associated with the devastating wildfires in Southern California, as both were developed before those wildfires began. While the LAO anticipates some State costs as well as State policy responses to the disaster, sufficient information is not available about the extent of those costs. Both the Proposed 2025-26 State Budget and the LAO anticipate deficits in future years.

The LAO notes that the Proposed 2025-26 State Budget includes three categories of discretionary proposals that are not already committed to under current law or policy. First, some proposals provide short-term budget savings that create more budget capacity. These proposals generate a total of \$2.2 billion in State general fund savings within the budget window. The Proposed 2025-26 State Budget proposes providing \$1.6 billion less in total funding for schools and community colleges than the estimated Proposition 98 minimum guarantee for fiscal year 2024-25. This provides one-time State general fund savings in fiscal year 2024-25, but also creates a “settle-up” obligation, which will need to be paid in a future year if revenues for fiscal year 2024-25 were to remain unchanged. If revenues for fiscal year 2024-25 come in below current projections, this obligation would also decline, potentially to zero. Second, the Proposed 2025-26 State Budget includes new discretionary proposals that use budget capacity by increasing spending or reducing revenues, totaling approximately \$700.0 million. The major proposals in this category include increasing revenues by approximately \$300.0 million by changing rules for determination of taxable profits for financial institutions, shifting approximately \$300.0 million in State general fund spending on water recycling, wildfire prevention activities at State parks, and dam safety activities to funding from Proposition 4, the climate bond approved by voters on November 5, 2024, and approximately \$570.0 million in new discretionary State general fund spending in fiscal year 2025-26. Finally, the Proposed 2025-26 State Budget sets the balance of the SFEU to \$4.5 billion, which is higher than recent budgets that set the SFEU balance between \$3.5 billion and \$4.0 billion.

The LAO notes that compared to the estimates in the 2024-25 State Budget, the Proposed 2025-26 State Budget estimates the Proposition 98 minimum guarantee for school and community colleges is up by approximately \$7.1 billion (\$3.9 billion of which is attributable to fiscal year 2024-25 and \$3.2 billion is attributable to fiscal year 2025-26). The LAO notes that this increase is due almost entirely to higher State general fund revenue estimates. In addition, approximately \$4.0 billion in one-time spending expires in fiscal year 2025-26, freeing-up the underlying funding for other school and community college purposes. The Proposed 2025-26 State Budget would make mandatory deposits into the Proposition 98 Rainy Day Fund of approximately \$1.2 billion in fiscal year 2024-25 and \$376.0 million in fiscal year 2025-26, which would bring the total balance in the Proposition 98 Rainy Day Fund to \$1.5 billion. The mandatory deposit in the fiscal year 2024-25 replaces the \$1.1 billion discretionary deposit included in the 2024-25 State Budget.

The LAO notes that the Proposed 2025-26 State Budget provides approximately \$2.5 billion to fund a 2.43% statutory cost-of-living adjustment for existing school and community college programs. Consistent with previous budgets, the Proposed 2025-26 State Budget sets aside \$1.1 billion to complete the expansion of transitional kindergarten in fiscal year 2025-26. The Proposed 2025-26 State Budget also provides \$746.0 million funding to reduce the student-to-adult ratios in transitional kindergarten classrooms from 12:1 to 10:1, and \$435.0 million for the Expand Learning Opportunities Program, primarily to increase the number of school districts that must offer enrichment programs (such as after school activities and summer school) to all students. The LAO notes that the largest one-time proposal is to provide \$1.8 billion for schools through a new discretionary block grant that could be used to fund new activities or cover costs of existing programs. The Proposed 2025-26 State Budget also includes \$500.0 million to fund literacy and mathematics coaches at high poverty schools, expanding upon a program the state funded in previous budgets. The LAO notes that the Proposed 2025-26 State Budget includes a series of initiatives intended to advance teacher training and recruitment efforts at schools.

The LAO finds the Proposed 2025-26 State Budget estimates of revenues and use of reserves reasonable, but expressed concern that recent gains are on shaky ground. The LAO notes that the tax collection gains are not tied to improvements in the State's broader economy, which has been lackluster, with elevated unemployment, a stagnant job market outside of government and healthcare, and sluggish consumer spending. Agreeing with the narrative in the Proposed 2025-26 State Budget, LAO notes that the revenue gains appear largely tied to the booming stock market, a situation which can change rapidly and without warning. This is further complicated by the recent wildfires in Southern California which may result in tax deadline delay and make it difficult to read tax collection trends. The LAO also emphasizes that the State costs from these fires will depend on the continually evolving situation, as well as decisions by the State Legislature and federal government, including those related to cost sharing for response, clean up, recovery, and other possible assistance. The LAO notes that the \$7.0 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26 is reasonable. A cumulative total of \$82.0 billion in budget deficit has been addressed, but even including the fiscal year 2025-26 withdrawal, only half of the State Rainy Day Fund has been withdrawn. The LAO recommends that State Legislature maintain last year's momentum by developing a plan for addressing potential budget problems on the horizon, as the underlying budget dynamics are particularly challenging. The LAO recommends that the State Legislature analyze which programs are working well and have grown considerably in recent years and understand the efficacy of those expansions and which programs are in need of adjustments or are no longer achieving desired outcomes within the next couple of months so that difficult choices can be made in May 2025. The LAO supports the changes proposed by the Proposed 2025-26 State Budget to increase the cap on State Rainy Day Fund required deposits and to exclude the State's reserve deposits from the State appropriations limit but suggests additional changes to increase how much is saved each year.

The LAO Analysis of the Proposed 2025-26 State Budget is available on the LAO website at [www.lao.ca.gov](http://www.lao.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.

***Changes in State Budget.*** The final fiscal year 2025-26 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2025-26 State Budget. In May 2025, the Governor will revise the Proposed 2025-26 State Budget based on updated information available at such time. Such revision in May 2025 may also differ substantially from the Proposed 2025-26 State Budget. The final fiscal year 2025-26 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2025-26 State budget from the Proposed 2025-26 State Budget. The District cannot predict the impact that the final fiscal year 2025-26 State budget, or subsequent budgets, will have on its finances and operations.

***Future Budgets and Budgetary Actions.*** The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures or 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 beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Series 2025 Bonds are payable from *ad valorem* property taxes, the Proposed 2025-26 State Budget and the final fiscal year 2024-25 State budget are not expected to have a material impact on the payment of the Series 2025 Bonds.

***School District Reserves.*** The State's economic and revenue outlook has changed. Although the 2024-25 State Budget provides for a discretionary payment of approximately \$1.1 billion to the Proposition 98 Rainy Day Fund in fiscal year 2024-25, the 2024-25 State Budget also provides for a withdrawal of the entire \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24, leaving a projected balance of \$1.1 billion at the end of fiscal year 2024-25. See "*2024-25 State Budget.*" School districts may need to access their local reserves in light of operational needs that may exceed expected funding under LCFF in a given fiscal year. The District, which has an average daily attendance ("A.D.A.") of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. At the time of preparation of the Fiscal Year 2024-25 Second Interim Report, the District projects it will meet the 3% statutory reserve requirement in fiscal years 2024-25 through 2026-27.

Payments allocated to the Proposition 98 Rainy Day Fund under the fiscal year 2021-22 State budget and the Fiscal Year 2022-23 State budget triggered a reserve cap for school districts in fiscal years 2022-23 and 2023-24, respectively. Such reserve cap is triggered when the amount of money in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total State general fund revenues appropriated for school districts Statewide. Given 2024-25 State Budget provisions relating to the Proposition 98 Rainy Day Fund (see "*2024-25 State Budget*"), school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. See "*2024-25 State Budget.*" In accordance with Section 42127.01(a) of the California Education Code, when the reserve cap is triggered, a school district's assigned and unassigned ending fund balance cannot exceed 10% of such school district's general fund balance. Pursuant to Section 42127.01(c) of the California Education Code, community funded districts and small school districts with fewer than 2,501 units of A.D.A. are exempt from the reserve cap. Since the District is a community funded district and a small school district with fewer than 2,501 units of A.D.A., the District is exempt from the reserve cap. For more information on the reserve cap legislation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751.*"

***Prohibitions on Diverting Local Revenues for State Purposes.*** Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the California Constitution, which voters of the State approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*”). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State’s authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

***Allocation of State Funding to School Districts; Local Control Funding Formula.*** Prior to the implementation of the LCFF in fiscal year 2013-14, each school district received State funding based on a unique revenue limit multiplied by such school district’s A.D.A. Under the revenue limit funding system, school districts also received funding for categorical programs based on the demographics and needs of the students in each school district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant (“Base Grant”) per unit of A.D.A. with additional supplemental funding (referred to as a “Supplemental Grant” and a “Concentration Grant”) allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency (“LEA”). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2024-25, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to \$11,068 per A.D.A. for kindergarten through



grade 3 (including grade span adjustment); (b) a Base Grant for each LEA equivalent to \$10,177 per A.D.A. for grades 4 through 6; (c) a Base Grant for each LEA equivalent to \$10,478 per A.D.A. for grades 7 and 8; (d) a Base Grant for each LEA equivalent to \$12,460 per A.D.A. for grades 9 through 12 (including grade span adjustment). However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grant amount for fiscal year 2024-25 includes a cost-of-living adjustment of 1.07%.

- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant of up to 65% of a LEA's Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.
- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.
- Starting with the 2023-24 fiscal year, an additional equity multiplier (the "Equity Multiplier") was added as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% (which refers to the percentage of students who do not complete the year due to factors like expulsion) and (2) a prior year socioeconomically disadvantaged pupil rates of greater than 70% (which includes students with parents that do not have high school diplomas, students from low-income families, homeless youth, and foster youth). Every year, the state will allocate \$300 million to the qualifying LEAs on a per-unit basis based on the LEA's prior year adjusted cumulative enrollment, but each qualifying school will receive at least \$50 thousand. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

Prior to fiscal year 2022-23, school districts received their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. This apportionment method helped to temporarily mitigate the impact of LCFF funding losses on school districts that result from declining enrollment. To further mitigate the impact of LCFF funding losses in light of the respiratory disease caused by COVID-19 pandemic, the fiscal year 2020-21 State budget included a temporary hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21 in which A.D.A. for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). The fiscal year 2021-22 State budget did not extend the A.D.A. hold harmless provision to fiscal year 2021-22. Nonetheless, in fiscal year 2021-22, school districts still retained the ability to receive their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. in accordance with the LCFF.

The fiscal year 2022-23 State Budget, as amended (the "2022-23 State Budget"), amended the LCFF calculation to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' A.D.A. to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, a school district that can demonstrate it provided independent study offerings to students in fiscal year 2021-22 may consider the greater of such school district's fiscal year 2021-22 A.D.A. or such school district's fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment is applicable to fiscal year 2021-22 for purposes of

calculating a school district's fiscal year 2021-22 annual apportionment and calculating a school district's prior year A.D.A. or the average of three prior years' A.D.A. in fiscal year 2022-23 and future fiscal years in accordance with the amendments made in connection with the 2022-23 State Budget.

Under LCFF, for community funded districts, like the District, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts continue to receive the same level of State aid as allocated under the prior revenue limit funding system in fiscal year 2012-13.

***Risks Affecting District Revenue.*** As discussed above, many school districts in the State are funded based on the LCFF, which allocates a Base Grant per unit of A.D.A. with additional supplemental funding in the form of Supplemental Grants and Concentration Grants based on certain factors. See “*Allocation of State Funding to School Districts; Local Control Funding Formula.*” Thus, a temporary shutdown of a school or an entire school district or other event resulting in reduced enrollment or attendance would reduce the A.D.A. of a school district and could impact the funding a school district receives. For example, events like the outbreak of a highly contagious disease or epidemic disease could harm a school district's financial results or result in a temporary shutdown of the school district's facilities. Such an event could also have impacts on the State's tax and other revenue receipts which may, in turn, impact educational funding that school districts receive from the State. See “*Future Budgets and Budgetary Actions.*” The outbreak of the respiratory disease caused by COVID-19 was declared a pandemic by the World Health Organization, a national emergency by then President Trump and a state of emergency by the Governor. While State and federal one-time COVID-19 relief funding provided some immediate relief to school districts, including the District, during the COVID-19 pandemic, the District cannot predict whether similar legislation providing State and federal one-time relief funding would be enacted in the future in the event the outbreak of COVID-19 were to increase in intensity or a similar or other outbreak of a highly contagious disease or epidemic disease or other event resulting in reduced enrollment or attendance were to occur in the future.

***Enrollment, A.D.A. and LCFF.*** The table on the following page sets forth the District's actual A.D.A., funded A.D.A., the basis for such funded A.D.A. (the current fiscal year A.D.A., the prior fiscal year A.D.A., or the average of three prior years' A.D.A.), enrollment (including the percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”)), and Base Grant (or targeted Base Grant, as applicable) per unit of A.D.A. for fiscal years 2020-21 through 2023-24, and the District's budgeted A.D.A., funded A.D.A., the basis for such funded A.D.A., enrollment (including the percentage of EL/LI Students), and Base Grant per unit of A.D.A. for fiscal year 2024-25 at the time of preparation of the Fiscal Year 2024-25 Second Interim Report. The A.D.A. and enrollment numbers below include TK students and certain special education students enrolled directly with the District, but exclude certain special education students enrolled in programs operated by the Mono County Office of Education.

**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**Average Daily Attendance, Enrollment and Base Grant**  
**Fiscal Years 2020-21 through 2024-25**

Fiscal Year		A.D.A./Base Grant					Enrollment <sup>(10)</sup>		
		TK-3	4-6	7-8	9-12	Total A.D.A.	Funding Basis	Total Enrollment	Unduplicated % of EL/LI Students
2020-21	Actual A.D.A. <sup>(1)(3)</sup> :	344.78	248.46	195.37	336.60	1,125.21	--	1,119	53.24%
	Funded A.D.A. <sup>(1)(3)</sup> :	344.78	248.46	195.37	336.60	1,125.21	Current Year	--	--
	Base Grant <sup>(2)(4)</sup> :	\$8,503	\$7,818	\$8,050	\$9,572	--	--	--	--
2021-22	Actual A.D.A. <sup>(1)</sup> :	307.12	215.72	175.11	369.38	1,067.33	--	1,136	52.51%
	Funded A.D.A. <sup>(1)</sup> :	344.78	248.46	195.37	336.60	1,125.21	Prior Year	--	--
	Base Grant <sup>(2)(5)</sup> :	\$8,935	\$8,215	\$8,458	\$10,057	--	--	--	--
2022-23	Actual A.D.A. <sup>(1)</sup> :	336.76	224.98	146.65	336.99	1,045.38	--	1,130	53.91%
	Funded A.D.A. <sup>(1)</sup> :	332.23	237.55	188.62	347.53	1,105.93	3 Year Avg.	--	--
	Base Grant <sup>(2)(6)</sup> :	\$10,119	\$9,304	\$9,580	\$11,391	--	--	--	--
2023-24	Actual A.D.A. <sup>(1)</sup> :	345.25	234.01	139.47	332.98	1,051.71	--	1,124	56.81%
	Funded A.D.A. <sup>(1)</sup> :	329.55	229.72	172.38	347.66	1,079.31	3 Year Avg.	--	--
	Base Grant <sup>(2)(7)</sup> :	\$10,951	\$10,069	\$10,367	\$12,327	--	--	--	--
2024-25	Actual A.D.A. <sup>(8)</sup> :	346.46	236.16	141.58	324.29	1,048.49	--	1,123	57.21%
	Funded A.D.A. <sup>(8)</sup> :	329.71	224.90	153.74	346.45	1,054.80	3 Year Avg.	--	--
	Base Grant <sup>(2)(9)</sup> :	\$11,068	\$10,177	\$10,478	\$12,460	--	--	--	--

<sup>(1)</sup> A.D.A. for the second period of attendance, typically in mid-April of each school year, which does not reflect subsequent revisions related to days deemed later by the California Department of Education to have a “material decrease” in attendance or attendance at Saturday school.

<sup>(2)</sup> Such amounts include the grade span adjustment, but do not include any Supplemental Grants and Concentration Grants under the LCFF.

<sup>(3)</sup> Attendance reporting not required for fiscal year 2020-21. The fiscal year 2020-21 State budget included a hold harmless provision, providing that A.D.A. for fiscal year 2020-21 was based on A.D.A. for fiscal year 2019-20 (for the condensed reporting period), as discussed in more detail above.

<sup>(4)</sup> Fiscal year 2020-21 Base Grant amount reflects a 0% cost-of-living adjustment from fiscal year 2019-20 Base Grant amounts.

<sup>(5)</sup> Fiscal year 2021-22 Base Grant amount reflects a 5.07% adjustment from fiscal year 2020-21 Base Grant amounts, which includes a 4.05% cost-of-living adjustment and a 1% discretionary increase in Base Grant funding.

<sup>(6)</sup> Fiscal year 2022-23 Base Grant amount reflects an approximately 13.26% adjustment from fiscal year 2021-22 Base Grant amounts, which includes a 6.56% cost-of-living adjustment and a 6.70% discretionary increase in Base Grant funding.

<sup>(7)</sup> Fiscal year 2023-24 Base Grant amount included in the Fiscal Year 2023-24 Budget assumes a 8.22% cost-of-living adjustment from Fiscal Year 2022-23 Base Grant amounts.

<sup>(8)</sup> Reflects budgeted A.D.A., funded A.D.A., enrollment and percentage of unduplicated EL/LI Students as of the Fiscal Year 2024-25 Second Interim Report.

<sup>(9)</sup> Fiscal year 2024-25 Base Grant amount reflects a 1.07% cost-of-living adjustment from fiscal year 2023-24 Base Grant amounts based on the 2024-25 State Budget. The District Fiscal Year 2024-25 Budget assumed an approximately 1.07% cost-of-living adjustment from Fiscal Year 2023-24 Base Grant amounts.

<sup>(10)</sup> Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System. A school district’s funded percentage of unduplicated EL/LI Students is based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: Mammoth Unified School District.

The District received approximately \$15.10 million in aggregate revenues reported under LCFF sources in fiscal year 2023-24 (or approximately 66.13% of its general fund revenues in fiscal year 2023-24). Such amount includes Supplemental Grants and Concentration Grants for targeted groups of approximately \$1.37 million and \$142,071, respectively, in fiscal year 2023-24. As of the Fiscal Year 2024-25 Second Interim Report, the District expects to receive approximately \$15.59 million in aggregate revenues reported under LCFF sources in fiscal year 2024-25 (or approximately 75.65% of its general fund revenues in fiscal year 2024-25). Such amount includes Supplemental Grants and Concentration Grants for targeted groups expected at approximately \$1.36 million and \$170,450, respectively, in in fiscal year 2024-25.

The District is expected to receive additional revenue from the Equity Multiplier because the District has one site eligible for Equity Multiplier funding. The eligible LEA has a Total Prior Year Adjusted

Cumulative Enrollment Eligible for LCFF Equity Multiplier Funding of 7. The Equity Multiplier Rate for fiscal year 2023-24 was \$1,052.61, which is based on the \$300 million of state funds allocated to the Equity Multiplier split between all qualifying LEAs based on the LEA's prior year adjusted cumulative enrollment. The amount of revenue from the Equity Multiplier for fiscal year 2023-24 was \$50,000 (the Equity Multiplier Rate multiplied by the Total Prior Year Adjusted Cumulative Enrollment Eligible for LCFF Equity Multiplier Funding for the eligible school sites).

**Local Control Accountability Plans.** A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Typically, each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

## **Local Property Tax Revenues**

**General.** The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. The District's share of the local 1% property tax is separate from and in addition to the *ad valorem* property tax pledged to the repayment of all general obligation bonds of the District, including the Series 2025 Bonds. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the California Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a basic district and is now referred to as a community funded district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See “– State Funding of Education; State Budget Process – *Allocation of State Funding to School Districts; Local Control Funding Formula*” for more information about the LCFF.

Local property tax revenues accounted for approximately 95.26% of the District’s aggregate general fund revenues reported under LCFF sources in fiscal year 2023-24 at approximately \$14.38 million, or 62.99% of total general fund revenues in fiscal year 2023-24. Based on the Fiscal Year 2024-25 Second Interim Report, local property tax revenues are projected to account for approximately 95.44% of the District’s aggregate revenues reported under LCFF sources in fiscal year 2024-25 and are projected to be approximately \$14.88 million, or 72.20% of total general fund revenues in fiscal year 2024-25.

For information about the property taxation system in the State and the District’s property tax base, see “– Property Taxation System,” “– Assessed Valuation of Property Within the District,” and “– Tax Charges and Delinquencies” under the caption “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS” in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below.

***Effect of Changes in Enrollment.*** Changes in local property tax revenue and A.D.A. affect LCFF districts and community funded districts differently. In a LCFF 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 or close schools. In a community funded district, such as the District, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it a LCFF district, but since all LCFF funding (and more) is already generated by local property taxes, there is no increase in State funding, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax revenue is stretched further. Declining enrollment does not reduce property tax revenue, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

## **Other District Revenues**

***Federal Revenues.*** The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, were approximately 4.68% (or approximately \$1.07 million) of the District’s general fund revenues for fiscal year 2023-24. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects that federal revenues, most of which are restricted, will comprise approximately 3.35% (or approximately \$690,960) of the District’s general fund projected revenues for fiscal year 2024-25. Federal revenues are projected to be lower in fiscal year 2024-25 due the expiration of federal funding related to the COVID-19 pandemic, which was available through September 30, 2024.

On January 27, 2025, the Acting Director of the Office of Management and Budget issued a memorandum (the “OMB Memo”) directing federal agencies, to the extent permissible under applicable law, to temporarily pause all activities related to obligation or disbursement of federal financial assistance

(including federal grants, loans and other financial assistance, but specifically excluding aid to individuals and Social Security and Medicare benefits) beginning at 5:00 p.m. on January 28, 2025, creating uncertainty regarding the District's ongoing receipt of federal funding. The following day, the U.S. Department of Education confirmed that the order only applied to discretionary grants at the U.S. Department of Education and did not impact funding under Title I of the Elementary and Secondary Education Act, the Individuals with Disabilities Education Act (IDEA), or other formula grants. Prior to the OMB Memo taking effect on January 28, 2025, a federal judge temporarily blocked the order. Subsequently, on January 29, 2025, the Office of Management and Budget rescinded the OMB Memo, but indicated the rescission would not end its review of spending and was aimed at ending litigation and confusion. Then, on January 31, 2025, a federal judge issued a temporary restraining order that says the Trump Administration cannot pause, freeze, impede, block, cancel, or terminate federal financial-assistance obligations to the states. The District is unable to predict whether the Trump Administration's review of spending may eventually impact its receipt of federal funding or whether any such impact will have a material effect on the finances or operations of the District.

**Other State Revenues.** In addition to State apportionments for Proposition 98 funding through the LCFF, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues were approximately 16.98% (or approximately \$3.88 million) of the District's general fund revenues for fiscal year 2023-24. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects that other State revenues will comprise approximately 10.67% (or approximately \$2.20 million) of the District's general fund projected revenues for fiscal year 2024-25.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District received approximately \$390,657 in State lottery revenue for fiscal year 2023-24. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects to receive approximately \$292,632 in State lottery revenue for fiscal year 2024-25.

**Other Local Revenues.** In addition to *ad valorem* property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations, sales of property, and parcel taxes. See “ – Parcel Tax” below for more details on the District's parcel tax measure and related revenue. Other local revenues were approximately 12.21% (or approximately \$2.79 million) of the District's general fund revenues for fiscal year 2023-24. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects that other local revenues will comprise approximately 10.33% (or approximately \$2.13 million) of the District's general fund projected revenues for fiscal year 2024-25, which includes the amount described below from the District's parcel tax.

**Parcel Tax.** In June 2016, the voters of the District approved the levy of a parcel tax of \$59 per parcel per year to preserve smaller classes, attract and retain highly qualified teachers, strengthen core curriculum, and enhance technology, art, music, math, science and athletics (the “Parcel Tax”). The Parcel Tax was authorized to be levied for a period not to exceed five years beginning on July 1, 2017 and was initially set to expire on June 30, 2022. In November 2020, voters of the District approved the renewal of the Parcel Tax for a period not to exceed five years beginning on July 1, 2022 and expiring June 30, 2027. An exemption for the Parcel Tax is provided to parcels owned and occupied by taxpayers aged 65 and older on or before July 1 of the tax year. In fiscal year 2023-24, the District received approximately \$634,850 in revenue from parcel taxes. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects to receive approximately \$618,000 in fiscal year 2024-25.

## **Charter Schools**

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the California Education Code (the “Charter School Law”). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education or the State Board of Education. A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are to (a) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system, (b) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability, and (c) provide competition within the public school system to stimulate improvements in all public schools.

A school district has certain fiscal oversight and other responsibilities with respect to both affiliated and independent charter schools. However, independent charter schools that receive their funding directly from the State are generally not included in a school district’s financial reports and audited financial statements and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State. Affiliated charter schools receive their funding from the school district and would generally be included in the school district’s financial reports and audited financial statements.

At this time, there are no charter schools operating in the District, and there are no applications for charter schools currently pending before the Board of Education of the District. The District cannot provide any assurances as to whether any charter schools will be established within the territory of the District, or as to the impact any charter school developments may have on the District’s A.D.A. or finances in future years.

## **Significant Accounting Policies and Audited Financial Statements**

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are required to be accounted for in accordance with the Department of Education’s California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all State school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District’s audited financial statements for the fiscal year ended June 30, 2024, which are included as Appendix B to the Official Statement.

Independently audited financial statements are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. Typically, school districts in the State are required to file their audited financial statements for the preceding fiscal year with the State Controller’s Office, the State Superintendent of Public Instruction, and the county superintendent of schools by December 15 of each year. However, in response to the COVID-19 pandemic and the challenges it presents for school district operations, Senate Bill 98 (Chapter 24, enacted on June 29, 2020, as an urgency bill) provided that a school district’s audited financial statements for fiscal year 2019-20 were not due until March 31, 2021. Accordingly, the District filed its audited financial statements for fiscal year 2019-20 with the State Controller’s Office, the State Superintendent of Public Instruction, and the Mono County Superintendent of Schools by March 31, 2021. Pursuant to Assembly Bill 130 (Chapter 44, enacted on July 9, 2021), the deadline for school districts to file their audited financial statements for fiscal year 2020-21 was extended to January 31, 2022. The District filed its audited financial statements for fiscal year 2020-

21 with the State Controller’s Office, the State Superintendent of Public Instruction, and the Mono County Superintendent of Schools on February 3, 2022, a few days after the filing deadline.

The deadline for school districts to file their audited financial statements for fiscal years 2021-22 through 2023-24 were not extended; however, the District requested and received an extension for fiscal year 2023-24, and the District filed its audited financial statements for fiscal year 2024-25 with the State Controller’s Office, the State Superintendent of Public Instruction and the Mono County Superintendent of Schools on March 14, 2025. The need for extension request was due to transition time for the business office to incorporate the new Manager of Fiscal Services, now interim Chief Business Officer.

The following tables contain data extracted from general fund financial statements prepared by the District’s independent auditor, Eide Bailly LLP, Rancho Cucamonga, California (“Eide Bailly”), for fiscal years 2019-20 through 2023-24. Eide Bailly has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The following tables are only a summary of the general fund financial statements of the District for the fiscal years shown. The District’s audited financial statements for the fiscal year ended June 30, 2024 are described throughout this Appendix A and are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes to the audited financial statements, are an integral part of this Official Statement.

With respect to the audited financial statements for fiscal year 2023-24, Eide Bailly identified four audit findings, including one financial statement material weakness finding (which caused Eide Bailly to give a partially qualified opinion with respect to compliance with federal programs), one federal awards material weakness and material noncompliance finding, and two state compliance significant deficiency findings. In addition, there was one material deficiency finding from fiscal year 2022-23 that was identified as not implemented. For detailed information regarding such findings and Eide Bailly’s partially qualified opinion with respect to compliance with federal programs, see Appendix B.

The following table sets forth the statement of revenues, expenditures and changes in fund balances for the District’s general fund for fiscal years 2019-20 through 2023-24.



**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**Statement of General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Fiscal Years 2019-20 through 2023-24<sup>(1)</sup>**

	Fiscal Year 2019-20 Audited Actuals	Fiscal Year 2020-21 Audited Actuals	Fiscal Year 2021-22 Audited Actuals	Fiscal Year 2022-23 Audited Actuals	Fiscal Year 2023-24 Audited Actuals
<b>Revenues</b>					
Local Control Funding Formula	\$11,933,433	\$12,455,154	\$13,004,333	\$14,097,064	\$15,095,808
Federal sources	592,062	1,488,032	1,328,497	1,301,557	1,016,847
Other State sources	1,921,548	2,448,263	1,474,129	4,073,955	3,876,953
Other local sources	1,181,033	1,096,309	1,707,824	2,193,903	2,731,171
Total Revenues	<u>15,628,076</u>	<u>17,487,758</u>	<u>17,514,783</u>	<u>21,666,479</u>	<u>22,720,779</u>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	9,985,724	9,524,203	10,598,010	11,784,713	11,706,383
Instruction-related activities					
Instructional library, media and technology	143,058	119,603	137,140	171,113	194,342
School site administration	899,544	1,188,839	1,349,388	1,460,439	1,353,597
Pupil services					
Home-to-school transportation	303,569	199,102	396,840	466,787	455,243
Food services	-	-	-	59,982	-
All other pupil services	351,183	375,606	392,363	405,276	1,155,680
Administration:					
Data processing	-	-	-	-	210,410
All other general administration	1,078,485	1,170,909	1,502,083	1,603,640	2,230,942
Plant services	1,511,979	1,656,146	1,714,669	2,246,715	2,176,683
Ancillary services	161,180	123,003	191,504	201,768	276,241
Community services	-	-	-	-	982
Other outgo	590,383	261,032	273,004	150,939	12,376
Enterprise services	694,037	-	-	-	-
Facility acquisition and construction	268,382	-	-	-	106,802
Debt service:					
Principal	-	-	57,108	41,947	43,623
Interest and other	-	-	1,451	448	3,973
Total Expenditures	<u>15,987,524</u>	<u>14,618,443</u>	<u>16,613,560</u>	<u>18,593,767</u>	<u>19,927,277</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(359,448)</u>	<u>2,869,315</u>	<u>901,223</u>	<u>3,072,712</u>	<u>2,793,502</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Other sources – lease	-	-	-	228,831	-
Transfers out <sup>(2)</sup>	<u>(62,426)</u>	<u>(117,375)</u>	<u>(1,584,697)</u>	<u>(220,000)</u>	<u>(277,918)</u>
Net Financing Sources (Uses)	<u>(62,426)</u>	<u>(117,375)</u>	<u>(1,584,697)</u>	<u>8,831</u>	<u>(277,918)</u>
Net Change in Fund Balance	(421,874)	2,751,940	(683,474)	3,081,543	2,515,584
Fund Balance – June 1	<u>5,599,980</u>	<u>5,178,106</u>	<u>7,930,046</u>	<u>7,246,572</u>	<u>10,328,115</u>
Fund Balance – June 30 <sup>(3)</sup>	<u>\$5,178,106</u>	<u>\$7,930,046</u>	<u>\$7,246,572</u>	<u>\$10,328,115</u>	<u>\$12,843,699</u>

<sup>(1)</sup> For financial reporting purposes, the District’s audited financial statements include the financial activity of the District’s student activity special reserve, child development, cafeteria, deferred maintenance, pupil transport, capital facilities, building, county school facilities, and bond interest and redemption funds with the District’s general fund.

<sup>(2)</sup> Transfers out to the Cafeteria fund for student nutrition.

<sup>(3)</sup> The District is projecting unrestricted and restricted general fund deficit spending in fiscal years fiscal years 2024-25 through 2026-27. See “– District Budget Process and County Review” below.

Source: Mammoth Unified School District Audited Financial Statements for fiscal years 2019-20 through 2023-24.

The following table sets forth the general fund balance sheet of the District for fiscal years 2019-20 through 2023-24.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Summary of General Fund Balance Sheet  
Fiscal Years 2019-20 through 2023-24**

	Fiscal Year 2019-20 Audited Actuals	Fiscal Year 2020-21 Audited Actuals	Fiscal Year 2021-22 Audited Actuals	Fiscal Year 2022-23 Audited Actuals	Fiscal Year 2023-24 Audited Actuals
<b>Assets</b>					
Deposits and investments	\$4,714,417	\$6,093,252	\$6,785,724	\$9,621,561	\$10,688,453
Receivables	1,477,803	2,609,236	2,143,660	2,020,141	3,287,924
Lease receivables	0	0	1,026,835	1,008,371	989,444
<b>Total Assets</b>	<b>\$6,192,220</b>	<b>\$8,702,488</b>	<b>\$9,956,219</b>	<b>\$12,650,073</b>	<b>\$14,965,821</b>
<b>Liabilities</b>					
Accounts payable	\$1,001,920	\$591,451	\$712,401	\$1,031,530	\$818,867
Unearned revenue	12,194	180,991	970,411	282,057	313,811
<b>Total Liabilities</b>	<b>1,014,114</b>	<b>772,442</b>	<b>1,682,812</b>	<b>1,313,587</b>	<b>1,132,678</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources related to leases	-	-	1,026,835	1,008,371	989,444
<b>Fund Balances</b>					
Nonspendable	3,075	3,075	3,075	3,075	3,075
Restricted	666,507	1,648,867	938,725	3,435,302	4,950,433
Committed	-	-	-	-	-
Assigned	392,829	590,628	516,609	333,682	3,700,596
Unassigned	4,115,695	5,687,476	5,788,163	6,556,056	4,189,595
<b>Total Fund Balance</b>	<b>5,178,106</b>	<b>7,930,046</b>	<b>7,246,572</b>	<b>10,328,115</b>	<b>12,843,699</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$6,192,220</b>	<b>\$8,702,488</b>	<b>\$9,956,219</b>	<b>\$12,650,073</b>	<b>\$14,965,821</b>

Source: Mammoth Unified School District Audited Financial Statements for fiscal years 2019-20 through 2023-24.

**District Budget Process and County Review**

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

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Mono County Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the

recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

***Interim Reporting.*** A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the California Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then-current projections, 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, based on then-current projections, 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, based on then-current projections, may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the past five years, the District has not received a negative or qualified certification for an interim financial report.

***County and State Response to School Districts Under Financial Distress.*** For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

***District's Fiscal Year 2023-24 Unaudited Actuals.*** The Fiscal Year 2023-24 Unaudited Actuals, which were approved by the Board of Education on September 19, 2024, are included in the table that follows and described throughout this Appendix A. The Fiscal Year 2023-24 Unaudited Actuals reflect the District's actual financial results for fiscal year 2023-24.

***District's Fiscal Year 2024-25 Budget and Fiscal Year 2024-25 Second Interim Report.*** The District's original adopted general fund budget for fiscal year 2024-25 (the "Fiscal Year 2024-25 Budget"), which was adopted by the Board of Education on June 20, 2024, is included in the table that follows. The Fiscal Year 2024-25 Budget generally reflects the assumptions contained in the Governor's May revision to the proposed fiscal year 2024-25 State budget. Subsequently, the 2024-25 State Budget was enacted. After analyzing the 2024-25 State Budget, it was not necessary for the District to adopt an amended budget. However, certain adjustments related to the 2024-25 State Budget were incorporated into the District's first interim report for fiscal year 2024-25 and such funding adjustments remain largely unchanged as of the Fiscal Year 2024-25 Second Interim Report. The changes from the Fiscal Year 2024-25 Budget to the Fiscal Year 2024-25 Second Interim Report that are shown in the table that follows are primarily due to the funding

adjustments resulting from the 2024-25 State Budget described above that were incorporated in the first interim report for fiscal year 2024-25 and additional actual financial data available at the time of preparation of the Fiscal Year 2024-25 Second Interim Report.

The Fiscal Year 2024-25 Budget does not contain historical facts but consist of forecasts and “forward-looking statements” at the time of preparation thereof. The achievement of certain results or other expectations contained in the Fiscal Year 2024-25 Budget involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2024-25 Budget are expressly qualified in their entirety by the foregoing and the other cautionary statements. The Fiscal Year 2024-25 Budget may be revised throughout fiscal year 2024-25 as additional information becomes available.

The District revises its projections of revenues, expenditures, and ending fund balances contained in the Fiscal Year 2024-25 Budget as more financial data becomes available throughout the fiscal year. Accordingly, the Fiscal Year 2024-25 Second Interim Report reflects actual financial data for the period ending January 31, 2025, and projections for the remainder of fiscal year 2024-25 based on such data. The Fiscal Year 2024-25 Second Interim Report, which was approved by the Board of Education on March 13, 2025, is also included in the table that follows and described throughout this Appendix A. The Fiscal Year 2024-25 Second Interim Report demonstrates projected deficit spending in both unrestricted and restricted accounts in future years. Both the unrestricted and restricted general fund deficit spending is primarily due to salary increases. However, the District is a community funded district and, therefore, is funded primarily by local property tax collections. In this regard, the District’s revenue projections are intentionally conservative, assuming property tax growth of 2.5% and 2.0% in fiscal years 2025-26 and 2026-27, respectively, when the District has experienced average growth of 6.4% over the past five years and 7.0% over the past three years. Moreover, the District monitors reserves and adjusts staffing and other expenses as and when needed for the fiscal health of the District.

The achievement of certain results or other expectations contained in the Fiscal Year 2024-25 Second Interim Report involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2024-25 Second Interim Report are expressly qualified in their entirety by the foregoing and the other cautionary statements.

The table on the following page sets forth the District’s original adopted general fund budgets for fiscal years 2021-22 through 2024-25, unaudited actuals for fiscal years 2021-22 through 2023-24, and the Fiscal Year 2024-25 Second Interim Report.

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**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**General Fund Budgets for Fiscal Years 2021-22 through 2024-25,**  
**Unaudited Actuals for Fiscal Years 2021-22 through 2023-24**  
**and Second Interim Report for Fiscal Year 2024-25<sup>(1)</sup>**

	2021-22 Original Budget	2021-22 Unaudited Actuals	2022-23 Original Budget	2022-23 Unaudited Actuals	2023-24 Original Budget	2023-24 Unaudited Actuals	2024-25 Original Budget	2024-25 Second Interim Report <sup>(2)</sup>
<b>REVENUES</b>								
LCFF Sources	\$12,495,338.00	\$13,004,332.04	\$13,182,266.00	\$14,097,063.59	\$14,219,651.00	\$15,095,808.58	\$15,166,726.00	\$15,586,173.67
Federal Revenue	585,951.00	1,328,496.54	910,608.55	1,032,097.13	719,761.56	1,068,780.45	671,394.00	690,960.39
Other State Revenue	1,753,005.00	1,702,490.42	1,055,662.00	4,073,955.11	1,304,682.00	3,876,953.13	1,906,672.37	2,197,688.10
Other Local Revenue	919,010.00	1,938,681.15	1,807,956.00	2,463,362.36	1,655,566.00	2,787,638.20	1,780,671.21	2,128,567.52
<b>Total Revenues</b>	<u>21,666,478.19</u>	<u>17,899,660.56</u>	<u>22,829,180.36</u>	<u>19,525,463.58</u>	<u>20,424,876.54</u>	<u>21,666,478.19</u>	<u>17,899,660.56</u>	<u>20,603,389.68</u>
<b>EXPENDITURES</b>								
Certificated Salaries	6,725,787.55	6,786,971.87	6,768,844.44	7,140,173.45	7,333,956.56	7,894,025.95	7,817,181.36	8,353,417.97
Classified Salaries	2,087,638.20	2,212,456.73	2,260,605.73	2,326,623.99	2,649,623.00	2,586,593.48	2,958,133.71	2,944,662.34
Employee Benefits	5,025,159.30	4,822,159.80	5,417,786.28	5,045,796.60	5,675,828.00	5,461,669.89	5,940,556.55	5,990,591.95
Books and Supplies	657,741.00	993,042.44	555,315.25	1,312,569.09	770,675.00	1,181,804.00	945,627.78	1,278,408.80
Services, Other Operating Expenses	1,479,017.45	1,632,645.77	1,777,321.00	2,344,323.94	2,252,472.07	2,487,757.40	2,368,140.00	2,909,920.88
Capital Outlay	250,000.00	-	25,000.00	59,981.71	146,431.00	225,249.16	28,628.00	82,713.46
Other Outgo (excluding Direct Support/Indirect Costs)	248,235.00	233,448.94	299,896.97	150,938.79	335,000.00	12,375.75	387,376.00	387,376.00
Transfers of Direct Support/Indirect Costs	(8,200.00)	(9,160.00)	(9,800.00)	(15,472.01)	(15,000.00)	(22,038.33)	(15,000.00)	(15,000.00)
<b>Total Expenditures</b>	<u>16,465,378.50</u>	<u>16,671,565.55</u>	<u>17,094,969.67</u>	<u>18,364,935.56</u>	<u>19,148,985.63</u>	<u>19,827,437.30</u>	<u>20,430,643.40</u>	<u>21,932,091.40</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES<sup>(3)</sup></b>	<u>(712,074.50)</u>	<u>1,302,434.60</u>	<u>(138,477.12)</u>	<u>3,301,542.63</u>	<u>(1,249,325.07)</u>	<u>3,001,743.06</u>	<u>(905,179.82)</u>	<u>(1,328,701.72)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Inter-fund Transfers In <sup>(4)</sup>	-	-	-	491,647.63	-	-	-	-
Inter-fund Transfers Out <sup>(5)</sup>	(135,236.00)	(1,584,697.26)	(739,524.00)	(711,647.63)	(68,449.95)	(277,917.75)	(307,130.20)	(307,130.20)
<b>Total, Other Financing Sources (Uses)</b>	<u>(135,236.00)</u>	<u>(1,584,697.26)</u>	<u>(739,524.00)</u>	<u>(220,000.00)</u>	<u>(68,449.95)</u>	<u>(277,917.75)</u>	<u>(307,130.20)</u>	<u>(307,130.20)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(847,310.50)</u>	<u>(282,262.66)</u>	<u>(878,001.12)</u>	<u>3,081,542.63</u>	<u>(1,317,775.02)</u>	<u>2,723,825.31</u>	<u>(1,212,310.02)</u>	<u>(1,635,831.92)</u>
<b>BEGINNING FUND BALANCE,</b>								
<b>as of July 1 – Unaudited</b>	7,365,284.46	7,930,046.18	7,670,931.41	7,647,783.52	9,110,010.24	10,328,114.78	9,564,905.06	13,051,940.09
<b>Audit Adjustments<sup>(6)</sup></b>	-	-	-	(401,211.37)	-	-	-	-
<b>As of July 1 – Audited</b>	7,365,284.46	7,930,046.18	7,670,931.41	7,246,572.15	9,110,010.24	10,328,114.78	9,564,905.06	13,051,940.09
<b>Other Restatements</b>	-	-	-	-	-	-	-	-
<b>Adjusted Beginning Balance</b>	<u>7,365,284.46</u>	<u>7,930,046.18</u>	<u>7,670,931.41</u>	<u>7,246,572.15</u>	<u>9,110,010.24</u>	<u>10,328,114.78</u>	<u>9,564,905.06</u>	<u>13,051,940.09</u>
<b>ENDING BALANCE, June 30</b>	<u>\$6,517,973.96</u>	<u>\$7,647,783.52</u>	<u>\$6,792,930.29</u>	<u>\$10,328,114.78</u>	<u>\$7,792,235.22</u>	<u>\$13,051,940.09</u>	<u>\$8,352,595.04</u>	<u>\$11,416,108.17</u>

**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**General Fund Budgets for Fiscal Years 2021-22 through 2024-25,**  
**Unaudited Actuals for Fiscal Years 2021-22 through 2023-24**  
**and Second Interim Report for Fiscal Year 2024-25<sup>(1)</sup>**  
**(Continued)**

	2021-22 Original Budget	2021-22 Unaudited Actuals	2022-23 Original Budget	2022-23 Unaudited Actuals	2023-24 Original Budget	2023-24 Unaudited Actuals	2024-25 Original Budget	2024-25 Second Interim Report <sup>(2)</sup>
<b>FUND BALANCE</b>								
Nonspendable	-	\$3,075.00	-	\$3,075.00	\$3,075.00	\$3,075.00	-	-
Restricted	\$1,515,367.46	1,167,086.35	\$280,860.20	3,435,301.88	2,929,236.67	5,012,950.75	\$2,328,621.51	\$3,792,745.48
Committed	-	-	-	-	-	-	-	-
Assigned	507,833.96	516,608.92	583,232.92	333,681.05	647,495.46	3,700,596.37	3,859,102.55	3,842,695.80
Reserved for Economic Uncertainties	2,822,105.00	3,103,565.00	3,049,083.00	3,243,020.00	3,266,965.00	-	-	3,780,667.67
Unassigned/Unappropriated	1,672,667.54	2,857,448.25	2,879,754.17	3,313,036.85	945,463.09	4,335,317.97	2,164,870.98	(0.78)
	<u>\$6,517,973.96</u>	<u>\$7,647,783.52</u>	<u>\$6,792,930.29</u>	<u>\$10,328,114.78</u>	<u>\$7,792,235.22</u>	<u>\$13,051,940.09</u>	<u>\$8,352,595.04</u>	<u>\$11,416,108.17</u>

<sup>(1)</sup> For financial reporting purposes, the District's audited financial statements reflect the unrestricted and restricted general fund as well as the District's student activity special reserve, child development, cafeteria, deferred maintenance, pupil transport, capital facilities, building, county school facilities, and bond interest and redemption funds, but the District's unaudited actuals, adopted budgets, and interim reports reflect only the unrestricted and restricted general fund without the inclusion of such other funds.

<sup>(2)</sup> Figures are projections.

<sup>(3)</sup> The District is projecting unrestricted and restricted general fund deficit spending in fiscal years fiscal years 2024-25 through 2026-27. See "-- District Budget Process and County Review" above.

<sup>(4)</sup> Transfer from the deferred maintenance fund to the general fund for deferred maintenance paid out of the general fund.

<sup>(5)</sup> Transfers from the general fund to the cafeteria and deferred maintenance funds for student nutrition and maintenance, respectively.

<sup>(6)</sup> Audit adjustments in fiscal year 2022-23 were due to adjustments to balances at year end.

Source: Mammoth Unified School District original adopted general fund budgets for fiscal years 2021-22 through 2024-25; unaudited actuals for fiscal years 2021-22 through 2023-24; and Fiscal Year 2024-25 Second Interim Report.

## District Debt Structure

**Long-Term Liabilities Other Than OPEB and Pension** . Changes in the District’s long-term liabilities other than OPEB and pension for the year ended June 30, 2024, is set forth in the following table:

Governmental Activities	Balance July 1, 2023	Additions	Deductions	Balances June 30, 2024	Due within One Year
General obligation bonds <sup>(1)</sup>	\$67,309,262	\$594,815	\$(5,880,000)	\$62,024,077	\$3,555,000
Unamortized debt premiums	3,603,807	-	(211,054)	3,392,753	-
Leases <sup>(2)</sup>	227,544	-	(43,623)	183,921	44,682
Compensated absences	136,035	40,454	-	176,489	-
Totals	<u>\$71,276,648</u>	<u>\$635,269</u>	<u>\$(6,134,677)</u>	<u>\$65,777,240</u>	<u>\$3,599,682</u>

<sup>(1)</sup> Does not reflect the issuance of the Series 2025 Bonds.

<sup>(2)</sup> Included as a long-term liability pursuant to GASB Statement No. 87. For more information on the District’s lease liabilities and GASB Statement No. 87, see “– Leases” below and the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Source: Mammoth Unified School District Audited Financial Statements for fiscal year 2023-24.

**General Obligation Bonds.** Prior to the issuance of the Series 2025 Bonds, the District has outstanding four series of general obligation bonds, each of which is secured by *ad valorem* property taxes levied upon all property subject to taxation by the District. See “THE SERIES 2025 BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about such outstanding bonds. See also Note 9 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

**Leases.** The District has entered into agreements to lease various copiers. As of June 30, 2024, the District recognized a net right-to-use leased asset of \$180,334 and a lease liability of \$183,921 related to these agreements. During fiscal year 2023-24, the District recorded \$45,982 in amortization expense. The District is required to make principal and interest payments through June 2028. The lease agreements have an interest rate of 2.45%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$44,682	\$3,924	\$48,606
2026	45,765	2,841	48,606
2027	46,876	1,730	48,606
2028	46,598	602	47,200
Total	<u>\$183,921</u>	<u>\$9,097</u>	<u>\$193,018</u>

Source: Mammoth Unified School District Audited Financial Statements for fiscal year 2023-24.

For more information regarding the lease agreements, see Note 9 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

In June 2017, GASB issued Statement No. 87, Leases (“Statement No. 87”), which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes as inflows of resources or outflows



of resources based on the payment provisions of the contract. Under Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has implemented Statement No. 87 in its financial statements beginning with fiscal year 2021-22. For more information on Statement No. 87, see Note 1 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

**Compensated absences.** Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$176,489.

**Tax and Revenue Anticipation Notes.** The District did not issue tax and revenue anticipation notes ("TRANS") or borrow funds to supplement the District's cash flow in fiscal years 2022-23 and 2023-24. The District does not currently plan to issue TRANS in fiscal year 2024-25. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

## Employment

**General.** As of the preparation of the Fiscal Year 2024-25 Second Interim Report, the District employs approximately 127.00 full-time equivalent ("FTE") employees, including approximately 68.50 FTE certificated (credentialed teaching) staff, approximately 42.50 FTE classified (non-teaching) staff, and approximately 16.00 FTE management personnel. For fiscal year 2023-24, the total certificated and classified salaries (including management personnel who are either counted as certificated or classified) paid from all applicable funds of the District were approximately \$7.82 million and \$2.96 million, respectively. As of the Fiscal Year 2024-25 Second Interim Report, the District projects that the total certificated and classified salaries (including management personnel who are either counted as certificated or classified) paid from all applicable funds of the District will be approximately \$8.35 million and \$2.94 million, respectively, in fiscal year 2024-25. These employees, except unrepresented management, confidential and psychologist employees, are represented by Mammoth Education Association ("MEA"), California School Employees Association Chapter #589 ("CSEA") and Mammoth Educational Support Personnel ("MESP"), as described in more detail below.

**MEA.** As of the Fiscal Year 2024-25 Second Interim Report, MEA represents approximately 68.50 FTE certificated (credentialed teaching) employees in the District. The District and MEA entered into a multi-year contract effective July 1, 2024, that expires on June 30, 2027 (the "MEA Agreement") and provides for the ability to reopen and renegotiate certain terms each year. Negotiations between the District and MEA regarding salary and benefit increases for fiscal year 2024-25 are settled and the financial impact of the MEA Agreement for fiscal year 2024-25 is reflected in the Fiscal Year 2024-25 Second Interim Report.

**CSEA.** As of the Fiscal Year 2024-25 Second Interim Report, CSEA represents approximately 23.20 FTE classified (non-teaching) employees in the District. The District and CSEA entered into a multi-year contract effective July 1, 2024, that expires on June 30, 2026 (the "CSEA Agreement") and provides for the ability to reopen and renegotiate certain terms each year. Negotiations between the District and CSEA regarding salary and benefit increases for fiscal year 2024-25 are settled and the financial impact of the CSEA Agreement for fiscal year 2024-25 is reflected in the Fiscal Year 2024-25 Second Interim Report.

**MESP.** As of the Fiscal Year 2024-25 Second Interim Report, there are approximately 19.30 FTE probationary and permanent classified employees in the District. The District and MESP entered into a multi-year contract effective July 1, 2024, that expires on June 30, 2026 (the "MESP Agreement") and provides for the ability to reopen and renegotiate certain terms each year. Negotiations between the District and MESP regarding salary and benefit increases for fiscal year 2024-25 are settled and the financial impact

of the MESP Agreement for fiscal year 2024-25 is reflected in the Fiscal Year 2024-25 Second Interim Report.

**Management Employees.** As of the Fiscal Year 2024-25 Second Interim Report, there are approximately 16.00 FTE management employees in the District. Salary and benefit increases for fiscal year 2024-25 for management employees are settled and the financial impact for fiscal year 2024-25 is reflected in the Fiscal Year 2024-25 Second Interim Report

**Other Post-Employment Benefits**

In addition to the retirement plan benefits with California State Teachers’ Retirement System (“CalSTRS”) and California Public Employees’ Retirement System (“CalPERS”), the District provides OPEB under two different plans: (1) the District’s single-employer defined benefit OPEB plan (the “District Plan”) administered by Self-Insured Schools of California (“SISC”), and (2) the cost-sharing multiple-employer OPEB plan administered by CalSTRS through the Teachers’ Health Benefits Fund (the “MPP Program”).

For fiscal year 2023-24, the District reported the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense for the District and the MPP Program as follows:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$2,859,474	\$1,378,252	\$656,756	\$313,00
MPP Plan	45,481	-	-	(8,180))
Total	\$2,904,955	\$1,378,252	\$656,756	\$304,822

Source: Mammoth Unified School District Audited Financial Statements for fiscal year 2023-24.

**District Plan.** The District Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through SISC, and the full cost of benefits is covered by the District Plan. The Board of Education has the authority to establish and amend the benefit terms as contained within the labor agreements with each of its bargaining units. As of the June 30, 2023 valuation date, the District Plan membership consisted of 97 total employees, including 88 active employees and 9 inactive employees or beneficiaries currently receiving benefits.

**OPEB Trust.** In order to prefund its OPEB liability, the District maintains funds in an irrevocable trust (the “OPEB Trust”) administered by SISC. The balance of the OPEB Trust at June 30, 2024, was approximately \$2.35 million. Pursuant to Board Policy 3100, the Board of Education developed and adopted a plan for long-term funding of OPEB (the “OPEB Funding Plan”). According to the OPEB Funding Plan, when the OPEB Trust maintains a minimum account value of \$2.00 million and is self-funding, all contributions for current premiums under the District Plan will be paid out of the OPEB Trust. Under the OPEB Funding Plan, if the OPEB Trust maintains a minimum account value of \$2.00 million but is not producing sufficient returns to self-fund the entire amount required to cover current premiums, the amount the OPEB Trust is self-funding can be paid out of the OPEB Trust and the remaining portion will likely be paid for from the District’s general fund.

Under the OPEB Funding Plan, in the event the District’s general fund reserves fall below the Board of Education’s goal of 17% for the current fiscal year and the OPEB Trust is not yet fully funded, the District will consider paying current premiums from the OPEB Trust. According to the OPEB Funding Plan, if the District’s general fund reserves are in excess of the Board of Education’s goal of 17% for the current fiscal year and the District has a balanced general fund budget, an additional contribution from the

general fund may be placed into the OPEB Trust at the discretion of the Board of Education. For more information on the District’s reserves and related policies, see “– State Funding of Education; State Budget Process – *School District Reserves*.” Pursuant to the OPEB Funding Plan, contributions to the OPEB Trust may be made from any appropriate funding source until such time that the District will be able to reasonably meet its unfunded liability in accordance with the applicable GASB statements. The District will review its OPEB Funding Plan annually and update it based on current budget trends, the OPEB Trust account value, and updated actuarial reports/liabilities.

Contributions. The contribution requirements for the District Plan are established and may be amended by the District, MEA, CSEA and unrepresented groups. There are no actuarially or contractually required contributions to the District Plan. Voluntary contributions are based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits are determined annually by the District, MEA, CSEA and unrepresented groups based on the availability of funds. For fiscal year 2023-24, the District contributed \$0 to the District Plan since the OPEB Trust is maintaining a minimum account value of \$2.00 million and is self-funding in fiscal year 2023-24 in accordance with the OPEB Funding Plan discussed above. Based on the Fiscal Year 2024-25 Second Interim Report, the District projects it will not contribute to the District Plan in fiscal year 2024-25 in accordance with the OPEB Funding Plan discussed above. See “– *OPEB Trust*.”

Actuarial Valuation. Total Compensation Systems, Inc. prepared an actuarial valuation for the District Plan for fiscal year 2023-24, dated October 14, 2024, using a valuation date and measurement date of June 30, 2023 (the “Actuarial Valuation”). According to the Actuarial Valuation, as of June 30, 2023, the District had a total OPEB liability of \$5,147,345 and a net OPEB liability of \$2,859,474 as a result of the OPEB Trust, which reflected an ending balance of \$2,287,874. Such liability reflects an increase in the total and net OPEB liability from the prior actuarial valuation, as of June 30, 2022, that reflected a total OPEB liability of \$4,427,020 and a net OPEB liability of \$2,221,189 as a result of the OPEB Trust, which reflected an ending balance of \$2,205,831. The Actuarial Valuation uses the following assumptions for fiscal year 2023-24: a discount rate of 3.94% per year net of expenses, an inflation rate of 2.50% per year, a payroll increase rate of 2.75% per year, and a healthcare cost trend rate of 4.00% per year. Such assumptions are consistent with the assumptions used in fiscal year 2021-22, with the exception that the discount rate was assumed to be 6.50% and an inflation rate of 2.63% in fiscal year 2021-22.

The following table summarizes changes in the District’s total OPEB liability during the fiscal year ended June 30, 2023:

	Total OPEB Liability (“TOL”)	Fiduciary Net Position (“FNP”)	Net OPEB Liability (“NOL”)
Balance, June 30, 2022 Measurement Date	\$4,427,020	\$2,205,831	\$2,221,189
Service Cost	\$189,154	\$0	\$189,154
Interest on TOL / Return on FNP	\$275,296	\$222,152	\$53,144
Employer Contributions*	\$0	\$95,769	(\$95,769)
Benefit Payments*	(\$233,723)	(\$233,723)	\$0
Administrative Expenses	\$0	(\$2,158)	\$2,158
Experience (Gains)/Losses	(\$352,415)	\$0	(\$352,415)
Changes in Assumptions	\$842,013	\$0	\$842,013
Other	\$0	\$0	\$0
Net Change	\$720,325	\$82,040	\$638,285
Actual Balance at June 30, 2023 Measurement Date	\$5,147,345	\$2,287,871	\$2,859,474

\* Includes \$57,593 due to implied rate subsidy.  
Source: Actuarial Study.

MPP Program. The MPP Program is administered by CalSTRS and is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund ("THBF"). A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>. The information referred to at such website is prepared and maintained by CalSTRS and not by the District, and the District can take no responsibility for the continued accuracy of the internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit Program ("DB Program") who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services ("CMS") on a monthly basis. The MPP Program is closed to new entrants as members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly District benefit payments. In accordance with Section 25930 of the California Education Code, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

At June 30, 2024, the District reported a liability of \$45,481 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the MPP Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0150% and 0.01637%, resulting in a net increase in the proportionate share of 0.0013%. For the year end June 30, 2024, the District recognized an OPEB expense of \$(8,180).

For more information regarding the District's OPEB obligations and liabilities for fiscal year 2023-24, see Note 10 to the District's financial statements attached hereto as APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("Statement No. 75"). OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long-term care benefits. The objective of Statement No. 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement No. 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement No. 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity,

and creating additional transparency. Statement No. 75 replaces GASB Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented Statement No. 75 in its financial statements beginning with fiscal year 2017-18.

## **Retirement Benefits**

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified personnel who are employed four or more hours per day may participate in CalPERS.

**CalSTRS.** The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Assembly Bill 1469, signed into law by former Governor Brown as part of the fiscal year 2014-15 State budget, increased employee, employer and State contributions to CalSTRS as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.50% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The employer contribution rate for fiscal year 2021-22 was 16.92%, which reflects a 2.18% reduction from the statutorily prescribed rate as a result of the State redirecting certain State supplemental pension payments to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. For fiscal years 2022-23 and 2023-24, the employer contribution rate was approximately 19.10% of covered payroll and remains at 19.10% for fiscal year 2024-25. The employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the California Education Code. The State's total contribution was increased from approximately 6.83% of payroll in fiscal year 2017-18 to approximately 10.83% of payroll in fiscal year 2021-22. The State's contribution rate was approximately 10.83% of payroll for fiscal years 2022-23 and 2023-24, and remains at approximately 10.83% for fiscal year 2024-25. The State's contribution includes an annual payment of 2.50% of payroll pursuant to a supplemental inflation protection program. The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2023-24 and will remain at 10.25% for fiscal year 2024-25. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was approximately 9.21% for fiscal years 2016-17 and 2017-18, approximately 10.21% for fiscal years 2018-19 through 2023-24 and will remain at approximately 10.21% for fiscal year 2024-25.

The following table sets forth the District’s employer contributions from all funds of the District to CalSTRS as well as the State’s non-employer contributions to CalSTRS on behalf of the District for fiscal years 2020-21 through 2023-24, and the projected contributions for fiscal year 2024-25.

**MAMMOTH UNIFIED SCHOOL DISTRICT  
(Mono County, California)  
Contributions to CalSTRS for Fiscal Years 2020-21 through 2024-25**

Fiscal Year	District Contribution	State On-Behalf Contribution
2020-21	\$914,184	\$576,389
2021-22	1,081,298	673,012
2022-23	1,212,013	605,924
2023-24	1,364,186	591,480
2024-25 <sup>(1)</sup>	1,913,997	622,064

<sup>(1)</sup> Projection. Fiscal Year 2024-25 Second Interim Report.  
Source: Mammoth Unified School District.

The District’s total employer contributions to CalSTRS for fiscal years 2020-21 through 2023-24 were equal to 100% of the required contributions for each year.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2023 (the “2023 CalSTRS Actuarial Valuation”) showed an estimated unfunded actuarial liability of \$86.59 billion, a decrease of approximately \$1.97 billion from the June 30, 2022, valuation. Such estimated unfunded actuarial liability was projected to decrease in the June 30, 2022, valuation, which projected an unfunded actuarial liability of \$88.10 billion as of June 30, 2023. The actual unfunded actuarial liability as of June 30, 2023, represents a net actuarial gain of approximately \$1.52 billion. Such net actuarial gain is due primarily to change in actuarial value assumptions based on the most recent experience analysis, member salary increases being more than assumed, market value returns (estimated at 6.50%) being less than assumed (7.00%) and returns on actuarial value of assets (estimated at 7.20%) being greater than assumed as the recognition of actuarial investment gains which were previously deferred had a greater impact on recognition of the less-than-assumed market return for the most recent year. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2023, and June 30, 2022, based on the actuarial assumptions, were approximately 75.90% and 74.40%, respectively. According to the 2023 CalSTRS Actuarial Valuation, the funded ratio increased by 1.50% during the past year. As described in the 2023 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the new assumptions and contributions made to pay down the unfunded actuarial obligation in fiscal year 2022-23. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District’s required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469. The following are certain of the actuarial assumptions set forth in the 2023 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2023 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See “– Governor’s Pension Reform” below for a discussion of the pension reform measure

signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

See also Note 13 to and the Required Supplementary Information included with the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024," for information with respect to the District's proportionate share of the CalSTRS net pension liability of \$7,717,787 as of June 30, 2024 (which excludes the State proportionate share of the net pension liability in the amount of \$3,697,809), as well as information about the District's proportionate share for prior fiscal years.

**CalPERS.** All qualifying classified employees of K-14 school districts in the State are members in CalPERS. All K-14 school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. K-14 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 of CalPERS. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. K-14 school districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in K-14 school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and K-14 school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2021-22, which increased to 8.00% for fiscal years 2022-23 and 2023-24 and remains at 8.00% for fiscal year 2024-25. K-14 school districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.06% of eligible salary expenditures for fiscal year 2018-19 and originally 20.73% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.72% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23, 26.68% for fiscal year 2023-24 and is 27.05% for fiscal year 2024-25.

The table on the following page sets forth the District's total employer contributions from all applicable funds of the District to CalPERS for fiscal years 2020-21 through 2023-24 and the projected contribution for fiscal year 2024-25.

**MAMMOTH UNIFIED SCHOOL DISTRICT**  
**(Mono County, California)**  
**Contributions to CalPERS for Fiscal Years 2020-21 through 2024-25**

Fiscal Year	District Contribution
2020-21	\$478,142
2021-22	565,565
2022-23	665,534
2023-24	748,836
2024-25 <sup>(1)</sup>	754,753

<sup>(1)</sup> Projection. Fiscal Year 2024-25 Second Interim Report.  
Source: Mammoth Unified School District.

The District’s total employer contributions to CalPERS for fiscal years 2020-21 through 2023-24 were equal to 100% of the required contributions for each year.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2023 (the “2023 CalPERS Schools Pool Actuarial Valuation”), was released in August 2024, and such valuation reported an actuarial accrued liability of approximately \$124.92 billion with the market value of assets at approximately \$84.29 billion, and a funded status of approximately 67.50%. From June 30, 2022, to June 30, 2023, the funded status of the CalPERS Schools Pool decreased by approximately 0.40%, and the unfunded accrued liability increased by approximately \$3.04 billion, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS’ first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase-in, increasing the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2024-25 by 0.07% of payroll. The 2023 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28, 2028-29 and 2029-30 are projected to be 27.05%, 27.60%, 28.00%, 29.20%, 29.00% and 28.80%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2023 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District’s required contributions to CalPERS will not significantly increase in the future.

The 2023 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2023 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2023. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020 to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2023 CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method.”



CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

See also Note 13 to and the Required Supplementary Information included with the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024," for information with respect to the District's proportionate share of the CalPERS net pension liability of \$5,460,522 as of June 30, 2024, as well as information about the District's proportionate share for prior fiscal years.

***Alternate Retirement Plan.*** As established by federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan (the "Alternative Plan"). The District has elected to use the Alternative Plan from SISC. Contributions made by the District vest immediately. The annual contribution for this program is actuarially determined and is paid entirely by the District. From July 1, 2023 to June 30, 2024, the District contributed 4.1% of the employee's gross earnings. For fiscal year 2023-24, the District paid a total of \$14,701 to the Alternative Plan on behalf of eligible employees.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS, CalPERS and the Alternative Plan are more fully described in Note 13 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

***Governor's Pension Reform.*** On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$160,200 for 2023, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

### **Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures**

The District is a member of the Self-Insured Schools of California (SISC I, SISC II and SISC III) public entity risky pools under joint powers agreements ("JPAs"). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes. The District pays an annual premium to each entity for its employee workers' compensation, property and liability coverage and employee medical benefits. The relationships between the District, the pools and the JPAs are such that they are not component units of the District for financial reporting purposes.

***SISC I.*** The District participated in SISC I for fiscal year 2023-24. The intent of SISC I is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with

other participants in SISC I. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in SISC I. Each participant pays its workers' compensation premium based on its individual rate.

**SISC II.** The District is exposed to various risks of loss related to torts; theft and damage and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with SIS II for property and liability insurance coverage. Settled claims have not exceed this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior fiscal year.

**SISC III.** During fiscal year 2023-24, the District contracted with SISC III to provide employee medical benefits. SISC III is a shared risk pool and rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts.

These JPAs have budgeting and financial reporting requirements independent of member units and financial information can be obtained by contacting each JPA's management. Fund transactions between the JPAs and the District are included in the District's audited financial statements. During fiscal year 2023-24, the District payments of \$110,504, \$2,707,933 and \$201,954 to SISC I, SISC III and SISC II, respectively, for its workers' compensation, employee medical benefits and property liability.

See Notes 12 and 15 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024" for more information.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

### **Limitations on Revenues**

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

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

**County of Orange v. Orange County Assessment Appeals Board No. 3.** Section 51 of the California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation

of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the California Supreme Court declined to review the ruling, leaving the recapture law in place.

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment 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.

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

**Proposition 19.** Proposition 19, which was approved by the voters of the State on November 3, 2020, among other things, allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster to transfer the taxable value (i.e., the base year value plus inflation adjustments) of their primary residence to a replacement primary residence located anywhere in the State, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person’s principal residence within two years of the sale of the original primary residence. Proposition 19 limits a person who is over 55 years of age or severely disabled to three transfers under these provisions. Proposition 19 also excludes from the terms “purchase” and “change in ownership” for purposes of determining the “full cash value” of property the purchase or transfer of a family home or family farm of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, Proposition 19 require that the property continue as the family home of the transferee. The District is unable to predict the effect such measure may have on tax assessments within the District.

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

An initiative to amend the California Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the California Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures,

and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, voters of the State 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 ("Article XIII C" and "Article XIII D," respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

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

### **Statutory Limitations**

On November 4, 1986, voters of the State approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the California Supreme Court's decision, such as whether the decision

applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

### **Proposition 98 and Proposition 111**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). 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 districts and community college districts (collectively, “K-14 districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the Governor’s Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State’s budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State’s ability to fund such other programs by raising taxes.

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

On June 5, 1990, voters of the State approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the California Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the appropriations limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) 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, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

### **Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos***

On February 1, 2012, pursuant to the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

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

On November 6, 2012, voters of the State approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “– Proposition 98 and Proposition 111” above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by voters of the State on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

## **Applications of Constitutional and Statutory Provisions**

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process.”

### **Proposition 2**

**General.** Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by voters of the State in the November 2014 election.

**State Rainy Day Fund.** The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multi-year budget forecast; and (vi) create the Proposition 98 Rainy Day Fund to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, 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 A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the California Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the California 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.

**SB 751.** Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of

moneys in the Proposition 98 Rainy Day Fund 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 basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

Since the District is a community funded district and a small school district with fewer than 2,501 units of A.D.A., the District is exempt from the reserve cap. The District, which has an A.D.A. of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. For more information on the District's reserves, current projections with respect to such reserves, and related policies, see "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *School District Reserves.*"

The Series 2025 Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Series 2025 Bonds as and when due.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 19, 30, 55, 62, 98, 111 and 218, 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 revenue.



**APPENDIX B**

**FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Financial Statements  
June 30, 2024

# Mammoth Unified School District

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## Independent Auditor's Report

To the Governing Board  
Mammoth Unified School District  
Mammoth Lakes, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mammoth Unified School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mammoth Unified School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability - CalSTRS,

schedule of the District's proportionate share of the net pension liability - CalPERS, schedule of the District's contributions - CalSTRS, and schedule of the District's contributions - CalPERS, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
March 4, 2025



# MAMMOTH UNIFIED SCHOOL DISTRICT

**Superintendent**  
*Annie Rinaldi, Ed.D.*

**Board President**  
*Shana Stapp*

**Board of Education**  
*Chelsea Nash*  
*Marty Thompson*  
*Alonso Escobar*  
*Marcy Castro*

This section of Mammoth Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ending June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

### The Financial Statements

The financial statements presented herein include all of the activities of the Mammoth Unified School District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities), and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

*The Governmental Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fund Financial Statements* include statements for the governmental funds.

The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

*Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements* is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Mammoth Unified School District.

## REPORTING THE DISTRICT AS A WHOLE

### The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's Net Position and changes in them. Net Position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's Net Position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we report the District activities as follows:

**Governmental Activities** – All of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, the operation of food service activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

**Governmental Funds** - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

**THE DISTRICT AS A WHOLE**

**Net Position**

The District's Net Position was \$36,260,865 for the fiscal year ended June 30, 2024. Of this amount \$(9,110,952) was unrestricted deficit. Restricted Net Position is reported separately to show legal constraints from debt covenants grantors, constitutional provisions, and enabling legislation that limit the governing board's ability to use that Net Position for day-to-day operations. Our analysis below, in summary form, focuses on the Net Position (Table 1) and change in Net Position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 32,499,570	\$ 44,760,706
Capital assets	86,870,129	71,987,128
Total assets	<u>119,369,699</u>	<u>116,747,834</u>
Deferred outflows of resources	<u>5,601,445</u>	<u>4,628,011</u>
Liabilities		
Current liabilities	4,001,074	3,084,576
Long-term liabilities other than OPEB and pension	65,777,240	71,276,648
Net other postemployment benefits liability	2,904,955	2,274,850
Aggregate net pension liability	13,178,309	12,959,835
Total liabilities	<u>85,861,578</u>	<u>89,595,909</u>
Deferred inflows of resources	<u>2,848,701</u>	<u>2,737,915</u>
Net Position		
Net investment in capital assets	31,711,177	28,407,607
Restricted	13,660,640	13,030,346
Unrestricted (deficit)	<u>(9,110,952)</u>	<u>(12,395,932)</u>
Total net position	<u>\$ 36,260,865</u>	<u>\$ 29,042,021</u>

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 14. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Charges for services and sales	\$ 1,490,582	\$ 119,260
Operating grants and contributions	6,579,648	6,199,762
Capital grants and contributions	28,354	-
General revenues		
Federal and State aid not restricted	1,326,747	1,262,315
Property taxes	20,248,968	20,153,161
Other general revenues	2,325,770	1,921,732
Total revenues	32,000,069	29,656,230
Expenses		
Instruction-related	14,539,333	13,998,497
Pupil services	2,487,103	1,658,544
Administration	2,573,272	1,691,492
Plant services	2,219,848	2,342,726
All other services	2,961,669	3,331,109
Total expenses	24,781,225	23,022,368
Change in net position	\$ 7,218,844	\$ 6,633,862

**Governmental Activities**

As reported in the *Statement of Activities* on page 14, the cost of all of our governmental activities this year was \$24,781,225. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$20,248,968 because the cost was paid by those who benefited from the programs (\$1,490,582) or by other governments and organizations who subsidized certain programs with grants and contributions (\$6,608,002). We paid for the remaining "public benefit" portion of our governmental activities with \$1,326,747 in Federal and State funds and with other revenues, like interest and general entitlements of \$2,325,770.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction-related, including special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	\$ 14,539,333	\$ 13,998,497	\$ (9,335,803)	\$ (9,034,565)
Pupil services	2,487,103	1,658,544	(1,596,600)	(749,618)
Administration	2,573,272	1,691,492	(2,346,681)	(1,583,840)
Plant services	2,219,848	2,342,726	(2,159,867)	(2,327,977)
All other services	2,961,669	3,331,109	(1,243,690)	(3,007,346)
<b>Total</b>	<b>\$ 24,781,225</b>	<b>\$ 23,022,368</b>	<b>\$ (16,682,641)</b>	<b>\$ (16,703,346)</b>

**THE DISTRICT'S FUNDS**

As the District completed this year, our governmental funds reported a combined fund balance of \$28,328,198, which is a decrease of \$13,193,707, or 31.8%, from last year (Table 4).

**Table 4**

Governmental Fund	Balances and Activity			
	July 1, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General Fund	\$ 10,328,115	\$ 22,720,779	\$ 20,205,195	\$ 12,843,699
Building Fund	19,100,533	1,050,589	15,899,336	4,251,786
Bond Interest and Redemption Fund	7,872,967	5,541,886	7,890,904	5,523,949
Student Activity Fund	110,302	91,016	79,831	121,487
Child Development Fund	69,084	639,419	256,797	451,706
Cafeteria Fund	143,462	786,773	788,255	141,980
Deferred Maintenance Fund	1,192,751	61,711	122,728	1,131,734
Pupil Transportation Equipment Fund	451,316	265,810	145,500	571,626
Capital Facilities Fund	1,741,634	1,180,126	-	2,921,760
County School Facilities Fund	511,741	28,354	171,624	368,471
<b>Total</b>	<b>\$ 41,521,905</b>	<b>\$ 32,366,463</b>	<b>\$ 45,560,170</b>	<b>\$ 28,328,198</b>

**General Fund Budgetary Highlights**

The District is community funded and receives the bulk of its revenues from property taxes, which continue to grow at rates exceeding budgeted increases. This conservative budgeting approach helps to ensure fiscal solvency and supports the Governing Board and staff’s goal of being good stewards of taxpayer monies. District modernization projects at Mammoth High School took place this fiscal year which spent down a majority of the district’s Building Fund.

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

At June 30, 2024, the District had \$86,870,129 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, land improvements, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of \$14,883,001, or 20.7%, from last year (Table 5).

**Table 5**

	Governmental Activities	
	2024	2023
Land and construction in progress	\$ 38,786,298	\$ 25,054,707
Land improvements	1,972,468	2,006,412
Buildings and improvements	45,576,296	44,619,095
Furniture and equipment	334,300	80,598
Right-to-use leased assets	180,334	226,316
Right-to-use subscription IT assets	20,433	-
Total	\$ 86,870,129	\$ 71,987,128

The District began modernization efforts at Mammoth High School with much of the work completed in 2023-2024. The remaining work is expected to be completed by the summer of 2025.

We present more detailed information about our capital assets in Note 4 to the financial statements.

**Long-Term Liabilities Other than OPEB and Pension**

At the end of this year, the District had \$65,777,240 in long-term liabilities outstanding. This amount represents a net decrease of \$5,499,408, or 7.7%, from last year. Long-term liabilities consisted of the following:

**Table 6**

	Governmental Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	\$ 62,024,077	\$ 67,309,262
Unamortized debt premiums	3,392,753	3,603,807
Leases	183,921	227,544
Compensated absences	176,489	136,035
Total	\$ 65,777,240	\$ 71,276,648

The State limits the amount of general obligation debt for unified districts to 2.5% of the assessed value of all taxable property within the district's boundaries. The District's outstanding general obligation debt is significantly below its statutorily-imposed limit.

We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

**OPEB and Pension Liabilities**

At year-end, the District had \$2,904,955 in net OPEB liability versus \$2,274,850 last year, an increase of \$630,105 or 27.7%.

At year-end, the District had \$13,178,309 in aggregate net pension liability versus \$12,959,835 last year, an increase of \$218,474 or 1.7%.

We present more detailed information regarding our net OPEB liability and aggregate net pension liability in Note 10 and Note 13, respectively, of the financial statements.

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

In considering the District Budget for the 2024-2025 year, the governing board and management used the following criteria:

The District is community funded (Basic Aid) and receives the bulk of its revenues from property taxes, which continue to grow at rates exceeding budgeted increases. This conservative budgeting approach helps to ensure fiscal solvency and supports the Governing Board and staff's goal of being good stewards of taxpayer monies.



With stable enrollment and assessed valuation growth far exceeding the annual cost-of-living adjustments provided to State funding under the Local Control Funding Formula (LCFF), MUSD projects that it will continue to be a community funded district for the foreseeable future. With the District being a Basic Aid District it is critical that the District watch the local property tax trends. Under Proposition 13 tax reform that passed in June 1978, California property tax on any given property (primary or secondary residence) is limited to no more than a 2% increase per year until the property is resold. All California properties are taxed at 1% of their assessed property value at the time of purchase and out of that 1%, the District receives approximately 16%.

Despite its status as a community funded school district, it continues to reap the benefits of one-time grants from the State and Federal governments. Grants like the Expanded Learning Opportunities Program (ELOP), Learning Recovery Emergency Block Grant (LREBG) and other one-time funds continue to enrich the student experience by providing much needed funding for additional programs and services.

Local Revenues will remain about the same. BIG THANK YOU to the Community for all the support for our local students! On November 3, 2020, Measure G, the \$59 Parcel tax was renewed. The local community has been supporting this parcel tax since 2003. MUSD would also like to thank our local foundations: Mammoth Mountain Community Foundation their support.

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

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business and Financial Officer, at Mammoth Unified School District, P. O. Box 3509, Mammoth Lakes, California, 93546.

Mammoth Unified School District  
Statement of Net Position  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 28,004,236
Receivables	3,505,890
Lease receivables	989,444
Capital assets not depreciated or amortized	38,786,298
Capital assets, net of accumulated depreciation and amortization	48,083,831
Total assets	119,369,699
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources related to OPEB	1,378,252
Deferred outflows of resources related to pensions	4,223,193
Total deferred outflows of resources	5,601,445
<b>Liabilities</b>	
Accounts payable	2,858,388
Interest payable	819,146
Unearned revenue	323,540
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	3,599,682
Long-term liabilities other than OPEB and pensions due in more than one year	62,177,558
Net other postemployment benefits (OPEB) liability	2,904,955
Aggregate net pension liability	13,178,309
Total liabilities	85,861,578
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to OPEB	656,756
Deferred inflows of resources related to pensions	1,202,501
Deferred inflows of resources related to leases	989,444
Total deferred inflows of resources	2,848,701
<b>Net Position</b>	
Net investment in capital assets	31,711,177
Restricted for	
Debt service	4,704,803
Capital projects	3,290,231
Educational programs	4,950,433
Other activities	715,173
Unrestricted (deficit)	(9,110,952)
Total net position	\$ 36,260,865

Mammoth Unified School District  
Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 12,993,113	\$ 361,807	\$ 4,509,331	\$ 28,354	\$ (8,093,621)
Instruction-related activities					
Instructional library, media, and technology	195,196	-	825	-	(194,371)
School site administration	1,351,024	-	303,213	-	(1,047,811)
Pupil services					
Home-to-school transportation	534,520	-	-	-	(534,520)
Food services	801,166	14,791	728,603	-	(57,772)
All other pupil services	1,151,417	-	147,109	-	(1,004,308)
Administration					
Data processing	210,552	-	11,569	-	(198,983)
All other administration	2,362,720	33,902	181,120	-	(2,147,698)
Plant services	2,219,848	-	59,981	-	(2,159,867)
Ancillary services	356,924	733,787	231,185	-	608,048
Community services	228,731	346,295	406,712	-	524,276
Interest on long-term liabilities	2,363,638	-	-	-	(2,363,638)
Other outgo	12,376	-	-	-	(12,376)
	<u>\$ 24,781,225</u>	<u>\$ 1,490,582</u>	<u>\$ 6,579,648</u>	<u>28,354</u>	<u>(16,682,641)</u>
<b>General Revenues and Subventions</b>					
Property taxes, levied for general purposes					14,379,569
Property taxes, levied for debt service					5,234,549
Taxes levied for other specific purposes					634,850
Federal and State aid not restricted to specific purposes					1,326,747
Interest and investment earnings					1,919,488
Miscellaneous					406,282
					<u>23,901,485</u>
<b>Subtotal, general revenues and subventions</b>					
					23,901,485
Change in Net Position					7,218,844
Net Position - Beginning					<u>29,042,021</u>
Net Position - Ending					<u>\$ 36,260,865</u>

Mammoth Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Deposits and investments	\$ 10,688,453	\$ 6,252,816	\$ 5,523,949	\$ 5,539,018	\$ 28,004,236
Receivables	3,287,924	-	-	217,966	3,505,890
Lease receivables	989,444	-	-	-	989,444
Total assets	<u>\$ 14,965,821</u>	<u>\$ 6,252,816</u>	<u>\$ 5,523,949</u>	<u>\$ 5,756,984</u>	<u>\$ 32,499,570</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 818,867	\$ 2,001,030	\$ -	\$ 38,491	\$ 2,858,388
Unearned revenue	313,811	-	-	9,729	323,540
Total liabilities	<u>1,132,678</u>	<u>2,001,030</u>	<u>-</u>	<u>48,220</u>	<u>3,181,928</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources related to leases	989,444	-	-	-	989,444
<b>Fund Balances</b>					
Nonspendable	3,075	-	-	-	3,075
Restricted	4,950,433	4,251,786	5,523,949	4,005,404	18,731,572
Committed	-	-	-	1,703,360	1,703,360
Assigned	3,700,596	-	-	-	3,700,596
Unassigned	4,189,595	-	-	-	4,189,595
Total fund balances	<u>12,843,699</u>	<u>4,251,786</u>	<u>5,523,949</u>	<u>5,708,764</u>	<u>28,328,198</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,965,821</u>	<u>\$ 6,252,816</u>	<u>\$ 5,523,949</u>	<u>\$ 5,756,984</u>	<u>\$ 32,499,570</u>

Mammoth Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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Total Fund Balance - Governmental Funds		\$ 28,328,198
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of capital assets is	\$ 116,021,602	
Accumulated depreciation and amortization is	<u>(29,151,473)</u>	
Net capital assets		86,870,129
<p>In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.</p>		
		(819,146)
<p>Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to</p>		
Net other postemployment benefits (OPEB) liability	1,378,252	
Aggregate net pension liability	<u>4,223,193</u>	
Total deferred outflows of resources		5,601,445
<p>Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to</p>		
Net OPEB liability	(656,756)	
Aggregate net pension liability	<u>(1,202,501)</u>	
Total deferred inflows of resources		(1,859,257)
<p>The District's aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(13,178,309)
<p>The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(2,904,955)

Mammoth Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of

General obligation bonds	\$ (55,834,064)
Unamortized debt premiums	(3,392,753)
Leases	(183,921)
Compensated absences	(176,489)

In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(6,190,013)
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Total long-term liabilities	(65,777,240)
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Total net position - governmental activities	\$ 36,260,865
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Mammoth Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local Control Funding Formula (LCFF)	\$ 15,095,808	\$ -	\$ -	\$ -	\$ 15,095,808
Federal sources	1,016,847	-	-	374,822	1,391,669
Other State sources	3,876,953	-	8,133	605,724	4,490,810
Other local sources	2,731,171	1,050,589	5,533,753	1,794,745	11,110,258
<b>Total revenues</b>	<b>22,720,779</b>	<b>1,050,589</b>	<b>5,541,886</b>	<b>2,775,291</b>	<b>32,088,545</b>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	11,706,383	-	-	-	11,706,383
Instruction-related activities					
Instructional library, media, and technology	194,342	-	-	-	194,342
School site administration	1,353,597	-	-	-	1,353,597
Pupil services					
Home-to-school transportation	455,243	-	-	145,500	600,743
Food services	-	-	-	797,903	797,903
All other pupil services	1,155,680	-	-	-	1,155,680
Administration					
Data processing	210,410	-	-	-	210,410
All other administration	2,230,942	-	-	22,038	2,252,980
Plant services	2,176,683	37,493	-	-	2,214,176
Ancillary services	276,241	-	-	79,831	356,072
Community services	982	-	-	225,111	226,093
Other outgo	12,376	-	-	-	12,376
Facility acquisition and construction	106,802	15,861,843	-	294,352	16,262,997
Debt service					
Principal	43,623	-	5,880,000	-	5,923,623
Interest and other	3,973	-	2,010,904	-	2,014,877
<b>Total expenditures</b>	<b>19,927,277</b>	<b>15,899,336</b>	<b>7,890,904</b>	<b>1,564,735</b>	<b>45,282,252</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,793,502</b>	<b>(14,848,747)</b>	<b>(2,349,018)</b>	<b>1,210,556</b>	<b>(13,193,707)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	277,918	277,918
Transfers out	(277,918)	-	-	-	(277,918)
<b>Net Financing Sources (Uses)</b>	<b>(277,918)</b>	<b>-</b>	<b>-</b>	<b>277,918</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,515,584</b>	<b>(14,848,747)</b>	<b>(2,349,018)</b>	<b>1,488,474</b>	<b>(13,193,707)</b>
Fund Balance - Beginning	10,328,115	19,100,533	7,872,967	4,220,290	41,521,905
Fund Balance - Ending	<u>\$ 12,843,699</u>	<u>\$ 4,251,786</u>	<u>\$ 5,523,949</u>	<u>\$ 5,708,764</u>	<u>\$ 28,328,198</u>

Mammoth Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds \$ (13,193,707)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities. This is the amount by which capital outlay exceed depreciation and amortization expense in the period.

Capital outlay	\$ 16,495,840	
Depreciation and amortization expense	<u>(1,612,839)</u>	

Net expense adjustment		14,883,001
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In the Statement of Activities, certain operating expenses, such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between compensated absences earned and used. (40,454)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and aggregate net pension liability during the year. 299,964

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year. (304,822)

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:

General obligation bonds		5,880,000
Leases		43,623



Mammoth Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

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Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances:

Amortization of premium on issuance \$ 211,054

Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds decreased by \$35,000 and second, \$594,815 of accumulated interest was accreted on the District's capital appreciation general obligation bonds.

(559,815)

Change in net position of governmental activities

\$ 7,218,844

## **Note 1 - Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

The Mammoth Unified School District (the District) was organized on July 1, 1973, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades kindergarten through twelve as mandated by the State and/or Federal agencies. The District operates one elementary school, one middle school, one high school, one continuation high school, and an independent study program.

A reporting entity is comprised of the primary government and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Mammoth Unified School District, this includes general operations, food service, and student related activities of the District.

### **Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are all classified as governmental.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

### **Major Governmental Funds**

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

**Building Fund** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

**Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

## Non-Major Governmental Funds

**Special Revenue Funds** The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund** 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.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).
- **Pupil Transportation Fund** The Pupil Transportation Fund is used to account separately for State and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (*Education Code* Section 41852[b]).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* Sections 17620-17626). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided by the Leroy R. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues of the District for each governmental program and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of right-to-use leased assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net Position should be reported as restricted when constraints placed on Net Position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Net Position restricted for other activities result from special revenue funds and the restrictions on their use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue** Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

### **Investments**

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

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

### **Capital Assets, Depreciation, and Amortization**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are

capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, five to 50 years; equipment, two to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

### **Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

### **Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as liabilities in the governmental fund financial statements when due.

### **Debt Issuance Costs, Premiums, and Discounts**

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities. Debt premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In the fund financial statements, governmental funds recognize bond premiums and discounts as other financing sources and uses, and bond issuance costs as debt service expenditures.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources related to leases, for pension related items, and for OPEB related items.

### **Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary Net Position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary Net Position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by primarily by the General Fund.

### **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 Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP 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. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

### **Leases**

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

### **Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.



**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer superintendent of business services may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 17% of General Fund expenditures and other financing uses.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$13,660,640 of net position restricted by enabling legislation.

### **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities columns of the Statement of Activities.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Mono bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental funds	<u>\$ 28,004,236</u>
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Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 121,487
Cash in revolving	3,075
Investments	<u>27,879,674</u>
Total deposits and investments	<u>\$ 28,004,236</u>

**Policies and Practices**

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**Investment in County Treasury** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. Amortized costs approximates fair value.

### General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

### Interest Rate Risk

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

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

Investment Type	Reported Amount	Maturity In Days
Mono County Treasury Investment Pool	\$ 27,879,674	

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County Pool are not required to be rated, nor has it been rated as of June 30, 2024.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (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 agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District did not have bank balances exposed to custodial credit risk because amounts were fully insured.

**Note 3 - Receivables**

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Federal Government			
Categorical aid	\$ 295,200	\$ 57,408	\$ 352,608
State Government			
LCFF apportionment	54,265	-	54,265
Categorical aid	2,430,507	111,720	2,542,227
Lottery	161,035	-	161,035
Local Government			
Due from OPEB trust	173,583	-	173,583
Other local sources	173,334	48,838	222,172
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 3,287,924</u>	<u>\$ 217,966</u>	<u>\$ 3,505,890</u>

**Note 4 - Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital assets not being depreciated or amortized				
Land	\$ 6,370,835	\$ -	\$ -	\$ 6,370,835
Construction in progress	18,683,872	16,031,714	(2,300,123)	32,415,463
<b>Total capital assets not being depreciated or amortized</b>	<b>25,054,707</b>	<b>16,031,714</b>	<b>(2,300,123)</b>	<b>38,786,298</b>
Capital assets being depreciated and amortized				
Land improvements	3,847,810	122,728	-	3,970,538
Buildings and improvements	68,943,107	2,300,123	-	71,243,230
Furniture and equipment	1,439,333	320,260	-	1,759,593
Right-to-use leased furniture and equipment	240,805	-	-	240,805
Right-to-use subscription IT assets	-	21,138	-	21,138
<b>Total capital assets being depreciated and amortized</b>	<b>74,471,055</b>	<b>2,764,249</b>	<b>-</b>	<b>77,235,304</b>
<b>Total capital assets</b>	<b>99,525,762</b>	<b>18,795,963</b>	<b>(2,300,123)</b>	<b>116,021,602</b>
Accumulated depreciation and amortization				
Land improvements	(1,841,398)	(156,672)	-	(1,998,070)
Buildings and improvements	(24,324,012)	(1,342,922)	-	(25,666,934)
Furniture and equipment	(1,358,735)	(66,558)	-	(1,425,293)
Right-to-use leased furniture and equipment	(14,489)	(45,982)	-	(60,471)
Right-to-use subscription IT assets	-	(705)	-	(705)
<b>Total accumulated depreciation and amortization</b>	<b>(27,538,634)</b>	<b>(1,612,839)</b>	<b>-</b>	<b>(29,151,473)</b>
<b>Net depreciable and amortizable capital assets</b>	<b>46,932,421</b>	<b>1,151,410</b>	<b>-</b>	<b>48,083,831</b>
<b>Governmental activities</b>				
Capital assets, net	<u>\$ 71,987,128</u>	<u>\$ 17,183,124</u>	<u>\$ (2,300,123)</u>	<u>\$ 86,870,129</u>

Depreciation and amortization expense were charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 1,409,536
Home-to-school transportation	78,308
All other administration	<u>124,995</u>
Total depreciation and amortization expense governmental activities	<u><u>\$ 1,612,839</u></u>

**Note 5 - Lease Receivables**

The District has entered into lease agreements with various lessees. The lease receivables are summarized below:

Lease Receivables	Outstanding July 1, 2023	Addition	Deletion	Outstanding June 30, 2024
Cell Tower - American Tower	\$ 847,020	\$ -	\$ (1,712)	\$ 845,308
Cell Tower - Barracuda	<u>161,351</u>	<u>-</u>	<u>(17,215)</u>	<u>144,136</u>
Total	<u><u>\$ 1,008,371</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (18,927)</u></u>	<u><u>\$ 989,444</u></u>

**Cell Tower – American Tower**

The District leases a portion of its facilities for cellular tower antenna sites. The lease is for a term of five years and may be renewed for additional five-year terms, with a final expiration date of September 30, 2061. The District believes the lessee will exercise the renewal option with reasonable certainty. The agreement allows for a 15.00% CPI increase once every five-year renewal period. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$1,712 in lease revenue and \$17,263 in interest revenue related to this agreement. At June 30, 2024, the District recorded \$845,308 in lease receivables and deferred inflows of resources for this arrangement. The District used an interest rate of 2.00%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

**Cell Tower – Barracuda**

The District leases a portion of its facilities for cellular tower antenna sites. The lease is for a term of five years and may be renewed for five additional five-year terms. The District believes the lessee will exercise the renewal option with reasonable certainty. The agreement allows for a 10.00% CPI increase once every five-year renewal period. At termination, lessees must remove all equipment and restore the site to its original state. During the fiscal year, the District recognized \$17,215 in lease revenue and \$3,868 in interest revenue related to this agreement. At June 30, 2024, the District recorded \$144,136 in lease receivables and deferred inflows of resources for this arrangement. The District used an interest rate of 2.50%, based on the rates available to finance real estate or machinery and equipment over the same time periods.

**Note 6 - Interfund Transactions**

**Operating Transfers**

The General Fund transferred to the Pupil Transportation Non-Major Governmental Fund for equipment support	\$ 251,000
The General Fund transferred to the Cafeteria Non-Major Governmental Fund for operational support.	<u>26,918</u>
Total	<u><u>\$ 277,918</u></u>

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Salaries and benefits	\$ 257,066	\$ 32	\$ 8,647	\$ 265,745
LCFF apportionment	41,238	-	-	41,238
Due to California Department of Education	-	-	22,038	22,038
Other vendor payables	<u>520,563</u>	<u>2,000,998</u>	<u>7,806</u>	<u>2,529,367</u>
Total	<u><u>\$ 818,867</u></u>	<u><u>\$ 2,001,030</u></u>	<u><u>\$ 38,491</u></u>	<u><u>\$ 2,858,388</u></u>

**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2024, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 110,432	\$ -	\$ 110,432
State categorical aid	79,238	-	79,238
Other local	<u>124,141</u>	<u>9,729</u>	<u>133,870</u>
Total	<u><u>\$ 313,811</u></u>	<u><u>\$ 9,729</u></u>	<u><u>\$ 323,540</u></u>

**Note 9 - Long-Term Liabilities other than OPEB and Pensions**

**Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
<b>Long-Term Liabilities</b>					
General obligation bonds	\$ 67,309,262	\$ 594,815	\$ (5,880,000)	\$ 62,024,077	\$ 3,555,000
Unamortized debt premiums	3,603,807	-	(211,054)	3,392,753	-
Leases	227,544	-	(43,623)	183,921	44,682
Compensated absences	136,035	40,454	-	176,489	-
<b>Total</b>	<u>\$ 71,276,648</u>	<u>\$ 635,269</u>	<u>\$ (6,134,677)</u>	<u>\$ 65,777,240</u>	<u>\$ 3,599,682</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. Leases are paid by the General Fund. The compensated absences will be paid by the General Fund, Child Development Fund, Cafeteria Fund, and the Building Fund.

**General Obligation Bonds**

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2024
08/01/98	8/01/23	3.75%-5.25%	\$ 7,540,162	\$ 1,430,908	\$ 44,092	\$ (1,475,000)	\$ -
02/01/00	8/01/24	4.20%-6.25%	3,499,968	4,389,303	215,030	(2,275,000)	2,329,333
10/04/01	8/01/26	2.75%-5.35%	3,059,848	5,639,051	335,693	(10,000)	5,964,744
11/06/18	8/01/28	3.00%-4.00%	10,000,000	3,750,000	-	(600,000)	3,150,000
7/01/20	8/01/43	2.00%-4.00%	27,000,000	26,000,000	-	(1,000,000)	25,000,000
5/12/22	8/01/43	2.03%-4.50%	26,100,000	26,100,000	-	(520,000)	25,580,000
				<u>\$ 67,309,262</u>	<u>\$ 594,815</u>	<u>\$ (5,880,000)</u>	<u>\$ 62,024,077</u>



**Debt Service Requirements to Maturity**

The bonds mature through 2044 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Interest to Maturity	Total
2025	\$ 3,480,711	\$ 74,289	\$ 1,946,601	\$ 5,501,601
2026	4,015,704	269,296	1,906,751	6,191,751
2027	4,807,662	457,338	1,842,001	7,107,001
2028	1,885,000	-	1,757,301	3,642,301
2029	1,970,000	-	1,674,451	3,644,451
2030-2034	11,920,000	-	6,909,178	18,829,178
2035-2039	15,295,000	-	4,262,178	19,557,178
2040-2044	18,650,000	-	1,520,072	20,170,072
<b>Total</b>	<b>\$ 62,024,077</b>	<b>\$ 800,923</b>	<b>\$ 21,818,533</b>	<b>\$ 84,643,533</b>

**Leases**

The District has entered into agreements to lease various copiers. As of June 30, 2024, the District recognized a net right-to-use leased asset of \$180,334 and a lease liability of \$183,921 related to these agreements. During the fiscal year, the District recorded \$45,982 in amortization expense. The District is required to make principal and interest payments through June 2028. The lease agreements have an interest rate of 2.45%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 44,682	\$ 3,924	\$ 48,606
2026	45,765	2,841	48,606
2027	46,876	1,730	48,606
2028	46,598	602	47,200
<b>Total</b>	<b>\$ 183,921</b>	<b>\$ 9,097</b>	<b>\$ 193,018</b>

**Compensated Absences**

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$176,489.

**Note 10 - Net Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2024, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 2,859,474	\$ 1,378,252	\$ 656,756	\$ 313,002
Medicare Premium Payment (MPP) Program	45,481	-	-	(8,180)
Total	<u>\$ 2,904,955</u>	<u>\$ 1,378,252</u>	<u>\$ 656,756</u>	<u>\$ 304,822</u>

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The Self-Insured Schools of California (SISC) administers Mammoth Unified School District’s Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Financial information for SISC can be found on the SISC website at: <http://sisc.kern.org/>

**Plan Membership**

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	9
Active employees	<u>88</u>
Total	<u><u>97</u></u>

**Benefits Provided**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The contribution requirements of Plan members and the District are established and may be amended by the District, the Mammoth Education Association (MEA), the local California Service Employees Association (CSEA), and unrepresented groups. There are no actuarially or contractually required contributions to the Plan.

Voluntary contributions are based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits are determined annually by the District, MEA, CSEA, and the unrepresented groups based on availability of funds. For the measurement period of June 30, 2023, the District contributed \$95,769 to the plan.

**Net OPEB Liability of the District**

The District's net OPEB liability of \$2,859,474 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 5,147,345
Plan fiduciary net position	<u>(2,287,871)</u>
 Net OPEB liability	 <u><u>\$ 2,859,474</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 <u><u>44.45%</u></u>

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Investment rate of return	3.94%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00%

The investment rate of return was based on assumed long-term return on plan assets assuming 100% funding through SISC.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study for the period July 1, 2022 to June 30, 2023.

The long-term expected rate of return on OPEB plan investment was determined using a rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap	40%	7.545%
US Small Cap	20%	7.545%
Long-Term Corporate Bonds	25%	5.045%
Long-Term Government Bonds	10%	4.250%
Short-Term Government Fixed	5%	3.000%

#### Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2022 (Measurement Date)	\$ 4,427,020	\$ 2,205,831	\$ 2,221,189
Service cost	189,154	-	189,154
Interest	275,296	222,152	53,144
Contributions - employer	-	95,769	(95,769)
Difference between expected and actual experience in the measurement of the total OPEB liability	(352,415)	-	(352,415)
Changes of assumptions	842,013	-	842,013
Benefit payments	(233,723)	(233,723)	-
Administrative expense	-	(2,158)	2,158
Net change in total OPEB liability	720,325	82,040	638,285
Balance, June 30, 2023 (Measurement Date)	\$ 5,147,345	\$ 2,287,871	\$ 2,859,474

Change of assumptions reflect a change in the investment rate of return from 6.25 percent in 2022 to 3.94 percent in 2023.

**Sensitivity of the Net OPEB Liability to Changes in the Investment Rate of Return**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using an investment rate of return that is one percent lower or higher than the current rate:

Investment Rate of Return	Net OPEB Liability
1% decrease (2.94%)	\$ 3,233,593
Current investment rate of return (3.94%)	2,859,474
1% increase (4.94%)	2,509,215

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.00%)	\$ 2,331,941
Current healthcare cost trend rate (4.00%)	2,859,474
1% increase (5.00%)	3,482,013

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$313,002. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 14,851
Difference between expected and actual experience in the measurement of the total OPEB liability	600,515	477,033
Changes of assumptions	777,737	164,872
Total	\$ 1,378,252	\$ 656,756

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 57,679
2026	48,149
2027	142,643
2028	64,134
2029	81,864
Thereafter	327,027
Total	\$ 721,496

### Medicare Premium Payment (MPP) Program

#### Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers’ Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers’ Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

**Net OPEB Liability and OPEB Expense**

At June 30, 2024, the District reported a liability of \$45,481 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0150%, and 0.01637%, resulting in a net decrease in the proportionate share of 0.0013%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(8,180).

**Actuarial Methods and Assumptions**

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer’s 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	\$ 49,429
Current discount rate (3.65%)	45,481
1% increase (4.65%)	42,049

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates**

The following presents the District’s proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	\$ 41,847
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	45,481
1% increase (5.50% Part A and 6.40% Part B)	49,584



**Note 11 - Fund Balances**

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 3,075	\$ -	\$ -	\$ -	\$ 3,075
Restricted					
Legally restricted programs	4,950,433	-	-	715,173	5,665,606
Capital projects	-	4,251,786	-	3,290,231	7,542,017
Debt service	-	-	5,523,949	-	5,523,949
Total restricted	<u>4,950,433</u>	<u>4,251,786</u>	<u>5,523,949</u>	<u>4,005,404</u>	<u>18,731,572</u>
Committed					
Deferred maintenance program	-	-	-	1,131,734	1,131,734
Pupil transportation	-	-	-	571,626	571,626
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,703,360</u>	<u>1,703,360</u>
Assigned					
Program/site carryover	<u>3,700,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,700,596</u>
Unassigned					
Reserve for economic uncertainties	<u>4,189,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,189,595</u>
Total	<u>\$12,843,699</u>	<u>\$ 4,251,786</u>	<u>\$ 5,523,949</u>	<u>\$ 5,708,764</u>	<u>\$28,328,198</u>

**Note 12 - Risk Management**

**Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with the Self-Insured Schools of California II (SISC II) entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

For fiscal year 2024, the District participated in Self-Insured Schools of California I (SISC I) entity risk pool. The intent of SISC I is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SISC I. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SISC I. Each participant pays its workers' compensation premium based on its individual rate.

**Employee Medical Benefits**

During fiscal year 2024, the District contracted with the in Self-Insured Schools of California III (SISC III) entity risk pool to provide employee medical benefits. SISC III is a shared risk pool. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts.

**Note 13 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 7,717,787	\$ 2,201,354	\$ 974,542	\$ 928,268
CalPERS	5,460,522	2,021,839	227,959	884,790
Total	<u>\$ 13,178,309</u>	<u>\$ 4,223,193</u>	<u>\$ 1,202,501</u>	<u>\$ 1,813,058</u>

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

**Contributions**

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$1,364,186.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 7,717,787
State’s proportionate share of the net pension liability	<u>3,697,809</u>
Total	<u><u>\$ 11,415,596</u></u>

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0101% and 0.0109%, resulting in a net decrease in the proportionate share of 0.0008%.

For the year ended June 30, 2024, the District recognized pension expense of \$928,268. In addition, the District recognized pension expense and revenue of \$503,004 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,364,186	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	152,952	561,600
Differences between projected and actual earnings on pension plan investments	33,036	-
Differences between expected and actual experience in the measurement of the total pension liability	606,491	412,942
Changes of assumptions	<u>44,689</u>	<u>-</u>
Total	<u><u>\$ 2,201,354</u></u>	<u><u>\$ 974,542</u></u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (242,808)
2026	(380,521)
2027	625,331
2028	31,034
Total	\$ 33,036

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (101,814)
2026	(82,936)
2027	(40,520)
2028	(10,347)
2029	34,016
Thereafter	31,191
Total	\$ (170,410)

**Actuarial Methods and Assumptions**

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary Net Position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 12,945,971
Current discount rate (7.10%)	7,717,787
1% increase (8.10%)	3,375,170

**California Public Employees Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:  
<https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced

benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$748,836.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$5,460,522. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0151% and 0.0157%, resulting in a net decrease in the proportionate share of 0.0006%.



For the year ended June 30, 2024, the District recognized pension expense of \$884,790. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 748,836	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	238,906	144,094
Differences between projected and actual earnings on pension plan investments	583,263	-
Differences between expected and actual experience in the measurement of the total pension liability	199,270	83,865
Changes of assumptions	251,564	-
Total	\$ 2,021,839	\$ 227,959

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 108,802
2026	64,457
2027	391,853
2028	18,151
Total	\$ 583,263

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District’s proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 240,094
2026	204,204
2027	17,483
Total	\$ 461,781

**Actuarial Methods and Assumptions**

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 7,894,504
Current discount rate (6.90%)	5,460,522
1% increase (7.90%)	3,448,892

### **Alternative Retirement Plan**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use an alternative retirement plan from Self-Insured Schools of California (SISC). Contributions made by the District vest immediately. The annual contribution for this program is actuarially determined and is paid entirely by the District. From July 1, 2023 to June 30, 2024, the District contributed 4.1% of the employee's gross earnings. For 2023-2024, the District paid a total of \$14,701 to the alternative benefits plan on behalf of eligible employees.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$591,480 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. 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.

## **Note 14 - Commitments and Contingencies**

### **Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

### **Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

**Construction Commitments**

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Mammoth High School - Remodel	\$ 2,400,000	September 2025

**Note 15 - Participation in Public Entity Risk Pools and Joint Power Authorities**

The District is a member of the Self-Insured Schools of California (SISC I, SISC II, SISC III) public entity risk pools (JPA's). The District pays an annual premium to each entity for its employee workers' compensation, property and liability coverage, and employee medical benefits. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2024, the District made payments of \$110,504, \$2,707,933, and \$201,954 to SISC I, SISC III and SISC II, respectively, for its workers' compensation, employee medical benefits, and property and liability.



Required Supplementary Information  
June 30, 2024

## Mammoth Unified School District

Mammoth Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$ 14,219,651	\$ 15,095,809	\$ 15,095,808	\$ (1)
Federal sources	719,762	1,062,206	1,016,847	(45,359)
Other State sources	1,304,682	3,848,013	3,876,953	28,940
Other local sources	1,655,566	2,505,614	2,731,171	225,557
Total revenues	<u>17,899,661</u>	<u>22,511,642</u>	<u>22,720,779</u>	<u>209,137</u>
<b>Expenditures</b>				
Current				
Certificated salaries	7,333,957	7,867,099	7,894,026	(26,927)
Classified salaries	2,649,623	2,517,338	2,586,594	(69,256)
Employee benefits	5,675,828	5,514,903	5,461,670	53,233
Books and supplies	770,675	1,443,743	1,181,644	262,099
Services and operating expenditures	2,252,472	2,492,498	2,540,160	(47,662)
Other outgo	320,000	233,937	(9,662)	243,599
Capital outlay	146,431	225,249	225,249	-
Debt service				
Debt service - principal	-	-	43,623	(43,623)
Debt service - interest and other	-	-	3,973	(3,973)
Total expenditures	<u>19,148,986</u>	<u>20,294,767</u>	<u>19,927,277</u>	<u>367,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,249,325)</u>	<u>2,216,875</u>	<u>2,793,502</u>	<u>576,627</u>
<b>Other Financing Uses</b>				
Transfers out	<u>(68,450)</u>	<u>(227,918)</u>	<u>(277,918)</u>	<u>(50,000)</u>
Net Change in Fund Balances	(1,317,775)	1,988,957	2,515,584	526,627
Fund Balance - Beginning	<u>10,328,115</u>	<u>10,328,115</u>	<u>10,328,115</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 9,010,340</u>	<u>\$ 12,317,072</u>	<u>\$ 12,843,699</u>	<u>\$ 526,627</u>

**Mammoth Unified School District**  
**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**  
**Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 189,154	\$ 184,091	\$ 258,176	\$ 251,266
Interest	275,296	260,706	278,518	265,608
Difference between expected and actual experience in the measurement of the total OPEB liability	(352,415)	61,735	(155,884)	(46,727)
Changes of assumptions	842,013	-	(214,834)	-
Benefit payments	<u>(233,723)</u>	<u>(255,780)</u>	<u>(291,034)</u>	<u>(305,672)</u>
Net change in total OPEB liability	720,325	250,752	(125,058)	164,475
Total OPEB Liability - Beginning	<u>4,427,020</u>	<u>4,176,268</u>	<u>4,301,326</u>	<u>4,136,851</u>
Total OPEB Liability - Ending (a)	<u>\$ 5,147,345</u>	<u>\$ 4,427,020</u>	<u>\$ 4,176,268</u>	<u>\$ 4,301,326</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 95,769	\$ -	\$ 293,907	\$ 996,836
Expected investment income	222,152	(232,121)	608,178	109,270
Difference between projected and actual earnings on OPEB plan investments	-	-	-	(47,662)
Benefit payments	(233,723)	(255,780)	(291,034)	(305,672)
Administrative expense	<u>(2,158)</u>	<u>(2,538)</u>	<u>(2,328)</u>	<u>(1,440)</u>
Net change in plan fiduciary net position	82,040	(490,439)	608,723	751,332
Plan Fiduciary Net Position - Beginning	<u>2,205,831</u>	<u>2,696,270</u>	<u>2,087,547</u>	<u>1,336,215</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,287,871</u>	<u>\$ 2,205,831</u>	<u>\$ 2,696,270</u>	<u>\$ 2,087,547</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,859,474</u>	<u>\$ 2,221,189</u>	<u>\$ 1,479,998</u>	<u>\$ 2,213,779</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>44.45%</u>	<u>49.83%</u>	<u>64.56%</u>	<u>48.53%</u>
Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
District's net OPEB liability as a percentage of covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

<sup>1</sup> The District's OPEB Plan is administered through a trust; however, the contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.



**Mammoth Unified School District**  
**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**  
**Year Ended June 30, 2024**

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 190,147	\$ 185,058	\$ 180,105
Interest	199,346	186,980	175,018
Difference between expected and actual experience in the measurement of the total OPEB liability	909,112	-	-
Changes of assumptions	-	-	-
Benefit payments	<u>(228,127)</u>	<u>(179,499)</u>	<u>(172,595)</u>
Net change in total OPEB liability	1,070,478	192,539	182,528
Total OPEB Liability - Beginning	<u>3,066,373</u>	<u>2,873,834</u>	<u>2,691,306</u>
Total OPEB Liability - Ending (a)	<u>\$ 4,136,851</u>	<u>\$ 3,066,373</u>	<u>\$ 2,873,834</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 588,127	\$ 539,499	\$ 532,595
Expected investment income	69,922	43,169	33,949
Difference between projected and actual earnings on OPEB plan investments	11,078	9,254	-
Benefit payments	(228,127)	(179,499)	(172,595)
Administrative expense	<u>(1,022)</u>	<u>(643)</u>	<u>(234)</u>
Net change in plan fiduciary net position	439,978	411,780	393,715
Plan Fiduciary Net Position - Beginning	<u>896,237</u>	<u>484,457</u>	<u>90,742</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,336,215</u>	<u>\$ 896,237</u>	<u>\$ 484,457</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,800,636</u>	<u>\$ 2,170,136</u>	<u>\$ 2,389,377</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>32.30%</u>	<u>29.23%</u>	<u>16.86%</u>
Covered Payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
District's net OPEB liability as a percentage of covered payroll	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>	<u>N/A<sup>1</sup></u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> The District's OPEB Plan is administered through a trust; however, the contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

*Note:* In the future, as data becomes available, ten years of information will be presented.

**Mammoth Unified School District**  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2024

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.0150%	0.0163%	0.0157%	0.0155%
Proportionate share of the net OPEB liability	\$ 45,481	\$ 53,661	\$ 62,745	\$ 75,675
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
 Year ended June 30,	 2020	 2019	 2018	
Proportion of the net OPEB liability	0.0185%	0.0191%	0.0195%	
Proportionate share of the net OPEB liability	\$ 68,976	\$ 72,999	\$ 82,092	
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%	
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	

<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*Note :* In the future, as data becomes available, ten years of information will be presented.

**Mammoth Unified School District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS**  
**Year Ended June 30, 2024**

<b>CalSTRS</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.0101%	0.0109%	0.0105%	0.0102%	0.0105%
Proportionate share of the net pension liability	\$ 7,717,784	\$ 7,542,136	\$ 4,762,500	\$ 9,931,366	\$ 9,456,380
State's proportionate share of the net pension liability	<u>3,697,809</u>	<u>3,777,072</u>	<u>2,396,305</u>	<u>5,119,621</u>	<u>5,159,086</u>
Total	<u>\$ 11,415,593</u>	<u>\$ 11,319,208</u>	<u>\$ 7,158,805</u>	<u>\$ 15,050,987</u>	<u>\$ 14,615,466</u>
Covered payroll	<u>\$ 6,345,618</u>	<u>\$ 6,390,650</u>	<u>\$ 5,660,582</u>	<u>\$ 5,690,409</u>	<u>\$ 5,734,883</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>121.62%</u>	<u>118.02%</u>	<u>84.13%</u>	<u>174.53%</u>	<u>164.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81%</u>	<u>81%</u>	<u>87%</u>	<u>72%</u>	<u>73%</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.0106%	0.0108%	0.0110%	0.0121%	0.0119%
Proportionate share of the net pension liability	\$ 9,765,378	\$ 9,967,542	\$ 8,870,635	\$ 8,149,545	\$ 6,938,129
State's proportionate share of the net pension liability	<u>5,591,136</u>	<u>5,896,713</u>	<u>5,049,894</u>	<u>4,310,211</u>	<u>4,189,542</u>
Total	<u>\$ 15,356,514</u>	<u>\$ 15,864,255</u>	<u>\$ 13,920,529</u>	<u>\$ 12,459,756</u>	<u>\$ 11,127,671</u>
Covered payroll	<u>\$ 5,689,591</u>	<u>\$ 5,501,002</u>	<u>\$ 5,599,832</u>	<u>\$ 5,372,860</u>	<u>5,432,299</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	<u>171.64%</u>	<u>181.20%</u>	<u>158.41%</u>	<u>151.68%</u>	<u>127.72%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

**Mammoth Unified School District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS**  
**Year Ended June 30, 2024**

<b>CalPERS</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.0151%	0.0157%	0.0143%	0.0141%	0.0150%
Proportionate share of the net pension liability	\$ 5,460,522	\$ 5,417,699	\$ 2,898,879	\$ 4,315,822	\$ 4,370,199
Covered payroll	\$ 2,623,311	\$ 2,468,638	\$ 2,309,865	\$ 2,295,066	\$ 2,191,972
Proportionate share of the net pension liability as a percentage of its covered payroll	208.15%	219.46%	125.50%	188.05%	199.37%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.0153%	0.0161%	0.0172%	0.0201%	0.0186%
Proportionate share of the net pension liability	\$ 4,080,681	\$ 3,855,182	\$ 3,395,848	\$ 2,963,964	\$ 2,110,388
Covered payroll	\$ 2,198,841	\$ 2,140,416	\$ 2,127,526	\$ 2,243,684	1,999,311
Proportionate share of the net pension liability as a percentage of its covered payroll	185.58%	180.11%	159.61%	132.10%	105.56%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Mammoth Unified School District  
Schedule of the District's Contributions - CalSTRS  
Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 1,364,186	\$ 1,212,013	\$ 1,081,298	\$ 914,184	\$ 973,060
Less contributions in relation to the contractually required contribution	<u>1,364,186</u>	<u>1,212,013</u>	<u>1,081,298</u>	<u>914,184</u>	<u>973,060</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 7,142,335</u>	<u>\$ 6,345,618</u>	<u>\$ 6,390,650</u>	<u>\$ 5,660,582</u>	<u>\$ 5,690,409</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 933,639	\$ 821,008	\$ 692,026	\$ 600,862	\$ 477,110
Less contributions in relation to the contractually required contribution	<u>933,639</u>	<u>821,008</u>	<u>692,026</u>	<u>600,862</u>	<u>477,110</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,734,883</u>	<u>\$ 5,689,591</u>	<u>\$ 5,501,002</u>	<u>\$ 5,599,832</u>	<u>\$ 5,372,860</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>

Mammoth Unified School District  
Schedule of the District's Contributions - CalPERS  
Year Ended June 30, 2024

CalPERS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 748,836	\$ 665,534	\$ 565,565	\$ 478,142	\$ 452,610
Less contributions in relation to the contractually required contribution	748,836	665,534	565,565	478,142	452,610
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,806,732	\$ 2,623,311	\$ 2,468,638	\$ 2,309,865	\$ 2,295,066
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 395,914	\$ 341,502	\$ 297,261	\$ 252,048	\$ 264,104
Less contributions in relation to the contractually required contribution	395,914	341,502	297,261	252,048	264,104
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,191,972	\$ 2,198,841	\$ 2,140,416	\$ 2,127,526	\$ 2,243,684
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedule**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

### **Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Change in Benefit Terms* – There were no changes in benefit terms.
- *Change of Assumptions* – The investment rate of return was changed from 6.25 percent in 2022 to 3.94 percent in 2023.

### **Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

### **Schedule of the District's Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

### **Schedule of the District's Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.





Supplementary Information  
June 30, 2024

# Mammoth Unified School District

Mammoth Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Federal Impact Aid	84.041	[1]	\$ 14,988
Passed Through California Department of Education (CDE)			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	142,986
Title II, Part A, Supporting Effective Instruction	84.367	14341	25,221
Title III, Immigrant Student Program	84.365	15146	4,780
Title III, English Learner Student Program	84.365	14346	<u>31,248</u>
Subtotal			<u>36,028</u>
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	240,126
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	15,222
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425U	15620	50,965
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U	15621	<u>28,164</u>
Subtotal			<u>334,477</u>
Passed through Mono County Office of Education (MCOE) Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	<u>228,712</u>
Subtotal Special Education (IDEA) Cluster			<u>228,712</u>
Total U.S. Department of Education			<u>782,412</u>
U.S. Department of Health and Human Services			
Passed Through CDE			
Child Care and Development Fund (CCDF) Cluster			
Child Development: Federal Child Care, Center-based	93.596	13609	19,105
Child Development: Federal Child Care, Center-based	93.596	14551	4,950
Child Development: Federal Child Care, Center-based	93.596	15554	<u>10,036</u>
Subtotal			<u>34,091</u>
Child Development: Federal Child Care, Center-based	93.575	15136	<u>9,966</u>
Subtotal CCDF Cluster			<u>44,057</u>
Total U.S. Department of Health and Human Services			<u>44,057</u>

[1] Direct Funded, no PCA number

Mammoth Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through CDE			
Child Nutrition Cluster			
School Lunch - Section 4	10.555	13523	\$ 40,560
School Lunch - Section 11	10.555	13524	<u>165,018</u>
Subtotal			<u>205,578</u>
School Breakfast Program	10.553	13525	817
School Breakfast Program Severe Need	10.553	13526	<u>124,370</u>
Subtotal			<u>125,187</u>
Subtotal Child Nutrition Cluster			<u>330,765</u>
Passed Through MCOE			
Forest Service Schools and Roads Cluster			
Forest Reserve Funds	10.665	10044	<u>234,435</u>
Subtotal Forest Service Schools and Roads Cluster			<u>234,435</u>
Total U.S. Department of Agriculture			<u>565,200</u>
Total Federal Financial Assistance			<u>\$ 1,391,669</u>

Mammoth Unified School District  
 Schedule of Average Daily Attendance  
 Year Ended June 30, 2024

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	Final Report	
	Second Period Report 3F6FD12	Annual Report 6504D39A
Regular ADA		
Transitional kindergarten through third	345.68	346.46
Fourth through sixth	235.40	236.16
Seventh and eighth	141.22	141.58
Ninth through twelfth	327.60	324.39
Total Regular ADA	1,049.90	1,048.59

Mammoth Unified School District  
 Schedule of Instructional Time  
 Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	51,684	-	51,684	180	-	180	-	-	-	Complied
Grades 1 - 3	50,400										
Grade 1		51,684	-	51,684	180	-	180	-	-	-	Complied
Grade 2		51,684	-	51,684	180	-	180	-	-	-	Complied
Grade 3		59,584	-	59,584	180	-	180	-	-	-	Complied
Grades 4 - 8	54,000										
Grade 4		59,584	-	59,584	180	-	180	-	-	-	Complied
Grade 5		59,584	-	59,584	180	-	180	-	-	-	Complied
Grade 6		64,400	-	64,400	180	-	180	-	-	-	Complied
Grade 7		64,400	-	64,400	180	-	180	-	-	-	Complied
Grade 8		64,400	-	64,400	180	-	180	-	-	-	Complied
Grades 9 - 12	64,800										
Grade 9		65,130	-	65,130	180	-	180	-	-	-	Complied
Grade 10		65,130	-	65,130	180	-	180	-	-	-	Complied
Grade 11		65,130	-	65,130	180	-	180	-	-	-	Complied
Grade 12		65,130	-	65,130	180	-	180	-	-	-	Complied

Mammoth Unified School District  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
 Year Ended June 30, 2024

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Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	General Fund	Child Development Fund	Cafeteria Fund
Fund Balance			
Balance, June 30, 2024, Unaudited Actuals	\$ 13,051,940	\$ 461,435	\$ 102,663
Increase in			
Receivables (post-closing)	10,584	-	-
Receivables	-	-	39,317
Accounts payable (post-closing)	(56,307)	(9,729)	-
Accounts payable	(100,000)	-	-
Unearned revenue	(62,518)	-	-
	<u>\$ 12,843,699</u>	<u>\$ 451,706</u>	<u>\$ 141,980</u>
Balance, June 30, 2024, Audited Financial Statements	<u>\$ 12,843,699</u>	<u>\$ 451,706</u>	<u>\$ 141,980</u>

Mammoth Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2024

	(Budget) 2025 <sup>1</sup>	2024	2023 <sup>1</sup>	2022 <sup>1</sup>
General Fund				
Revenues	\$ 19,525,464	\$ 22,720,779	\$ 21,666,479	\$ 17,514,783
Other sources	-	-	228,831	-
Expenditures	20,430,643	19,927,277	18,593,767	16,613,560
Other uses	307,130	277,918	220,000	1,584,697
Total expenditures and other uses	<u>20,737,773</u>	<u>20,205,195</u>	<u>18,813,767</u>	<u>18,198,257</u>
Increase/(Decrease) in Fund Balance	<u>(1,212,309)</u>	<u>2,515,584</u>	<u>3,081,543</u>	<u>(683,474)</u>
Ending Fund Balance	<u>\$ 11,631,390</u>	<u>\$ 12,843,699</u>	<u>\$ 10,328,115</u>	<u>\$ 7,246,572</u>
Available Reserves <sup>2</sup>	<u>\$ 2,164,871</u>	<u>\$ 4,189,595</u>	<u>\$ 6,556,056</u>	<u>\$ 5,788,163</u>
Available Reserves as a Percentage of Total Outgo	<u>10.44%</u>	<u>20.74%</u>	<u>34.85%</u>	<u>31.81%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 81,860,504</u>	<u>\$ 86,511,333</u>	<u>\$ 83,596,323</u>
K-12 Average Daily Attendance at P-2	<u>1,048</u>	<u>1,050</u>	<u>1,035</u>	<u>944</u>

The General Fund balance has increased by \$5,597,127 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$1,212,309 (9.4%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years. However, the District anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have decreased by \$1,735,819 over the past two years.

Average daily attendance has increased by 106 over the past two years. However, decrease of two ADA is anticipated during fiscal year 2024-2025.

<sup>1</sup> Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

Mammoth Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2024

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	Capital Facilities Fund	County School Facilities Fund	Total Non-Major Governmental Funds
<b>Assets</b>								
Deposits and investments	\$ 121,487	\$ 449,928	\$ 22,850	\$ 1,131,734	\$ 571,626	\$ 2,872,922	\$ 368,471	\$ 5,539,018
Receivables	-	36,318	132,810	-	-	48,838	-	217,966
<b>Total assets</b>	<b><u>\$ 121,487</u></b>	<b><u>\$ 486,246</u></b>	<b><u>\$ 155,660</u></b>	<b><u>\$ 1,131,734</u></b>	<b><u>\$ 571,626</u></b>	<b><u>\$ 2,921,760</u></b>	<b><u>\$ 368,471</u></b>	<b><u>\$ 5,756,984</u></b>
<b>Liabilities and Fund Balances</b>								
<b>Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 24,811	\$ 13,680	\$ -	\$ -	\$ -	\$ -	\$ 38,491
Unearned revenue	-	9,729	-	-	-	-	-	9,729
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>34,540</u></b>	<b><u>13,680</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>48,220</u></b>
<b>Fund Balances</b>								
Restricted	121,487	451,706	141,980	-	-	2,921,760	368,471	4,005,404
Committed	-	-	-	1,131,734	571,626	-	-	1,703,360
<b>Total fund balances</b>	<b><u>121,487</u></b>	<b><u>451,706</u></b>	<b><u>141,980</u></b>	<b><u>1,131,734</u></b>	<b><u>571,626</u></b>	<b><u>2,921,760</u></b>	<b><u>368,471</u></b>	<b><u>5,708,764</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 121,487</u></b>	<b><u>\$ 486,246</u></b>	<b><u>\$ 155,660</u></b>	<b><u>\$ 1,131,734</u></b>	<b><u>\$ 571,626</u></b>	<b><u>\$ 2,921,760</u></b>	<b><u>\$ 368,471</u></b>	<b><u>\$ 5,756,984</u></b>



**Mammoth Unified School District**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds**  
**Year Ended June 30, 2024**

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Pupil Transportation Equipment Fund	Capital Facilities Fund	County School Facilities Fund	Total Non-Major Governmental Funds
<b>Revenues</b>								
Federal sources	\$ -	\$ 44,057	\$ 330,765	\$ -	\$ -	\$ -	\$ -	\$ 374,822
Other State sources	-	178,286	427,438	-	-	-	-	605,724
Other local sources	91,016	417,076	1,652	61,711	14,810	1,180,126	28,354	1,794,745
<b>Total revenues</b>	<b>91,016</b>	<b>639,419</b>	<b>759,855</b>	<b>61,711</b>	<b>14,810</b>	<b>1,180,126</b>	<b>28,354</b>	<b>2,775,291</b>
<b>Expenditures</b>								
Current								
Pupil services								
Home-to-school transportation	-	-	-	-	145,500	-	-	145,500
Food services	-	9,648	788,255	-	-	-	-	797,903
All other administration	-	22,038	-	-	-	-	-	22,038
Ancillary services	79,831	-	-	-	-	-	-	79,831
Community services	-	225,111	-	-	-	-	-	225,111
Facility acquisition and construction	-	-	-	122,728	-	-	171,624	294,352
<b>Total expenditures</b>	<b>79,831</b>	<b>256,797</b>	<b>788,255</b>	<b>122,728</b>	<b>145,500</b>	<b>-</b>	<b>171,624</b>	<b>1,564,735</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>11,185</b>	<b>382,622</b>	<b>(28,400)</b>	<b>(61,017)</b>	<b>(130,690)</b>	<b>1,180,126</b>	<b>(143,270)</b>	<b>1,210,556</b>
<b>Other Financing Sources</b>								
Transfers in	-	-	26,918	-	251,000	-	-	277,918
<b>Net Change in Fund Balances</b>	<b>11,185</b>	<b>382,622</b>	<b>(1,482)</b>	<b>(61,017)</b>	<b>120,310</b>	<b>1,180,126</b>	<b>(143,270)</b>	<b>1,488,474</b>
<b>Fund Balance - Beginning</b>	<b>110,302</b>	<b>69,084</b>	<b>143,462</b>	<b>1,192,751</b>	<b>451,316</b>	<b>1,741,634</b>	<b>511,741</b>	<b>4,220,290</b>
<b>Fund Balance - Ending</b>	<b>\$ 121,487</b>	<b>\$ 451,706</b>	<b>\$ 141,980</b>	<b>\$ 1,131,734</b>	<b>\$ 571,626</b>	<b>\$ 2,921,760</b>	<b>\$ 368,471</b>	<b>\$ 5,708,764</b>

## **Note 1 - Purpose of Schedules**

### **Schedule of Expenditures of Federal Awards (SEFA)**

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Mammoth Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the net position or changes in net position or fund balance of the District.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

#### Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. At June 30, 2024, the District did not report any commodities as inventory.

### **Schedule of Average Daily Attendance (ADA)**

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

### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code Sections 46200 through 46207*.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code Section 46201*.

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**Schedule of Financial Trends and Analysis**

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

**Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances**

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Other Information  
June 30, 2024

## Mammoth Unified School District

**ORGANIZATION**

The Mammoth Unified School District was established on July 1, 1973. The District operates one elementary school, one middle school, one high school, a continuation high school, and an independent study program. There were no boundary changes during the year.

**GOVERNING BOARD**

MEMBER	OFFICE	TERM EXPIRES
Mr. Escobar Alonso	President	2024
Ms. Lou Stewart	Vice President	2024
Ms. Shana Stapp	Clerk	2024
Ms. Chelsea Nash	Member	2026
Ms. Marty Thompson	Member	2026

**ADMINISTRATION**

Ms. Annie Rinaldi	Superintendent
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Independent Auditor's Reports  
June 30, 2024

# Mammoth Unified School District



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

To the Governing Board  
Mammoth Unified School District  
Mammoth Lakes, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mammoth Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 4, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated March 4, 2025.

### **District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California  
March 4, 2025





**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Governing Board  
Mammoth Unified School District  
Mammoth Lakes, California

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

***Qualified and Unmodified Opinions***

We have audited Mammoth Unified School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the year ended June 30, 2024.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on Child Nutrition Cluster*

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Assistance Listing Numbers 10.553 and 10.555, the Child Nutrition Cluster, as described in finding 2024-002 for Procurement, Suspension, and Debarment. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
March 4, 2025



## Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

To the Governing Board  
Mammoth Unified School District  
Mammoth Lakes, California

### Report on Compliance

#### *Opinion on State Compliance*

We have audited Mammoth Unified School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	N/A
Independent Study	Yes
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
Home to School Transportation Reimbursement	Yes or N/A
 School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program:	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	N/A
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
 Charter Schools	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes – Classroom Based	N/A
Charter School Facility Grant Program	N/A

We did not perform testing for Continuation Education because average daily attendance reported did not exceed thresholds required for testing.

The term “N/A” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003 and 2024-004.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The 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.

## **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 and 2024-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*Eide Bailly LLP*

Rancho Cucamonga, California

March 4, 2025



Schedule of Findings and Questioned Costs  
June 30, 2024

# Mammoth Unified School District

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified for all major programs except for 10.553, 10.555 - Child Nutrition Cluster which was qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	Yes

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Child Nutrition Cluster	10.553, 10.555
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	84.425U
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

**State Compliance**

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Other matters to be reported	Yes
Type of auditor's report issued on compliance for programs	Unmodified

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

**2024-001      30000 – Adjustments and Financial Statement Preparation (Material Weakness)**

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of the year-end closing entries to ensure the financial statements are fairly stated. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified material misstatements of balances within the District’s 2023-2024 unaudited financial statements. The cause of these material misstatements is detailed below:

- o General Fund:
  - Understatement of accounts payable of \$100,000
  - Understatement of unearned revenue of \$62,518
- o Child Development Non-Major Governmental Fund
  - Misclassification of revenue between federal and state revenues of \$44,057
- o Cafeteria Non-Major Governmental Fund:
  - Understatement of receivable of \$39,317
  - Misclassification of revenue between federal and state revenues of \$31,310

Context

The audit adjustments were identified during our audit of the various accounts by reviewing the District’s underlying accounting records to support the amounts reported in the unaudited actuals. As a result of our procedures, the errors were noted.

Cause

The cause of the condition identified appears to be due to inadequate review processes related to the preparation of the District’s year-end financial statements, which includes the related conversion, adjusting, and reclassifying journal entries in preparation of the government-wide financial statements.

Effect

The effect of the errors resulted in an overstatement of the fund balance of \$162,518 of the General Fund and an understatement of the fund balance of \$39,317 of the Cafeteria Non-Major Governmental Fund.

Repeat Finding

No.

Recommendation

Management should review financial account balances to ensure that balances have been correctly reported. Balances should be traced to supporting records to verify the accuracy and completeness of reported information. A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

MUSD has hired a full time Manager of Fiscal Services to work with the Account Technician. The business team will have access to training to help ensure that best practices are being implemented throughout the year. Reviews of the accounts will happen systematically throughout the year to ensure that financial statements are accurate.

The following finding represents a material weakness and an instance of material noncompliance that is required to be reported by the Uniform Guidance. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
50000	Federal Compliance

**2024-002      50000 – Child Nutrition Cluster**

Federal Agency: U.S. Department of Agriculture  
Pass-Through Entity: California Department of Education  
Program Name: Child Nutrition Cluster  
Federal Financial Assistance Listing: 10.553, 10.555  
Compliance Requirement: I – Procurement, Suspension, and Debarment  
Type of Finding: Material Weakness, Material Noncompliance

Criteria or Specific Requirements

Title 2, *Code of Federal Regulations (CFR)*, Part 200, Subpart D, Section 200.318(a) and the District’s board policy number 3230 requires recipients and subrecipients of Federal awards to maintain and use documented procurement procedures that conform to standards identified in Title 2, *CFR*, Part 200, Subpart D, Section 200.318. This includes the retention of all procurement related documents in connection with federal awards.

Condition

The District was unable to provide procurement documents, including copies of bid documents and quotes from adequate number of qualified sources for sampled covered transactions.

Cause

The condition appears to have materialized due to the District not adhering to its federal procurement policy.

Effect

The District did not comply with general procurement standards required by Title 2, *CFR* Section 200.318(a) and the District board policy number 3230.

Questioned Costs

There were no questioned costs identified related to the condition identified above.

#### Context/Sampling

The condition was identified during the course of our review of supporting documents and our inquiry with District's personnel. Two of two vendors were selected for testing.

#### Repeat Finding

Yes, see prior year finding 2023-002.

#### Recommendation

The District should ensure that all federal procurement transactions are aligned with its board policy number 3230. As required under the District's procurement policy, the District should retain all procurement related documents.

#### Corrective Action Plan and Views of Responsible Officials

MUSD will review all federal procurement transactions to ensure that they align with board policy 3230. The District has also joined PINCO, Partners in Nutrition Cooperative as of June 2024. PINCO is "the only self-managed Co-Operative USDA Receiving Agency and Purchasing Group in California. PINCO maintains an active and healthy relationship with CDE's Resource Management Unit (RMU). PINCO works directly with the RMU assisting Member Districts with all reporting and documentation required under NSLP sponsorship."



The following findings represent significant deficiencies and instances of noncompliance including questioned costs that are required to be reported by the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

**2024-003      40000 – Proposition 28 Arts and Music in Schools**

Criteria or Specific Requirements

Per Title 5, *California Code of Regulations*, Section 16025, financial records and supporting documents pertinent to a State award must be retained for a period of three years from the fiscal year end date in which the expenditure was incurred.

Condition

The District was unable to provide financial records or supporting documents for one of five expenditures sampled.

Cause

The identified condition appears to have materialized due to insufficient procedures related to the retention of financial records.

Effect

The District has not complied with the requirements identified in Title 2, *California Code of Regulations*, Section 16025.

Questioned Costs

The condition identified above resulted in \$11,507 of questioned costs.

Repeat Finding

No.

Recommendation

The District should ensure that all State expenditures are supported by financial reports. These records should be maintained for a period of three years from the fiscal year end date in which the expenditure was incurred.

Corrective Action Plan and Views of Responsible Officials

MUSD will provide additional training around best accounting practices as well as monthly meetings to review accounts throughout the year to ensure that all costs have the appropriate back up. The goal is to have every expenditure have a digital back up in our accounting software along with the hard copy.

**2024-004      40000 – Proposition 28 Arts and Music in Schools**

Criteria or Specific Requirements

In the audit year that an allocation has been fully expended or when the audit year is the third year of the allowable expenditure period, whichever comes first, if the LEA has an enrollment of 500 or more pupils used for the allocation year and does not have a waiver issued by the CDE pursuant to Education Code section 8820(h), verify that no more than 20 percent of the expenditures (Resource 6770) for the allocation year were used for allowable purposes other than certificated or classified salaries and benefits for arts education program instruction (instructional costs), as specified in Education Code section 8220(g)(1).

Condition

During the fiscal year, the District expended more than 20 percent of the allocation for allowable purposes other than certificated or classified salaries and benefits for arts education program instruction.

Cause

The non-compliance was due to a misallocation of funds, where a higher proportion was spent on supplies and materials than allowed, and insufficient funds were directed towards certificated or classified employees for arts education.

Effect

Non-compliance with the 80/20 requirement may result in the District being required to return the questioned costs to the California Department of Education.

Questioned Costs

The unallowable non-instructional costs in excess of the 20 percent maximum was \$2,147.

Repeat Finding

No.

#### Recommendation

It is recommended that the District implement stronger internal controls and monitoring mechanisms to ensure compliance with Proposition 28 requirements. Specifically, the District should:

1. Reallocate funds to meet the 80% requirement for employing certificated or classified employees.
2. Provide training to financial and administrative staff on the specific requirements of Proposition 28.
3. Regularly review and adjust budget allocations to ensure ongoing compliance with funding requirement.

#### Corrective Action Plan and Views of Responsible Officials

MUSD will ensure that at least 80% of funds are spent on staffing. First, MUSD will have a board approved spending plan that breaks down the requirements for this grant, 80%/20%. During the two interim reports the district will ensure that spending is consistent with the minimum spending requirements. If spending for this resource does not meet the requirements we will make the adjustments to ensure that costs align through JEs.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

***Federal Awards Findings***

**2023-001      50000 – Child Nutrition Cluster (Material Weakness, Material Noncompliance)**

Federal Program Affected  
Federal Agency: U.S. Department of Agriculture  
Pass-Through Entity: California Department of Education  
Federal Program: Child Nutrition Cluster  
Assistance Listing Number: 10.553, 10.555  
Compliance Requirement: Eligibility

Criteria or Specific Requirement

The District is reimbursed for meals served to students eligible for free or reduced pricing. The reimbursement rates depend on how the student is classified. (7 CFR sections 245.2, 245.3, and 245.6; section 9(b)(1) of the NSLA (42 USC 1758 (b)(1)); sections 3(a)(6) and 4(e) of the CNA (42 USC 1772(a)(6) and 1773(e))).

A child's eligibility for free or reduced priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application. Children belonging to households meeting income eligibility requirements may receive meals at no charge or at reduced price. Children who have been determined ineligible for free or reduced priced school meals pay the full price, set by the District, for their meals. (7 CFR sections 225.15(f), 245.1(a), and 245.3(c); definition of "subsidized lunch (paid lunch)" at 7 CFR section 210.2).

Condition

Eight students were noted to be classified as being free; however, the District was unable to provide supporting documentation for these students.

Cause

The District lacked sufficient procedures for maintaining income verification forms or direct certification information, leading to a deficiency in ensuring that students meeting the income eligibility requirements were retained for audit support.

Effect

The monthly meal claims were inaccurately prepared.

#### Questioned Costs

Questioned costs associated with this condition was identified as \$4,009, which represents the excess reimbursement received by the District that is associated with the unsupported audit samples. Likely questioned costs are \$27,565.

#### Context/Sampling

We selected a sample of 60 and eight exceptions were noted.

#### Recommendation

Personnel responsible for compliance in this area should ensure that all student records are updated timely based on the review of income eligibility forms or direct certification information.

#### Current Status

Implemented.

### **2023-002      50000 – Child Nutrition Cluster (Material Weakness, Material Noncompliance)**

#### Federal Program Affected

Federal Agency: U.S. Department of Agriculture  
Pass-Through Entity: California Department of Education  
Federal Program: Child Nutrition Cluster  
Assistance Listing Number: 10.553, 10.555  
Compliance Requirement: Procurement, Suspension, and Debarment

#### Criteria or Specific Requirement

Title 2, *Code of Federal Regulations* (CFR), Part 200, Subpart D, Section 200.318(a) requires recipients and subrecipients of Federal awards to maintain and use documented procurement procedures that conform to standards identified in Title 2, CFR, Part 200, Subpart D, Section 200.318. This includes the retention of all procurement related documents in connection with federal awards.

#### Condition

The District was unable to provide procurement documents, including copies of bid documents and contracts for sampled covered transactions.

Cause

The condition appears to have materialized due to the District not adhering to its federal procurement policy.

Effect

The District did not comply with general procurement standards required by Title 2, CFR Section 200.318(a) and the District board policy number 3230.

Questioned Costs

There were no questioned costs identified related to the condition identified above.

Context/Sampling

The condition was identified during the course of our review of supporting documents and our inquiry with District's personnel.

Recommendation

The District should ensure that all federal procurement transactions are aligned with its board policy number 3230. As required under the District's procurement policy, the District should retain all procurement related documents.

Current Status

Not implemented. See current year finding 2024-002.

***State Compliance Findings***

**2023-003      10000, 40000 – Attendance and Independent Study (Significant Deficiency and Noncompliance)**

Criteria or Specific Requirements

California *Education Code* Section 51745.6 requires that the ratio of average daily attendance (ADA) for independent study pupils 18 years of age or less to school district full-time equivalent (FTE) certificated employees responsible for independent study shall not exceed the equivalent ratio of ADA to FTE certificated employees providing instruction in other educational programs operated by the school district unless a new higher or lower ADA ratio for all other educational programs offered is negotiated in a collective bargaining agreement.

Condition

Upon review of independent study ratio calculation, it was noted that the District had excess ADA of 11.40.

Cause

The District did not monitor internal staffing requirement to maintain the required student to teacher ratio.

Effect

The District overclaimed 11.40 units of ADA on the Second Period Report of Attendance, resulting in an estimated penalty as follows:

Unallowable ADA for grades 9-12: 11.40  
Derived Value of ADA for grades 9-12: \$12,629.89  
Penalty: \$143,980.75

However, due to the District's local funding status, the above calculated penalty is nullified and does not effect on the District's funding.

Questioned Costs

The District has overclaimed 11.40 units of independent study ADA on the Second Period Attendance Report. The penalty results in a decrease of approximately \$143,980.75 in local control funding formula revenue. The estimated penalty was calculated using the California Department of Education's LCFF derived value of ADA by grade span.

However, due to the District's local funding status, the above calculated penalty is nullified and does not effect on the District's funding.

Recommendation

Student enrollment and staffing should be closely monitored and adjusted when necessary to ensure compliance with independent study ADA to teacher FTE ratios.

Current Status

Implemented.

**2023-004      40000 – Unduplicated Local Control Funding Formula Pupil Counts (Significant Deficiency and Noncompliance)**

Criteria or Specific Requirements

California *Education Code* Section 42238.02(b)(4) states that the school districts should revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System (CALPADS).

Condition

The District was unable to provide documentation supporting the inclusion of 21 pupil in the sample selected for the testing of the Free and Reduced-Price Meal (FRPM) category on the “1.18 – FRPM/English Learner/Foster Youth – Student List” CALPADS report.

Cause

It appears that the condition identified has materialized as a result of the District not updating the status for students whose eligibility changed based on nutrition services records from free/reduced to paid or paid to free/reduced.

Effect

As a result of our testing, it appears that the District did not have supporting forms on file to properly complete the "1.18 – FRPM/English Learner/Foster Youth – Student List" CALPADS report. The results of our testing have been documented as follows:

Certified Total Enrollment Count	Certified Total Unduplicated Count	Adjustment to Total Enrollment Count	Adjustment Based on Eligibility for EL	Adjustment Based on Eligibility for FRPM	Adjusted Total Enrollment	Adjusted Total Unduplicated Pupil Count
3,389	1,843	-	-	(107)	3,389	1,736

Questioned Costs

The District opted to extrapolate the error, resulting in a total of 107 unduplicated pupil counts to be adjusted. The adjustment results in a decrease of \$72,381 in local control funding formula funding. The estimated penalty was calculated using the CDE’s audit penalty calculator.

However, due to the District’s local funding status, the above calculated penalty is nullified and does not effect on the District’s funding.



Recommendation

The District should emphasize the importance of completing the Form 1.18 accurately, which would include ensuring that all changes are accurately and timely updated based on new eligibility documentation received.

Current Status

Implemented.



Management  
Mammoth Unified School District  
Mammoth Lakes, California

In planning and performing our audit of the financial statements of Template Binders (the District) for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated March 4, 2025, on the government-wide financial statements of the District.

### **Associated Student Body (ASB)**

*Mammoth High School*

#### Observations

1. Based on the review of the disbursement procedures, it was noted that one of 11 disbursements tested was not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.
2. During our review of the ASB's bank reconciliation, we identified several checks that remain outstanding and uncashed for over 12 months. These stale-dated checks represent unclaimed funds that have not been reconciled or addressed in a timely manner. The presence of stale-dated checks can indicate inefficiencies in the cash management process and may lead to potential financial discrepancies.

#### Recommendations

1. In order to ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

2. We recommend that management implement a process to regularly review and follow up on outstanding checks that exceed the 12 month period. Stale-dated checks should be researched to determine their status and, where applicable, be voided or reissued to ensure the financial records reflect the actual outstanding liabilities. It is also advisable to establish a formal policy regarding the treatment of stale-dated checks and to periodically perform reconciliations to identify any potentially uncashed checks, ensuring that they are properly accounted for and addressed. By taking these steps, management will reduce the risk of financial inaccuracies and improve cash flow forecasting.

We will review the status of the current year comments during our next audit engagement.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
March 4, 2025

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**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the Series 2025 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Series 2025 Bonds in substantially the following form:*

[Date of Delivery]

Mammoth Unified School District  
Mammoth Lakes, California

Mammoth Unified School District  
(Mono County, California)  
General Obligation Bonds, Election of 2024, Series 2025  
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Mammoth Unified School District (the “District”), which is located in the County of Mono (the “County”), in connection with the issuance by the District of \$\_\_\_\_\_ aggregate principal amount of bonds designated as “Mammoth Unified School District (Mono County, California) General Obligation Bonds, Election of 2024, Series 2025” (the “Series 2025 Bonds”), representing part of an issue in the aggregate principal amount of \$70,000,000 authorized at an election held in the District on November 5, 2024. The Series 2025 Bonds are issued under and pursuant to a resolution of the Board of Education of the District adopted on January 30, 2025 (the “Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, the Tax Certificate of the District, dated the date hereof (the “Tax Certificate”), certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed 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 may be affected by actions taken or omitted or events occurring after original delivery of the Series 2025 Bonds on 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 original delivery of the Series 2025 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2025 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the District and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2025 Bonds to be included in gross

income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Series 2025 Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, 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 governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated \_\_\_\_\_, 2025, or other offering material relating to the Series 2025 Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2025 Bonds constitute valid and binding obligations of the District.
2. The Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.
3. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Series 2025 Bonds and the interest thereon.
4. Interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this “Disclosure Certificate”) is executed and delivered by the Mammoth Unified School District (the “District”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Mammoth Unified School District (Mono County, California) General Obligation Bonds, Election of 2024, Series 2025 (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on January 30, 2025 (the “Resolution”). The District covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth 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” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation

“Financial Obligation” shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Series 2025 Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2025 (including all exhibits or appendices thereto), relating to the offer and sale of Series 2025 Bonds.

“Participating Underwriter” shall mean the original underwriter(s) of the Series 2025 Bonds required to comply with the Rule in connection with offering of the Series 2025 Bonds.

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

**Section 3. Provision of Annual Reports.** (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which due date shall be March 31 of each year, so long as the District’s fiscal year ends on June 30), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Series 2025 Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

**Section 4. Content of Annual Reports.** The District’s Annual Report shall contain or include by reference the following:

(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 time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, 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 provided to the MSRB 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:

(i) The average daily attendance in District schools on an aggregate basis for the preceding fiscal year.



- (ii) The adopted budget of the District for the then-current fiscal year.
- (iii) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role.
- (iv) The secured property tax levies, collections and delinquencies for the District for the most recently completed fiscal year, if provided by the County of Mono (the “County”).
- (v) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB’s website. 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 events with respect to the Series 2025 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers or their failure to perform;
- (v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) tender offers;
- (vii) defeasances;
- (viii) rating changes;
- (ix) bankruptcy, insolvency, receivership or similar event of the District; or
- (x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business

of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2025 Bonds or other material events affecting the tax status of the Series 2025 Bonds;

(ii) modifications to rights of Series 2025 Bond Holders;

(iii) Series 2025 Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Series 2025 Bonds;

(v) non-payment related defaults;

(vi) 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;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Series 2025 Bond Holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2025 Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

**Section 6. Format for Filings with MSRB.** Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is 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 Series 2025 Bonds. If such termination occurs prior to the final maturity of the Series 2025 Bonds, the District shall give notice of such termination in a filing with the MSRB.

**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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Dale Scott & Company Inc.

**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 Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, 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 the District with respect to the Series 2025 Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2025 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 the Holders in the same manner as 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 Series 2025 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 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 required to be filed pursuant to this Disclosure Certificate, 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 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 or any other event required to be reported.

**Section 11. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Series 2025 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; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County or in U.S. District Court in or nearest to the County. 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.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

**Section 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

**Section 14. Electronic Signature.** Each of the parties hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that, by signing of this Disclosure Certificate using an electronic signature, it is signing, adopting and accepting this Disclosure Certificate, and that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Dated: \_\_\_\_\_, 2025

**MAMMOTH UNIFIED SCHOOL  
DISTRICT**

By: \_\_\_\_\_

ACCEPTED AND AGREED TO:

**DALE SCOTT & COMPANY INC.,  
as Dissemination Agent**

By: \_\_\_\_\_

**EXHIBIT A**

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: **MAMMOTH UNIFIED SCHOOL DISTRICT**

Name of Issue: Mammoth Unified School District  
(Mono County, California) General Obligation Bonds,  
Election of 2024, Series 2025

Date of Issuance: \_\_\_\_\_, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Series 2025 Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated \_\_\_\_\_, 2025. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

**MAMMOTH UNIFIED SCHOOL  
DISTRICT**

## APPENDIX E

### MONO COUNTY STATEMENT OF INVESTMENT POLICY AND QUARTERLY INVESTMENT REPORT

*In accordance with California Education Code Section 41001, substantially all District operating funds are required to be held by the Treasurer-Tax Collector of the County of Mono (the “County Treasurer”). Included as part of this Appendix E is the Statement of Investment Policy of the County for fiscal year 2024-25, approved by the Board of Supervisors of the County in January 2025, and a Quarterly Investment Report as of December 31, 2024, relating to certain information with respect to the County investment pool. These documents describe (i) the County policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other local agencies held by the County Treasurer, and (ii) the composition, carrying amount, market value and other information relating to the County investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, 25 Bryant Street, P.O. Box 495, Bridgeport, CA 93517.*

*Neither the District nor the Initial Purchaser has made an independent investigation of the investments in the County investment pool and neither has made an assessment of the current Investment Policy. The value of the various investments in the investment pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, with the consent of the Treasury Oversight Committee and the 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 investment pool will not vary significantly from the values described herein.*

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# MONO COUNTY STATEMENT OF INVESTMENT POLICY

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January 7, 2025

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## COUNTY OF MONO INVESTMENT POLICY

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### I. Introduction

The intent of the Investment Policy of the County of Mono is to define the parameters within which funds are to be managed. In methods, procedures, and practices, the policy formalizes the framework for the County's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the County's funds. The guidelines are intended to be broad enough to allow the Director of Finance to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

### II. Governing Authority

The investment program shall be operated in conformance with Government Code §53601, et seq. which provides legal authorization for the investment and deposit of funds of specified local agencies and which is made applicable to counties by Government Code §53635.2.

### III. Scope

The policy applies to activities of the County with regard to investing the financial assets of all funds. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of California.

Note that any excluded funds such as the Other Post Employment Benefit Trust Fund are covered by separate policies.

Except for funds in certain restricted and special funds, the County commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### IV. General Objectives

The primary objectives, in priority order, of investment activities shall be:

1. **Safety** – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate the credit risk and interest rate risk.
2. **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **Yield** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

### V. Standards of Care

1. **Prudence** – The standard to be used by the Director of Finance/Investment Officer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The Finance Director acting in accordance with written procedures and this

investment policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The "prudent person" standard states that,

*"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."*

2. **Ethics and Conflicts of Interest** – Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the County.
3. **Delegation of Authority and Responsibilities Governing Body** – The Board of Supervisors (Board) will retain ultimate fiduciary responsibility for the portfolio. The Board will receive monthly and quarterly reports, designate investment officers and annually review the investment policy making any necessary changes by adoption.

**Delegation of Authority** – Pursuant to Government Code §53607, authority to invest or reinvest, or to sell or exchange securities so purchased, may be delegated for a one-year period; thereafter, the County Finance Director shall assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

Responsibility for the operation of the investment program shall be delegated by ordinance pursuant to Government Code §27000.1 to the Finance Director until the Board of Supervisors revokes its delegation of authority, by ordinance, or decides not to renew the annual delegation. The Finance Director shall act in accordance with established, written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

All participants in the investment process shall seek to act responsibly as custodians of the public trust.

**Treasury Oversight Committee** – A County Treasury Oversight Committee has been established in accordance with §27130 et seq. of the Government Code to promote public interest by involving depositors in the management of their funds. The Treasury Oversight Committee shall:

- A. Review and monitor the Investment Policy,
- B. Annually review the investments made by the County Treasury,
- C. Cause an annual audit to be conducted to determine the County Treasury's compliance with Government Code §27130 et seq., and

- D. Meet on other matters as necessary.

By statute, the County Treasury Oversight Committee has no authority to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or to impinge on the day-to-day operations of the County Treasury.

Committee members may not accept any honoraria, gifts or gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasury conducts business, which are more than the limits imposed by State Law, or by the Fair Political Practices Commission.

**Investment Advisor** – The County may engage the services of one or more external investment managers to assist in the management of the entity’s investment portfolio in a manner consistent with the entity’s objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

## **VI. Authorized Financial Institutions, Depositories and Broker/Dealers**

1. Financial institutions and depositories authorized to provide investment services and security broker/dealers will be selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under both Government Code §53601.5 and Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
2. All financial institutions and broker/dealers who desire to become qualified for investment transactions shall meet the requirements of Government Code §53601.5 and, in addition, must supply the following as deemed appropriate by the Finance Director.
  - A. Audited financial statements demonstrating compliance with the state and federal capital adequacy guidelines.
  - B. Proof of Financial Industry Regulation Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
  - C. Proof of California state registration.
  - D. Certification of having read and understood and agreeing to comply with the County’s investment policy.
  - E. Evidence of adequate insurance coverage meeting any applicable requirements of State law and otherwise deemed adequate by the Finance Director.
3. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

## **VII. Safekeeping and Custody**

1. **Delivery vs. Payment** – All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
2. **Safekeeping** – Pursuant to Government Code §53608, the Board delegates to the Finance Director its authority to deposit securities for safekeeping. Securities will be held by a third-party custodian meeting the requirements of Government Code §53608 or other applicable law and selected by the Finance Director. The safekeeping institution shall annually provide a

copy of their most recent report on internal controls (Statement of Auditing Standards No. 70)

**3. Internal Controls** – The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- A. Control of collusion,
- B. Separation of transaction authority from accounting and recordkeeping,
- C. Custodial safekeeping,
- D. Avoidance of physical delivery securities,
- E. Clear delegation of authority to subordinate staff members,
- F. Written confirmation of transactions for investments and wire transfers,
- G. Dual authorization of wire transfers,
- H. Development of a wire transfer agreement with the lead bank and third-party custodian,
- I. Staff training, and
- J. Review, maintenance and monitoring of security procedures both manual and automated.

## **VIII. Authorized Investments**

**1. Investment Types** – All investments shall be made in accordance with §53600 et seq. of the California Government Code and as described within this Investment Policy and summarized in Appendix A. Permitted investments under this policy shall include:

- A. **United States Treasury notes, bonds bills, or certificates of indebtedness**, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. [Gov't Code §53601(b).]

*There is no limitation as to the percentage of the portfolio that can be invested in this category.*

- B. **Federal Agency or United States Government-Sponsored Enterprise Obligations, Participations, or other Instruments**, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises §53601(f) such as Fannie Mae and Freddie Mac.

*There is no limitation as to the percentage of the portfolio that can be invested in this category.*

- C. **State of California Notes & Bonds** registered state warrants or treasury notes 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. [Gov't Code §53601(c).]

*There is no limitation as to the percentage of the portfolio that can be invested in this category.*

- D. **Notes and Bonds of Other 49 States** registered treasury notes or bonds of any of the other 49 states, 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 that state. [Gov't Code §53601(d).]

*There is no limitation as to the percentage of the portfolio that can be invested in this category.*

- E. **Negotiable Certificates of Deposit (NCDs)** issued by a nationally or state chartered bank, a state or federal savings and loan association, a State or federal credit union or by a state-licensed branch of a foreign bank. [Gov't Code §53601(i).]

*No more than 30% of the portfolio may be invested in NCDs*

- F. **Banker's acceptances**, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. [Gov't Code §53601(g).]

*May not exceed 180 days to maturity or be more than 40% of the market value of the portfolio and no more than 30% of the County's moneys may be invested in banker's acceptances in the same bank.*

- G. **Commercial paper** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO) such as Standard & Poor's or Moody's. [Gov't Code §53601(h) & §53635(a).]

*Must have a maximum maturity of 270 days or less, no more than 40% of the portfolio may be invested in eligible commercial paper and no more than 10% may be invested in any one issuer's commercial paper.*

- H. **Medium-term notes** include corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and rated "A" or better by an NRSRO. [Gov't Code §53601(k).]

*May not exceed 30% of the portfolio may be invested in medium-term notes.*

- I. **Reverse repurchase agreements** whose underlying purchased securities consist of the aforementioned instruments, subject to all the conditions set forth in Government Code §53601(j)(3).

*May not exceed 20% of the base value of the portfolio and no agreement may exceed 92 days.*

- J. **Money market mutual funds** – 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 (15 U.S.C. §80a-1 et sec. [Gov't Code §53601(l).]

*No more than 20% of the portfolio may be invested in money market funds.*

- K. **Local Agency Investment Fund** – established by the State Treasurer for the benefit of local agencies. [Gov't Code §16429.1.]

*No more than \$75 million may be invested in LAIF (LAIF rules)*

- L. **California Asset Management Program (CAMP)**. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of

the State of California which invests exclusively in investments permitted by §53601 of the Government Code as it may be amended. [Gov't Code §53601(p).]

**No more than 30% of the portfolio may be invested in the California Asset Management Program**

M. **Commercial or Savings Bank, Savings and Loan or Credit Union** may be used to invest surplus funds up to 30% of the portfolio pursuant to §§53601.8 and 53635.8 of the Government Code.

**No more than 10% can be invested in any one institution.**

N. **Bonds, notes, warrants or other evidences of indebtedness** of a local agency within the State of California, including local agencies formed within Mono County. [Gov't Code §53601(e).]

**May not exceed 5 years to maturity. All investments with local agencies formed within Mono County must be pre-approved by the Board of Supervisors.**

O. **Supranationals** – United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States and rated AA or better by an NRSRO. [Gov't Code §53601(q).]

**No more than 30% may be invested in supranationals**

2. **Collateralization** – Where allowed by state law, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit. Repurchase agreements will be collateralized at 102 percent.

## IX. Investment Parameters

1. **Mitigating Credit Risk in the portfolio** – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The County shall mitigate credit risk by adopting the following:

**Diversification** – The investments will be diversified by

- i. Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- ii. Limiting investment in securities that have higher credit risks,
- iii. Investing in securities with varying maturities, and
- iv. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.



**2. Mitigating Market Risk in the portfolio** – Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The County recognizes that, over time, longer-term/core portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The County shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The County further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The County, therefore, adopts the following strategies to control and mitigate market risk:

- i. The County shall maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements,
- ii. The maximum percentage of callable Agency Bonds or Certificate of Deposits in the portfolio shall be 30%,
- iii. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy,
- iv. Liquidity funds will be held in LAIF, CAMP or money market instruments maturing one year and shorter,
- v. Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in higher quality and liquid securities.
- vi. It is recommended that the Weighted Average Maturity of the portfolio not exceed 24 months (730 Days) or such shorter dollar-weighted average maturity as may be required by State law. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that the appropriate Weighted Average Maturity is maintained.

## **X. Reporting**

1. The Finance Director shall provide quarterly investment reports to the Board of Supervisors within 45 days following the end of the quarter covered by the report. These reports shall include the following investment information as required by Government Code §53646(b):
  - A. The type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held in the County Treasury,
  - B. Market value as of the date of the report and the source of this valuation,
  - C. The weighted average maturity of the investments within the Treasury,
  - D. Distribution by type of investment,
  - E. A description of all the County's funds and investments that are under the management of contracted parties,
  - F. A statement of compliance of the portfolio to this Statement of Investment Policy or manner in which the portfolio is not in compliance, and

- G. A statement denoting the ability of the County to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.
2. The Treasury Oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with Chapter 5, Article 6 (§27130-§27137) of the Government Code and this Statement of Investment Policy.

#### **XI. Investment Pool Costs and Earnings Distribution**

Costs directly related to the operation and management of the investment pool shall be deducted quarterly directly from net interest earnings prior to the distribution of interest earnings for the quarter. Pool costs include, but are not limited to, staff time, investment tracking costs, brokerage costs, and treasury pool audit costs.

Interest earnings shall be allocated quarterly according to each fund's average daily cash balances as a percentage of the total investment pool. Earnings shall be the net of received interest, amortized premiums, accreted discounts and profit or loss on the sale of trade of a security attributable to the quarter being apportioned, plus adjustments from prior quarters. The interest shall be apportioned as of the last day of the quarter and added to each participating fund's balance in the pooled investment fund.

#### **XII. Investing of Bond Proceeds**

The County Treasurer shall invest bond proceeds using the standards of this Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by this Policy.

#### **XIII. Withdrawal Requests**

##### **1. Regular Operation**

The County Finance Director seeks to honor all written withdrawal requests for regular operating purposes that are approved by the County Auditor- Controller's Office in a timely fashion. However, the County Finance Director recognizes that occasionally the Pool Participants may request large amounts in withdrawals to cover unexpected operational needs. To accommodate such withdrawals and allow for adequate time for adjustments to the liquidity position of the Pool, the County Finance Director expects all Pool Participants to submit their written requests within the following timeframes:

- A. Withdrawals up to \$2 million – 3 business days in advance of disbursement
- B. Withdrawals above \$2 million – 5 business days in advance of disbursement and in no case can more than \$5 million dollars be withdrawn in a single business day

Extraordinary withdrawal requests are considered withdrawals outside the normal cash-flow patterns of a Pool Participant. For any withdrawal considered extraordinary, the Finance Director shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury. In the event that the Finance Director must liquidate investments in order to honor the withdrawal request, the Pool Participant who requests the withdrawal shall be subject to all expenses associated with the liquidation,

including, but not limited to loss of principal and interest income, withdrawal penalties, and associated fees.

## **2. Investing or Depositing Funds Outside the Pool**

Any entity that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the Finance Director who shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury. Prior to approval, the Finance Director shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the pool (Government Code §27136). If it is necessary to liquidate securities, all losses occurring from the sale of a security prior to its maturity shall be borne by the entity wishing to withdraw funds.

## **XIV. Terms and Conditions for Outside Investors**

Outside local agencies, where the County Finance Director does not serve as the agency's treasurer, may invest in Mono County's Investment Pool as permitted by Government Code §53684. Deposits are subject to the consent of the County Finance Director. The local agency legislative body must approve the county investment pool as an authorized investment. If the County Finance Director deems appropriate, the deposits may be returned at any time.

## **XV. Policy Review**

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal liquidity, rate of return and its relevance to current law and financial and economic trends.

### SUMMARY OF INVESTMENT LIMITATIONS

Investment Type	Government Code Reference	Limit <sup>1</sup> Per Investment Type(s)	Limit <sup>1</sup> Per Institution	Minimum <sup>2</sup> Ratings	Maxium <sup>2</sup> Allowable Maturity
United States Treasuries	§53601 (b)	None	None	None	5 years
United States Federal Agencies & Government-Sponsored Enterprises	§53601 (f)	None	None	None	5 years
State of California Notes & Bonds	§53601 (c) & 53601 (e)	None	None	None	5 years
Notes & Bonds of Other 49 States	§53601 (d)	None	None	None	5 years
California Local Agency Debt	§53601 (a), (c) & (e)	None	None	None	5 years
Medium-Term Notes	§53601 (k)	30%	None	A	5 years
Negotiable Certificates of Deposit	§53601 (i)	30%	None	N/A	5 years
Bankers Acceptances	§53601 (g)	40%	30%	A-1	180 days
Commercial Paper	§53601 (h) & 53635 (a)	40%	10%	A-1 (short) A (long)	270 days
Reverse Repurchase Agreements	§53601 (j)	20%	None	Primary Dealer	92 days
Local Agency Investment Fund (LAIF)	§16429.1	N/A	N/A	N/A	N/A
California Asset Management Program (CAMP)	§53601(p)	N/A	N/A	N/A	N/A
Money Market Mutual Funds	§53601(l)	20%	10%	AAA	N/A
Commercial or Savings Bank, Savings and Loan or Credit Union	§53601.8 & 53635.8	30%	10%	N/A	N/A
Supranationals	§53601(q)	30%	N/A	AA	5 years

<sup>1</sup> Based on total of surplus funds at the time the investment decision is made.

<sup>2</sup> At the time of purchase.

## GLOSSARY

**Accreted Discount** – The increase in the value of a discounted instrument as time passes and it approaches maturity. The value of the instrument will accrete (grow) at the interest rate implied by the discounted issuance price, the value at maturity and the term to maturity.

**Accrued Interest** – Interest that has accumulated by has not yet been paid from the most recent interest payment date or issue date to a certain date.

**Amortization** – The reduction of debt through regular payment of principal scheduled to complete repayment by maturity. Usually the payment of interest is incorporated to compensate the lender over the life of the debt.

**Bankers' Acceptance** – A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank “accepts” such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

**Basis point** – One basis point is equal to 1/100 of 1%. For example, if interest rates increase from 4.25% to 4.5%, the difference is referred to as a 25-basis-point increase.

**Book Value** – The value of a security as carried in the records of an investor. Generally, this is the initial outlay for the investment and may be net or gross of expenses such as trading costs, services charges, etc.

**Bond** – A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies, municipalities, states and U.S. and foreign governments to finance a variety of projects and activities.

**Broker/Dealer** – Any person engaged in the business of effecting transactions in securities in this state for the account of others or for his/her own account. Broker/Dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of his/her own issue.

**Commercial Paper** – Short-term, unsecured promissory note issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30 – 45 days.

**Coupon Rate** – The interest rate stated on a bond when it is issued. The coupon is typically paid semi-annually.

**Current Yield** – The annual income (interest or dividends) divided by the current price of the security. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSIP Numbers** – An acronym for Committee on Uniform Security Identification Procedures, CUSIP numbers are identification numbers assigned to each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

**Debt Instrument** – An instrument or promissory note which evidences and documents the terms of the loaning of funds from one party to another. Typically, the instrument contains the loan date, the maturity date, the repayment provisions, and the interest rate of the borrowing.

**Default** – The failure to pay debt obligations as agreed in the terms of the debt

**Discount** – The condition of the price of a bond that is lower than par. The discount equals the difference between the price paid for a security and the security's par value.

**Earnings Apportionment** – The quarterly interest distribution to the Pool participants.

**Fair Value** – The amount at which an investment could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale.

**Fannie Mae (FNMA, Federal National Mortgage Association)** – A government-sponsored enterprise (GSE) that was created in 1938 to expand the flow of mortgage money by creating a secondary mortgage market. Fannie Mae is a publicly traded company which operates under a congressional charter that directs Fannie Mae to channel its efforts into increasing the availability and affordability of homeownership for low-, moderate-, and middle-income Americans.

**Federal Government Agency** – Debt issued by government sponsored entities (GSE) to facilitate various types of lending. For example, the Federal Farm Credit Bank provides funds to farmers and FNMA provides funds to the real estate mortgage markets.

**Freddie Mac (FHLMC, Federal Home Loan Mortgage Corp.)** – A stockholder owned government sponsored enterprise (GSE) chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle-income Americans. The FHLMC purchases, guarantees and securitizes mortgages to form mortgage-backed securities. The mortgage-backed securities that it issues tend to be very liquid and carry a credit rating close to that of U.S. Treasuries.

**Government-Sponsored Enterprise (GSE)** – Privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for the certain borrowing sectors of the economy. Members of these sectors include students, farmers and homeowners.

**Local Agency Investment Fund (LAIF)** – The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

**Market Value** – The price at which a security is trading and could presumably be purchased or sold.

**Maturity** – The date upon which the principal of a security becomes due and payable to the holder.

**Money Market Mutual Fund** – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty

**Par Value** – The face value of a bond. Par value is important for a bond or fixed-income instrument because it determines its maturity value as well as the dollar value of coupon payments.

**Premium** – The condition of the price of a bond that is higher than par. The premium equals the difference between the price paid for a security and the security's par value.

**Principal** – The face amount of a security not taking into account discounts or premiums. The amount borrowed or the amount still owed on a loan, separate from interest.

**Repurchase Agreement (Repo)** – A form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction, (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.

**Reverse Repurchase Agreement** – The purchase of securities with the agreement to sell them at a higher price at a specific future date.

**Registered Warrants** – A “promise to pay” with interest, that is issued by the State of California when there is not enough cash to meet all of the State's payment obligations.

**Settlement Date** – The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day the securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

**Supranational Bonds** – These bonds are issued when two or more central governments issue foreign bonds to promote economic development for the member countries. These include bonds issued by the International Bank for Reconstruction and Development, or World Bank, and the International American Development Bank.

**Trade Date** – The date and time corresponding to an investor's commitment to buy or sell a security.

**U.S. Treasury Obligation** – Direct obligations of the United States Treasury whose payment is guaranteed by the United States of America.

**Weighted Average Maturity (WAM)** - The weighted average of the time until all securities in a portfolio mature.

## TEMPORARY CONSTRAINTS AND RESTRICTIONS ON INVESTMENTS

1. County of Mono restricts the purchase of any retail products issued by Wells Fargo and Deutsche Bank from January 1, 2021 until December 31, 2025.





# DEPARTMENT OF FINANCE

## COUNTY OF MONO

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Gerald A. Frank, CGIP  
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**Date:** November 12, 2024  
**To:** Honorable Board of Supervisors  
Treasury Oversight Committee  
Treasury Pool Participants  
**From:** Gerald Frank  
**Subject:** Quarterly Investment Report

The Treasury Pool investment report for the quarter ended September 30, 2024 is attached pursuant to Government Code §53646(b) and includes the following reports:

- **Portfolio Holdings by Security Sector** - includes, among other information, the type of investment, issuer, date of maturity, par value, dollar amount invested in all securities and market value as calculated by Union Bank, in accordance with Government Code §53646(b)(1).
- **Distribution by Asset Category – Market Value** – Provides a graphic to make it easy to see the asset allocation by type of security.
- **Distribution by Maturity Range – Face Value** – Provides a bar graph to see the maturities of the various investments and gives the reader a sense of the liquidity of the portfolio.
- **Treasury Cash Balances as of the Last Day of the Most Recent 14 Months** – Shows growth in the current mix of cash and investments when compared to prior months and particularly the same time last year. Additionally, the section at the bottom shows maturity by month for all non-same day investments.
- **Mono County Treasury Pool Quarterly Yield Comparison** – Shows, at a glance, the county pool performance in comparison to two-year US Treasuries and the California Local Agency Investment Fund (LAIF).
- **Mono County Treasury Pool Participants** – Provides a graphic to make it easy to see the types of pool participants.

The County also has monetary assets held outside the County Treasury including:

- The Sheriff's Department has two accounts: The Civil Trust Account and the Sheriff's Revolving Fund. The balances in these accounts as of September 30, 2024 were \$31,314 and \$3,575 respectively.
- Mono County's PAPEBT (Public Agencies Post-Employment Benefits Trust) fund with PARS had a balance of \$31,965,568 as of September 30, 2024. This is a trust for the purpose of pre-funding both pension obligations and/or other post-employment benefits.

The Treasury was in compliance with the Mono County Investment Policy on September 30, 2024.

Weighted Average Maturity (WAM) as of September 30, 2024 was 648 days.

It is anticipated that the County Treasury will be able to meet the liquidity requirements of its pooled participants for the next six months.

The investments are presented at fair market value in accordance with Government Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Pools. On the last day of the quarter, on a book basis, the portfolio totaled \$170,064,725 and the market value was \$169,420,847 (calculated by US Bank) or 99.62% of book value. Market value does not include accrued interest, which was \$702,976 on the last day of the quarter.

Investment Pool earnings are as shown below:

Quarter Ending	12/31/2023	3/31/2024	6/30/2024	9/30/2024
Average Daily Balance	194,379,546	201,903,669	204,031,705	175,166,469
Earned Interest (including accruals)	1,681,273	1,721,801	1,837,212	1,536,571
Earned Interest Rate	3.4316%	3.4299%	3.6216%	3.4898%
Number of Days in Quarter	92	91	91	92
Interest Received (net of amortized costs)	1,604,912	1,763,263	1,729,783	1,640,462
Administration Costs	\$13,737	\$22,680	\$12,360	\$13,160
Net Interest for Apportionment	\$1,591,175	\$1,740,583	\$1,717,423	\$1,627,302



## Mono County Portfolio Holdings by Security Sector As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
<b>Cash</b>												
Oak Valley Bank Cash	OAKVALLEY0670	2/28/2009	6,382,560.69	6,382,560.69	6,382,560.69	4.629	4.629	N/A	1	None		3.73
TTC Drawer Cash	CASH	10/12/2022	400.00	400.00	400.00	0.000	0.000	N/A	1	None		0.00
<b>Sub Total / Average Cash</b>			<b>6,382,960.69</b>	<b>6,382,960.69</b>	<b>6,382,960.69</b>	<b>4.629</b>	<b>4.629</b>		<b>1</b>		<b>0.00</b>	<b>3.73</b>
<b>Local Government Investment Pools</b>												
California Asset Management Program LGIP	CAMP60481	8/3/2017	36,337,876.54	36,337,876.54	36,337,876.54	5.290	5.290	N/A	1	None		21.22
Local Agency Investment Fund LGIP	LAIF6000Q	7/1/2014	542,140.84	542,140.84	542,140.84	4.710	4.710	N/A	1	NR		0.32
<b>Sub Total / Average Local Government Investment Pools</b>			<b>36,880,017.38</b>	<b>36,880,017.38</b>	<b>36,880,017.38</b>	<b>5.281</b>	<b>5.281</b>		<b>1</b>		<b>0.00</b>	<b>21.54</b>
<b>Money Market Mutual Funds</b>												
First American Gov Fund MM	31846V203	3/14/2023	3,000,000.00	3,000,000.00	3,000,000.00	4.740	4.740	N/A	1	Moodys-Aaa		1.75
<b>Sub Total / Average Money Market Mutual Funds</b>			<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>4.740</b>	<b>4.740</b>		<b>1</b>		<b>0.00</b>	<b>1.75</b>
<b>CD Negotiable</b>												
1ST Financial Bank, USA 3.3 8/2/2027	32022RSG3	8/2/2022	249,000.00	249,000.00	245,675.85	3.300	3.300	8/2/2027	1,036	None	652.86	0.15
A+ Federal Credit Union 4.55 4/28/2028	00224TAP1	4/28/2023	249,000.00	249,000.00	256,460.04	4.550	4.550	4/28/2028	1,306	None	62.08	0.15
Abacus Federal Savings Bank 1.75 10/18/2024	00257TBJ4	10/18/2019	249,000.00	249,000.00	248,636.46	1.750	1.750	10/18/2024	18	None	143.26	0.15
Alaska USA Federal Credit Union 4.7 3/8/2027	011852AD2	3/8/2023	249,000.00	249,000.00	254,211.57	4.700	4.700	3/8/2027	889	None	705.39	0.15
All In FCU 4.4 12/20/2027	01664MAB2	12/20/2022	249,000.00	249,000.00	253,947.63	4.400	4.400	12/20/2027	1,176	None	300.16	0.15
Alliant Credit Union 5 12/30/2027	01882MAC6	12/30/2022	248,000.00	248,000.00	257,567.84	5.000	5.000	12/30/2027	1,186	None	0.00	0.14
Altaone Federal Credit Union 3.85 9/13/2029	02157RAC1	9/13/2024	249,000.00	249,000.00	251,303.25	3.850	3.850	9/13/2029	1,809	None	446.49	0.15
American Express National Bank 3 5/4/2027	02589ACK6	5/4/2022	246,000.00	246,000.00	241,089.84	3.000	3.000	5/4/2027	946	None	3,012.66	0.14
American First Credit Union 4.25 4/27/2028	02616ABY4	4/27/2023	249,000.00	249,000.00	253,947.63	4.250	4.250	4/27/2028	1,305	None	86.98	0.15
Austin Telco FCU 1.8 2/28/2025	052392AA5	2/28/2020	249,000.00	249,000.00	245,999.55	1.800	1.800	2/28/2025	151	None	356.10	0.15
AXOS Bank 1.65 3/26/2025	05465DAE8	3/26/2020	249,000.00	249,000.00	245,588.70	1.650	1.650	3/26/2025	177	None	45.02	0.15
Bank of Botetourt 1.75 10/25/2024	063907AA7	10/25/2019	249,000.00	249,000.00	248,494.53	1.750	1.750	10/25/2024	25	None	59.69	0.15
Bank of the Valley NE 4.1 9/30/2027	06543PDA0	9/30/2022	249,000.00	249,000.00	251,114.01	4.100	4.100	9/30/2027	1,095	None	0.00	0.15
Bank of Utah 4.25 5/10/2028	065427AC0	5/10/2023	249,000.00	249,000.00	254,069.64	4.250	4.250	5/10/2028	1,318	None	579.86	0.15
Baxter Federal Credit Union 5 11/30/2026	07181JAV6	11/28/2022	248,000.00	248,000.00	254,212.40	5.000	5.000	11/30/2026	791	None	67.95	0.14
Beal Bank USA 1.9 2/17/2027	07371CE88	2/23/2022	247,000.00	247,000.00	236,369.12	1.900	1.900	2/17/2027	870	None	488.59	0.14
Beal Bank, a Texas State Bank 1.9 2/17/2027	07371AYE7	2/23/2022	247,000.00	247,000.00	236,369.12	1.900	1.900	2/17/2027	870	None	488.59	0.14
Belmont Bank & Trust Co 4.2 12/9/2027	08016PEL9	12/9/2022	248,000.00	248,000.00	251,335.60	4.200	4.200	12/9/2027	1,165	None	599.28	0.14
Blue Ridge Bank 4.2 2/28/2028	09582YAF9	2/28/2023	244,000.00	244,000.00	247,791.76	4.200	4.200	2/28/2028	1,246	None	926.53	0.14
BMO Harris Bank NA 4.5 5/16/2028	05600XQE3	5/16/2023	244,000.00	244,000.00	250,917.40	4.500	4.500	5/16/2028	1,324	None	4,121.26	0.14
BMW Bank North America 4.35 3/3/2028	05580AW34	3/3/2023	244,000.00	244,000.00	249,075.20	4.350	4.350	3/3/2028	1,250	None	785.15	0.14
Capital One NA 2.8 4/20/2027	14042RQS3	4/20/2022	246,000.00	246,000.00	240,002.52	2.800	2.800	4/20/2027	932	None	3,076.01	0.14
Carter Bank & Trust 3.8 9/13/2029	146102BB3	9/13/2024	249,000.00	249,000.00	250,740.51	3.800	3.800	9/13/2029	1,809	None	440.70	0.15
Carter Federal Credit Union 0.75 4/27/2026	14622LAA0	4/27/2023	232,638.71	248,000.00	236,978.88	0.750	5.004	4/27/2026	574	None	15.29	0.14
CBC Federal Credit Union 4.65 5/14/2029	12481GAZ0	5/14/2024	249,000.00	249,000.00	259,985.88	4.650	4.650	5/14/2029	1,687	None	507.55	0.15
Celtic Bank 1.35 4/2/2025	15118RUR6	4/2/2020	249,000.00	249,000.00	245,123.07	1.350	1.350	4/2/2025	184	None	257.87	0.15
Centerstate Bank 1 4/30/2025	15201QDK0	5/13/2020	248,000.00	248,000.00	243,176.40	1.000	1.000	4/30/2025	212	None	1,039.56	0.14
CIBC Bank 4.45 4/13/2028	12547CAX6	4/14/2023	244,000.00	244,000.00	250,278.12	4.450	4.450	4/13/2028	1,291	None	5,027.40	0.14
City National Bank of Metropolis 1.65 2/14/2025	17801GBX6	2/14/2020	249,000.00	249,000.00	246,290.88	1.650	1.650	2/14/2025	137	None	180.10	0.15
Commercial Savings Bank 1.8 10/18/2024	202291AG5	10/18/2019	247,000.00	247,000.00	246,609.74	1.800	1.800	10/18/2024	18	None	2,009.84	0.14
Community Commerce Bank 3.3 8/10/2027	20367GBH1	8/10/2022	249,000.00	249,000.00	245,628.54	3.300	3.300	8/10/2027	1,044	None	450.25	0.15



## Mono County

### Portfolio Holdings by Security Sector

### As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
Consumers Federal Credit Union 4.55 6/12/2029	21056RAC3	6/12/2024	249,000.00	249,000.00	258,992.37	4.550	4.550	6/12/2029	1,716	None	900.15	0.15
County Schools FCU 4.4 9/30/2027	22258JAB7	9/30/2022	249,000.00	249,000.00	253,230.51	4.400	4.400	9/30/2027	1,095	None	0.00	0.15
Credit Union of Texas 4.4 12/9/2027	22551KAU6	12/9/2022	249,000.00	249,000.00	253,853.01	4.400	4.400	12/9/2027	1,165	None	870.48	0.15
Customers Bank 4.7 6/11/2029	23204HPL6	6/11/2024	244,000.00	244,000.00	255,189.84	4.700	4.700	6/11/2029	1,715	None	3,487.53	0.14
Delta National Bank and Trust 0.55 7/21/2025	24773RBW4	7/31/2020	249,000.00	249,000.00	241,838.76	0.550	0.550	7/21/2025	294	None	228.88	0.15
Department of Commerce FCU 5 11/30/2027	24951TAW5	11/30/2022	248,000.00	248,000.00	257,180.96	5.000	5.000	11/30/2027	1,156	None	0.00	0.14
Discover Bank 3.2 5/19/2027	254673D94	5/19/2022	246,000.00	246,000.00	242,253.42	3.200	3.200	5/19/2027	961	None	2,911.56	0.14
Dort Financial Credit Union 4.5 12/16/2027	25844MAK4	12/16/2022	247,000.00	247,000.00	252,582.20	4.500	4.500	12/16/2027	1,172	None	2,771.14	0.14
Eaglemark Savings Bank 2 3/2/2027	27004PCM3	3/2/2022	247,000.00	247,000.00	236,776.67	2.000	2.000	3/2/2027	883	None	378.96	0.14
Empower Federal Credit Union 4.6 5/24/2029	291916AL8	5/24/2024	249,000.00	249,000.00	259,492.86	4.600	4.600	5/24/2029	1,697	None	627.62	0.15
Enterprise Bank & Trust 1.8 11/8/2024	29367SJK8	11/8/2019	249,000.00	249,000.00	248,243.04	1.800	1.800	11/8/2024	39	None	270.15	0.15
Enterprise Bank 4.35 3/3/2028	29367RMJ2	3/3/2023	244,000.00	244,000.00	249,075.20	4.350	4.350	3/3/2028	1,250	None	785.15	0.14
Essential Credit Union 4.35 7/30/2029	29669XAX6	7/30/2024	249,000.00	249,000.00	256,900.77	4.350	4.350	7/30/2029	1,764	None	0.00	0.15
First Financial 4.45 2/8/2028	32024DAC0	2/8/2023	249,000.00	249,000.00	254,801.70	4.450	4.450	2/8/2028	1,226	None	0.00	0.15
First Foundation Bank 4.7 11/4/2027	32026UYA8	11/4/2022	244,000.00	244,000.00	250,395.24	4.700	4.700	11/4/2027	1,130	None	4,681.46	0.14
First Jackson Bank 1.05 3/27/2025	32063KAV4	3/27/2020	248,882.05	249,000.00	244,846.68	1.050	1.150	3/27/2025	178	None	21.49	0.15
First National Bank of Michigan 1.65 2/14/2025	32114VBT3	2/14/2020	249,000.00	249,000.00	246,290.88	1.650	1.650	2/14/2025	137	None	180.10	0.15
Flagstar Bank FSB 0.6 7/22/2025	33847E3W5	7/22/2020	249,000.00	249,000.00	241,913.46	0.600	0.600	7/22/2025	295	None	286.52	0.15
Goldman Sachs Bank USA 0.85 7/28/2026	38149MWX7	7/28/2021	248,000.00	248,000.00	235,024.64	0.850	0.850	7/28/2026	666	None	369.62	0.14
Haddon Savings Bank 0.35 10/20/2025	404730DA8	11/12/2020	248,611.31	249,000.00	239,841.78	0.350	0.486	10/20/2025	385	None	391.58	0.15
HealthcareSystemsFCU 4.35 1/31/2028	42228LAL5	1/31/2023	249,000.00	249,000.00	253,945.14	4.350	4.350	1/31/2028	1,218	None	0.00	0.15
Ideal Credit Union 4.5 12/29/2027	45157PAZ3	12/29/2022	249,000.00	249,000.00	254,811.66	4.500	4.500	12/29/2027	1,185	None	890.26	0.15
Inspire Federal Credit Union 1.15 3/18/2025	457731AK3	3/18/2020	249,000.00	249,000.00	245,140.50	1.150	1.150	3/18/2025	169	None	94.14	0.15
Institution for Savings in Newburyport 0.85 7/29/2	45780PAX3	7/29/2021	249,000.00	249,000.00	235,920.03	0.850	0.850	7/29/2026	667	None	5.80	0.15
Jeanne D'Arc Credit Union 4.3 7/31/2029	472207AJ8	7/31/2024	249,000.00	249,000.00	256,345.50	4.300	4.300	7/31/2029	1,765	None	0.00	0.15
Kemba Financial Credit Union 1.75 10/18/2024	48836LAF9	10/18/2019	249,000.00	249,000.00	248,636.46	1.750	1.750	10/18/2024	18	None	143.26	0.15
Latino Community Credit Union 4.5 12/21/2027	51828MAC8	12/21/2022	249,000.00	249,000.00	254,712.06	4.500	4.500	12/21/2027	1,177	None	276.29	0.15
LCA Bank Corp 4.8 11/15/2027	501798SZ6	11/15/2022	244,000.00	244,000.00	251,337.08	4.800	4.800	11/15/2027	1,141	None	4,460.19	0.14
Leaders Credit Union 5 6/30/2028	52171MAJ4	6/30/2023	248,000.00	248,000.00	260,052.80	5.000	5.000	6/30/2028	1,369	None	0.00	0.14
Liberty First Credit Union 4.4 1/17/2028	530520AB1	1/17/2023	249,000.00	249,000.00	254,216.55	4.400	4.400	1/17/2028	1,204	None	870.48	0.15
Live Oak Banking Company 1.85 1/20/2025	538036HP2	1/24/2020	249,000.00	249,000.00	246,888.48	1.850	1.850	1/20/2025	112	None	366.00	0.15
Merrick Bank 3.8 9/20/2029	59013KP42	9/20/2024	249,000.00	249,000.00	250,723.08	3.800	3.800	9/20/2029	1,816	None	259.23	0.15
Metro Credit Union 1.7 2/18/2027	59161YAP1	2/18/2022	249,000.00	249,000.00	237,075.39	1.700	1.700	2/18/2027	871	None	336.32	0.15
Morgan Stanley Bank 4.65 4/6/2028	61690U3V0	4/6/2023	246,000.00	246,000.00	253,785.90	4.650	4.650	4/6/2028	1,284	None	5,547.13	0.14
Morgan Stanley Private Bank 5.05 11/8/2028	61768EE82	11/8/2023	243,000.00	243,000.00	256,571.55	5.050	5.050	11/8/2028	1,500	None	4,874.98	0.14
Neighbors Federal Credit Union 5 7/26/2028	64017ABA1	7/26/2023	248,000.00	248,000.00	260,429.76	5.000	5.000	7/26/2028	1,395	None	135.89	0.14
OnPath Federal Credit Union 4.85 7/31/2028	68283MAP1	7/31/2023	247,000.00	247,000.00	258,149.58	4.850	4.850	7/31/2028	1,400	None	951.80	0.14
Pacific Enterprise Bank 1.15 3/31/2025	694231AC5	3/31/2020	249,000.00	249,000.00	244,913.91	1.150	1.150	3/31/2025	182	None	0.00	0.15
Pathfinder Bank 0.7 3/11/2026	70320KAX9	3/11/2021	249,000.00	249,000.00	237,862.23	0.700	0.700	3/11/2026	527	None	90.73	0.15
Pentagon Federal Credit Union 0.9 9/29/2026	70962LAS1	9/29/2021	249,000.00	249,000.00	235,130.70	0.900	0.900	9/29/2026	729	None	6.14	0.15
Pitney Bowes Bank 4.35 4/13/2028	724468AC7	4/14/2023	244,000.00	244,000.00	249,475.36	4.350	4.350	4/13/2028	1,291	None	4,914.43	0.14
Resource One Credit Union 1.9 11/27/2024	76124YAB2	2/4/2020	245,074.69	245,000.00	243,917.10	1.900	1.700	11/27/2024	58	None	369.85	0.14
Rockland Federal Credit Union 5 11/30/2028	77357DB4	12/1/2023	245,000.00	245,000.00	258,575.45	5.000	5.000	11/30/2028	1,522	None	0.00	0.14
Sallie Mae Bank/Salt Lake 4.3 7/24/2029	795451DM2	7/24/2024	244,000.00	244,000.00	251,027.20	4.300	4.300	7/24/2029	1,758	None	1,954.67	0.14
San Francisco FCU 1.1 3/27/2025	79772FAF3	3/27/2020	249,000.00	249,000.00	244,908.93	1.100	1.100	3/27/2025	178	None	22.51	0.15



## Mono County Portfolio Holdings by Security Sector As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
SCE Federal Credit Union 4.25 2/15/2029	78413RAP2	2/15/2024	249,000.00	249,000.00	255,663.24	4.250	4.250	2/15/2029	1,599	None	434.90	0.15
Sharonview Federal Credit Union 3.5 8/16/2027	819866BL7	8/16/2022	249,000.00	249,000.00	246,988.08	3.500	3.500	8/16/2027	1,050	None	358.15	0.15
Signature Federal Credit Union 4.4 1/31/2028	82671DAB3	1/31/2023	249,000.00	249,000.00	254,333.58	4.400	4.400	1/31/2028	1,218	None	0.00	0.15
SPCO Credit Union 4.35 1/20/2028	78472EAB0	1/20/2023	249,000.00	249,000.00	253,845.54	4.350	4.350	1/20/2028	1,207	None	296.75	0.15
Star Financial Credit Union 4.5 1/25/2028	85513MAA0	1/25/2023	249,000.00	249,000.00	255,058.17	4.500	4.500	1/25/2028	1,212	None	153.49	0.15
Synchrony Bank 1.45 4/17/2025	87165FZD9	4/17/2020	248,000.00	248,000.00	244,014.64	1.450	1.450	4/17/2025	199	None	1,635.44	0.14
The Farmers & Merchants Bank 3.2 8/5/2027	307811EM7	8/5/2022	249,000.00	249,000.00	244,973.67	3.200	3.200	8/5/2027	1,039	None	545.75	0.15
Third Federal Savings & Loan 1.95 11/25/2024	88413QCK2	11/25/2019	245,000.00	245,000.00	243,907.30	1.950	1.950	11/25/2024	56	None	1,675.40	0.14
Toyota Financial Savings Bank 0.9 4/22/2026	89235MKY6	4/22/2021	248,000.00	248,000.00	236,939.20	0.900	0.900	4/22/2026	569	None	984.53	0.14
Triad Bank/Frontenac MO 1.8 11/8/2024	89579NCB7	11/8/2019	249,000.00	249,000.00	248,243.04	1.800	1.800	11/8/2024	39	None	270.15	0.15
True Sky Credit Union 4.5 11/30/2027	89786MAH7	11/30/2022	244,000.00	244,000.00	249,226.48	4.500	4.500	11/30/2027	1,156	None	3,700.11	0.14
TTCU Federal Credit Union 5 7/26/2028	89854LAD5	7/26/2023	248,000.00	248,000.00	260,429.76	5.000	5.000	7/26/2028	1,395	None	135.89	0.14
Tucson Federal Credit Union 4.95 8/8/2028	898812AB8	8/8/2023	248,000.00	248,000.00	260,166.88	4.950	4.950	8/8/2028	1,408	None	739.92	0.14
UBS Bank USA 4.1 2/7/2029	90355GKU9	2/7/2024	249,000.00	249,000.00	254,151.81	4.100	4.100	2/7/2029	1,591	None	643.31	0.15
UFirst Federal Credit Union 4.8 3/9/2026	902684AC3	3/8/2023	249,000.00	249,000.00	252,129.93	4.800	4.800	3/9/2026	525	None	720.39	0.15
United Community Bank 1.65 2/7/2025	90983WBT7	2/7/2020	249,000.00	249,000.00	246,412.89	1.650	1.650	2/7/2025	130	None	258.89	0.15
University Bank 4.5 3/17/2028	914098DP0	3/17/2023	249,000.00	249,000.00	255,596.01	4.500	4.500	3/17/2028	1,264	None	399.08	0.15
USAlliance Federal Credit Union 3.45 8/26/2027	90352RCR4	8/26/2022	249,000.00	249,000.00	246,607.11	3.450	3.450	8/26/2027	1,060	None	94.14	0.15
USF Federal Credit Union 4.35 7/30/2029	90353EBM4	7/30/2024	249,000.00	249,000.00	256,920.69	4.350	4.350	7/30/2029	1,764	None	0.00	0.15
Utah First Federal Credit Union 4.75 7/14/2028	91739JAA3	7/14/2023	249,000.00	249,000.00	264,370.77	4.750	4.750	7/14/2028	1,383	None	518.47	0.15
Veridian Credit Union 4.8 4/24/2025	92348DAC3	4/24/2023	249,000.00	249,000.00	249,537.84	4.800	4.800	4/24/2025	206	None	949.61	0.15
VYSTAR Credit Union 4.45 9/30/2027	92891CCP5	9/30/2022	249,000.00	249,000.00	253,581.60	4.450	4.450	9/30/2027	1,095	None	880.37	0.15
<b>Sub Total / Average CD Negotiable</b>			<b>24,276,206.76</b>	<b>24,292,000.00</b>	<b>24,455,366.30</b>	<b>3.319</b>	<b>3.363</b>		<b>943</b>		<b>88,059.70</b>	<b>14.19</b>
<b>Corporate Bonds</b>												
3M Company 2 2/14/2025-25	88579YBH3	1/21/2022	500,935.76	500,000.00	494,460.00	2.000	1.487	2/14/2025	137	Moody's-A3	1,277.78	0.29
Apple Inc 0.7 2/8/2026-21	037833EB2	2/24/2021	499,209.41	500,000.00	479,330.00	0.700	0.819	2/8/2026	496	Moody's-Aaa	505.56	0.29
Apple Inc. 3.25 8/8/2029	037833EN6	8/8/2024	480,580.50	500,000.00	487,795.00	3.250	4.144	8/8/2029	1,773	Moody's-Aaa	2,347.22	0.29
Bank of New York Mellon 2.1 10/24/2024	06406RAL1	10/24/2019	499,998.42	500,000.00	499,075.00	2.100	2.105	10/24/2024	24	Moody's-A1	4,550.00	0.29
Bank of New York Mellon 3.4 1/29/2028-27	06406RAF4	2/2/2023	484,783.32	500,000.00	489,595.00	3.400	4.428	1/29/2028	1,216	Moody's-A1	2,880.56	0.29
Colgate-Palmolive Co. 4.6 3/1/2028-23	194162AR4	3/2/2023	500,044.42	500,000.00	513,050.00	4.600	4.597	3/1/2028	1,248	Moody's-Aa3	1,852.78	0.29
John Deere Capital Corp 1.05 6/17/2026	24422EVR7	8/12/2021	499,642.29	500,000.00	476,465.00	1.050	1.093	6/17/2026	625	Moody's-A1	1,502.08	0.29
John Deere Capital Corp 2.8 7/18/2029	24422EUY3	7/18/2024	461,913.67	500,000.00	473,530.00	2.800	4.595	7/18/2029	1,752	Moody's-A1	2,800.00	0.29
Johnson & Johnson 2.625 1/15/2025-17	478160CJ1	1/16/2020	501,019.88	500,000.00	496,915.00	2.625	1.892	1/15/2025	107	Moody's-Aaa	2,734.38	0.29
Johnson & Johnson 2.9 1/15/2028-27	478160CK8	2/8/2023	481,943.32	500,000.00	488,365.00	2.900	4.123	1/15/2028	1,202	Moody's-Aaa	3,020.83	0.29
JP Morgan Chase Bank 1 9/14/2026-23	46632FSH9	9/14/2021	500,000.00	500,000.00	474,869.00	1.000	1.000	9/14/2026	714	Moody's-Aa2	222.22	0.29
Microsoft Corp 2.7 2/12/2025-24	594918BB9	2/13/2020	501,751.82	500,000.00	496,660.00	2.700	1.707	2/12/2025	135	Moody's-Aaa	1,800.00	0.29
Microsoft Corp 3.125 11/3/2025-25	594918BJ2	1/23/2023	494,382.55	500,000.00	495,280.00	3.125	4.225	11/3/2025	399	Moody's-Aaa	6,380.21	0.29
Pepsico Inc 2.625 7/29/2029-29	713448EL8	9/5/2024	471,420.27	500,000.00	471,975.00	2.625	3.937	7/29/2029	1,763	Moody's-A1	2,223.96	0.29
Pfizer Inc 0.8 5/28/2025-25	717081EX7	1/24/2022	497,600.00	500,000.00	488,445.00	0.800	1.551	5/28/2025	240	Moody's-A2	1,355.56	0.29
Procter & Gamble Co 3.95 1/26/2028-23	742718FZ7	2/8/2023	504,455.91	507,000.00	510,102.84	3.950	4.118	1/26/2028	1,213	Moody's-Aa3	3,560.27	0.30
Procter & Gamble Co. 1.9 2/1/2027	742718FV6	2/2/2022	500,278.43	500,000.00	479,550.00	1.900	1.875	2/1/2027	854	Moody's-Aa3	1,556.94	0.29
Toyota Motor Credit Corp 1.125 6/18/2026	89236TJK2	7/23/2021	500,415.94	500,000.00	476,700.00	1.125	1.075	6/18/2026	626	Moody's-A1	1,593.75	0.29
Toyota Motor Credit Corp 4.65 1/5/2029	89236TLL7	2/6/2024	499,878.48	500,000.00	510,315.00	4.650	4.656	1/5/2029	1,558	Moody's-A1	5,489.58	0.29
US Bancorp 1.45 5/12/2025	91159HHZ6	2/12/2021	502,373.07	500,000.00	490,830.00	1.450	0.665	5/12/2025	224	Moody's-A3	2,779.17	0.29
US Bank NA 2.05 1/21/2025	90331HPL1	4/20/2022	498,626.49	500,000.00	495,700.00	2.050	2.982	1/21/2025	113	Moody's-A2	1,964.58	0.29



# Mono County

## Portfolio Holdings by Security Sector

### As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
<b>Sub Total / Average Corporate Bonds</b>			<b>10,381,253.95</b>	<b>10,507,000.00</b>	<b>10,289,006.84</b>	<b>2.420</b>	<b>2.719</b>		<b>782</b>		<b>52,397.43</b>	<b>6.14</b>
<b>Municipal Bonds</b>												
Alvord Unified School Dist 1.327 8/1/2026	022555WU6	8/5/2022	674,734.52	700,000.00	668,066.00	1.327	3.450	8/1/2026	670	S&P-AA	1,522.36	0.41
Belmont-Redwood Shores Sch Dist 1.099 8/1/2026	080495HP2	8/4/2021	210,000.00	210,000.00	199,947.30	1.099	1.099	8/1/2026	670	Moody's-Aa1	378.24	0.12
Beverly Hills USD 2.65 8/1/2025	088023PK6	7/18/2022	496,855.20	500,000.00	493,950.00	2.650	3.451	8/1/2025	305	Moody's-Aa1	2,171.53	0.29
Bonita Unified School District 1.054 8/1/2025	098203VW9	4/15/2021	250,000.00	250,000.00	243,545.00	1.054	1.054	8/1/2025	305	S&P-AA-	431.85	0.15
California Health Facilities Financing Authority 3	13032UC48	6/1/2022	495,663.41	500,000.00	490,860.00	3.244	3.602	6/1/2027	974	Moody's-Aa3	5,361.61	0.29
California State University 1.361 11/1/2027	13077DQF2	11/1/2022	613,575.67	685,000.00	634,323.70	1.361	5.246	11/1/2027	1,127	Moody's-Aa2	3,858.62	0.40
California State University 1.521 11/1/2028	13077DQG0	11/1/2023	431,764.92	500,000.00	454,525.00	1.521	5.374	11/1/2028	1,493	Moody's-Aa2	3,147.62	0.29
Citrus Community College GO 0.819 8/1/2025	17741RGC6	8/4/2020	350,000.00	350,000.00	340,714.50	0.819	0.819	8/1/2025	305	Moody's-Aa1	469.79	0.20
County of Alameda 3.46 8/1/2027	010878BF2	8/24/2022	500,000.00	500,000.00	496,945.00	3.460	3.460	8/1/2027	1,035	S&P-AAA	2,835.28	0.29
East Side Union High School District 1.331 8/1/202	275282PT2	8/16/2021	502,504.64	500,000.00	475,550.00	1.331	1.050	8/1/2026	670	Moody's-Aa3	1,090.68	0.29
Fremont Unified School District 1.113 8/1/2027	357155BA7	8/23/2022	278,636.77	300,000.00	278,187.00	1.113	3.900	8/1/2027	1,035	Moody's-Aa2	547.22	0.18
Fresno USD 1.687 8/1/2029	3582326X9	8/1/2024	441,047.90	500,000.00	453,575.00	1.687	4.432	8/1/2029	1,766	Moody's-Aa3	1,382.40	0.29
Gavilan Joint Comm College Dist 4 8/1/2029	368079JD2	8/1/2024	294,452.48	300,000.00	301,851.00	4.000	4.431	8/1/2029	1,766	Moody's-Aa3	1,966.67	0.18
Gavilan Joint Comm College Dist 4 8/1/2029	368079JD2	8/1/2024	490,754.13	500,000.00	503,085.00	4.000	4.431	8/1/2029	1,766	Moody's-Aa3	3,277.78	0.29
Long Beach Community College Dist 2 5/1/2025	542411N2Z	3/25/2021	271,770.22	270,000.00	266,703.30	2.000	0.853	5/1/2025	213	Moody's-Aa2	2,235.00	0.16
Los Angeles CA Muni Impt CorpLease 0.683 11/1/2024	5445872S6	3/10/2021	500,027.15	500,000.00	498,270.00	0.683	0.620	11/1/2024	32	S&P-AA-	1,413.43	0.29
Milpitas USD 0.943 8/1/2025	601670MH2	7/18/2022	686,210.98	700,000.00	682,136.00	0.943	3.450	8/1/2025	305	Moody's-Aa1	1,081.83	0.41
Napa Valley Unified School District 1.094 8/1/2026	630362ER8	8/17/2021	500,747.73	500,000.00	475,600.00	1.094	1.010	8/1/2026	670	Moody's-Aa3	896.47	0.29
Palomar Comm College Dist 1.836 8/1/2029	697511FG3	8/1/2024	444,771.40	500,000.00	455,800.00	1.836	4.406	8/1/2029	1,766	Moody's-Aa2	1,504.50	0.29
Pasadena USD 2.073 5/1/2026	702282QD9	10/1/2021	507,586.90	500,000.00	486,060.00	2.073	1.088	5/1/2026	578	Moody's-Aa3	4,289.96	0.29
Rancho Santiago CCD 0.956 9/1/2026	752147HK7	7/19/2022	692,034.60	725,000.00	686,575.00	0.956	3.524	9/1/2026	701	Moody's-Aa1	558.33	0.42
Rancho Santiago Community College GO 0.734 9/2/202	752147HJ0	9/2/2020	500,000.00	500,000.00	484,840.00	0.734	0.734	9/2/2025	337	Moody's-Aa1	295.64	0.29
Riverside County Ca Inf Fing Authority 1.766 11/1/	76913DFY8	11/4/2022	451,804.21	500,000.00	468,005.00	1.766	5.368	11/1/2027	1,127	S&P-AA-	3,654.64	0.29
Saddleback Valley School Dist 2.4 8/1/2027	786318LF0	8/10/2022	486,961.39	500,000.00	481,145.00	2.400	3.408	8/1/2027	1,035	Moody's-Aa1	1,966.67	0.29
San Bernardino Ca Cmnty CLG Dist 1.097 8/1/2026	796720PB0	8/5/2021	250,000.00	250,000.00	237,600.00	1.097	1.097	8/1/2026	670	Moody's-Aa1	449.47	0.15
San Diego Community College Dist 2.407 8/1/2027	797272QS3	8/8/2022	978,156.32	1,000,000.00	963,000.00	2.407	3.248	8/1/2027	1,035	Moody's-Aa1	3,944.81	0.58
San Diego Public Facs Fing Auth Wtr Rev 2.003 8/1/	79730CJL9	8/25/2022	478,768.72	500,000.00	475,865.00	2.003	3.654	8/1/2027	1,035	Moody's-Aa2	1,641.35	0.29
San Dieguito UHSD 1.94 8/1/2027	797508HG6	8/15/2022	368,860.88	385,000.00	365,272.60	1.940	3.567	8/1/2027	1,035	Moody's-Aa1	1,224.09	0.22
Savanna School District 1.791 8/1/2029	80467PEC2	8/20/2024	529,236.50	590,000.00	533,513.40	1.791	4.170	8/1/2029	1,766	S&P-AA	1,731.80	0.34
Southwestern Community College GO 0.891 8/1/2025	845389JH9	8/5/2020	500,412.64	500,000.00	486,950.00	0.891	0.790	8/1/2025	305	Moody's-Aa2	730.12	0.29
University of California 0.985 5/15/2025	91412HKZ5	3/10/2021	500,257.92	500,000.00	489,425.00	0.985	0.900	5/15/2025	227	Moody's-Aa3	1,846.88	0.29
West Contra Costa USD 2.077 8/1/2026	9523472G6	9/23/2021	494,152.85	485,000.00	468,854.35	2.077	1.020	8/1/2026	670	Moody's-A1	1,650.93	0.28
<b>Sub Total / Average Municipal Bonds</b>			<b>15,171,750.05</b>	<b>15,700,000.00</b>	<b>15,040,739.15</b>	<b>1.767</b>	<b>2.945</b>		<b>873</b>		<b>59,557.57</b>	<b>9.17</b>
<b>US Agency</b>												
FAMC 4.04 1/22/2029	31424WFE7	1/25/2024	996,537.42	1,000,000.00	1,017,330.00	4.040	4.130	1/22/2029	1,575	None	7,631.11	0.58
FAMC 4.32 7/17/2028	31422X4Y5	7/17/2023	1,000,000.00	1,000,000.00	1,025,470.00	4.320	4.320	7/17/2028	1,386	None	8,760.00	0.58
FAMC 4.92 11/1/2028	31424WBJ0	11/1/2023	1,000,000.00	1,000,000.00	1,049,780.00	4.920	4.920	11/1/2028	1,493	None	20,363.33	0.58
FFCB 0.52 10/14/2025-21	3133EMCP5	10/14/2020	999,740.55	1,000,000.00	962,030.00	0.520	0.545	10/14/2025	379	Moody's-Aaa	2,397.78	0.58
FFCB 0.53 10/22/2025-21	3133EMEC2	11/6/2020	999,572.61	1,000,000.00	966,760.00	0.530	0.571	10/22/2025	387	Moody's-Aaa	2,326.11	0.58
FFCB 0.68 6/10/2025-22	3133ELH80	6/26/2020	1,000,000.00	1,000,000.00	975,550.00	0.680	0.680	6/10/2025	253	Moody's-Aaa	2,077.78	0.58
FFCB 0.77 7/20/2027	3133ELV92	10/18/2023	893,290.13	1,000,000.00	925,090.00	0.770	4.993	7/20/2027	1,023	Moody's-Aaa	1,497.22	0.58
FFCB 1.27 11/16/2026-23	3133ENEF3	11/16/2021	1,000,000.00	1,000,000.00	948,530.00	1.270	1.270	11/16/2026	777	Moody's-Aaa	4,727.22	0.58





## Mono County Portfolio Holdings by Security Sector As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
FFCB 1.32 6/1/2026	3133ENGC8	12/1/2021	1,000,000.00	1,000,000.00	961,980.00	1.320	1.320	6/1/2026	609	Moody's-Aaa	4,363.33	0.58
FFCB 1.5 10/16/2024	3133EK3B0	10/18/2019	999,918.99	1,000,000.00	998,620.00	1.500	1.694	10/16/2024	16	Moody's-Aaa	6,833.33	0.58
FFCB 2.18 2/16/2027-24	3133ENPB0	2/16/2022	1,000,000.00	1,000,000.00	964,110.00	2.180	2.180	2/16/2027	869	Moody's-Aaa	2,664.44	0.58
FFCB 2.875 4/26/2027	3133ENV9	4/26/2022	996,352.79	1,000,000.00	982,220.00	2.875	3.029	4/26/2027	938	Moody's-Aaa	12,298.61	0.58
FFCB 3.05 7/19/2027	3133ENB33	7/19/2022	1,000,000.00	1,000,000.00	984,800.00	3.050	3.050	7/19/2027	1,022	Moody's-Aaa	6,015.28	0.58
FFCB 3.33 4/12/2027-23	3133ENUH1	4/12/2022	1,000,000.00	1,000,000.00	982,940.00	3.330	3.330	4/12/2027	924	Moody's-Aaa	15,540.00	0.58
FFCB 3.5 4/12/2028	3133EPFU4	4/12/2023	992,586.21	1,000,000.00	995,750.00	3.500	3.732	4/12/2028	1,290	Moody's-Aaa	16,333.33	0.58
FFCB 3.625 5/3/2028	3133EPHT5	5/3/2023	996,225.58	1,000,000.00	999,850.00	3.625	3.741	5/3/2028	1,311	Moody's-Aaa	14,802.08	0.58
FFCB 3.875 1/18/2029	3133EPW84	1/18/2024	992,639.43	1,000,000.00	1,009,670.00	3.875	4.066	1/18/2029	1,571	Moody's-Aaa	7,750.00	0.58
FFCB 3.875 1/9/2029	3133EPU37	1/9/2024	996,725.53	1,000,000.00	1,009,610.00	3.875	3.960	1/9/2029	1,562	Moody's-Aaa	8,718.75	0.58
FFCB 3.875 2/14/2028	3133EPAV7	2/15/2023	993,897.38	1,000,000.00	1,007,690.00	3.875	4.077	2/14/2028	1,232	Moody's-Aaa	4,951.39	0.58
FFCB 4 11/29/2027	3133EN3H1	11/29/2022	997,931.63	1,000,000.00	1,011,150.00	4.000	4.073	11/29/2027	1,155	Moody's-Aaa	13,444.44	0.58
FFCB 4.125 10/14/2027	3133ENS50	10/14/2022	997,467.40	1,000,000.00	1,013,570.00	4.125	4.218	10/14/2027	1,109	Moody's-Aaa	19,020.83	0.58
FFCB 4.125 2/13/2029	3133EP3B9	2/13/2024	998,936.01	1,000,000.00	1,020,930.00	4.125	4.152	2/13/2029	1,597	Moody's-Aaa	5,385.42	0.58
FFCB 4.125 3/20/2029	3133EP5U5	3/20/2024	989,158.73	1,000,000.00	1,021,370.00	4.125	4.398	3/20/2029	1,632	Moody's-Aaa	1,145.83	0.58
FFCB 4.25 12/15/2028	3133EPN50	12/15/2023	996,592.86	1,000,000.00	1,025,130.00	4.250	4.341	12/15/2028	1,537	Moody's-Aaa	12,395.83	0.58
FFCB 4.25 7/17/2028	3133EPQD0	7/17/2023	998,657.24	1,000,000.00	1,021,180.00	4.250	4.290	7/17/2028	1,386	Moody's-Aaa	8,618.06	0.58
FFCB 4.25 8/7/2028	3133EPSK2	8/7/2023	996,711.61	1,000,000.00	1,022,790.00	4.250	4.346	8/7/2028	1,407	Moody's-Aaa	6,256.94	0.58
FFCB 4.29 5/16/2028-25	3133EPJS5	5/16/2023	1,000,000.00	1,000,000.00	997,790.00	4.290	4.290	5/16/2028	1,324	Moody's-Aaa	16,087.50	0.58
FFCB 4.375 4/10/2029	3133ERAK7	4/10/2024	999,637.90	1,000,000.00	1,031,960.00	4.375	4.384	4/10/2029	1,653	Moody's-Aaa	20,659.72	0.58
FFCB 4.625 11/13/2028	3133EPC45	11/13/2023	999,233.91	1,000,000.00	1,038,660.00	4.625	4.646	11/13/2028	1,505	Moody's-Aaa	17,600.69	0.58
FFCB 4.625 4/5/2029	3133EPXV2	4/5/2024	1,009,025.19	1,000,000.00	1,042,210.00	4.625	4.400	4/5/2029	1,648	Moody's-Aaa	22,482.64	0.58
FFCB 4.75 7/8/2026	3133EPVP7	12/7/2023	1,004,523.37	1,000,000.00	1,016,660.00	4.750	4.476	7/8/2026	646	Moody's-Aaa	10,819.44	0.58
FFCB 5 10/24/2028	3133EPZN8	10/24/2023	1,000,910.34	1,000,000.00	1,052,580.00	5.000	4.974	10/24/2028	1,485	Moody's-Aaa	21,666.67	0.58
FHLB 0.5 1/26/2026-21	3130AKMD5	1/26/2021	999,670.68	1,000,000.00	956,680.00	0.500	0.525	1/26/2026	483	Moody's-Aaa	888.89	0.58
FHLB 0.51 11/18/2024-22	3130ANFJ4	8/18/2021	1,000,000.00	1,000,000.00	994,310.00	0.510	0.510	11/18/2024	49	Moody's-Aaa	1,870.00	0.58
FHLB 0.6 1/28/2026-21	3130AKPC4	1/28/2021	1,000,000.00	1,000,000.00	957,760.00	0.600	0.600	1/28/2026	485	Moody's-Aaa	1,033.33	0.58
FHLB 0.7 3/24/2025-21	3130ALN34	3/24/2021	1,000,000.00	1,000,000.00	982,460.00	0.700	0.700	3/24/2025	175	Moody's-Aaa	116.67	0.58
FHLB 1.02 4/26/2029-21	3130AKCS3	4/26/2024	848,035.08	1,000,000.00	882,250.00	1.020	4.800	4/26/2029	1,669	Moody's-Aaa	4,363.33	0.58
FHLB 1.05 4/15/2026-21	3130ALU51	4/15/2021	1,000,000.00	1,000,000.00	957,680.00	1.050	1.050	4/15/2026	562	Moody's-Aaa	4,812.50	0.58
FHLB 1.05 7/29/2026-24	3130ANCA6	7/29/2021	1,000,000.00	1,000,000.00	951,080.00	1.050	1.050	7/29/2026	667	Moody's-Aaa	1,779.17	0.58
FHLB 1.15 12/10/2024-22	3130AQ3F8	4/18/2022	997,099.79	1,000,000.00	993,190.00	1.150	2.708	12/10/2024	71	Moody's-Aaa	3,513.89	0.58
FHLB 1.15 4/29/2026-21	3130ALXJ8	4/29/2021	1,000,000.00	1,000,000.00	958,150.00	1.150	1.150	4/29/2026	576	Moody's-Aaa	4,823.61	0.58
FHLB 1.375 10/28/2026-22	3130APL78	10/28/2021	1,000,000.00	1,000,000.00	952,280.00	1.375	1.375	10/28/2026	758	Moody's-Aaa	5,805.56	0.58
FHLB 1.54 1/25/2027-23	3130AQHZ9	1/25/2022	1,000,000.00	1,000,000.00	950,970.00	1.540	1.540	1/25/2027	847	Moody's-Aaa	2,780.56	0.58
FHLB 1.6 1/27/2027-23	3130AQKF9	1/27/2022	1,000,000.00	1,000,000.00	952,180.00	1.600	1.600	1/27/2027	849	Moody's-Aaa	2,800.00	0.58
FHLB 2.875 6/13/2025	3130A5R35	7/21/2020	767,492.94	755,000.00	748,186.55	2.875	0.483	6/13/2025	256	Moody's-Aaa	6,451.58	0.44
FHLB 3.75 4/6/2028	3130AVL91	4/18/2023	996,696.26	1,000,000.00	1,004,720.00	3.750	3.854	4/6/2028	1,284	Moody's-Aaa	18,125.00	0.58
FHLB 4 5/26/2027-22	3130ARYA3	5/26/2022	1,000,000.00	1,000,000.00	998,470.00	4.000	4.000	5/26/2027	968	Moody's-Aaa	13,777.78	0.58
FHLB 4.375 9/8/2028	3130AWTR1	9/8/2023	997,133.03	1,000,000.00	1,027,350.00	4.375	4.455	9/8/2028	1,439	Moody's-Aaa	2,673.61	0.58
FHLB 4.5 7/26/2027-24	3130ASLA5	7/26/2022	1,000,000.00	1,000,000.00	998,790.00	4.500	4.500	7/26/2027	1,029	Moody's-Aaa	8,000.00	0.58
FHLB 5 2/28/2028-25	3130AV2P6	2/28/2023	1,000,000.00	1,000,000.00	1,000,990.00	5.000	5.000	2/28/2028	1,246	Moody's-Aaa	4,444.44	0.58
FHLB 5 7/7/2028-25	3130AWJZ4	7/7/2023	1,000,000.00	1,000,000.00	1,008,580.00	5.000	5.000	7/7/2028	1,376	Moody's-Aaa	11,527.78	0.58
FHLB Step 1/26/2026-23	3130AQJ20	2/11/2022	894,335.36	900,000.00	877,635.00	1.750	1.998	1/26/2026	483	Moody's-Aaa	2,800.00	0.53
FHLMC 0.375 7/21/2025	3137EAEU9	10/13/2023	963,861.17	1,000,000.00	971,250.00	0.375	5.126	7/21/2025	294	Moody's-Aaa	718.75	0.58



## Mono County Portfolio Holdings by Security Sector As of September 30, 2024

Description	CUSIP/Ticker	Settlement Date	Book Value	Face Amount/Shares	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	Days To Maturity	Credit Rating 1	Accrued Interest	% of Portfolio
FHLMC 0.53 10/28/2025-22	3134GWYZ3	10/28/2020	1,000,000.00	1,000,000.00	966,220.00	0.530	0.530	10/28/2025	393	Moody's-Aaa	2,237.78	0.58
FHLMC 0.57 10/8/2025-21	3134GWY26	10/8/2020	1,000,000.00	1,000,000.00	962,290.00	0.570	0.570	10/8/2025	373	Moody's-Aaa	2,723.33	0.58
FHLMC 0.6 7/22/2025-22	3134GV5V6	7/22/2020	1,000,000.00	1,000,000.00	972,770.00	0.600	0.600	7/22/2025	295	Moody's-Aaa	1,133.33	0.58
FNMA 0.55 1/28/2026-21	3135G06R9	1/28/2021	1,000,000.00	1,000,000.00	958,880.00	0.550	0.550	1/28/2026	485	Moody's-Aaa	947.22	0.58
FNMA 0.625 7/14/2025-22	3136G4YL1	7/14/2020	1,000,000.00	1,000,000.00	971,790.00	0.625	0.625	7/14/2025	287	Moody's-Aaa	1,319.44	0.58
FNMA 0.7 7/24/2025-22	3136G4YE7	7/24/2020	1,000,000.00	1,000,000.00	971,410.00	0.700	0.700	7/24/2025	297	Moody's-Aaa	1,283.33	0.58
FNMA 0.74 6/30/2025-21	3136G4XZ1	6/30/2020	795,000.00	795,000.00	774,425.40	0.740	0.740	6/30/2025	273	Moody's-Aaa	1,470.75	0.46
<b>Sub Total / Average US Agency</b>			<b>59,105,597.12</b>	<b>59,450,000.00</b>	<b>58,787,136.95</b>	<b>2.590</b>	<b>2.834</b>		<b>917</b>		<b>439,856.73</b>	<b>34.72</b>
<b>US Treasury</b>												
T-Note 0.375 12/31/2025	91282CBC4	10/22/2021	991,571.17	1,000,000.00	958,090.00	0.375	1.066	12/31/2025	457	Moody's-Aaa	937.50	0.58
T-Note 0.5 2/28/2026	91282CBQ3	3/1/2021	995,729.57	1,000,000.00	955,160.00	0.500	0.809	2/28/2026	516	Moody's-Aaa	414.36	0.58
T-Note 0.5 4/30/2027	91282ZN3	5/3/2022	940,495.23	1,000,000.00	924,570.00	0.500	3.001	4/30/2027	942	Moody's-Aaa	2,078.80	0.58
T-Note 0.75 5/31/2026	91282CCF6	6/4/2021	998,697.91	1,000,000.00	952,460.00	0.750	0.830	5/31/2026	608	Moody's-Aaa	2,500.00	0.58
T-Note 1.125 10/31/2026	91282CDG3	11/2/2021	998,386.55	1,000,000.00	949,810.00	1.125	1.205	10/31/2026	761	Moody's-Aaa	4,677.31	0.58
T-Note 1.125 10/31/2026	91282CDG3	11/15/2021	998,030.27	1,000,000.00	949,810.00	1.125	1.223	10/31/2026	761	Moody's-Aaa	4,677.31	0.58
T-Note 1.5 1/31/2027	91282Z78	1/31/2022	996,350.46	1,000,000.00	953,090.00	1.500	1.664	1/31/2027	853	Moody's-Aaa	2,486.41	0.58
T-Note 1.625 9/30/2026	91282YG9	9/30/2021	1,012,664.93	1,000,000.00	961,600.00	1.625	0.974	9/30/2026	730	Moody's-Aaa	0.00	0.58
T-Note 2 11/15/2026	91282U24	11/15/2021	1,016,218.68	1,000,000.00	966,800.00	2.000	1.211	11/15/2026	776	Moody's-Aaa	7,500.00	0.58
T-Note 2.75 7/31/2027	91282CFB2	3/19/2024	954,515.36	1,000,000.00	977,700.00	2.750	4.497	7/31/2027	1,034	Moody's-Aaa	4,558.42	0.58
T-Note 3 7/15/2025	91282CEY3	1/5/2024	988,568.22	1,000,000.00	991,860.00	3.000	4.514	7/15/2025	288	Moody's-Aaa	6,277.17	0.58
T-Note 3.125 8/15/2025	91282CFE6	1/3/2023	990,344.40	1,000,000.00	992,020.00	3.125	4.304	8/15/2025	319	Moody's-Aaa	3,906.25	0.58
T-Note 4.125 7/31/2028	91282CHQ7	8/2/2023	996,404.11	1,000,000.00	1,019,410.00	4.125	4.230	7/31/2028	1,400	Moody's-Aaa	6,837.64	0.58
T-Note 4.125 7/31/2028	91282CHQ7	12/11/2023	994,963.84	1,000,000.00	1,019,410.00	4.125	4.270	7/31/2028	1,400	Moody's-Aaa	6,837.64	0.58
T-Note 4.5 7/15/2026	91282CHM6	9/29/2023	993,998.16	1,000,000.00	1,013,830.00	4.500	4.860	7/15/2026	653	Moody's-Aaa	9,415.76	0.58
<b>Sub Total / Average US Treasury</b>			<b>14,866,938.86</b>	<b>15,000,000.00</b>	<b>14,585,620.00</b>	<b>2.075</b>	<b>2.577</b>		<b>767</b>		<b>63,104.57</b>	<b>8.76</b>
<b>Total / Average</b>			<b>170,064,724.81</b>	<b>171,211,978.07</b>	<b>169,420,847.31</b>	<b>3.256</b>	<b>3.517</b>		<b>648</b>		<b>702,976.00</b>	<b>100.00</b>





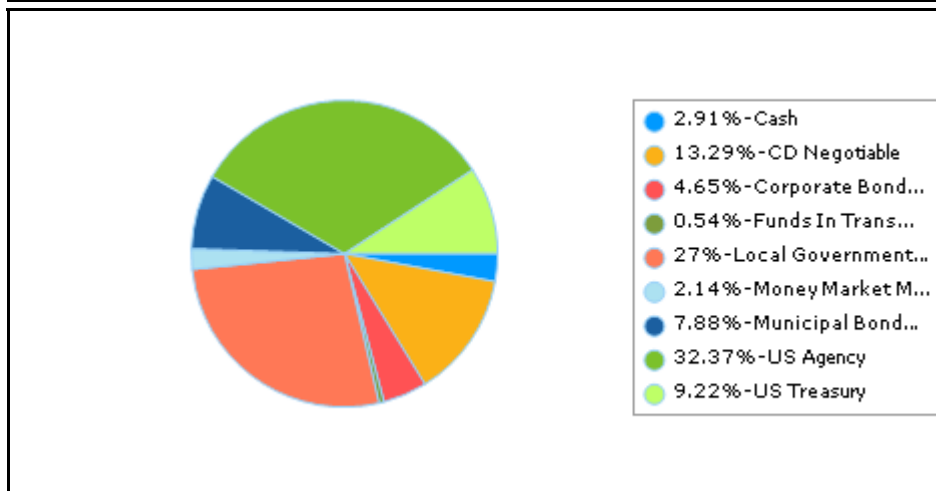
## Mono County Distribution by Asset Category - Market Value Investment Portfolio

Begin Date: 6/30/2024, End Date: 9/30/2024

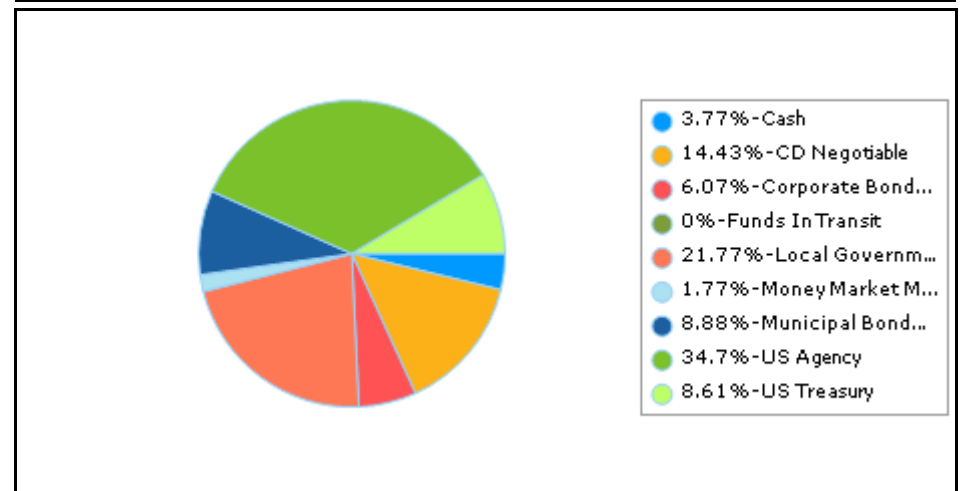
### Asset Category Allocation

Asset Category	Market Value 6/30/2024	% of Portfolio 6/30/2024	Market Value 9/30/2024	% of Portfolio 9/30/2024
Cash	5,428,431.00	2.91	6,382,960.69	3.77
CD Negotiable	24,792,837.46	13.29	24,455,366.30	14.43
Corporate Bonds	8,665,604.50	4.65	10,289,006.84	6.07
Funds In Transit	1,000,000.00	0.54	0.00	0.00
Local Government Investment Pools	50,346,182.76	27.00	36,880,017.38	21.77
Money Market Mutual Funds	4,000,000.00	2.14	3,000,000.00	1.77
Municipal Bonds	14,695,945.70	7.88	15,040,739.15	8.88
US Agency	60,361,922.55	32.37	58,787,136.95	34.70
US Treasury	17,204,000.00	9.22	14,585,620.00	8.61
<b>Total / Average</b>	<b>186,494,923.97</b>	<b>100.00</b>	<b>169,420,847.31</b>	<b>100.00</b>

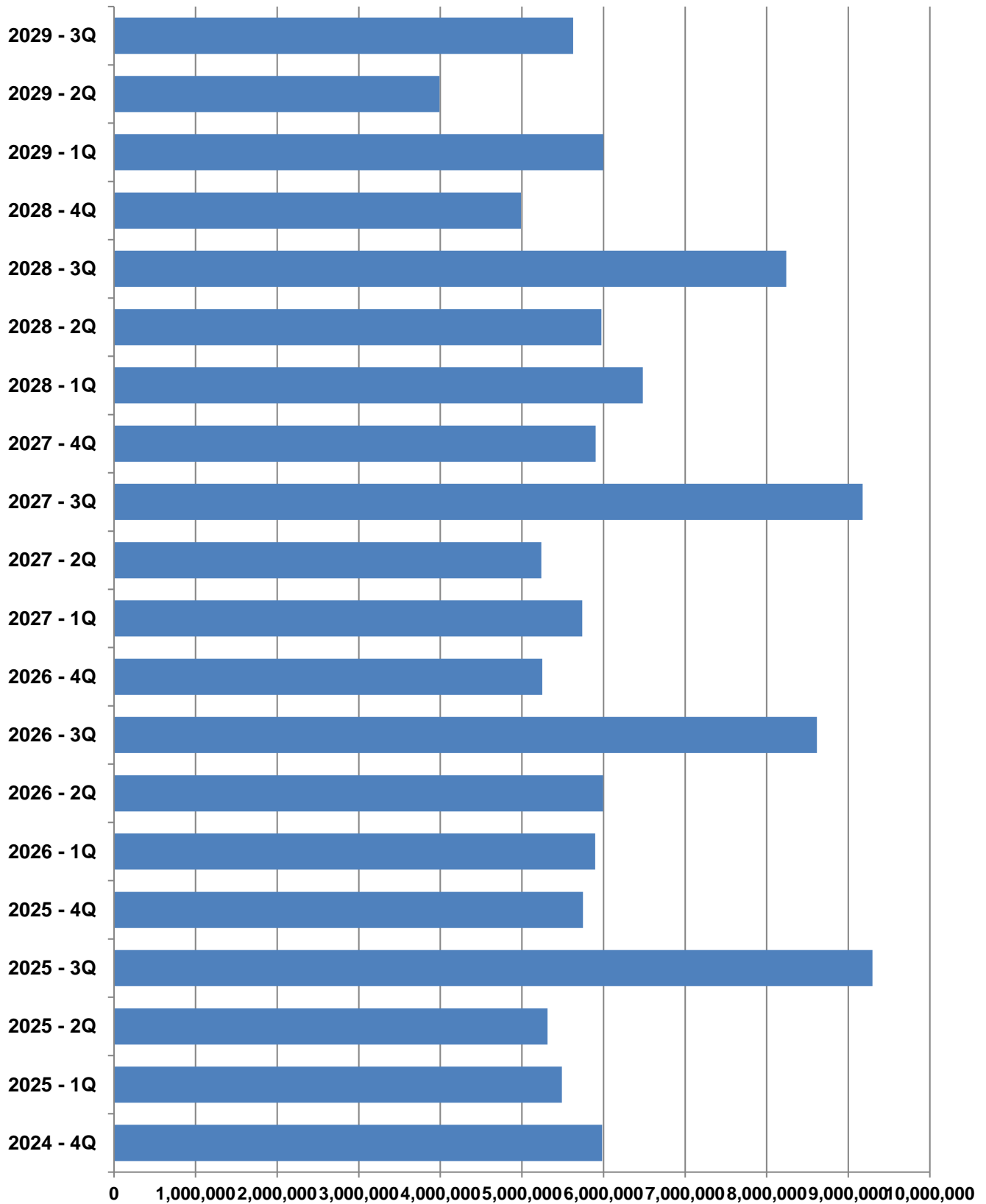
**Portfolio Holdings as of 6/30/2024**



**Portfolio Holdings as of 9/30/2024**

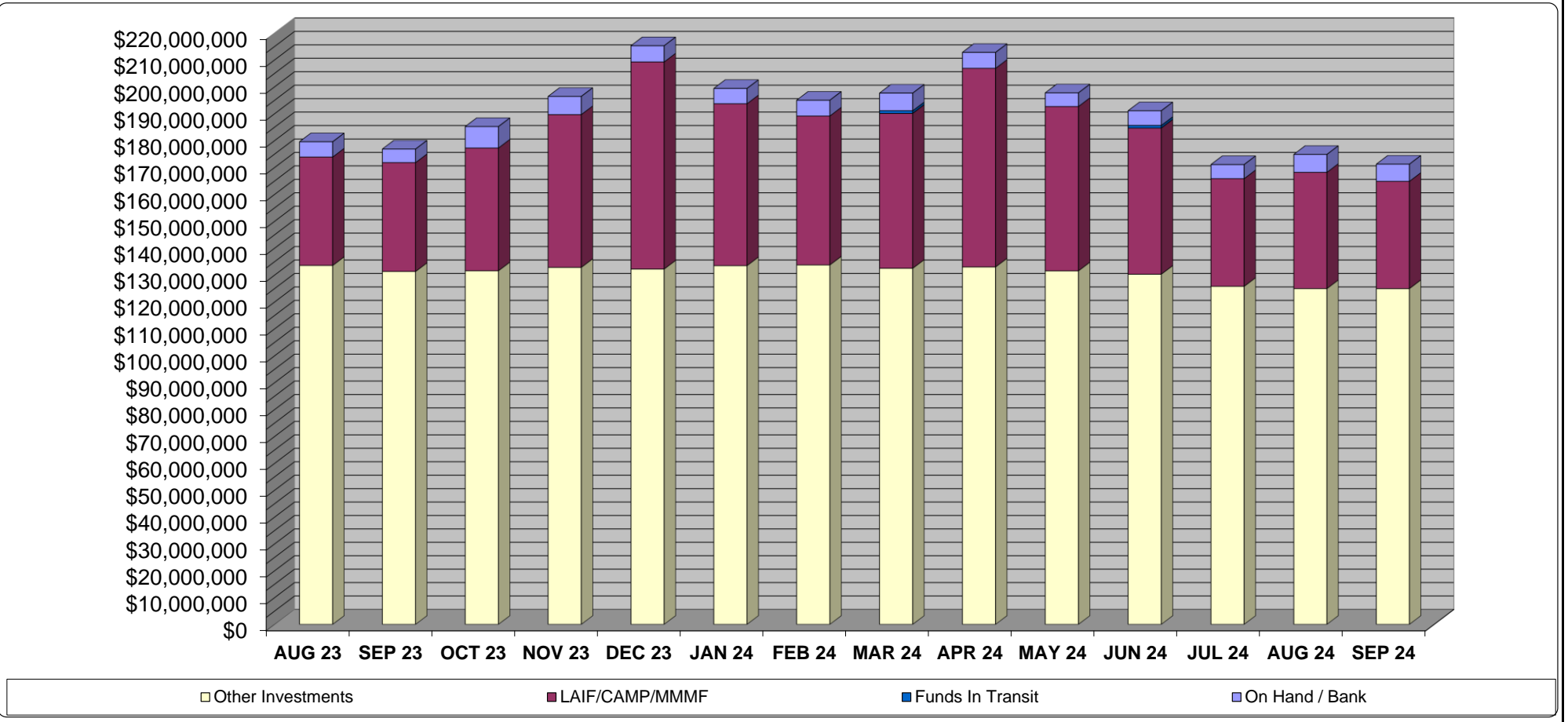


# Maturity Distribution As of 9/30/2024



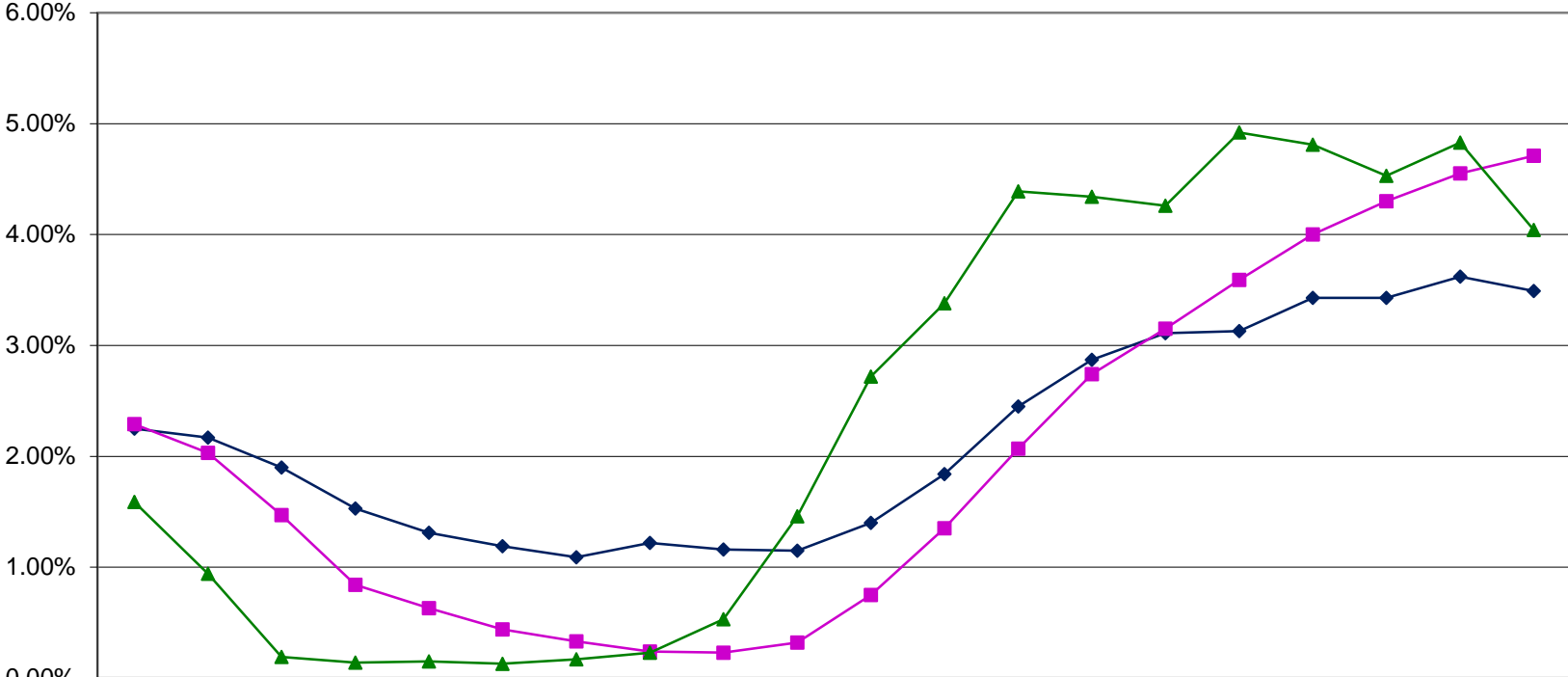
**TREASURY CASH BALANCES AS OF THE LAST DAY OF THE MOST RECENT 14 MONTHS**

	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	MAY 24	JUN 24	JUL 24	AUG 24	SEP 24
On Hand / Bank	\$5,672,302	\$5,041,752	\$7,972,237	\$6,755,605	\$6,026,387	\$5,684,557	\$5,864,574	\$6,541,435	\$5,911,394	\$5,069,854	\$5,428,431	\$5,238,356	\$6,667,621	\$6,382,961
Funds In Transit								\$1,000,000			\$1,000,000			
LAIF/CAMP/MMMF	\$40,324,085	\$40,478,230	\$45,644,386	\$56,807,152	\$76,995,735	\$60,197,848	\$55,388,245	\$57,603,487	\$73,852,599	\$61,109,065	\$54,346,183	\$40,047,087	\$43,215,100	\$39,880,017
Other Investments	\$133,557,933	\$131,318,933	\$131,575,933	\$132,836,933	\$132,219,000	\$133,480,000	\$133,738,400	\$132,489,000	\$132,997,000	\$131,546,000	\$130,290,000	\$125,785,000	\$124,951,000	\$124,949,000
<b>TOTAL</b>	<b>\$179,554,320</b>	<b>\$176,838,915</b>	<b>\$185,192,556</b>	<b>\$196,399,690</b>	<b>\$215,241,122</b>	<b>\$199,362,405</b>	<b>\$194,991,219</b>	<b>\$197,633,922</b>	<b>\$212,760,993</b>	<b>\$197,724,919</b>	<b>\$191,064,614</b>	<b>\$171,070,443</b>	<b>\$174,833,721</b>	<b>\$171,211,978</b>



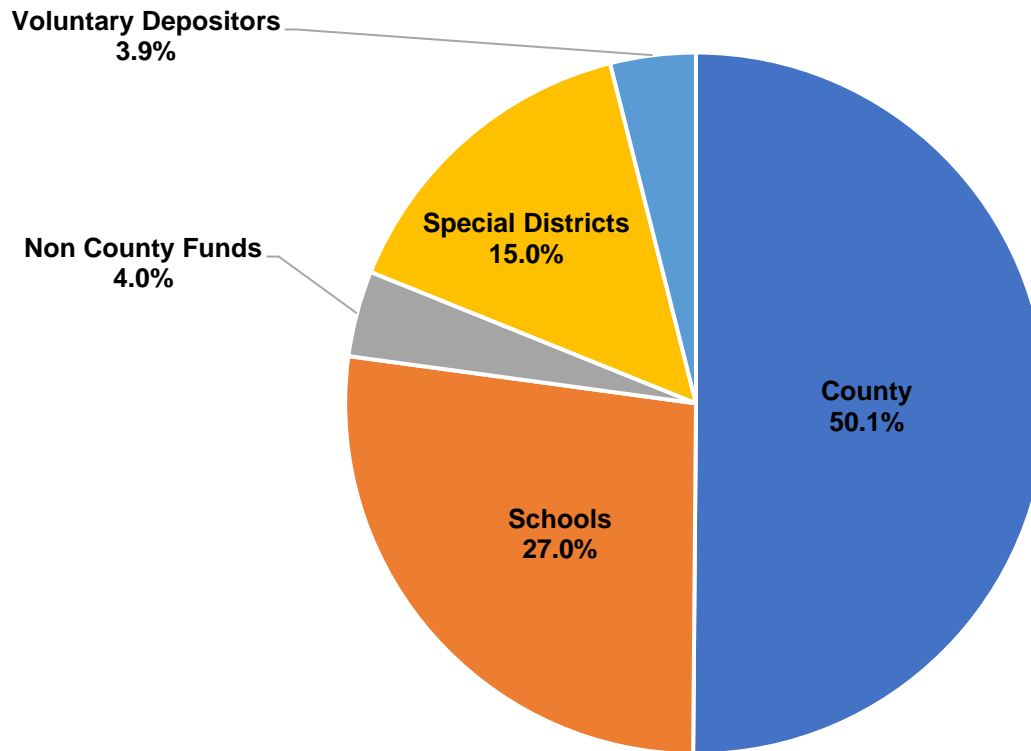
MATURITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
Calendar Year 2024										\$2,494,000.00	\$2,488,000.00	\$1,000,000.00	\$5,982,000.00
Calendar Year 2025	\$1,249,000.00	\$1,996,000.00	\$2,245,000.00	\$994,000.00	\$1,770,000.00	\$2,550,000.00	\$5,498,000.00	\$3,300,000.00	\$500,000.00	\$4,249,000.00	\$500,000.00	\$1,000,000.00	\$25,851,000.00
Calendar Year 2026	\$3,900,000.00	\$1,500,000.00	\$498,000.00	\$2,496,000.00	\$1,500,000.00	\$2,000,000.00	\$3,497,000.00	\$2,645,000.00	\$2,474,000.00	\$3,000,000.00	\$2,248,000.00		\$25,758,000.00
Calendar Year 2027	\$3,000,000.00	\$2,243,000.00	\$496,000.00	\$3,246,000.00	\$1,492,000.00	\$500,000.00	\$4,000,000.00	\$4,430,000.00	\$747,000.00	\$1,000,000.00	\$3,165,000.00	\$1,739,000.00	\$26,058,000.00
Calendar Year 2028	\$2,752,000.00	\$2,493,000.00	\$1,237,000.00	\$3,232,000.00	\$2,493,000.00	\$248,000.00	\$5,992,000.00	\$1,248,000.00	\$1,000,000.00	\$1,000,000.00	\$2,988,000.00	\$1,000,000.00	\$25,683,000.00
Calendar Year 2029	\$3,500,000.00	\$1,498,000.00	\$1,000,000.00	\$3,000,000.00	\$498,000.00	\$493,000.00	\$1,991,000.00	\$2,890,000.00	\$747,000.00				\$15,617,000.00
<b>TOTAL</b>													<b>\$124,949,000.00</b>

MONO COUNTY TREASURY POOL  
 QUARTERLY YIELD COMPARISON



	12/31 2019	3/31 2020	6/30 2020	9/30 2020	12/31 2020	3/31 2021	6/30 2021	9/30 2021	12/31 2021	3/31 2022	6/30 2022	9/30 2022	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024
—◆— COUNTY	2.25%	2.17%	1.90%	1.53%	1.31%	1.19%	1.09%	1.22%	1.16%	1.15%	1.40%	1.84%	2.45%	2.87%	3.11%	3.13%	3.43%	3.43%	3.62%	3.49%
—■— LAIF	2.29%	2.03%	1.47%	0.84%	0.63%	0.44%	0.33%	0.24%	0.23%	0.32%	0.75%	1.35%	2.07%	2.74%	3.15%	3.59%	4.00%	4.30%	4.55%	4.71%
—▲— 2YR TREAS	1.59%	0.94%	0.19%	0.14%	0.15%	0.13%	0.17%	0.23%	0.53%	1.46%	2.72%	3.38%	4.39%	4.34%	4.26%	4.92%	4.81%	4.53%	4.83%	4.04%

## Investment Pool Participants as of 9/30/2024



The Pool is comprised of monies deposited by mandatory and voluntary participants. Mandatory participants include the County of Mono, School Districts, and Special Districts. Voluntary participants are those agencies that are not required to invest their monies in the County Pool and do so only as an investment option.

### **Districts Participating in Pool**

Antelope Valley Fire Protection District, Antelope Valley Water District, Birchim Community Service District, Bridgeport Fire Protection District, Bridgeport Public Utility District, Chalfant Valley Fire Protection District, County Service Area #1, County Service Area #2, County Service Area #5, Hilton Creek Community Services District, June Lake Fire Protection District, Lee Vining Fire Protection District, Lee Vining Public Utility District, Long Valley Fire Protection District, Mammoth Community Service District, Mammoth Lakes Mosquito Abatement District, Mono City Fire Protection District, Mono County Resource Conservation District, Paradise Fire Protection District, Tri-Valley Ground Water Management District, Wheeler Crest Community Service District, Wheeler Crest Fire Protection District, White Mountain Fire Protection District.

### **Districts Not Participating in Pool**

Inyo-Mono Resource Conservation District, June Lake Public Utility District, Mammoth Lakes Community Water District, Mammoth Lakes Fire Protection District, Southern Mono Healthcare District.

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## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Series 2025 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Series 2025 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.*

1. The Depository Trust Company (“DTC”) will act as securities depository for the Series 2025 Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) which is not incorporated herein by reference.

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 the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 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 the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, 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 the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.



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

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

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



