INSURED RATING: S&P: "AA"
UNDERLYING RATING: S&P: "A+"
See "RATINGS" 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 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 Bonds is not a specific preference item for purposes of the federal 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 Bonds. See "TAX MATTERS" herein

\$10,000,000 VAL VERDE UNIFIED SCHOOL DISTRICT (Riverside County, California) General Obligation Bonds 2012 Election, Series 2019D

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned General Obligation Bonds, 2012 Election, Series 2019D (the "Bonds"), are being issued by the Val Verde Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Education of the District adopted on December 11, 2018. The Bonds were authorized at an election of the registered voters of the District held on June 5, 2012, (the "2012 Authorization") which authorized the issuance of \$178,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the fourth series of bonds to be issued under the 2012 Authorization. See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

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

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

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2019. Payments of principal of and interest on the Bonds will be paid by Zions Bancorporation, National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS -Redemption."

Bond Insurance. The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. See "BOND INSURANCE."



MATURITY SCHEDULE

(See inside cover)

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

The Bonds were sold on Wednesday, January 16, 2019 pursuant to the official Notice of Sale dated January 4, 2019. The Bonds will be offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of DTC, on or about January 30, 2019.

MATURITY SCHEDULE

VAL VERDE UNIFIED SCHOOL DISTRICT (Riverside County, California) General Obligation Bonds 2012 Election, Series 2019D

Base CUSIP†: 91882R

\$5,650,000 Serial Bonds

Maturity Date	Principal				
(August 1)	<u>Amount</u>	Interest Rate	<u>Yield</u>	<u>Price</u>	CUSIP†
2022	\$15,000	3.000%	1.840%	103.917	EP3
2023	25,000	3.000	1.900	104.725	EQ1
2024	45,000	3.000	1.950	105.453	ER9
2025	65,000	4.000	2.000	112.138	ES7
2026	85,000	4.000	2.100	113.125	ET5
2027	105,000	5.000	2.200	121.605	EU2
2028	130,000	5.000	2.300	122.929	EV0
2029	160,000	5.000	2.400	121.975 ^C	EW8
2030	190,000	5.000	2.500	121.029 ^C	EX6
2031	220,000	5.000	2.550	120.559 ^C	EY4
2032	250,000	5.000	2.600	120.092 ^C	EZ1
2033	295,000	5.000	2.650	119.627 ^C	FA5
2034	350,000	5.000	2.700	119.164 ^C	FB3
2035	395,000	4.000	3.100	107.358 ^C	FC1
2036	435,000	3.250	3.350	98.683	FD9
2037	480,000	3.375	3.400	99.658	FE7
2038	525,000	3.500	3.500	100.000	FF4
2039	575,000	3.500	3.600	98.558	FG2
2040	625,000	3.625	3.650	99.629	FH0
2041	680,000	3.625	3.680	99.163	FJ6

\$1,545,000 3.625% Term Bonds maturing August 1, 2043; Yield: 3.700%; Price: 98.798; CUSIP†: FL1

\$2,805,000 4.000% Term Bonds maturing August 1, 2046; Yield: 3.700%; Price: 102.385 °; CUSIP†: FP2

^C Priced to par call on the first optional redemption date of August 1, 2028.

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

VAL VERDE UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Julio Gonzalez, *President*Matthew Serafin, *Vice President*Marla Kirkland, *Clerk*Ty Liddell, *Member*Marisol Roque, *Member*

DISTRICT ADMINISTRATION

Michael R. McCormick, Superintendent
Darrin Watters, Deputy Superintendent Business Services

Kristin Merritt, Director of Fiscal Services

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Fieldman Rolapp & Associates, Inc. *Irvine*, *California*

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP *Irvine, California*

DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Zions Bancorporation, National Association Los Angeles, California

The Deputy Superintendent, Business Services, has given notice that he will retire from the District in January, 2019. The District expects to name a replacement prior to his departure.

TABLE OF CONTENTS

	Page
INTRODUCTION	
THE BONDS	
Authority for Issuance	3
Purpose of Issue	
Description of the Bonds	
Book-Entry Only System	
Redemption	5
Notice of Redemption	5
Effect of Notice of Redemption	6
Right to Rescind Notice of Redemption	6
Defeasance and Discharge of Bonds	6
Unclaimed Moneys	
DEBT SERVICE SCHEDULES	
SOURCES AND USES OF FUNDS	
SECURITY FOR THE BONDS	
Ad Valorem Taxes	
Building Fund	
Debt Service Fund	
Not a County Obligation	
PROPERTY TAXATION	
Property Tax Collection Procedures	
Taxation of State-Assessed Utility Property	
Historic Assessed Valuations	
Assessed Valuation	
Reassessments and Appeals of Assessed Value	
Tax Levies and Delinquencies - Teeter Plan	
Tax Rates	
Top 20 Property Owners	
Direct and Overlapping Debt	
BOND INSURANCE	
Bond Insurance Policy	
Build America Mutual Assurance Company	
Additional Information Available from the Bond Insurer	
TAX MATTERS	
CERTAIN LEGAL MATTERS	
Legality for Investment	
Absence of Litigation	
Compensation of Certain Professionals	
CONTINUING DISCLOSURE	
RATING	
COMPETITIVE SALE OF BONDS	
ADDITIONAL INFORMATION	
EXECUTION	28
APPENDIX A - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT APPENDIX B - VAL VERDE UNIFIED SCHOOL DISTRICT AUDITED FINANCIAL STATEMEN FISCAL YEAR 2017-18	
APPENDIX C - ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF PE	RRIS, THE
CITY OF MORENO VALLEY AND RIVERSIDE COUNTY	
APPENDIX D - PROPOSED FORM OF OPINION OF BOND COUNSEL	
APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM	
APPENDIX G - RIVERSIDE COUNTY INVESTMENT POLICY AND INVESTMENT REPORT	
APPENDIX H - SPECIMEN MUNICIPAL BOND INSURANCE POLICY	



\$10,000,000 VAL VERDE UNIFIED SCHOOL DISTRICT (Riverside County, California) General Obligation Bonds 2012 Election, Series 2019D

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the "Bonds") by the District.

INTRODUCTION

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

The District. The District services an area of approximately 67 square miles located in the County, including portions of the Cities of Moreno Valley and Perris and adjacent unincorporated areas of the County, and has a fiscal year 2018-19 enrollment of approximately 20,154 students. The District currently operates twelve elementary schools, four middle schools, three high schools, one continuation high school, one virtual academy, one opportunity school and one preschool. For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other statistical information regarding the County.

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction and improvements to facilities of the District, as approved by voters in the District at an election held on June 5, 2012 (the "Bond Election"). See "THE BONDS - Purpose of Issue" herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election and will be issued pursuant to certain provisions of the Government Code of the State, and pursuant to a resolution adopted by the Board of Education of the District on December 11, 2018 (the "**Bond Resolution**"). See "THE BONDS - Authority for Issuance" herein.

Description of the Bonds. The Bonds will be issued as current interest bonds. The Bonds will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. See "THE BONDS – Description of the Bonds" herein.

Payment and Registration of the Bonds. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the inside cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through participants in DTC's book-entry only system ("DTC Participants"), as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F.

If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolution. See "THE BONDS - Registration, Transfer and Exchange of Bonds" herein.

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). The Bonds are the fourth series of bonds issued pursuant to the 2012 Authorization. See "SECURITY FOR THE BONDS."

Redemption The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel, to be delivered in substantially the form attached hereto as APPENDIX D. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of the Official Statement. Jones Hall, A Professional Law Corporation, San Francisco, California, will serve as Disclosure Counsel to the District. Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

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

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the "Continuing Disclosure Certificate"), the form of which is attached as APPENDIX E. See "CONTINUING DISCLOSURE" for additional information.

Changes Since Preliminary Official Statement. In addition to pricing-related information, this Official Statement contains certain additional changes from the Preliminary Official Statement dated January 4, 2019, including information regarding the 2019-20 Proposed State Budget, which the Governor released on January 10, 2019. See APPENDIX A - "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS - 2019-20 Proposed State Budget."

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement, and information concerning the Bonds, are available from the District at 975 West Morgan Street, Perris, California 92570; telephone (951) 940-6100. The District may impose a charge for copying, mailing and handling.

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of \$178,000,000 (the "2012 Authorization").

On March 20, 2013, the District issued its \$40,540,000 aggregate principal amount of General Obligation Bonds, 2012 Election, 2013 Series A, pursuant to the 2012 Authorization.

On March 4, 2015, the District issued its \$38,949,540.30 aggregate principal amount of General Obligation Bonds, 2012 Election, Series 2015B, pursuant to the 2012 Authorization.

On September 22, 2016, the District issued its \$19,200,000 aggregate principal amount of General Obligation Bonds, 2012 Election, Series 2016C, pursuant to the 2012 Authorization.

The Bonds are the fourth series of bonds issued pursuant to the 2012 Authorization. Following the issuance of the Bonds, there will be \$69,310,459.70 in unissued principal remaining under the 2012 Authorization.

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by the District's voters on June 5, 2012, the abbreviated text of which appeared on the ballot as follows:

"To protect the quality of education in our local schools, relieve overcrowding and provide safe/modern schools, shall the Val Verde Unified School District update computers/technology in classrooms/science labs/libraries; provide facilities/equipment for career training/education; make funds available to attract/retain qualified teachers and protect academic instruction; construct new high school facilities to relieve overcrowding by issuing \$178 million in bonds at legal interest rates with annual audits, independent oversight and all funds staying local?"

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the "**Project List**"). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2012 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in 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 Bonds, beneficial owners ("Beneficial Owners") will not receive physical certificates representing their ownership interests. See "Book-Entry Only System" and APPENDIX F.

The 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, payable on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing on August 1, 2019, computed on the basis of a 360-day year consisting of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and on or prior to the succeeding Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds

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

Book-Entry Only System

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

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

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

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2028 are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 2029 are subject to redemption prior to their respective maturity dates, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2028, or on any date thereafter, at a redemption price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

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

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 2043 and August 1, 2046 (collectively, the "**Term Bonds**"), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with the interest accrued thereon to the date fixed for redemption, without premium.

\$1,545,000 Term Bonds Maturing August 1, 2043

Redemption Date (August 1)	Sinking Fund Redemption
2042	\$740,000
2043 (maturity)	805,000

\$2,805,000 Term Bonds Maturing August 1, 2046

Redemption Date	Sinking Fund
(August 1)	Redemption
2044	\$865,000
2045	940,000
2046 (maturity)	1,000,000

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced proportionately, or as otherwise directed by the district in integral multiples of \$5,000 by any portion of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Notice of Redemption

Notice of redemption of any Bond will be given by the Paying Agent not less than 30 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 Bonds. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds 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 Bonds called for redemption is set aside, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Right to Rescind Notice of Redemption

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

Defeasance and Discharge of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of

the United States of America 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 moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity date.

Unclaimed Moneys

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

DEBT SERVICE SCHEDULES

The Bonds. The following table shows the annual debt service schedule with respect to the Bonds, assuming no optional redemptions.

Val Verde Unified School District General Obligation Bonds 2012 Election, Series 2019D Debt Service Schedule

			Total
Bond Year Ending			Annual Debt
(August 1)	Principal	Interest	Service
2019		\$197,943.61	\$197,943.61
2020		393,700.00	393,700.00
2021		393,700.00	393,700.00
2022	\$15,000.00	393,700.00	408,700.00
2023	25,000.00	393,250.00	418,250.00
2024	45,000.00	392,500.00	437,500.00
2025	65,000.00	391,150.00	456,150.00
2026	85,000.00	388,550.00	473,550.00
2027	105,000.00	385,150.00	490,150.00
2028	130,000.00	379,900.00	509,900.00
2029	160,000.00	373,400.00	533,400.00
2030	190,000.00	365,400.00	555,400.00
2031	220,000.00	355,900.00	575,900.00
2032	250,000.00	344,900.00	594,900.00
2033	295,000.00	332,400.00	627,400.00
2034	350,000.00	317,650.00	667,650.00
2035	395,000.00	300,150.00	695,150.00
2036	435,000.00	284,350.00	719,350.00
2037	480,000.00	270,212.50	750,212.50
2038	525,000.00	254,012.50	779,012.50
2039	575,000.00	235,637.50	810,637.50
2040	625,000.00	215,512.50	840,512.50
2041	680,000.00	192,856.26	872,856.26
2042	740,000.00	168,206.26	908,206.26
2043	805,000.00	141,381.26	946,381.26
2044	865,000.00	112,200.00	977,200.00
2045	940,000.00	77,600.00	1,017,600.00
2046	1,000,000.00	40,000.00	1,040,000.00
TOTAL	\$10,000,000.00	\$8,091,312.39	\$18,091,312.39

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* taxes, assuming no optional redemptions. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations" for additional information.

VAL VERDE UNIFIED SCHOOL DISTRICT Combined Debt Service Schedule

Period							
Ending	2008 Election,	2016 Refunding	2012 Election,	2012 Election,	2012 Election,		
Aug. 1	Series 2010B	Bonds	2013 Series A	Series 2015B	Series 2016C	The Bonds	Total
2019		\$1,844,218.76	\$1,821,062.50	\$1,612,268.76	\$1,215,668.76	\$197,943.61	\$6,691,162.39
2020		1,862,018.76	1,893,562.50	1,677,268.76	800,268.76	393,700.00	6,626,818.78
2021		1,887,618.76	1,969,562.50	1,747,268.76	816,818.76	393,700.00	6,814,968.78
2022		1,905,618.76	2,051,162.50	1,812,268.76	832,768.76	408,700.00	7,010,518.78
2023	\$139,037.50	1,931,218.76	2,130,062.50	1,887,268.76	858,118.76	418,250.00	7,363,956.28
2024	139,037.50	1,959,018.76	2,216,262.50	1,965,768.76	867,568.76	437,500.00	7,585,156.28
2025	139,037.50	1,976,268.76	2,304,462.50	2,044,268.76	891,568.76	456,150.00	7,811,756.28
2026	139,037.50	1,999,518.76	2,394,512.50	2,127,268.76	914,668.76	473,550.00	8,048,556.28
2027	139,037.50	1,963,268.76	2,496,262.50	2,204,268.76	936,868.76	490,150.00	8,229,856.28
2028	139,037.50	1,965,268.76	2,593,137.50	2,295,268.76	960,268.76	509,900.00	8,462,881.28
2029	139,037.50	1,983,518.76	2,699,825.00	2,385,268.76	982,268.76	533,400.00	8,723,318.78
2030	856,164.15	1,962,018.76	2,804,050.00	2,485,268.76	1,002,868.76	555,400.00	9,665,770.43
2031	889,461.50	2,054,418.76	2,913,200.00	2,590,268.76	1,028,487.50	575,900.00	10,051,736.52
2032	1,014,037.50	2,055,418.76	3,036,925.00	2,685,268.76	1,057,737.50	594,900.00	10,444,287.52
2033	1,110,650.00	2,088,418.76	3,154,525.00	2,795,268.76	1,085,987.50	627,400.00	10,862,250.02
2034	488,175.00		3,281,000.00	2,905,268.76	717,600.00	667,650.00	8,059,693.76
2035			3,415,750.00	3,020,268.76	743,337.50	695,150.00	7,874,506.26
2036			3,548,750.00	3,145,268.76	773,250.00	719,350.00	8,186,618.76
2037			3,689,500.00	3,270,268.76	807,200.00	750,212.50	8,517,181.26
2038			3,837,000.00	3,405,268.76	836,800.00	779,012.50	8,858,081.26
2039			3,995,250.00	3,535,268.76	869,800.00	810,637.50	9,210,956.26
2040			4,153,000.00	3,680,268.76	906,000.00	840,512.50	9,579,781.26
2041			4,319,500.00	3,825,268.76	945,200.00	872,856.26	9,962,825.02
2042			2,068,500.00	6,402,768.76	982,200.00	908,206.26	10,361,675.02
2043				8,809,768.76	1,022,000.00	946,381.26	10,778,150.02
2044				9,163,018.76	1,064,400.00	977,200.00	11,204,618.76
2045					10,639,200.00	1,017,600.00	11,656,800.00
2046						1,040,000.00	1,040,000.00
TOTAL	\$5,331,750.65	\$29,437,831.40	\$68,786,825.00	\$83,477,237.76	\$34,558,925.12	\$18,091,312.39	\$ 239,683,882.32

SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of Bonds	\$10,000,000.00
Net Original Issue [Premium	425,030.15
Total Sources	\$10,425,030.15
Uses of Funds	
Building Fund	\$9,663,139.60
(1)	

Interest and Sinking Fund (1) 425,030.15

Costs of Issuance (2) 336,860.40

Total Uses \$10,425,030.15

⁽¹⁾ Consists of premium received by the District.

⁽²⁾ All estimated costs of issuance including, but not limited to, Purchaser's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, Policy premium, and the rating agency.

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

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

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

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

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

Notable natural disasters in recent years include drought conditions throughout the State, and wildfires have occurred in different regions of the State, which damaged and threatened thousands of homes. The District cannot predict or make any representations regarding the effects that natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

Building Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the "Val Verde Unified School District, 2012 Election, Series 2019D Building Fund" (the "Building Fund"), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Interest and Sinking Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Interest and Sinking Fund

Debt service for the Bonds will be held in the fund created and established in the Bond Resolution and known as the "Val Verde Unified School District, 2012 Election, Series 2019D Interest and Sinking Fund" (the "Interest and Sinking Fund") for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Interest and Sinking Fund by the County promptly upon the receipt. The Interest and Sinking Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will transfer amounts in the Interest and Sinking Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in the Interest and Sinking Fund, the County shall transfer such amounts to the District's general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code, all general obligation bonds issued by local agencies, including refunding bonds, will be 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. The Resolution provides that this pledge 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 are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) ("SB 813"), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent

taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

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

Historic Assessed Valuations

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

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

Assessed Valuation

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

VAL VERDE UNIFIED SCHOOL DISTRICT Assessed Valuation Fiscal Years 2011-12 through 2018-19

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2011-12	\$4,971,937,047	\$1,330,306	\$170,443,268	\$5,143,710,621	%
2012-13	4,894,739,424	222,020	181,358,021	5,076,319,465	(1.3)
2013-14	5,079,876,787	222,020	201,956,215	5,282,055,022	4.1
2014-15	5,827,920,130	222,020	205,348,024	6,033,490,174	14.2
2015-16	6,349,895,666	222,020	350,853,060	6,700,970,746	11.1
2016-17	6,815,105,738	222,020	480,011,354	7,295,339,112	8.9
2017-18	7,362,171,933	222,020	465,788,592	7,828,182,545	7.3
2018-19	8,302,464,989	0	572,110,648	8,874,575,637	13.4

Source: California Municipal Statistics, Inc.

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

Assessed Valuation By Jurisdiction. The following table sets forth assessed valuation in the District by jurisdiction for fiscal year 2018-19.

VAL VERDE UNIFIED SCHOOL DISTRICT Assessed Valuation by Jurisdiction Fiscal Year 2018-19

	Assessed Valuation	% of	Assessed Valuation	% of Jurisdiction
Jurisdiction:	in School District Se	chool District	of Jurisdiction	in School District
City of Moreno Valley	\$3,247,634,634	36.59%	\$15,777,801,124	20.58%
City of Perris	3,791,542,608	42.72	\$6,277,259,688	60.40%
Unincorporated Riverside County	<u>1,835,398,395</u>	20.68	\$43,011,850,793	4.27%
Total District	\$8,874,575,637	100.00%		
Riverside County	\$8,874,575,637	100.00%	\$280,327,986,244	3.17%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2018-19.

VAL VERDE UNIFIED SCHOOL DISTRICT Local Secured Property Assessed Valuation and Parcels by Land Use Fiscal Year 2018-19

	2018-19	% of	No. of	% of
Non-Residential:	Assessed Valuation (1)	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural/Rural	\$ 97,539,290	1.17%	381	1.54%
Commercial/Industrial	3,114,580,244	37.51	503	2.03
Vacant Commercial/Industrial	451,303,949	5.44	930	3.75
Other Vacant/Miscellaneous	<u>47,186,631</u>	0.57	979	3.95
Subtotal Non-Residential	\$3,710,610,114	44.69%	2,793	11.27%
Residential:				
Single Family Residence	\$3,999,318,689	48.17%	16,568	66.87%
Condominium/Townhouse	79,876,991	0.96	530	2.14
Mobile Homes/Lots	329,253,603	3.97	3,110	12.55
2-4 Residential Units	42,029,858	0.51	133	0.54
5+ Residential Units/Apartments	58,519,330	0.70	9	0.04
Miscellaneous Residential	1,503,924	0.02	8	0.03
Vacant Residential	<u>81,352,480</u>	0.98	<u>1,624</u>	6.55
Subtotal Residential	\$4,591,854,875	55.31%	21,982	88.73%
Total	\$8,302,464,989	100.00%	24,775	100.00%

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

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2018-19.

VAL VERDE UNIFIED SCHOOL DISTRICT Per Parcel Assessed Valuation of Single Family Homes Fiscal Year 2018-19

Single Family Residential	No. of Parcels 16,568	Assesse	018-19 ed Valuation 9,318,689	Asse	Average ssed Valuation \$241,388	Assess	ledian ed Valuation 34,090
2018-19 Assessed Valuation	No. of Parcels ⁽¹⁾	% of 0	Cumulative % of Total		Total Valuation	% of Total	Cumulative <u>% of Total</u>
\$0 - \$24,999	22	0.133%	0.133%	\$	403,057	0.010%	0.010%
\$25,000 - \$49,999	64	0.386	0.519		2,537,423	0.063	0.074
\$50,000 - \$74,999	107	0.646	1.165		7,048,540	0.176	0.250
\$75,000 - \$99,999	334	2.016	3.181		29,839,641	0.746	0.996
\$100,000 - \$124,999	746	4.503	7.683		84,955,344	2.124	3.120
\$125,000 - \$149,999	1,235	7.454	15.138		171,206,830	4.281	7.401
\$150,000 - \$174,999	1,732	10.454	25.592		282,529,256	7.064	14.465
\$175,000 - \$199,999	1,951	11.776	37.367		365,595,689	9.141	23.607
\$200,000 - \$224,999	1,524	9.198	46.566		323,360,682	8.085	31.692
\$225,000 - \$249,999	1,584	9.561	56.126		376,457,081	9.413	41.105
\$250,000 - \$274,999	1,499	9.048	65.174		393,568,433	9.841	50.946
\$275,000 - \$299,999	1,358	8.197	73.370		389,552,311	9.740	60.687
\$300,000 - \$324,999	1,511	9.120	82.490		471,010,517	11.777	72.464
\$325,000 - \$349,999	1,026	6.193	88.683		345,005,768	8.627	81.091
\$350,000 - \$374,999	731	4.412	93.095		264,571,030	6.615	87.706
\$375,000 - \$399,999	469	2.831	95.926		181,458,952	4.537	92.243
\$400,000 - \$424,999	252	1.521	97.447		103,695,772	2.593	94.836
\$425,000 - \$449,999	150	0.905	98.352		65,397,604	1.635	96.471
\$450,000 - \$474,999	103	0.622	98.974		47,423,477	1.186	97.657
\$475,000 - \$499,999	50	0.302	99.276		24,336,952	0.609	98.266
\$500,000 and greater	<u>120</u>	0.724	100.000		69,364,330	1.734	100.000
Total	16,568	100.000%		\$3	,999,318,689	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

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

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

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

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

Tax Levies and Delinquencies - Teeter Plan

The following table shows secured tax charges and delinquencies for secured property in the District with respect to the District's levy for debt service on outstanding general obligation bonds. Secured property taxes not relating to the 1% general fund apportionment (which is provided for under the County's Teeter Plan described below) which are collected by the County 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.

VAL VERDE UNIFIED SCHOOL DISTRICT Secured Tax Charges and Delinquencies Fiscal Years 2010-11 through 2017-18

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Del. June 30	% Delinquent <u>June 30</u>
2010-11	\$1,622,027	\$59,734	3.68%
2011-12	1,524,753	39,560	2.59
2012-13	4,030,799	80,664	2.00
2013-14	3,634,817	62,114	1.71
2014-15	4,546,074	74,652	1.64
2015-16	4,488,313	41,660	0.93
2016-17	4,882,447	66,956	1.37
2017-18	4,662,929	46,702	1.00

⁽¹⁾ District's general obligation bond debt service levy.

Source: California Municipal Statistics, Inc.

For the District's share of the 1% general fund apportionment, the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of such secured property taxes due to local agencies in the fiscal year such taxes are due. Pursuant to these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies for the 1% general fund apportionment if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due to delinquent payments. This method of tax collection and distribution is subject to future discontinuance at the County's option or if demanded by the participating taxing agencies.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County

if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

So long as the Teeter Plan remains in effect with respect to the District, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

Tax Rates

Below are historically typical tax rates in a typical tax rate area (Tax Rate Area 21-388) within the District for fiscal years 2014-15 through 2018-19.

VAL VERDE UNIFIED SCHOOL DISTRICT Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 21-388) (1) Fiscal Years 2014-15 through 2018-19

	2014-15	2015-16	2016-17	2017-18	2018-19
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Val Verde Unified School District	.07882	.07135	.07210	.06368	.06966
Riverside City Community College District	.01791	.01725	.01649	.01616	.01478
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
Eastern Municipal Water District I.D. U-22	.01100	.01100	.01100	.01000	.01000
Total Tax Rate	\$1.11123	\$1.10310	\$1.10309	\$1.09334	\$1.09794

^{(1) 2018-19} assessed valuation of TRA 21-388 is \$587,801,089 which is 6.62% of the District's total assessed valuation. Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2018-19. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

VAL VERDE UNIFIED SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2018-19

			2018-19	% of
	Property Owner	Primary Land Use	Assessed Valuation	Total (1)
1.	Duke Realty LP	Industrial	\$ 300,847,293	3.62%
2.	Ross Dress for Less Inc.	Industrial	277,080,471	3.34
3.	Stratford Ranch 1	Industrial	141,163,333	1.70
4.	First Industrial	Industrial	140,401,346	1.69
5.	DB Rreef Perris CA Inc.	Industrial	129,330,253	1.56
6.	ORE Industrial	Industrial	122,241,585	1.47
7.	FR Cal Indian Avenue	Industrial	116,938,404	1.41
8.	Walgreen Co.	Industrial	108,005,249	1.30
9.	IIT Inland Empire 3700 Indian Ave.	Industrial	104,040,000	1.25
10.	March Business Center	Industrial	94,857,449	1.14
11.	I-215 Logistics	Industrial	89,360,772	1.08
12.	Knox Logistics	Industrial	83,196,845	1.00
13.	Gateway Empire	Industrial	80,100,000	0.96
14.	FR Cal Moreno Valley	Industrial	77,002,790	0.93
15.	IPT Perris DC	Industrial	76,340,302	0.92
16.	HD California DFDC Landlord	Industrial	67,232,073	0.81
17.	Lowes HIW Inc.	Industrial	66,539,455	0.80
18.	BMV Apartments	Apartments	56,484,554	0.68
19.	3900 Indian Avenue	Industrial	52,436,160	0.63
20.	Majestic Freeway Business Center	Industrial	52,236,072	0.63
			\$2,235,834,406	26.93%

^{(1) 2018-19} Local Secured Assessed Valuation: \$8,302,464,989.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of November 1, 2018. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term

obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

VAL VERDE UNIFIED SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt (Debt Issued as of November 1, 2018)

2018-19 Assessed Valuation: \$8,874,575,637

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/18
Metropolitan Water District	0.304%	\$ 184,214
Eastern Municipal Water District Improvement District No. U-9	79.435	2,042,274
Eastern Municipal Water District Improvement District No. U-22	34.730	797,748
Riverside County Flood Control District Zone No. 4	15.935	2,340,852
Riverside City Community College District	8.387	21,090,879
Val Verde Unified School District	100.000	118,604,169 ⁽¹⁾
Val Verde Unified School District Community Facilities District	100.000	42,805,000
Eastern Municipal Water District CFD No. 2003-25, Improvement Area C and D	65.349 & 100.000	5,943,194
City of Moreno Valley Community Facilities District No. 7	100.000	3,190,000
City of Perris Community Facilities Districts	51.025-100.000	90,474,911
County Community Facilities Districts	86.084	2,087,537
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$289,560,778
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	3.166%	\$ 24,711,589
Riverside County Pension Obligation Bonds	3.166	8,433,116
Val Verde Unified School District Certificates of Participation	100.000	64,500,000
Western Municipal Water District General Fund Obligations	0.150	14,419
City of Moreno Valley Certificates of Participation	20.584	13,456,790
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$111,115,914
Less: Riverside County supported obligations		106,166
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$111,009,748
		* ,
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to Perris Redevelopment Agency	47.575-54.308%	\$32,753,155
Successor Agency to Riverside County Redevelopment Agency	6.785-47.048	70,935,943
Successor Agency to Moreno Valley Redevelopment Agency	0.873	364,565
TOTAL OVERLAPPING TAX INCREMENT DEBT	0.070	\$104,053,663
TOTAL OVERENT INTO THE MENT BEST		Ψ101,000,000
GROSS COMBINED TOTAL DEBT		\$504,730,355 ⁽²⁾
NET COMBINED TOTAL DEBT		\$504,624,189
THE TOTAL BEBT		φοσ 1,02 1,100
Ratios to 2018-19 Assessed Valuation:		
Direct Debt (\$118,604,169)		
Total Overlapping Tax and Assessment Debt		
COMBINED DIRECT DEBT (\$183,104,169)2.06%		
Gross Combined Total Debt		
Net Combined Total Debt		
1101 Combined Total Dept		
Ratios to Redevelopment Incremental Valuation (\$2,457,883,266):		
Action to redevelopment inclemental valuation (\$2,707,000,200).		

⁽¹⁾ Excludes the Bonds offered for sale hereunder.

⁽²⁾ Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations. Source: California Municipal Statistics, Inc.

BOND INSURANCE

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

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") will issue a Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX H to this Official Statement.

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

Build America Mutual Assurance Company

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

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com. BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

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

Capitalization of the Bond Insurer. BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2018 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$524 million, \$104.1 million and \$419.9 million, respectively.

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

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

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

Additional Information Available from the Bond Insurer

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

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

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the District or the Purchaser, and the District and the Purchaser assume no responsibility for their content.

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

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 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 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 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 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the 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 Bonds accrues daily over the term to maturity of such 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 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

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 bonds, 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 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. 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 Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the 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 Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Litigation

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

The District is routinely 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.

Compensation of Certain Professionals

Payment of the fees and expenses of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the District, Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the District, and Fieldman Rolapp & Associates, Inc., as Municipal Advisor to the District, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an "Annual Report") not later than 240 days after the end of the District's fiscal year (which currently is June 30), commencing February 25, 2020, with the report for the 2018-19 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Purchaser of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The District has existing undertakings pursuant to the Rule in connection with the delivery of prior general obligation bonds. See APPENDIX A under the heading "DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations." In the previous five years, the District failed to timely file notice of certain material events, including a rating change and a defeasance.

The District has engaged Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices, to serve as its dissemination agent with respect to its undertakings in connection with each of its general obligation bond and certificates of participation undertakings, including the

undertaking for the Bonds. The District also has responsibility for the continuing disclosure undertakings of its community facilities districts, and has engaged a third-party to serve as dissemination agent for those undertakings.

RATING

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

Additionally, S&P has assigned an underlying rating of "A+" to the Bonds. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement to the extent deemed not material for investment purposes). Such ratings reflect only the view of S&P and an explanation of the significance of such ratings and outlook may be obtained only from S&P. There is no assurance that any credit ratings given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

COMPETITIVE SALE OF BONDS

The Bonds were purchased by Robert W. Baird & Co., Inc. (the "**Purchaser**") as the winner of a competitive bid conducted on January 16, 2019. The Purchaser has agreed to purchase the Bonds at a price of \$10,248,169.75. The Purchaser's total discount is \$176,860.40.

The Purchaser may offer and sell the 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 of this Official Statement. The public offering prices may be changed from time to time by the Purchaser.

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

VΔI	VERDE	IINIFIED	SCHOOL	DISTRICT
VAL	VERDE	UNIFIED	SCHUUL	DISTRICT

By:	/s/ Michael R. McCormick			
Superintendent				

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

General Information

The Val Verde Unified School District (the "**District**") is a public school district located in Riverside County (the "**County**") in the State of California (the "**State**"). The District services an area of approximately 67 square miles located in the County, including portions of the Cities of Moreno Valley and Perris and adjacent unincorporated areas of the County, and has a fiscal year 2018-19 enrollment of approximately 20,154 students. The District currently operates twelve elementary schools, four middle schools, three high schools, one continuation high school, one virtual academy, one opportunity school and one preschool. See also APPENDIX C hereto for demographic and other statistical information regarding the County.

Administration

The District is governed by a five-member Board of Education, each member of which is elected to a four-year term. Current members of the Board of Education, together with their office and the date their term expires, are listed below.

<u>Name</u>	<u>Office</u>	Term Expires
Julio Gonzalez	President	December 2022
Matthew Serafin	Vice President	December 2020
Marla Kirkland	Clerk	December 2020
Ty Liddell	Member	December 2022
Marisol Roque	Member	December 2022

Administrative Personnel. The Superintendent of the District is responsible for administrating the affairs of the District in accordance with the policies of the Board. Currently Michael R. McCormick, serves as the District Superintendent.

Recent Enrollment Trends

The following table shows recent enrollment history for the District, with estimates and projected figures for fiscal year 2019-20.

VAL VERDE UNIFIED SCHOOL DISTRICT Annual Enrollment

Fiscal Year	Enrollment	% Change
2014-15	19,841	%
2015-16	19,862	0.1
2016-17	19,953	0.5
2017-18	20,244	1.5
2018-19	20,154	(0.4)
2019-20*	20,154	

^{*}Projection.

Source: Val Verde Unified School District.

Employee Relations

For fiscal year 2018-19, the District has budgeted for 938 full time equivalent certificated employees, 616 full time equivalent classified employees, 118 management employees, and 71 unrepresented employees. There are two formal bargaining units operating in the District which are shown in the table on the following page.

VAL VERDE UNIFIED SCHOOL DISTRICT Labor Organizations

Labor	Types of Employees	Contract
<u>Organization</u>	<u>Represented</u>	Expiration Date
Val Verde Teachers' Association California School Employees Association	Certificated Classified	June 30, 2021 June 30, 2019

Source: Val Verde Unified School District.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the 1% general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

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

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

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

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

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

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

Fiscal Year 2018-19 Base Grant* Under LCFF by Grade Span (Targeted Entitlement)

Grade Span	2018-19 Base Grant Per ADA	2018-19 COLA (3.70%)	Grade Span Adjustments (K-3: 10.4%; 9-12: 2.6%)	2018-19 Base Grant/Adjusted Base Grant Per ADA
K-3	\$7,193	\$266	\$776	\$8,235
4-6	7,301	270	n/a	7,571
7-8	7,518	278	n/a	7,796
9-12	8,712	322	235	9,269

^{*}Does not include supplemental and concentration grant funding entitlements. Source: California Department of Education.

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

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

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

District Accounting Practices

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

District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2018 Audited Financial Statements were prepared by Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, California and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the offices of the District. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2013-14 through 2017-18.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Fiscal Years 2013-14 through 2017-18 (Audited) Val Verde Unified School District

_	2013-14 Audited	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited
Revenue	# 405 400 400	0440440570	#470 400 400	# 400 000 007	#407.405.000
Revenue limit sources/LCFF ⁽¹⁾	\$125,188,130	\$146,448,573	\$173,180,128	\$188,990,687	\$197,195,636
Federal sources	10,149,443	10,735,085	11,989,004	12,270,812	13,389,479
Other state sources	16,277,893	12,650,693	25,098,953	20,435,904	20,504,119
Other local sources	22,936,055	25,657,856	26,226,733	28,028,120	30,943,569
Total revenue	174,551,521	195,492,207	236,494,818	249,725,523	262,032,803
Expenses					
Instruction	110,996,736	115,798,043	131,680,141	140,636,292	146,257,569
Instruction-related services:					
Supervision of instruction	6,470,286	7,620,192	8,397,834	10,214,484	11,713,120
Library, media & technology	1,466,713	1,569,825	1,737,261	2,511,556	2,679,506
School site	11,690,946	12,533,967	13,182,355	14,115,250	14,515,640
Pupil services:					
Home-to-school transportation	2,308,782	2,158,304	2,063,256	2,502,045	2,569,086
Food services	81,790		6,163	94	
All other pupil services	11,730,098	13,501,842	14,664,163	16,947,220	17,973,519
Administration:					
Data processing	2,117,253	2,172,637	3,341,161	3,082,027	3,536,476
All other administration	7,253,881	7,453,095	8,052,011	9,936,796	9,811,595
Plant services	17,981,332	19,693,297	21,588,982	23,967,308	24,223,265
Facility acquisition and construction	2,938,886	1,411,098	5,687,929	7,109,997	6,758,057
Ancillary services	974,640	1,327,788	1,877,887	2,069,034	1,996,317
Other outgo	508,760	391,603	226,787	190,515	196,289
Debt service: principal		70,636	16,718	18,451	20,362
Debt service: Interest and other	481,082	33,384	9,220	7,487	5,574
Total Expenses	177,001,185	185,735,711	212,531,868	233,308,556	242,256,375
Revenues over(under) expenditures	(2,449,664)	9,756,496	23,962,950	16,416,967	19,776,428
Other Financing Sources (Uses)					
Transfers in	42,980	101.964			12.695
Transfers out	(6,363,602)	(2,419,497)	(4,821,793)	(5,815,715)	(5,613,392)
Total Other Financing sources (uses)	(6,320,622)	(2,317,533)	(4,821,793)	(5,815,715)	(5,600,697)
Net Change in Fund Balances	(8,770,286)	7,438,963	19,141,157	10,601,252	14,175,731
Fund Balance – beginning of year	34,004,001	25,233,715	32,672,678	51,813,835	62,415,087
Fund Balance at end of year	\$25,233,715	\$32,672,678	\$51,813,835	\$62,415,087	\$76,590,818

⁽¹⁾ Local Control Funding Formula ("LCFF") commenced in fiscal year 2013-14. Source: Val Verde Unified School District Audit Reports

District Budget and Interim Financial Reporting

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

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

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

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

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

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

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

District's Budget Approval/Disapproval and Certification History. The District has not received any qualified or negative certifications of its financial reports in the past five years, nor have any of its budgets been disapproved. The District's most recent interim report, the First Interim for fiscal year 2018-19, received a positive certification from the Board.

Copies of the District's budget and interim reports may be obtained upon request from the District.

District's General Fund. The following table shows the general fund figures for the District for fiscal year 2018-19 (adopted budget and first interim).

VAL VERDE UNIFIED SCHOOL DISTRICT Revenues, Expenditures, and Changes in General Fund Balance Fiscal Year 2018-19 (Adopted Budget and First Interim)

Revenues	Adopted Budget 2018-19	First Interim 2018-19
Total LCFF Sources	\$213,123,621	\$213,451,563
Federal Revenues	13,432,578	14,468,149
Other state revenues	23,102,269	21,405,719
Other local revenues	32,064,497	36,726,556
Total Revenues	281,72,965	286,015,987
<u>Expenditures</u>		
Certificated Salaries	104,305,233	105,004,091
Classified Salaries	39,495,766	39,774,722
Employee Benefits	59,960,775	60,141,468
Books and Supplies	17,193,797	15,596,110
Contract Services & Operating Exp.	41,161,050	47,831,925
Capital Outlay	21,979,142	20,025,988
Other Outgo (excluding indirect costs)	5,779,006	5,378,134
Other Outgo – Transfers of Indirect Costs	(833,050)	(840,517)
Total Expenditures	289,041,719	292,911,922
Excess of Revenues Over/(Under)		
Expenditures	(7,318,754)	(6,695,935)
Other Financing Sources (Uses)		
Operating transfers in	1,500,000	1,500,000
Operating transfers out	(115,782)	35,000
Other sources		
Contributions		
Total Other Financing Sources (Uses)	1,384,218	1,465,000
Net change in fund balance	(5,934,536)	(5,430,935)
Fund Balance, July 1	72,625,564	72,625,564
Fund Balance, June 30	\$66,691,028	\$67,194,628

Source: Val Verde Unified School District.

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

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget ("SB 858"), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became

effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

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

Attendance - Revenue Limit and LCFF Funding

Funding Trends under LCFF. As described herein, prior to fiscal year 2013-14, school districts in California received State funding based on a formula which considered a revenue limit per unit of average daily attendance ("ADA"). With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District for fiscal years 2013-14 through 2018-19 (budgeted).

VAL VERDE UNIFIED SCHOOL DISTRICT ADA and LCFF Funding Fiscal Years 2013-14 through 2018-19 (Budgeted)

Fiscal Year	ADA	LCFF Funding Per ADA
2013-14	19,004	\$6,587
2014-15	18,897	7,750
2015-16	19,005	9,113
2016-17	19,195	9,846
2017-18	19,356	10,167
2018-19 ⁽¹⁾	19,323	11,045

⁽¹⁾ Projected.

Source: California Department of Education; Val Verde Unified School District.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 83% for purposes of calculating supplemental and concentration grant funding under LCFF.

Revenue Sources

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

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

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

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

For school districts which were Community Supported Districts prior to implementation of the LCFF, provided that the per pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues, such districts are entitled to retain their status as Community Supported and keep their full local property tax revenue entitlement. The threshold for Basic Aid status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Community Supported status as the result of the implementation of the LCFF. Accountability measures contained in the LCFF must be implemented by all districts, including Community Supported Districts.

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

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

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

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

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

District Retirement Systems

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

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

STRS Contributions
Val Verde Unified School District
Fiscal Years 2013-14 through 2018-19 (Projected)

Fiscal Year	Amount
2013-14	\$6,470,206
2014-15	7,103,043
2015-16	8,916,592
2016-17	11,425,458
2017-18	13,761,750
2018-19 ⁽¹⁾	25,036,616

(1) Projected.

Source: Val Verde Unified School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$107.3 billion as of June 30, 2017 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

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

EMPLOYER CONTRIBUTION RATES (STRS) Fiscal Years 2018-19 through 2022-23

Fiscal Year	Employer Contribution Rate ⁽¹⁾
2019-20	18.13%
2020-21	19.10
2021-22 ⁽²⁾	18.60
2022-23 ⁽²⁾	18.10

⁽¹⁾ Expressed as a percentage of covered payroll.

Source: AB 1469

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

PERS Contributions
Val Verde Unified School District
Fiscal Years 2013-14 through 2018-19 (Projected)

Fiscal Year	Amount
2013-14	\$4,805,136
2014-15	3,337,367
2015-16	5,273,613
2016-17	4,628,497
2017-18	5,503,372
2018-19 ⁽¹⁾	7,416,755

(1) Projected.

Source: Val Verde Unified School District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$23.6 billion as of June 30, 2017 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting

⁽²⁾ The employer contribution rate is projected to decrease in fiscal years 2021-22 and 2022-23. Projections may change based on actual experience.

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

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

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

Source: PERS.

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

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

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

Employer Contribution Rate ⁽²⁾
20.800%
23.500
24.600
25.300

⁽¹⁾ The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year. (2) Expressed as a percentage of covered payroll. *Source: PERS*

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the

State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

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

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) 50% of the normal cost of their retirement plan, rounded to the nearest 1/4%, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

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

Additional Information. Additional information regarding the District's retirement programs is available in Note 13 to the District's audited financial statements attached to the Official Statement as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Purchaser for accuracy or completeness.

Other Post-Employment Retirement Benefits

Plan administration. The Benefit Trust Company administers the District's postemployment benefits Plan (the "**Plan**"), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions for the District. Management of the Plan is vested in the Board, which consists of five locally elected Plan members.

Plan membership. At June 30, 2018, Plan membership consisted 47 inactive Plan members or beneficiaries currently receiving benefit payments, 1,381 active Plan members, and 1,428 total Plan members.

Benefits provided. The Plan provides medical benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer. The 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 and the Val Verde Teachers Association ("VVTA"), the local California Service Employees Association ("CSEA"), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, VVTA, CSEA, and the unrepresented groups. For fiscal year 2017-18, the District contributed \$492,318 to the Plan, all of which was used for current premiums (approximately 100% of total premiums).

Investment policy. The Plan's policy with regard to the allocation of invested assets is established and may be amended by the Val Verde Unified School District Retirement Board of Authority (the "**Retirement Board**"), by a majority vote of its members. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. As of June 30, 2018, the Retirement Board's adopted asset allocation policy was 50% domestic equity and 50% fixed income.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables. The OPEB plan reported receivables from long-term contracts with the District for contributions, the contribution receivable as of June 30, 2018 was \$778,000.

Net OPEB Liability of the District. The component of the net OPEB liability of the District as of June 30, 2018, is shown in the following table:

VAL VERDE UNIFIED SCHOOL DISTRICT OPEB Liability

Total OPEB liability	\$16,692,941
Plan fiduciary net position	7,135,786
District's net OPEB liability	9,557,155
Plan fiduciary net position as a percentage of the total OPEB liability	42.75%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: inflation 2.75%, salary increases 2.75%, average, including inflation, investment rate of return 6.3%, net of OPEB plan investment expense, including inflation, and health care cost trend rates 4% for 2018. Mortality rates were based on 2009 CalSTRS Mortality Table for Certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. (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, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2017 to June 30, 2018. The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, (see the discussion of the Plan's investment policy) are 7.8% for domestic equity and 5.3% for fixed income.

Discount rate. The discount rate used to measure the total OPEB liability was 6.3%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table illustrates the District's OPEB liability and related ratios, as shown in the District's audited financial statements as of June 30, 2018, is as follows:

VAL VERDE UNIFIED SCHOOL DISTRICT Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Total OPEB Liability Service Cost Interest Benefit payments Net changes in total OPEB liability Total OPEB Liability-Beginning Total OPEB Liability-ending (a)	\$1,144,433 970,003 (492,318) 1,622,118 15,070,823 16,692,941
Plan Fiduciary Net Position Contributions-employer Net investment income Difference between projected and actual earnings on investments Benefit payments Administrative Expense Net change in plan fiduciary net position Plan fiduciary net position-beginning Plan fiduciary net- ending (b) District's net OPEB liability-ending (a) - (b)	492,318 (56,797) 428,162 (492,318) (63,595) 307,770 6,828,016 7,135,786 9,557,155
Plan fiduciary net position as a percentage of the total OPEB liability Covered-employee payroll	42.75% 106,234,576

District net OPEB as a percentage of covered-employee payroll

Insurance – Joint Powers Agreement

The District is a member of the Riverside Schools' Risk Management Authority ("RSRMA"), the Riverside County Employer/Employee Partnership for Benefits ("REEP"), the Riverside Schools Insurance Authority ("RSIA"), and the Self-Insured Schools of California ("SISC") joint powers authorities. The relationships between the District and the joint powers authorities are such that they are not a component unit 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 entity and the District are included in these statements. Audited financial statements are available from the respective entities. The District has appointed one board member to the governing board of each joint powers authority.

9.00%

During the year ended June 30, 2018, the District made payments of \$1,214,776, \$3,787,037, \$8,846,410, and \$12,459,482 to RSIA, RSRMA, REEP, and SISC, respectively, for its property liability, health, and workers' compensation coverage.

Existing Debt Obligations

General Obligation Bonds. Debt service on outstanding general obligation bonds, including refunding bonds, are payable from an *ad valorem* tax levied and collected by the County on assessed property in the District. The District has general bonds and general obligation refunding bonds currently outstanding, as summarized in the following table and as described in more detail below.

Dated Date	Series	Original Principal Amount	Principal Outstanding August 1, 2018
02/25/2010	General Obligation Bonds, 2008 Election, Series 2010B	\$13.436.947.70	\$1.476.947.70
03/20/2013	General Obligation Bonds, 2012 Election, Series 2013A	40,540,000.00	38,275,000.00
03/04/2015	General Obligation Bonds, 2012 Election, Series 2015B	38,949,540.30	38,647,221.15
09/22/2016	General Obligation Bonds, 2012 Election, Series 2016C	19,200,000.00	18,810,000.00
09/22/2016	2016 General Obligation Refunding Bonds, Series A	21,395,000.00	21,395,000.00
Total		\$133.521.488.00	\$118,604,168,85

Source: Municipal Advisor.

Certificates of Participation.

<u>2009 Certificates of Participation</u>. In September 2009, the District caused the execution and delivery of its Certificates of Participation (Refunding Project) in the aggregate principal amount of \$43,920,000 (the "**2009 Certificates**"), the net proceeds of which were used to finance costs associated with certain capital projects of the District. The 2009 Certificates will be prepaid in full with proceeds of the 2018 Certificates of Participation described below on December 4, 2018.

2015 Certificates of Participation. On February 4, 2015, the District executed and delivered its 2015 Certificates of Participation, Series A in the aggregate principal amount of \$30,090,000 (the "2015 Certificates") for the purpose of prepaying and defeasing the District's Certificates of Participation (Refunding and School Construction Project), 2005 Series B (the "2005 Certificates"), which were issued for the purposes of (1) prepaying, on an advance basis, the District's prior Variable Rate Demand Certificates of Participation (Land Bank Program) 2004 Series A, Variable Rate Demand Certificates of Participation (Land Bank Program) 2004 Series B and Refunding Certificates of Participation (Centralized Support Services and District Office Facilities Project) 2005 Series A, (2) funding costs of construction of public school facilities of the District and (3) refunding certain outstanding lease-purchase obligations of the District.

<u>2018 Certificates of Participation</u>. On December 4, 2018, the District will cause the execution and delivery of its Refunding Certificates of Participation, Series 2018, in the aggregate principal amount of \$32,145,000 (the "**2018 Certificates**"), for the purpose of prepaying, in full, the 2009 Certificates.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those

required by the Government Code. See APPENDIX G to the Official Statement for the County's current investment policy and recent investment report.

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State's general fund, and (2) a locally funded portion, being a district's share of the 1% general ad valorem tax levy authorized by the California Constitution (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources.

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

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. None of the District, the Purchaser or the Counties is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

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

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

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

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

Recent State Budgets

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

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

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2018-19 State budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 55 at the November 8, 2016 statewide election, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2018-19 State Budget

On June 27, 2018, the Governor signed the 2018-19 State budget (the "2018-19 State Budget") into law. The 2018-19 State Budget calls for total spending of \$199.7 billion, with \$137.7 billion in general fund spending. The 2018-19 State Budget provides for \$78.4 billion of funding through Proposition 98, the primary source of funding for K-12 school districts and community college districts, an increase of \$3.9 billion, or 5.2%, from the 2017-18 State budget. Of that \$78.4 billion, \$61.0 billion will be distributed to K-12 school districts through the LCFF, which will be fully funded during fiscal year 2018-19, restoring every school district in the State to at least pre-recession funding levels.

The 2018-19 State Budget continues to build State reserves, with the rainy-day fund balance projected to grow to \$13.8 billion by the end of the budget year, its constitutional maximum. Additionally, revenues have been set aside in new savings funds, including a \$200 million reserve for safety net programs. Other significant features of the 2018-19 State Budget include:

- \$640 million in Proposition 51 State bond authority for school facilities;
- \$1 billion in federal and state funds, over four years, for early childhood programs, including the addition of placement for 13,400 child-care and 2,947 preschool children, and \$450 million to reduce the number of children living in deep poverty;
- one-time funding for K-12 school districts to fund various programs, including \$300 million for the lowest-performing student subgroups, \$125 million to address the shortage of special education teachers, and \$100 million to expand facilities for kindergarten and transitional kindergarten;
- \$54 million for county offices of education to support school districts needing additional assistance, as determined based on multiple performance indicators;
- \$100 million for local fire response, including \$32.9 million to backfill property
 tax revenue losses that cities, counties and districts incurred in fiscal year
 2017-18 and will incur in fiscal year 2018-19 from wildfires, mudslides and
 other natural disasters, and a hold harmless provision allowing local education
 agencies to recoup revenue that has been lost due to declines in average daily
 attendance that are directly associated with these disasters;
- \$185.4 million to multiple state agencies for the first year of implementation of a \$4 billion parks and water bond measure approved by voters in 2018; and

 one-time funding of \$500 million to support local governments in addressing homelessness, to be used for emergency shelters, bridge housing, motel vouchers, and supportive housing.

2019-20 Proposed State Budget

On January 10, 2019, the Governor released the proposed State budget for fiscal year 2019-20 (the "2019-20 Proposed Budget"). The 2019-20 Proposed Budget projects general fund revenues in fiscal year 2018-19 of approximately \$149.3 billion (including a prior year balance of approximately \$12.4 billion) and expenditures of approximately \$144.1 billion. For fiscal year 2019-20, the 2019-20 Proposed Budget projects general fund revenues of \$147.9 billion (including a prior year transfer of approximately \$5.2 billion) and authorizes expenditures of \$144.2 billion. The 2019-20 Proposed Budget continues to build State reserves to manage the impacts of future economic downturns, with \$2.3 billion in a Special Fund for Economic Uncertainties, \$15.3 billion in the "Rainy Day Fund," and \$900 million in a Safety Net Reserve Fund. The 2019-20 Proposed Budget notes that additional deposits to the Rainy Day Fund will be made in reliance on a recent opinion by the California Office of Legislative Counsel, which concluded that supplemental payments made in prior fiscal years do not count towards calculating the Rainy Day Fund's constitutional maximum of 10%, and projects bringing the Rainy Day Fund to \$19.4 billion by 2022-23.

The 2019-20 Proposed Budget raises the Proposition 98 minimum funding guarantee for school districts and community college districts to \$80.7 billion, a new all-time high, which includes an additional \$2 billion in Proposition 98 funding for the LCFF, reflecting a 3.46% cost-of-living adjustment, and brings total LFCC funding to \$63 billion. To address the rising costs of STRS pensions, the 2019-20 Proposed Budget also includes a \$3 billion one-time general fund payment to STRS on behalf of school districts, which is expected to provide immediate relief and reduce the out-year contribution rate by 0.5%. The 2019-20 Proposed State Budget also includes a \$750 million one-time general fund payment to fund new or retrofitted facilities for full-day kindergarten programs and other activities that reduce barriers to providing full-day kindergarten and a general fund payment of \$576 million (\$186 million is one-time) to support expanded special education services in school districts with a high concentration of special education students. The Governor is required to release a revision to the proposed budget by May 14 of each year.

Disclaimer Regarding State Budgets. The implementation of the foregoing 2018-19 State Budget and future State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2018-19 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Bonds are secured by ad valorem taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

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

Availability of State Budgets. The complete 2018-19 State Budget and the 2019-20 Proposed Budget are available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

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

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

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

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article

XIIIA limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof. except that additional ad valorem taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIIIA 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 XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

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

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

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

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

provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

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

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

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

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

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

Unitary Property

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

Articles XIIIC and XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), 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 XIIIC 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 XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

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

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

Proposition 98

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

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

Proposition 111

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

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

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population"

specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

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

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

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

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes

existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local

government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

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

Proposition 30 and Proposition 55

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

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

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

California Senate Bill 222

Senate Bill 222 ("SB 222") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.



APPENDIX B

VAL VERDE UNIFIED SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2017-18





VAL VERDE Unified School District

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

VAL VERDE UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS JUNE 30, 2018

FINANCIAL SECTION	
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Governmental Funds - Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Governmental Funds - Statement of Revenues, Expenditures, and Changes in	
Fund Balances	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and	
Changes in Fund Balances to the Statement of Activities	22
Proprietary Funds - Statement of Net Position	24
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position	25
Proprietary Funds - Statement of Cash Flows	26
Fiduciary Funds - Statement of Net Position	27
Fiduciary Funds - Changes in Net Position	28
Notes to Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Budgetary Comparison Schedule	82
Special Education Local Plan Area - Budgetary Comparison Schedule	83
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	84
Schedule of District Contributions for OPEB	85
Schedule of OPEB Investment Returns	86
Schedule of the District's Proportionate Share of the Net Pension Liability	87
Schedule of District Contributions	88
Note to Required Supplementary Information	89
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	92
Local Education Agency Organization Structure	94
Schedule of Average Daily Attendance	95
Schedule of Instructional Time	96
Reconciliation of Annual Financial and Budget Report With Audited Financial Statements	97
Schedule of Financial Trends and Analysis	98
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	100
Note to Supplementary Information	101

TABLE OF CONTENTS JUNE 30, 2018

INDEPENDENT AUDITOR'S REPORTS	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance With Government	
Auditing Standards	104
Report on Compliance for Each Major Program and on Internal Control Over Compliance	
Required by Uniform Guidance	106
Report on State Compliance	108
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Summary of Auditor's Results	112
Financial Statement Findings	113
Federal Awards Findings and Questioned Costs	114
State Awards Findings and Questioned Costs	115
Summary Schedule of Prior Audit Findings	116

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Governing Board Val Verde Unified School District Perris, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Val Verde Unified School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, budgetary comparison schedules on pages 82 and 83, schedule of changes in the District's net OPEB liability and related ratios on page 84, schedule of District contributions for OPEB on page 85, schedule of OPEB investment returns on page 86, schedule of the District's proportionate share of net pension liability on page 87, and the schedule of District contributions on page 88, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Val Verde Unified School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as referred to in the previous paragraph, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

Varrinek, Trine, Day & Co., LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018, on our consideration of the Val Verde Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Val Verde Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Val Verde Unified School District's internal control over financial reporting and compliance.

Rancho Cucamonga, California

November 2, 2018



BOARD OF EDUCATION:

Suzanne Stotlar Julio Gonzalez D. Shelly Yarbrough Marla Kirkland Matthew Serafin

Michael R. McCormick

Superintendent

R. Darrin Watters

Deputy Superintendent Business Services

Mark LeNoir

Assistant Superintendent Education Services

Juan Cabral

Assistant Superintendent Human Resources

Val Verde Unified School District

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This section of Val Verde 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, 2018, with comparative information from 2017. 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 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 as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

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

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

The *Fiduciary Funds* are prepared using the economic resources measurement focus and the 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 Val Verde Unified School District.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

- The District generated almost \$197.2 million in revenue under the new Local Control Funding Formula.
- District Average Daily Attendance grew by 197 students in 2017-2018.
- During the year, the District received just over \$2.8 million in one-time finding.
- The District continues to be the Administrative Unit for the Riverside County SELPA, and has recorded non pass-through SELPA activity in the General Fund of the District. Total revenues and other sources for SELPA were \$17.2 million, while total expenditures and other uses were \$16.9 million.
- The District continues to show their commitment to fiscal solvency by contributing towards their OPEB liability.
- The District's General Fund ending balance grew by almost \$14.2 million.
- The District's General Fund cash balance is strong at almost \$69 million as of June 30, 2018.

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 and liabilities 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.

The relationship between revenues and expenses is the District's *operating results*. Since the responsibility of the Board of Education 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

In the Statement of Net Position and the Statement of Activities, the District activities are as follows:

Governmental Activities - Most of the District's services are reported in this category. This includes the education of transitional kindergarten through grade twelve students, the operation of child development 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 certificates of participation, finance these activities.

Business-Type Activities - The District charges fees to help it cover the costs of certain services it provides. The District's internal service fund programs and services are included here.

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 - Most 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 each governmental fund financial statement.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. In fact, the District's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the fiduciary for funds held on behalf of others, like our funds for associated student body activities and Community Facilities Districts. The District's fiduciary activities are reported in the *Statements of Fiduciary Net Position* and the *Statement of Revenues, Expenses, and Changes in Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A SELPA ADMINISTRATIVE UNIT

Reporting the District's Administrative Unit Responsibilities

The District is the Administrative Unit for the Riverside County Special Education Local Plan Area (SELPA). As the SELPA's Administrative Unit, the Val Verde Unified School District receives funds and is responsible for ensuring that every eligible child receives appropriate services. Costs for the Administrative Unit are provided by special funding from the State. These financial statements reflect all SELPA activities within the District's General Fund and the Special Education Pass-Through Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$293,014,642 for the fiscal year ended June 30, 2018. Of this amount, (\$109,787,812) 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 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

	Government	Governmental Activities		
	2018	2017		
Assets				
Current assets	\$212,361,771	\$ 177,554,946		
Capital assets	533,788,110	511,256,974		
Total Assets	746,149,881	688,811,920		
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	63,056,658	37,594,365		
Liabilities				
Current liabilities	52,544,183	48,799,717		
Long-term obligations	236,442,220	239,537,543		
Aggregate net pension liability	217,000,551_	186,698,076		
Total Liabilities	505,986,954	475,035,336		
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	10,204,943	7,720,991		
Net Position				
Net investment in capital assets	346,249,289	294,718,497		
Restricted	56,553,165	55,803,169		
Unrestricted (deficit)	(109,787,812)	(106,871,708)		
Total Net Position	\$ 293,014,642	\$ 243,649,958		

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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 17. Table 2 takes the information from the *Statement of Activities*, so you can see our total revenues for the year.

As reported in the *Statement of Activities* on page 17, the cost of all of our governmental activities this year was \$481,519,664. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$70,696,788, because the cost was paid by those who benefited from the programs \$8,471,613, or by other governments and organizations who subsidized certain programs with grants and contributions \$257,034,472. We paid for the remaining "public benefit" portion of our governmental activities with \$174,118,981 in Federal and State funds, and with other revenues \$20,562,494, like interest and general entitlements.

Table 2

	Governmental Activities			
	2018	2017		
Revenues				
Program revenues:				
Charges for services	\$ 8,471,613	\$ 6,032,294		
Operating grants and contributions	216,301,360	223,505,617		
Capital grants and contributions	40,733,112	14,057		
General revenues: Federal and State aid not restricted to				
specific purposes	174,118,981	168,920,939		
Property taxes	70,696,788	65,015,980		
Other general revenues	20,562,494	23,829,304		
Total Revenues	530,884,348	487,318,191		
Expenses				
Instruction	155,990,611	161,800,012		
Instruction-related activities	30,745,056	28,869,361		
Pupil services	45,402,524	32,641,126		
General administration	16,121,049	14,914,298		
Plant services	23,423,655	22,061,404		
Other	209,836,769	208,100,702		
Total Expenses	481,519,664	468,386,903		
Change in Net Position	\$ 49,364,684	\$ 18,931,288		

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

Governmental Activities

In Table 3, we have presented the cost of each of the District's primary functions: instruction including, instruction-related activities, home-to-school transportation, food services, other pupil services, administration, plant services, ancillary services, interest on long-term obligations, and other outgo, as well as each program's *net* cost (total cost less revenues generated by the activities). 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 are provided by that function.

Table 3

	20	018	2017		
	Total Cost	Net Cost	Total Cost	Net Cost	
	of Services	of Services	of Services	of Services	
Instruction	\$ 155,990,611	\$ 77,996,837	\$ 161,800,012	\$ 119,225,132	
Instruction-related activities	30,745,056	24,801,632	28,869,361	23,180,883	
Home-to-school transportation	2,569,086	2,569,086	3,652,380	3,652,380	
Food services	23,807,497	11,786,291	11,950,202	856,675	
Other pupil services	19,025,941	14,067,049	17,038,544	12,073,185	
Administration	16,121,049	14,780,867	14,914,298	13,725,370	
Plant services	23,423,655	23,051,369	22,061,404	21,747,205	
Ancillary services	2,041,219	1,998,600	2,137,040	2,081,272	
Interest on long-term obligations	8,021,346	8,021,346	8,262,660	8,262,660	
Other outgo	199,774,204	36,940,502	197,701,002	34,030,173	
Total	\$ 481,519,664	\$ 216,013,579	\$ 468,386,903	\$ 238,834,935	

THE DISTRICT'S FUNDS

As the District completed the fiscal year, our governmental funds reported a combined fund balance of \$162,862,058, which is an increase of \$30,707,743 from last year (Table 4).

Table 4

Balances and Activity							
J	uly 1, 2017	Revenues		Expenditures		Jı	ine 30, 2018
\$	62,415,087	\$	262,045,498	\$	247,869,767	\$	76,590,818
	163,785		199,564,130		199,577,915		150,000
	24,914,509		40,887,355		23,398,752		42,403,112
	10,877,010		40,734,340		43,892,517		7,718,833
	8,571,949		249,246		1,241,814		7,579,381
	25,211,975		32,551,170		29,343,231		28,419,914
\$	132,154,315	\$	576,031,739	\$	545,323,996	\$	162,862,058
	-	163,785 24,914,509 10,877,010 8,571,949 25,211,975	\$ 62,415,087 \$ 163,785 24,914,509 10,877,010 8,571,949 25,211,975	July 1, 2017 Revenues \$ 62,415,087 \$ 262,045,498 163,785 199,564,130 24,914,509 40,887,355 10,877,010 40,734,340 8,571,949 249,246 25,211,975 32,551,170	July 1, 2017 Revenues H \$ 62,415,087 \$ 262,045,498 \$ 163,785 199,564,130 24,914,509 40,887,355 10,877,010 40,734,340 249,246 25,211,975 32,551,170	July 1, 2017 Revenues Expenditures \$ 62,415,087 \$ 262,045,498 \$ 247,869,767 163,785 199,564,130 199,577,915 24,914,509 40,887,355 23,398,752 10,877,010 40,734,340 43,892,517 8,571,949 249,246 1,241,814 25,211,975 32,551,170 29,343,231	July 1, 2017 Revenues Expenditures July 1, 2017 \$ 62,415,087 \$ 262,045,498 \$ 247,869,767 \$ 163,785 199,564,130 199,577,915 24,914,509 40,887,355 23,398,752 10,877,010 40,734,340 43,892,517 8,571,949 249,246 1,241,814 25,211,975 32,551,170 29,343,231 29,343,231

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

The primary reasons for these increases are:

- 1. The General Fund is the District's principal operating fund. During fiscal year 2017-2018, the fund balance in the General Fund increased by \$14,175,731 leaving an ending balance of \$76,590,818 due to increased revenue and carryover.
- 2. The Building Fund increased due to state matching dollars received.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 82.

Our original General Fund revenue budget was projected to be \$252,606,801. It was adjusted throughout the year with a final revision of \$262,850,950. The actual amount of revenue received was \$262,032,803, which was \$818,147 less than the final budget.

Our original expenditure budget was projected to be \$252,879,032. It also was adjusted throughout the year with a final revision of \$251,035,536. The actual amount of expenditures was \$242,256,375, which was \$8,779,161 less than the final budget. The decreases in variances of the Final Budget to the Actual Expenditures were due to:

- 1. Increases in the cost of certificated salary costs \$169,211 and decreases in employee benefits (\$1,612,319).
- 2. Decreases in books and supplies (\$1,195,776), and services and other operating expenditures (\$879,361) due to money budgeted for use by restricted programs not being used in the current year.
- 3. Increase in capital outlay costs of \$809,899.
- 4. Decrease in other outgo of (\$5,574,138).
- 5. Increases in debt service \$25,936 due to payments being made from Debt Service Fund for Blended Component Units.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Net Capital Assets

At June 30, 2018, the District had net \$533,788,110 in a broad range of capital assets, including land, buildings, and furniture and equipment - each having a value of at least \$5,000. This amount represents a net increase (including additions and depreciation) of \$22,531,136, or 4.41 percent, above last year.

Table 5

	Governmental Activities			
	2018	2017		
Land and construction in process	\$ 137,330,293	\$ 126,323,745		
Buildings and improvements	383,727,025	372,781,886		
Equipment	12,730,792	12,151,343		
Total	\$ 533,788,110 \$ 511,256,9			

This year's additions of \$37,694,420 include mostly cost associated with the building of Orange Vista High School.

Several capital projects are planned for the 2018-2019 year. We anticipate capital additions to be around \$10.6 million for the 2018-2019 year. We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Obligations

At the end of this year, the District had \$236,442,220 in long-term obligations outstanding versus \$239,537,543 last year, a decrease of 1.29 percent. Long-term obligations at June 30, 2018, consisted of:

Table 6

	Governmental Activities			
	2018	2017		
General obligation bonds	\$ 157,784,766	\$ 159,600,987		
Certificates of participation	68,990,137	71,530,700		
Capitalized lease obligations	45,112	65,474		
Supplemental employee retirement program	65,050	97,575		
Net OPEB asset	9,557,155	8,242,807		
Total	\$ 236,442,220	\$ 239,537,543		

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

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

Net Pension Liability (NPL)

At year end, the District had a pension liability of \$217,000,551, as a result of the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District therefore recorded its proportionate share of net pension liabilities for CalSTRS and CalPERS.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2018-2019 year, the District Board of Education and management used the following criteria:

The key assumptions in our revenue forecast are:

- 1. Local Control Funding Formula per Average Daily Attendance (ADA) Cost of Living Adjustment (COLA) of 2.71 percent and a GAP Percentage of 100 percent.
- 2. Federal income will be projected at the prior year 2017-2018 level.
- 3. Other State income (categorical projects) will be projected at the prior year 2017-2018 level.

Expenditures are based on the following Student - Teacher Ratio Forecasts:

Grade	Staffing Ratio	Enrollment Ratios
Kindergarten	30:1	30:1
Grades one through three	30:1	30:1
Grades four and five	30:1	30:1
Grades six through eight	29:1	35:1
Grades nine through twelve	29:1	35:1

The new items specifically addressed in the expenditure budget are:

- 1. Increases in spending as a result of increased Supplemental and Concentration dollars through LCFF.
- 2. Increases to the employer contribution rate for CalSTRS and CalPERS.
- 3. Increases in salaries and benefits due to negotiated raises.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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 there are questions about this report or a need for any additional financial information, contact Kristin Merritt, Director of Fiscal Services, at Val Verde Unified School District, 975 W. Morgan Street, Perris, California, 92571, or e-mail at kmerritt@valverde.edu.

STATEMENT OF NET POSITION JUNE 30, 2018

	Governmental Activities
ASSETS	
Deposits and investments	\$ 188,135,729
Receivables	24,020,167
Stores inventories	205,875
Capital assets	
Land and construction in process	137,330,293
Other capital assets	548,203,933
Accumulated depreciation	(151,746,116)
Total Capital Assets	533,788,110
Total Assets	746,149,881
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	62,759,566
Deferred outflows of resources related to postemployment benefits	
other than pensions	297,092
Total Deferred Outflows of Resources	63,056,658
LIABILITIES	
Accounts payable	47,682,586
Due to retiree benefits trust	778,000
Interest payable	3,146,034
Unearned revenue	937,563
Long-term obligations	,
Current portion of long-term obligations other than pensions	4,489,997
Noncurrent portion of long-term obligations other than pensions	231,952,223
Total Long-Term Obligations	236,442,220
Aggregate net pension liability	217,000,551
Total Liabilities	505,986,954
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	10,204,943
NET DOCUTION	
NET POSITION	246 240 200
Net investment in capital assets	346,249,289
Restricted for:	0.500.060
Debt service	9,702,063
Capital projects	32,972,833
Educational programs	13,878,269
Unrestricted (deficit)	(109,787,812)
Total Net Position	\$ 293,014,642

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

		1	Program Revenu	es	Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Evnongog	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Governmental Activities:	Expenses	Sales	Contributions	Contributions	Activities		
Instruction	\$155,990,611	\$ 5,301,265	\$ 31,959,397	\$ 40,733,112	\$ (77,996,837)		
Instruction-related activities:	ψ133,770,011	ψ 3,301,203	Ψ 31,737,377	Ψ +0,733,112	Ψ (11,220,031)		
Supervision of instruction	12,233,121	5,350	4,870,126	_	(7,357,645)		
Instructional library, media,	12,233,121	3,330	4,070,120		(7,557,045)		
and technology	2,765,401	_	82,461	_	(2,682,940)		
School site administration	15,746,534	4,118	981,369	_	(14,761,047)		
Pupil services:	13,7 10,33 1	1,110	701,207		(11,701,017)		
Home-to-school transportation	2,569,086	_	_	_	(2,569,086)		
Food services	23,807,497	534,399	11,486,807	_	(11,786,291)		
All other pupil services	19,025,941	5,437	4,953,455	_	(14,067,049)		
Administration:	,,-	2,121	1,200,100		(= 1,001,017)		
Data processing	4,383,466	10,680	1,605	_	(4,371,181)		
All other administration	11,737,583	53,564	1,274,333	-	(10,409,686)		
Plant services	23,423,655	1,109	371,177	-	(23,051,369)		
Ancillary services	2,041,219	2,918	39,701	_	(1,998,600)		
Interest on long-term obligations	8,021,346	-	· -	_	(8,021,346)		
Other outgo	199,774,204	2,552,773	160,280,929	_	(36,940,502)		
Total Governmental Activities	\$481,519,664	\$ 8,471,613	\$216,301,360	\$ 40,733,112	(216,013,579)		
	General revenues	and subventions	<u> </u>				
		s, levied for gene			63,587,964		
	Property taxes, levied for debt service						
	1,802,886						
	174,118,981						
	Interest and in	942,324					
	Transfers bet	12,695					
	Miscellaneou	19,607,475					
	Subtotal, General Revenues						
	Change in Net P				49,364,684		
	Net Position - Bo				243,649,958		
	Net Position - E	nding			\$ 293,014,642		



GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2018

	Special Education General Pass-Through Fund Fund			Building Fund		
ASSETS						
Deposits and investments	\$ 78,278,907	\$	20,260,199	\$	12,784,049	
Receivables	6,610,430		15,515,910		78,113	
Due from other funds	2,641,911		127,599		19,009,723	
Stores inventories	56,838		_		-	
Total Assets	\$ 87,588,086	\$	35,903,708	\$	31,871,885	
LIABILITIES AND FUND BALANCES Liabilities: Accounts payable Due to other funds Unearned revenue Total Liabilities	\$ 9,166,608 970,382 860,278 10,997,268	\$	34,610,534 1,143,174 - 35,753,708	\$	3,506,272 - - 3,506,272	
Fund Balances: Nonspendable Restricted	81,838 10,194,155		150,000		28,365,613	
Assigned	-		-		-	
Unassigned	66,314,825		_		_	
Total Fund Balances	 76,590,818		150,000		28,365,613	
Total Liabilities and Fund Balances	\$ 87,588,086	\$	35,903,708	\$	31,871,885	

Co	County School Facilities Fund		Crossover Debt Service Fund		Non-Major Governmental Funds		Total overnmental Funds
\$	24,542,075 68,377	\$	23,921,941	\$	28,230,190 1,747,027 64,783 149,037	\$	188,017,361 24,019,857 21,844,016 205,875
\$	24,610,452	\$	23,921,941	\$	30,191,037	\$	234,087,109
\$	186,957 19,009,723 - 19,196,680	\$	- - - -	\$	195,101 1,498,737 77,285 1,771,123	\$	47,665,472 22,622,016 937,563 71,225,051
	5,413,772 - - 5,413,772		23,921,941		154,230 28,258,144 7,540 - 28,419,914		236,068 96,303,625 7,540 66,314,825 162,862,058
\$	24,610,452	\$	23,921,941	\$	30,191,037	\$	234,087,109

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2018

Total Fund Balance - Governmental Funds Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because: Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of capital assets is:	\$ 685,534,226	\$ 162,862,058
Accumulated depreciation is: Net Capital Assets	(151,746,116)	533,788,110
An internal service fund is used by the District's management to charge the costs of the dental and vision program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities. Internal Service Fund net assets are:		101,564
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(3,146,034)
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year end consist of:		
Pension contributions subsequent to measurement date Net change in proportionate share of net pension liability Differences between projected and actual earnings on pension plan investments Differences between expected and actual experience in the measurement of the total pension liability Changes of assumptions Total Deferred Outflows of Resources Related	19,265,122 828,959 2,087,668 2,741,374 37,836,443	
to Pensions Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year end consist of:		62,759,566
Net change in proportionate share of net pension liability Difference between projected and actual earnings on pension plan investments Differences between expected and actual experience in the	(2,590,091) (4,172,063)	
measurement of the total pension liability Changes of assumptions Total Deferred Inflows of Resources Related to Pensions	(2,732,252) (710,537)	(10,204,943)
to I chistons		(10,204,743)

Capital lease obligations

Supplemental Early Retirement Program (SERP)

Net other postemployment benefits (OPEB) liability

In addition, the District has issued 'capital appreciation' general

Deferred outflows of resources related to OPEB represent a consumption of

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2018

net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year end consist of the difference between projected and actual earnings on OPEB plan investments.		\$	297,092
		Ψ	291,092
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(2)	17,000,551)
Long-term obligations, including general obligation bonds, are not due and payable in the current period and, therefore, are not reported as obligations in the funds.			
Long-term obligations at year end consist of:			
General obligation bonds	\$ (144,159,421)		
Premium on issuance	(11,050,141)		
Certificates of participation	(65,560,000)		
Premium on issuance	(3,686,040)		
Discount on issuance	255,903		

obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is:

Total Long-Term Obligations

Total Net Position - Governmental Activities

(2,575,204)

(236,442,220)

\$ 293,014,642

(45,112)

(65,050)

(9,557,155)

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Education Pass-Through Fund	Building Fund
REVENUES			
Local Control Funding Formula	\$ 197,195,636	\$ 32,528,452	\$ -
Federal sources	13,389,479	48,355,090	-
Other State sources	20,504,119	118,389,577	-
Other local sources	30,943,569	291,011	255,931
Total Revenues	262,032,803	199,564,130	255,931
EXPENDITURES			
Current			
Instruction	146,257,569	-	-
Instruction-related activities:			
Supervision of instruction	11,713,120	-	-
Instructional library, media,			
and technology	2,679,506	_	_
School site administration	14,515,640	_	_
Pupil services:	,,-		
Home-to-school transportation	2,569,086	-	-
Food services	-	_	_
All other pupil services	17,973,519	_	_
Administration:	. , ,-		
Data processing	3,536,476	-	-
All other administration	9,811,595	-	-
Plant services	24,223,265	_	_
Ancillary services	1,996,317	-	-
Other outgo	196,289	199,577,915	_
Facility acquisition and construction	6,758,057	-	23,385,701
Debt service	-,,		
Principal	20,362	-	-
Interest and other	5,574	-	13,051
Total Expenditures	242,256,375	199,577,915	23,398,752
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	19,776,428	(13,785)	(23,142,821)
OTHER FINANCING			
SOURCES (USES)			
Transfers in	12,695	-	40,631,424
Transfers out	(5,613,392)	-	-
Net Financing			
Sources (Uses)	(5,600,697)	-	40,631,424
NET CHANGE IN FUND BALANCES	14,175,731	(13,785)	17,488,603
Fund Balances - Beginning	62,415,087	163,785	10,877,010
Fund Balances - Ending	\$ 76,590,818	\$ 150,000	\$ 28,365,613
<u> </u>			

County School Facilities Fund	Crossover Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
\$	- \$ -	\$ -	\$ 229,724,088
Ψ		10,688,407	72,432,976
40,558,156	í -	3,336,544	182,788,396
176,184		12,316,038	44,231,979
40,734,340		26,340,989	529,177,439
		1,457,934	147,715,503
		-	11,713,120
		_	2,679,506
		479,968	14,995,608
		_	2,569,086
		11,644,055	11,644,055
		127,045	18,100,564
		-	3,536,476
		884,832	10,696,427
		342,399	24,565,664
		-	1,996,317
		-	199,774,204
3,261,093	-	2,439,466	35,844,317
		4,345,000	4,365,362
	- 1,241,814	7,025,743	8,286,182
3,261,093	1,241,814	28,746,442	498,482,391
37,473,247	(992,568)	(2,405,453)	30,695,048
		6,210,181	46,854,300
(40,631,424	4)	(596,789)	(46,841,605)
(40,631,424	4)	5,613,392	12,695
(3,158,177	7) (992,568)	3,207,939	30,707,743
8,571,949		25,211,975	132,154,315
\$ 5,413,772	\$ 23,921,941	\$ 28,419,914	\$ 162,862,058

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		\$ 30,707,743
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 expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation in the period. Capital outlay Depreciation expense	\$ 37,694,420 (15,163,284)	22,531,136
In the Statement of Activities, certain operating expenses - special termination benefits (early retirement) 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 year, special termination benefits used were more than the amounts earned by \$32,525.		32,525
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 net pension liability during the year.		(7,621,226)
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.		(1,017,256)
Repayment of principal is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities: General obligation bonds Certificates of participation Capital lease obligations		1,995,000 2,350,000 20,362

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

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 debt premium \$
Amortization of debt discount
Combined adjustment \$

Interest on long-term obligations 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 and certificates of participation increased by \$253,052, and second, \$652,812 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.

(399,760)

664,596

678,813

(14,217)

An internal service fund is used by the District's management to charge the costs of the unemployment compensation insurance program to the individual funds. The net revenue of the internal service fund is reported with governmental activities.

101,564

Change in Net Position of Governmental Activities

\$49,364,684

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2018

ASSETS	Governmental Activities - Internal Service Fund	
Current Assets		
Deposits and investments	\$	118,368
Receivables		310
Total Assets	\$	118,678
LIABILITIES		
Current Liabilities		
Accounts payable	\$	17,114
NET ASSETS		
Unrestricted	\$	101,564

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Fund	
OPERATING REVENUES		
Charges to other funds and miscellaneous revenues	\$ 504,784	
OPERATING EXPENSES		
Professional and contract services	391,724	
Operating Income	113,060	
NONOPERATING REVENUES		
Interest income	1,199	
Loss Before Transfers	114,259	
Transfers out	(12,695)	
Change in Net Assets	101,564	
Total Net Assets - Beginning	-	
Total Net Assets - Ending	\$ 101,564	

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	A	vernmental ctivities - Internal rvice Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$	504,784
Cash payments for other operating expenses		(379,726)
Net Cash Provided by Operating Activities		125,058
CASH FLOWS FROM NONCAPITAL		
FINANCING ACTIVITIES		
Transfers to other funds		(12,695)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		1,199
Net change in cash and cash equivalents		113,562
Cash and cash equivalents - Beginning		4,806
Cash and cash equivalents - Ending	\$	118,368
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$	113,060
Changes in assets and liabilities:		
Receivables		296
Due from other fund		12,695
Accrued liabilities		(993)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	125,058

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2018

	Agency Funds			Trust Funds		_		
	Associated Student Bodies		Financing Authority		Retiree Benefits Trust		Total Fiduciary Funds	
ASSETS		Douics		lumorny		Trust		<u>r unus</u>
Deposits and investments	\$	1,024,313	\$	7,439,112	\$	7,135,786	\$ 1	5,599,211
Receivables		557		-		-		557
Due from other funds		-		-		778,000		778,000
Stores inventories		61,284		-		-		61,284
Total Assets	\$	1,086,154	\$	7,439,112	\$	7,913,786	\$:	16,439,052
LIABILITIES								
Accounts payable	\$	133	\$	-	\$	-	\$	133
Due to bondholders		-		7,439,112		-		7,439,112
Due to student groups		1,086,021						1,086,021
Total Liabilities		1,086,154		7,439,112				8,525,266
NET POSITION								
Held in trust for retiree benefits						7,913,786		7,913,786
Total Net Position					\$	7,913,786	\$	7,913,786

FIDUCIARY FUNDS CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

	Retiree Benefits Trust
ADDITIONS	
District contributions	\$ 778,000
Interest	256,752_
Total Additions	1,034,752
DEDUCTIONS	
Retiree benefits	63,595
Decrease in fair market value of investments	(114,613)
Total Deductions	(51,018)
Change in Net Position	1,085,770
Net Position - Beginning	6,828,016_
Net Position - Ending	\$ 7,913,786

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Val Verde Unified School District (the District) was unified on July 1, 1991, 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 K - 12 as mandated by the State and/or Federal agencies. The District operates twelve elementary schools, four middle schools, two high schools, one opportunity school, one independent study program, and a continuation high school.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the benefit of the District.

Val Verde Unified School District has financial and operational relationship, which meets the reporting entity definition criteria of the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion as a component unit, Perris Valley Financing Authority (Corporation).

The financial activities of the COPs have been included in the financial statements of the District in the Debt Services Fund for Blended Component Units. Certificates of participation issued by the Corporation and Financing Authorities are included in the long-term obligations footnote. Individually prepared financial statements are not prepared for the Corporation.

The Val Verde Unified School District Community Facilities Districts (CFDs) financial activity is presented in the financial statements as the CFD Capital Fund and in the Fiduciary Funds Statement as the Financing Authority. Special Tax Bonds issued by the CFDs are not included in the long-term obligations of the Statement of Net Position as they are not obligations of the District. Individually prepared financial statements are not prepared for each of the CFDs.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The following are those aspects of the relationship between the District and the above entities, which satisfy GASB Codification Section 2100 criteria.

Manifestations of Oversight

- The entities' Board of Directors was appointed by the District's governing board.
- The entities have no employees. The District's Superintendent and Deputy Superintendent, Business Services, function as agents of the entities. Neither individual receives additional compensation for work performed in this capacity.
- The District exercises significant influence over operations of the entities. It is anticipated that the District will be the sole lessee of all facilities owned by the COP.

Accountability for Fiscal Matters

- All major financing arrangements, contracts, and other transactions of the entities must have the consent of the governing board.
- Any deficits incurred by the COP will be reflected in the lease payments of the District. Any surpluses of the COPs revert to the District at the end of the lease period.
- It is anticipated that the District's lease payments will be the sole revenue source of the COPs.

Scope of Public Service

- The entities were created for the sole purpose of financially assisting the District.
- The entities are a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The entities were formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion, the District intends to occupy all COP facilities under a lease-purchase agreement effective through the year 2036. At the end of the lease term, title of all COP property will pass to the District for no additional consideration.

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 on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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.

One fund currently defined as special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of \$14,175,731.

Special Education Pass-Through Fund This fund is used by the Administrative Unit of a multi-district Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member districts.

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.

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or 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 in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Crossover Debt Service Fund The Crossover Debt Service Fund is used to account for the cash with fiscal agent for the payment of principal and interest for the crossover bonds issued by the entity under generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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.

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 to be 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).

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 approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). 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).

CFD Capital Fund The CFD Capital Fund is used to account for capital projects financed by Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the retirement of, principal and interest on general long-term obligations.

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

Debt Service Fund for Blended Component Units The Debt Service Fund for Blended Component Units is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

Internal Service Fund Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a self-insurance dental and vision program that is accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee capacity for others that cannot be used to support the District's own programs. Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust funds account for accumulation of resources for the payment of retiree benefits. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency funds account for the accumulation of resources for the payment of the principal and interest on the Special Tax Bonds issued by the Community Facilities Districts, Retiree Benefit Trust activities, and the student body activities (ASB).

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.

The government-wide financial Statement of Activities presents a comparison between direct expenses and program revenues 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, and exclude fiduciary activity. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting 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 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 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.

Proprietary Funds Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the Statement of Net Position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds Fiduciary Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements, because they do not represent resources of the District.

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. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

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

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, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, 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 entity-wide statements.

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2018, 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 the county pool are determined by the program sponsor.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental and expenses in the proprietary funds when used.

Capital Assets and Depreciation

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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 estimated fair market 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 and improvements, 20 to 50 years; equipment, 2 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the Statement of Net Position.

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 Obligations

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

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 governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported 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 for pension 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.

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 additions to/deductions from the District Plan fiduciary net position have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Fund Balances - Governmental Funds

As of June 30, 2018, 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. The District currently does not have any committed funds.

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/assistant 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 on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges to other funds for self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Net Position

Net position represents the difference between assets and liabilities. 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 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 \$56,553,165 of restricted net position.

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 to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities column 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 Riverside bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In May 2017, the GASB issued Statement No. 86, Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The District has implemented the provisions of this Statement as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

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

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

In April 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

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

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 188,135,729
Fiduciary funds	15,599,211
Total Deposits and Investments	\$ 203,734,940
Deposits and investments as of June 30, 2018, consist of the following:	
Cash on hand and in banks	\$ 11,152,069
Cash in revolving	30,193
Investments	192,552,678
Total Deposits and Investments	\$ 203,734,940

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 accounting 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

General Authorizations

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

	Maximum	Maximum	Maximum
Authorized	Remaining	Percentage	Investment
Investment Type	Maturity	of Portfolio	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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Specific Identification

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:

			Maturity Date/
		Weighted-Average	
Investment Type		Amount	Days to Maturity
Money Market Mutual Funds	\$	6,092,768	36
U.S. Treasury Obligations		23,921,558	7/31/2018
Riverside County Investment Pool		155,402,566	427
Total	\$	185,416,892	•

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. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year end for each investment type.

		Moody's	
	Minimum Legal	Reported	
Investment Type	Rating	June 30, 2018	Amount
Money Market Mutual Funds	Not Required	AAA-mf	\$ 6,092,768
U.S. Treasury Obligations	AAA	AAA	23,921,558
Riverside County Investment Pool	Not Required	Aaa-bf	155,402,566
Total Investments			\$ 185,416,892

Trust

The following investments are related to the Districts Fiduciary Fund Retiree Benefits Trust to be used for Net OPEB Liability and are not subject to the general authorization limitations as they relate to interest rate risk, credit risk, and concentration of credit risk required by the California Government Code.

	Reported	Maturity
Investment Type	Amount	Date
Mutual Fund - Fixed Income	\$ 3,929,660	7/1/2018
Mutual Fund - Domestic Equity	2,337,854	7/1/2018
Mutual Fund - International Equity	576,139	7/1/2018
Mutual Fund - Real Estate	292,133	7/1/2018
Total	\$ 7,135,786	

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, the District's bank balance of \$6,895,630 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

- Level 1 Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The District's fair value measurements are as follows at June 30, 2018:

	Reported	
Investment Type	Amount	Uncategorized
Riverside County Investment Pool	\$ 155,402,566	\$ 155,402,566

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 4 - RECEIVABLES

Receivables at June 30, 2018, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	Special						County			
	Education							School	Non-Major	
		General	P	ass-Through		Building		Facilities	Governmental	
		Fund		Fund		Fund		Fund		Funds
Federal Government										
Categorical aid	\$	579,878	\$	11,528,059	\$	-	\$	-	\$	1,368,994
State Government										
State principal apportionment		-		-		-		-		317,066
Categorical aid		1,900,630		3,923,611		-		-		-
Lottery		845,624		-		-		-		-
Local Government										
Interest		306,488		64,240		78,113		68,377		46,828
Other local sources		2,977,810		-		_		_		14,139
Total	\$	6,610,430	\$	15,515,910	\$	78,113	\$	68,377	\$	1,747,027

	Internal Total					
	Service		Governmental		Fiduciary	
		Fund	Activities			Funds
Federal Government		_				
Categorical aid	\$	-	\$	13,476,931	\$	-
State Government						
State principal						
apportionment		-		317,066		-
Categorical aid		-		5,824,241		-
Lottery		-		845,624		-
Local Government						
Interest		310		564,356		-
Other local sources				2,991,949		557
Total	\$	310	\$	24,020,167	\$	557
		•		•		

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance			Balance
	July 1, 2017	Additions	Deductions	June 30, 2018
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 94,676,207	\$ 1,693,950	\$ -	\$ 96,370,157
Construction in process	31,647,538	26,979,495	17,666,897	40,960,136
Total Capital Assets				
Not Being Depreciated	126,323,745	28,673,445	17,666,897	137,330,293
Capital Assets Being Depreciated				
Land improvements	28,237,424	5,098,241	-	33,335,665
Buildings and improvements	465,254,400	18,487,382	-	483,741,782
Furniture and equipment	28,039,931	3,102,249	15,694	31,126,486
Total Capital Assets				
Being Depreciated	521,531,755	26,687,872	15,694	548,203,933
Less Accumulated Depreciation				
Land improvements	2,946,858	1,770,285	-	4,717,143
Buildings and improvements	117,763,080	10,870,199	-	128,633,279
Furniture and equipment	15,888,588	2,522,800	15,694	18,395,694
Total Accumulated				
Depreciation	136,598,526	15,163,284	15,694	151,746,116
Governmental Activities				
Capital Assets, Net	\$ 511,256,974	\$ 40,198,033	\$ 17,666,897	\$ 533,788,110

Depreciation expense was charged to governmental functions as follows:

Governmental Activities

Instruction	\$ 12,016,902
Food services	341,174
Data processing	758,164
All other administration	227,451
Plant services	1,819,593
Total Depreciation Expenses Governmental Activities	\$ 15,163,284

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2018, between major and non-major governmental funds are as follows:

		Due From								
		Special	County	County						
		Education	School	Non-Major						
	General	Pass-Through	Facilities	Governmental						
Due To	Fund	Fund	Fund	Funds	Total					
General Fund	\$ -	\$ 1,143,174	\$ -	\$ 1,498,737	\$ 2,641,911					
Special Education Pass-Through										
Fund	127,599	-	-	-	127,599					
Building Fund	-	-	19,009,723	-	19,009,723					
Non-Major Governmental Funds	64,783	-	-	-	64,783					
Retiree Benefits Trust	778,000				778,000					
Total	\$ 970,382	\$ 1,143,174	\$ 19,009,723	\$ 1,498,737	\$ 22,622,016					

The balance of \$1,143,174 is due to the General Fund from the Special Education Pass-Through Fund for special education costs.

A balance of \$424,683 is due to the General Fund from the Child Development Non-Major Governmental Fund for indirect costs.

A balance of \$1,074,054 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs.

The balance of \$19,009,723 is due to the Building Fund from the County School Facilities Fund for reimbursement of project costs.

The balance of \$127,599 is due to the Special Education Pass-Through Fund from the General Fund for interest.

A balance of \$31,312 is due to the Child Development Non-Major Governmental Fund from the General Fund for current year contribution.

A balance of \$33,471 is due to the Cafeteria Non-Major Governmental Fund from the General Fund for uncollectible student debt.

The balance of \$778,000 is due to the Retiree Benefits Trust Fiduciary Fund from the General Fund for Other Postemployment Benefits (OPEB) contribution.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Operating Transfers

Interfund transfers for the year ended June 30, 2018, consisted of the following:

		Transfer From								
			County	,						
			School		N	on-Major]	Internal		
		General	Facilitie	S	Gov	vernmental		Service		
Transfer To		Fund	Fund			Funds		Fund		Total
General Fund	\$	-	\$	-	\$	-	\$	12,695	\$	12,695
Building Fund		-	40,631,	124		-		-	4	10,631,424
Non-Major Governmental										
Funds		5,613,392		-		596,789		-		6,210,181
Total	\$	5,613,392	\$ 40,631,4	124	\$	596,789	\$	12,695	\$ 4	6,854,300
								31,312		
The General Fund transferr student debt.	ea n	the Careteri	a inon-majo	r Go	veriiii	ientai runa	ior ui	iconectible		33,471
The General Fund transferred to the Debt Service Non-Major Governmental Fund for Blended Components Units for debt service payments.								5,548,609		
The County School Facilities project costs.	es F	und transferre	ed to the Bui	lding	g Fund	d for reimbu	rsem	ent of	۷	10,631,424
The Child Development No Non-Major Governmental		·		trans	ferre	d to the Cafe	eteria			596,789
The Internal Service Fund t	rans	ferred to the	General Fun	d for	repay	yment of pri	or co	ntribution.		12,695
Total						_			\$ 4	6,854,300

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, consisted of the following:

	Special				County			
			Е	Education		Schools	N	on-Major
		General	Pas	ss-Through	Building	Facility	Gov	vernmental
		Fund		Fund	Fund	Fund		Funds
Vendor payables	\$	4,971,051	\$	-	\$ 14,887	\$ -	\$	150,816
State principal apportionment		2,665,376		-	-	-		-
Salaries and benefits		974,054		-	-	-		18,090
Capital outlay		556,127		-	3,491,385	186,957		26,195
SELPA Pass-Through		-	3	34,610,534		 -		_
Total	\$	9,166,608	\$ 3	34,610,534	\$ 3,506,272	\$ 186,957	\$	195,101

	Internal		Total					
		Service	Governmental		F	iduciary		
		Fund	Activities		Activities			Fund
Vendor payables	\$	17,114	\$	5,153,868	\$	133		
State principal apportionment		-		2,665,376		-		
Salaries and benefits		-		992,144		-		
Capital outlay		-		4,260,664		-		
SELPA Pass-Through				34,610,534		-		
Total	\$	17,114	\$	47,682,586	\$	133		

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2018, consists of the following:

		N	on-Major		Total
	General	Gov	vernmental	Gov	vernmental
	 Fund		Funds	A	ctivities
Federal financial assistance	\$ 75,796	\$	-	\$	75,796
State categorical aid	784,482		32,610		817,092
Other local	 -		44,675		44,675
Total	\$ 860,278	\$	77,285	\$	937,563

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance			Balance	Due in
	July 1, 2017	Additions	Deductions	June 30, 2018	One Year
General Obligation Bonds					
2008 Series A	\$ 24,475,000	\$ -	\$ -	\$ 24,475,000	\$ 915,000
2010 Series B	4,626,338	143,368	1,875,000	2,894,706	450,000
2013 Series A	38,330,000	-	-	38,330,000	55,000
2015 Series B	40,050,475	509,444	120,000	40,439,919	195,000
2016 Series C	19,200,000	-	-	19,200,000	390,000
2016 Series A (2018					
Crossover Refunding)	21,395,000	-	-	21,395,000	-
Premium on Issuance	11,524,174	-	474,033	11,050,141	-
Certificates of Participation					
2009 Series A	38,835,000	-	1,320,000	37,515,000	1,370,000
2015 Series A	29,075,000	-	1,030,000	28,045,000	1,060,000
Premium on Issuance	3,890,820	-	204,780	3,686,040	-
Discount on Issuance	(270,120)	-	(14,217)	(255,903)	-
Capital Leases	65,474	-	20,362	45,112	22,472
Supplemental Early					
Retirement Program	97,575	-	32,525	65,050	32,525
Net Other Postemployment					
Benefits (OPEB) Liability	8,242,807	1,314,348		9,557,155	
	\$ 239,537,543	\$ 1,967,160	\$ 5,062,483	\$ 236,442,220	\$ 4,489,997

Payments on General Obligation Bonds are made in the Bond Interest and Redemption Fund. Payments on Certificates of Participation are made in the Debt Service Fund for Blended Component Units. Payments for Capital Lease Obligations are made in the General Fund. Payments for Early Retirement are made in the General Fund. Payments for Net OPEB Liability are made in the General Fund.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

2008 General Obligation Bonds, Series A

In August 2008, the District issued \$30,000,000 of the 2008 General Obligation Bonds, Series A. The bonds mature on August 1, 2033, with interest yields ranging from 1.90 to 5.30 percent. The proceeds from the sale of the bonds were used to finance the construction of new schools, classrooms, and facilities, and to repair existing schools. The interest will be defeased until the 2018 crossover bonds mature on August 1 in the years 2019 through 2024, 2027, 2030, and 2033. At June 30, 2018, the principal balance outstanding was \$24,475,000, and unamortized premium was \$318,128.

The bonds mature through 2034 as follows:

		(Current		
Year Ending		In	terest to		
June 30,	Principal	N	laturity		Total
2019	\$ 915,000	\$	37,744	\$	952,744
2020	980,000		-		980,000
2021	1,040,000		-		1,040,000
2022	1,110,000		-		1,110,000
2023	1,180,000		-		1,180,000
2024-2028	7,260,000		-		7,260,000
2029-2033	9,640,000		-		9,640,000
2034	2,350,000				2,350,000
Total	\$ 24,475,000	\$	37,744	\$2	4,512,744
	<u></u>				

2010 General Obligation Bonds, Series B

In February 2010, the District issued \$11,960,000 in current interest bonds, \$404,804 in capital appreciation bonds, and \$1,072,144 in convertible capital appreciation bonds of the General Obligation Bonds, Election of 2008, and 2010 Series B. The capital appreciation bonds and convertible capital appreciation bonds accrete interest to a maturity value of \$1,700,000 and \$2,270,000 respectively. The bonds mature on August 1, 2018, August 1, 2032, and August 1, 2034, respectively, with interest yields ranging from 2.0 to 6.5 percent. The proceeds from the sale of the bonds were used to defease a portion of the outstanding 2008 Series A bonds and payoff the assessment payable. At June 30, 2018, the principal balance outstanding was \$2,894,706, and unamortized premium was \$415,582.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The bonds mature as follows:

	2010 Current Interest Bonds			Convertible Capital Appreciation Bonds					onds	
				Current		Principal		Accreted		Current
			I	nterest to	Inclu	ding Accreted]	Interest to]	Interest to
Fiscal Year	F	Principal]	Maturity	Inte	erest to Date		Maturity		Maturity
2019	\$	450,000	\$	9,000	\$	-	\$	-	\$	-
2020		-		-		-		-		-
2021		-		-		-		-		-
2022		-		-		-		-		-
2023		-		-		-		-		69,519
2024-2029		-		-		-		-		695,188
2029-2033		-		-		684,464		1,015,536		670,994
2034-2035						1,760,242		509,758		73,500
Total	\$	450,000	\$	9,000	\$	2,444,706	\$	1,525,294	\$	1,509,201

	Total Principal and Interest						
	Principal	Accreted	Current				
	Including Accreted	Interest to	Interest to				
Fiscal Year_	Interest to Date	Maturity	Maturity				
2019	\$ 450,000	\$ -	\$ 9,000				
2020	-	-	-				
2021	-	-	-				
2022	-	-	-				
2023	-	-	69,519				
2024-2029	-	-	695,188				
2029-2033	684,464	1,015,536	670,994				
2034-2035	1,760,242	509,758	73,500				
Total	\$ 2,894,706	\$ 1,525,294	\$ 1,518,201				

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

2013 General Obligation Bonds, Series A

In March 2013, the District issued \$40,540,000 of the Election 2012, General Obligation Bonds, Series A. The bonds mature on August 1, 2042, with interest yields ranging from 1.90 to 5.30 percent. The proceeds from the sale of the bonds were used to finance the construction of new schools, classrooms, and facilities, and to repair existing schools. At June 30, 2018, the principal balance outstanding was \$38,330,000, and unamortized premium was \$2,193,984.

The bonds mature through 2043 as follows:

		Current					
Year Ending		Interest to					
June 30,	Principal	Maturity	Total				
2019	\$ 55,000	\$ 1,696,613	\$ 1,751,613				
2020	125,000	1,694,813	1,819,813				
2021	200,000	1,691,563	1,891,563				
2022	280,000	1,685,363	1,965,363				
2023	370,000	1,675,613	2,045,613				
2024-2028	3,360,000	8,130,600	11,490,600				
2029-2033	6,605,000	7,327,781	13,932,781				
2034-2038	11,295,000	5,525,763	16,820,763				
2039-2043	16,040,000	1,932,250	17,972,250				
Total	\$38,330,000	\$ 31,360,359	\$69,690,359				

2015 General Obligation Bonds, Series B

In March 2015, the District issued \$39,095,713 of the Election 2012, General Obligation Bonds, Series B. The bonds mature on August 1, 2045, with interest yields ranging from 1.03 to 5.00 percent. The proceeds from the sale of the bonds were used to refund the outstanding bond anticipation notes and finance the construction of new schools, classrooms, and facilities, and to repair existing schools. At June 30, 2018, the principal balance outstanding was \$40,439,919, and unamortized premium was \$2,826,171.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The bonds mature through 2046 as follows:

	2015 Current	2015 Current Interest Bonds		Capital Appreciation Bonds		
		Current		Accreted		
		Interest to	Including Accreted	Interest to		
Fiscal Year	Principal	Maturity	Interest to Date	Maturity		
2019	\$ -	\$ 1,357,269	\$ 194,701	\$ 299		
2020	-	1,357,269	249,702	5,298		
2021	-	1,357,269	305,585	14,415		
2022	-	1,357,269	360,904	29,096		
2023	-	1,357,269	404,043	50,957		
2024-2028	3,640,000	6,397,844	84,845	15,155		
2029-2033	-	5,876,344	3,774,728	2,790,272		
2034-2038	-	5,876,344	4,052,316	5,207,684		
2039-2043	8,010,000	5,543,594	2,538,095	4,556,905		
2044-2046	16,825,000	760,403				
Total	\$ 28,475,000	\$ 31,240,874	\$ 11,964,919	\$ 12,670,081		

	Total Principal and Interest					
	P	Principal		Accreted		Current
	Includ	ing Accreted		Interest to		Interest to
Fiscal Year	Inter	rest to Date	Maturity			Maturity
2019	\$	194,701	\$	299	\$	1,357,269
2020		249,702		5,298		1,357,269
2021		305,585		14,415		1,357,269
2022		360,904		29,096		1,357,269
2023		404,043		50,957		1,357,269
2024-2028		3,724,845		15,155		6,397,844
2029-2033		3,774,728		2,790,272		5,876,344
2034-2038		4,052,316		5,207,684		5,876,344
2039-2043		10,548,095		4,556,905		5,543,594
2044-2046		16,825,000				760,403
Total	\$	40,439,919	\$	12,670,081	\$	31,240,874

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

2016 General Obligation Bonds, Series C

In June 2017, the District issued \$19,200,000 of the Election 2012, General Obligation Bonds, Series C. The bonds mature on August 1, 2045, with interest yields ranging from 3.00 to 4.00 percent. The proceeds from the sale of the bonds were used to finance the construction of new schools, classrooms, and facilities, and to repair existing schools. At June 30, 2018, the principal balance outstanding was \$19,200,000, and unamortized premium was \$1,659,664.

The bonds mature through 2046 as follows:

		Current				
Year Ending		Interest to				
June 30,	Principal	Maturity	Total			
2019	\$ 390,000	\$ 711,519	\$ 1,101,519			
2020	510,000	695,469	1,205,469			
2021	115,000	683,544	798,544			
2022	135,000	679,794	814,794			
2023	155,000	675,444	830,444			
2024-2028	1,165,000	3,284,869	4,449,869			
2029-2033	1,980,000	3,021,991	5,001,991			
2034-2038	1,330,000	2,777,781	4,107,781			
2039-2043	1,995,000	2,505,100	4,500,100			
2044-2046	11,425,000	1,072,100	12,497,100			
Total	\$ 19,200,000	\$ 16,107,611	\$35,307,611			

2016 General Obligation Bonds, Series A (2018 Crossover Refunding)

In June 2017, the District issued \$21,395,000 of the Election 2016, General Obligation Bonds, Series A. The bonds mature on August 1, 2033, with interest yields ranging from 2.65 to 5.00 percent. The proceeds from the sale of the bonds were used to advance refund, on a crossover basis, a portion of the 2008 Series A bonds and the cost of issuance of the Series 2016 Refunding Bonds, maturing on August 1 in years 2019 through 2024, and years 2027, 2030, and 2033. At June 30, 2018, the principal balance outstanding was \$21,395,000, and unamortized premium was \$3,636,612.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The bonds mature through 2034 as follows:

		Current	
Year Ending		Interest to	
June 30,	Principal	Maturity	Total
2019	\$ -	\$ 914,219	\$ 914,219
2020	930,000	895,619	1,825,619
2021	985,000	857,319	1,842,319
2022	1,050,000	816,619	1,866,619
2023	1,110,000	773,419	1,883,419
2024-2028	6,655,000	3,013,819	9,668,819
2029-2033	8,630,000	1,202,219	9,832,219
2034	2,035,000	26,709	2,061,709
Total	\$21,395,000	\$ 8,499,942	\$ 29,894,942

Certificates of Participation (COPs)

2009 Series A

On September 29, 2009, the District issued \$43,920,000 in 2009 Certificates of Participation Series A for the purpose of advance refunding the 2008 Series A COP. The Certificates of Participation mature on March 1, 2036, with interest yields ranging from 1.15 to 4.49 percent. The District applied a portion of the net proceeds of sale of the COPs to affect the refunding of the outstanding balances of the 2008 variable rate demand COP financings and provided funding for capital improvement projects planned by the District. At June 30, 2018, the principal balance outstanding was \$28,045,000, and unamortized discount was \$255,903.

The certificates mature through 2036 as follows:

		Current	
Year Ending		Interest to	
June 30,	Principal	Maturity	Total
2019	\$ 1,060,000	\$ 1,274,050	\$ 2,334,050
2020	1,095,000	1,235,000	2,330,000
2021	1,140,000	1,190,300	2,330,300
2022	1,175,000	1,138,125	2,313,125
2023	1,235,000	1,077,875	2,312,875
2024-2028	7,150,000	4,374,250	11,524,250
2029-2033	8,875,000	2,579,625	11,454,625
2034-2036	6,315,000	483,625	6,798,625
Total	\$ 28,045,000	\$ 13,352,850	\$41,397,850

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

2015 Series A

On February 4, 2015, the District issued \$30,090,000 in 2015 Certificates of Participation Series A for the purpose of advance refunding the 2005 Series B Refunding COP. The Certificates of Participation mature on August 1, 2035, with interest rates ranging from 2.00 to 5.00 percent. The District applied a portion of the net proceeds of sale of the COPs to affect the refunding of the outstanding balances of the 2005 Series B Refunding COP financings and provided funding for capital improvement projects planned by the District. At June 30, 2018, the principal balance outstanding was \$37,515,000, and unamortized premium was \$3,686,040.

The certificates mature through 2036 as follows:

		Current	
Year Ending		Interest to	
June 30,	Principal	Maturity	Total
2019	\$ 1,370,000	\$ 1,849,718	\$ 3,219,718
2020	1,425,000	1,794,918	3,219,918
2021	1,485,000	1,736,493	3,221,493
2022	1,545,000	1,674,123	3,219,123
2023	1,610,000	1,607,688	3,217,688
2024-2028	9,365,000	6,744,938	16,109,938
2029-2033	11,970,000	4,139,575	16,109,575
2034-2036	8,745,000	911,225	9,656,225
Total	\$ 37,515,000	\$ 20,458,678	\$57,973,678

Capital Leases

The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

Balance, July 1, 2017	\$ 75,650
Payments	 25,937
Balance, June 30, 2018	\$ 49,713

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The capital leases have minimum lease payments as follows:

Year Ending		Lease
June 30,	Payment	
2019	\$	25,937
2020		23,776
Total		49,713
Less: Amount Representing Interest		4,601
Present Value of Minimum Lease Payments	\$	45,112

Supplemental Early Retirement Program (SERP)

The District offered an early retirement incentive to its employees. As a result of this early retirement incentive program, the District expects to incur \$65,050 in additional costs that will be repaid over the next five years.

Future payments are as follows:

Year Ending		
June 30,		
2019	\$	32,525
2020	_	32,525
Total	\$	65,050

Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2018, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	1	Net OPEB	Defer	red Outflows	Def	erred Inflows	OPEB
OPEB Plan		Liability	of l	Resources	of	Resources	 Expense
District Plan	\$	9,557,155	\$	297,092	\$	-	\$ 1,761,229

The details of the plan are as follows:

District OPEB Plan

Plan Administration.

The Benefit Trust Company administers the Postemployment Benefits Plan (the Plan) — a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for the District.

Management of the Plan is vested in the Val Verde Unified School District Governing Board, which consists of five locally elected Plan members.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Plan Membership

At June 30, 2018, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	47
Active employees	1,381
	1,428

Benefits Provided

The Plan provides medical 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 District. The 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 and the Val Verde Teachers Association (VVTA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, CEA, CSEA, and the unrepresented groups. For fiscal year 2017-2018, the District contributed \$492,318 to the Plan, all of which was used for current premiums (approximately 100 percent of total premiums). Plan members are not required to contribute to the Plan.

Investments

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Governing Board by a majority vote of its members. It is the policy of the Val Verde Unified School District Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Governing Board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Domestic equity	50%
Fixed income	50%
Total	100%

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Receivables

The OPEB plan reported receivables from long-term contracts with the District for contributions. The contribution receivable as of June 30, 2018, was \$778,000.

Net OPEB Liability of the District

The components of the net OPEB liability of the District as of June 30, 2018, was as follows:

Total OPEB liability	\$ 16,692,941
Plan fiduciary net position	(7,135,786)
District's net OPEB liability	\$ 9,557,155

Plan fiduciary net position as a percentage of the total OPEB liability 42.75%

Actuarial Assumptions

The net OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.75 percent

Salary increases 2.75 percent, average, including inflation

Investment rate of return 6.30 percent, net of OPEB plan investment expense, including inflation

Health care cost trend rates 4.00 percent for 2018

Mortality rates were based on 2009 CalSTRS Mortality Table for Certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. (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, 2018, valuation were based on the results of an actuarial experience study for the period of July 1, 2017 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

	2018 10111
	Expected Real
Asset Class	Rate of Return
U.S. Large Cap	7.8%
Long-Term Corporate Bonds	5.3%

Long-Term

Discount Rate

The discount rate used to measure the total OPEB liability was 6.3 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)			
	Total OPEB Plan Fiduciary Net OPEB			
	Liability	Net Position	Liability	
	(a)	(b)	(a) - (b)	
Balance at June 30, 2017	\$ 15,070,823	\$ 6,828,016	\$ 8,242,807	
Service cost	1,144,433	-	1,144,433	
Interest	970,003	-	970,003	
Contributions - employer	-	492,318	(492,318)	
Net investment income	-	(56,797)	56,797	
Changes of assumptions or other inputs	-	428,162	(428,162)	
Benefit payments	(492,318)	(492,318)	-	
Administrative expense		(63,595)	63,595	
Net change in total OPEB liability	1,622,118	307,770	1,314,348	
Balance at June 30, 2018	\$ 16,692,941	\$ 7,135,786	\$ 9,557,155	

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

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 a discount rate that is one percent lower or higher than the current rate:

	Net OPEB
Discount Rate	Liability
1% decrease (5.3%)	\$ 10,944,228
Current discount rate (6.3%)	9,557,155
1% increase (7.3%)	8,284,309

Sensitivity of the Net OPEB Liability to Changes in the Health Care 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 health care cost trend rates that are one percent lower or higher than the current health care costs trend rates:

	Net OPEB
Health Care Cost Trend Rates	Liability
1% decrease (3.0%)	\$ 5,570,438
Current health care cost trend rate (4.00%)	9,557,155
1% increase (5.0%)	14,406,428

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,761,229. At June 30, 2018, the District reported deferred outflows of resources for the difference between projected and actual earnings on the OPEB plan of \$297,092.

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

Year Ended	Deferred Outflows/(Inflows)
June 30,	of Resources
2019	\$ 74,273
2020	74,273
2021	74,273
2022	74,273
	\$ 297,092

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 10 - NON-OBLIGATORY DEBT

Non-obligatory debt relates to debt issuances by the Community Facility Districts as authorized by the Mello-Roos Community Facilities Act of 1982 as amended and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders, and may initiate foreclosure proceedings. Special assessment debt of \$37,505,000 as of June 30, 2018, does not represent debt of the District and, as such, does not appear in the accompanying basic financial statements.

Bonded Debt - Community Facilities District (CFD) Special Tax Bonds

The bonds issued by the Community Facilities Districts are not obligations of the Val Verde Unified School District. The bonds, the interest thereon, and any premiums on the redemption of any of the bonds are not an indebtedness of the District, the State of California, or any of its political subdivisions. Neither the faith and credit nor the general taxing power of the CFD, the District, the County, the State of California, or any political subdivision thereof is pledged to the payment of the bonds. The bonds are payable from the proceeds of an annual special tax levied on and collected from property within the CFD according to the rate and method of apportionment determined by a formula approved by the qualified electors of the CFDs and by the Board of Education of the Val Verde Unified School District. The bonds are secured only by a first pledge of all revenues derived from the net special taxes and the moneys deposited in certain funds held by the fiscal agent under the fiscal agent agreement.

2014 Special Tax Refunding Bonds

Principal payments of the Series 2014 Special Tax Refunding bonds began in 2015, and are to be made annually thereafter, and interest payments are made semi-annually. Outstanding principal at June 30, 2018, was \$16,195,000. The amount to be used for bond retirement is funded from future special tax levies and mandatory sinking fund payments. Interest rate yields on the bond range between 3.0 percent and 5.0 percent.

2015 Special Tax Refunding Bonds

Principal payments of the Series 2015 Special Tax Refunding bonds began in 2016, and are to be made annually thereafter, and interest payments are made semi-annually. Outstanding principal at June 30, 2018, was \$21,310,000. The amount to be used for bond retirement is funded from future special tax levies and mandatory sinking fund payments. Interest rate yields on the bond range between 2.0 percent and 5.0 percent.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The outstanding bonds debt is as follows:

		Bonds					Bonds	
		Outstanding					Outstanding	
Assessment	Original	Beginning					End	
Bonds	Issue	of Year	Issued		ed Redeemed		of Year	CFD
2014	\$19,600,000	\$ 17,135,000	\$	-	\$	940,000	\$ 16,195,000	2014 Refunding
2015	22,850,000	21,880,000		-		570,000	21,310,000	2015 Refunding
		\$ 39,015,000	\$	-	\$	1,510,000	\$ 37,505,000	•

Combined Special Tax Assessment Bonds

The bonds mature through 2038 as follows:

		Current				
Year Ending		Interest to				
June 30,	Principal	Maturity	Total			
2019	\$ 1,600,000	\$ 1,643,831	\$ 3,243,831			
2020	1,710,000	1,590,231	3,300,231			
2021	1,820,000	1,532,831	3,352,831			
2022	1,935,000	1,471,631	3,406,631			
2023	2,075,000	1,385,781	3,460,781			
2024-2028	12,925,000	5,255,506	18,180,506			
2029-2033	8,475,000	2,553,375	11,028,375			
2034-2038	6,965,000	936,750	7,901,750			
Total	\$ 37,505,000	\$16,369,936	\$ 53,874,936			

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 11 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund			Special ducation s-Through Fund	Building Fund		County School Facilities Fund	
Nonspendable:		T unu		Tuna		T unu		Tunu
Revolving cash	\$	25,000	\$	_	\$	-	\$	-
Stores inventories		56,838		_		_		_
Total Nonspendable		81,838		-		-		-
Restricted								
Legally restricted programs		10,194,155		150,000		-		_
Capital projects		-		-		28,365,613		5,413,772
Debt services				-		-		<u> </u>
Total Restricted		10,194,155	-	150,000		28,365,613		5,413,772
Assigned								
Other assignments				-		_		
Unassigned								
Economic uncertainties		11,987,596		_		_		_
Remaining unassigned		54,327,229		_		_		_
Total Unassigned		66,314,825		_		_		_
Total	\$	76,590,818	\$	150,000	\$	28,365,613	\$	5,413,772

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

	Crossover Debt Service Fund		Non-Major Governmental Funds		Total	
Nonspendable:		_		_		
Revolving cash	\$	-	\$	5,193	\$	30,193
Stores inventories				149,037		205,875
Total Nonspendable				154,230		236,068
Restricted						
Legally restricted programs		-		3,432,550		13,776,705
Capital projects		-		11,977,497		45,756,882
Debt services		23,921,941		12,848,097		36,770,038
Total Restricted		23,921,941		28,258,144		96,303,625
Assigned						
Other assignments				7,540		7,540
Unassigned						
Economic uncertainties		_		-		11,987,596
Remaining unassigned		_		_		54,327,229
Total Unassigned	-	-		-		66,314,825
Total	\$	23,921,941	\$	28,419,914	\$	162,862,058

NOTE 12 - RISK MANAGEMENT

Description

The District's risk management activities are recorded in the General Fund. Employee health and disability programs are administered by the General Fund through the purchase of commercial insurance. The District participates in joint powers authorities (JPAs) for the various insurance coverage through the JPAs. Refer to Note 15 for additional information regarding the JPAs.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2018, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

	Collective	Collective	Collective	Collective
	Net Pension	Deferred Outflows	Deferred Inflows	Pension
Pension Plan	Liability	of Resources	of Resources	Expense
CalSTRS	\$ 156,651,389	\$ 43,610,433	\$ 8,905,714	\$ 15,599,099
CalPERS	60,349,162	19,149,133	1,299,229	11,287,249
Total	\$ 217,000,551	\$ 62,759,566	\$ 10,204,943	\$ 26,886,348

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, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically 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 percent of final compensation for each year of credited service.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2018, are summarized as follows:

	STRP Defined Benefit Program		
	On or before	On or after	
Hire date	December 31, 2012	January 1, 2013	
Benefit formula	2% at 60	2% at 62	
Benefit vesting schedule	5 Years of Service	5 Years of Service	
Benefit payments	Monthly for Life	Monthly for Life	
Retirement age	60	62	
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%	
Required employee contribution rate	10.25%	9.205%	
Required employer contribution rate	14.43%	14.43%	
Required state contribution rate	9.328%	9.328%	

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 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above and the District's total contributions were \$13,761,750.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

At June 30, 2018, the District reported a liability 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:

District's proportionate share of net pension liability	\$ 156,651,389
State's proportionate share of the net pension liability associated with the District	92,673,638
Total	\$ 249,325,027

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, was 0.1694 percent and 0.1699 percent, respectively, resulting in a net decrease in the proportionate share of 0.0005 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$15,599,099. In addition, the District recognized pension expense and revenue of \$9,328,492 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Pension contributions subsequent to measurement date	\$ 13,761,750	\$ -
Net change in proportionate share of net pension liability	247,872	2,001,399
Differences between projected and actual earnings		
on pension plan investments	-	4,172,063
Differences between expected and actual experience		
in the measurement of the total pension liability	579,312	2,732,252
Changes of assumptions	29,021,499	
Total	\$ 43,610,433	\$ 8,905,714
	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·

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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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:

	Deferred			
Year Ended	Outflows/(Inflows)			
June 30,	of Resources			
2019	\$ (3,468,390)			
2020	2,624,549			
2021	378,444			
2022	(3,706,666)			
Total	\$ (4,172,063)			

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, 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 7 years and will be recognized in pension expense as follows:

Deterred
Outflows/(Inflows)
of Resources
\$ 3,996,628
3,996,628
3,996,628
3,996,627
4,252,262
4,876,259
\$ 25,115,032

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) 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 (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

		Long-Term
	Assumed Asset	Expected Real
Asset Class	Allocation	Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed 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 (7.10 percent) and assuming 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:

	Net Pension
Discount Rate	Liability
1% decrease (6.10%)	\$ 230,013,972
Current discount rate (7.10%)	156,651,389
1% increase (8.10%)	97,112,681

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, 2016 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Benefits Provided

CalPERS provide 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, 2018, are summarized as follows:

	School Employer Pool (CalPERS)		
	On or before	On or after	
Hire date	December 31, 2012	January 1, 2013	
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%	6.50%	
Required employer contribution rate	15.531%	15.531%	

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 the 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, 2018, are presented above and the total District contributions were \$5,503,372.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$60,349,162. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017, and June 30, 2016, was 0.2528 percent and 0.2495 percent, respectively, resulting in a net increase in the proportionate share of 0.0033 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$11,287,249. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred		Deferred	
	(Outflows of]	inflows of
		Resources]	Resources
Pension contributions subsequent to measurement date	\$	5,503,372		
Net change in proportionate share of net pension liability		581,087		588,692
Difference between projected and actual earnings				
on pension plan investments		2,087,668		-
Differences between expected and actual experience				
in the measurement of the total pension liability		2,162,062		-
Changes of assumptions		8,814,944		710,537
Total	\$	19,149,133	\$	1,299,229

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:

	Deferred	
Year Ended	Outflows/(Inflows)	
June 30,	of Resources	
2019	\$ (56,568)	
2020	2,408,716	
2021	878,726	
2022	(1,143,206)	
Total	\$ 2,087,668	

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, 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:

	Deferred
Year Ended	Outflows/(Inflows)
June 30,	of Resources
2019	\$ 3,601,965
2020	3,482,105
2021	3,174,794
Total	\$ 10,258,864

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7. 15%
Investment rate of return	7. 15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		Long-Term
	Assumed Asset	Expected Real
Asset Class	Allocation	Rate of Return
Global equity	47%	5.38%
Global debt securities	19%	2.27%
Inflation assets	6%	1.39%
Private equity	12%	6.63%
Real estate	11%	5.21%
Infrastructure and Forestland	3%	5.36%
Liquidity	2%	-0.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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. 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 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:

	Net Pension
Discount Rate	 Liability
1% decrease (6.15%)	\$ 88,792,956
Current discount rate (7.15%)	60,349,162
1% increase (8.15%)	36,752,653

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 \$7,622,782 (9.328 percent 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, 2018.

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, 2018.

Construction Commitments

As of June 30, 2018, the District had the following commitments with respect to the unfinished capital projects:

	Remaining	Expected
	Construction	Date of
Capital Projects	Commitment	Completion
Orange Vista High School - Bldg 700	\$ 4,484,708	2018-2019
Orange Vista High School - Stadium	4,101,058	2018-2019
Summer projects	2,031,449	2018-2019
Prop 39 Project	3,518,716	2019-2020
District Office Renovation	725,318	2019-2020
Rancho Verde High School Modernization	513,840	2021-2022
Rainbow Ridge Elementary School Modernization	8,786	2023-2024
Mead Valley Elementary School Modernization	10,575	2023-2024
El Portrero Preschool Modernization	4,996	2023-2024
	\$ 15,399,446	

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 15 - PARTICIPATION IN JOINT POWER AUTHORITIES

The District is a member of the Riverside Schools' Risk Management Authority (RSRMA), the Riverside County Employer/Employee Partnership for Benefits (REEP), the Riverside Schools Insurance Authority (RSIA), and the Self-Insured Schools of California (SISC) joint powers authorities (JPAs). The relationships between the District and the JPAs are such that they are not a component unit 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 entity and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one board member to the governing board of each JPA.

During the year ended June 30, 2018, the District made payments of \$1,214,776, \$3,787,037, \$8,846,410, and \$12,459,482 to RSIA, RSRMA, REEP, and SISC, respectively, for its property liability, workers' compensation, and health coverage.

NOTE 16 - SUBSEQUENT EVENTS

In October 2018, the District issued \$6,900,000 of Series 2014-1 Special Tax Refunding Bonds. The principal payments of the Series 2014-1 Special Tax Refunding bonds will begin in 2020, and are to be made annually thereafter, and interest payments are made semi-annually and will begin in 2019. The amount to be used for bond retirement is funded from future special tax levies and mandatory sinking fund payments. Interest rate yields on the bond range between 2.00 percent and 3.75 percent.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2018

				Variances - Positive (Negative)
	Budgeted	Amounts	Actual	Final
	Original	<u>Final</u>	(GAAP Basis)	to Actual
REVENUES				
Local Control Funding Formula	\$ 195,091,574	\$ 197,611,452	\$ 197,195,636	\$ (415,816)
Federal sources	12,447,191	13,673,744	13,389,479	(284,265)
Other State sources	16,795,664	20,380,145	20,504,119	123,974
Other local sources	28,272,372	31,185,609	30,943,569	(242,040)
Total Revenues ¹	252,606,801	262,850,950	262,032,803	(818,147)
EXPENDITURES				
Current				
Certificated salaries	98,758,034	97,028,517	97,197,728	(169,211)
Classified salaries	34,417,101	35,468,500	34,945,890	522,610
Employee benefits	52,968,191	53,620,514	52,008,195	1,612,319
Books and supplies	19,600,140	11,488,699	10,292,923	1,195,776
Services and operating expenditures	37,446,755	39,590,223	38,710,859	879,364
Capital outlay	4,525,954	8,838,457	9,648,356	(809,899)
Other outgo	(418,949)	(573,921)	(573,512)	(409)
Debt service - principal	2,370,363	2,370,363	20,362	2,350,001
Debt service - interest	3,211,443	3,204,184	5,574	3,198,610
Total Expenditures ¹	252,879,032	251,035,536	242,256,375	8,779,161
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(272,231)	11,815,414	19,776,428	7,961,014
Other Financing Sources (Uses)				
Transfers in	-	12,695	12,695	-
Transfers out	(426,644)	(39,148)	(5,613,392)	(5,574,244)
Net Financing				
Sources (Uses)	(426,644)	(26,453)	(5,600,697)	(5,574,244)
NET CHANGE IN FUND BALANCES	(698,875)	11,788,961	14,175,731	2,386,770
Fund Balance - Beginning	62,415,087	62,415,087	62,415,087	
Fund Balance - Ending	\$ 61,716,212	\$ 74,204,048	\$ 76,590,818	\$ 2,386,770

Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this other fund is included in the Actual (GAAP Basis) revenues and expenditures, but is not included in the original and final General Fund budgets.

BUDGETARY COMPARISON SCHEDULE SPECIAL EDUCATION LOCAL PLAN AREA FOR THE YEAR ENDED JUNE 30, 2018

				Variances -
				Positive
				(Negative)
	Budgeted	l Amounts	Actual	Final
	Original	Final	(GAAP Basis)	to Actual
REVENUES				
Local Control Funding Formula	\$ 30,011,329	\$ 31,499,636	\$ 32,528,452	\$ 1,028,816
Federal sources	50,561,008	50,515,274	48,355,090	(2,160,184)
Other State sources	120,290,009	117,886,159	118,389,577	503,418
Other local sources		57,522	291,011	233,489
Total Revenues	200,862,346	199,958,591	199,564,130	(394,461)
EXPENDITURES				
Current				
Other outgo	200,862,346	200,122,376	199,577,915	544,461
NET CHANGE IN FUND BALANCE	-	(163,785)	(13,785)	150,000
Fund Balance - Beginning	163,785	163,785	163,785	-
Fund Balance - Ending	\$ 163,785	\$ -	\$ 150,000	\$ 150,000

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Total OPEB Liability		
Service cost	\$ 1,144,433	\$ 1,113,803
Interest	970,003	873,306
Benefit payments	 (492,318)	(473,383)
Net changes in total OPEB liability	 1,622,118	 1,513,726
Total OPEB Liability - beginning	 15,070,823	13,557,097
Total OPEB Liability - ending (a)	\$ 16,692,941	\$ 15,070,823
Plan Fiduciary Net Position		
Contributions - employer	\$ 492,318	\$ 1,883,383
Net investment income	(56,797)	562,864
Difference between projected and actual earnings on investments	428,162	-
Benefit payments	(492,318)	(473,383)
Administrative expense	 (63,595)	(55,575)
Net change in plan fiduciary net position	307,770	1,917,289
Plan fiduciary net position - beginning	 6,828,016	4,910,727
Plan fiduciary net position - ending (b)	 7,135,786	6,828,016
District's net OPEB liability - ending (a) - (b)	\$ 9,557,155	\$ 8,242,807
Plan fiduciary net position as a percentage	 	 _
of the total OPEB liability	 42.75%	45.31%
Covered-employee payroll	\$ 106,234,576	\$ 103,391,315
District's net OPEB liability as a percentage		
of covered-employee payroll	 9.00%	7.97%

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

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB FOR THE YEAR ENDED JUNE 30, 2018

		2018	 2017
Actuarially determined contribution	\$	492,318	\$ 473,383
Contributions in relations to the actuarially determined contribution		778,000	1,883,383
Contribution deficiency (excess)	\$	(285,682)	\$ (1,410,000)
Covered-employee payroll	\$ 1	06,234,576	\$ 103,391,315
Contribution as a percentage of covered-employee payroll		0.73%	1.82%

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

SCHEDULE OF OPEB INVESTMENT RETURNS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Annual money-weighted rate of return, net of investment expense	6.30%	6.30%

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



SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016
CalSTRS			
District's proportion of the net pension liability	0.1694%	0.1699%	0.1731%
District's proportionate share of the net pension liability	\$ 156,651,389	\$ 137,427,884	\$ 116,506,476
State's proportionate share of the net pension liability associated with the District Total	92,673,638 \$ 249,325,027	78,235,243 \$ 215,663,127	61,619,082 \$ 178,125,558
District's covered-employee payroll	\$ 90,822,401	\$ 83,099,646	\$ 79,989,223
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	172.48%	165.38%	145.65%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%_
CalPERS			
District's proportion of the net pension liability	0.2528%	0.2495%	0.2574%
District's proportionate share of the net pension liability	\$ 60,349,162	\$ 49,270,192	\$ 37,935,443
District's covered-employee payroll	\$ 33,327,311	\$ 44,514,333	\$ 28,354,860
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.08%	110.68%	133.79%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%

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

2015
0.1725%
\$ 100,779,154
60,854,805
\$ 161,633,959
\$ 86,097,491
128.84%
120.0470
77%
0.2463%
\$ 28,852,559
\$ 29,167,689
105.50%
103.30%
83%

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2018

CalSTRS	2018	2017	2016
CaisTNs			
Contractually required contribution	\$ 13,761,750	\$ 11,425,458	\$ 8,916,592
Contributions in relation to the contractually required contribution	13,761,750	11,425,458	8,916,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 95,369,023	\$ 90,822,401	\$ 83,099,646
Contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%
CalPERS			
Contractually required contribution	\$ 5,503,372	\$ 4,628,497	\$ 5,273,613
Contributions in relation to the contractually required contribution	5,503,372	4,628,497	5,273,613
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 35,434,756	\$ 33,327,311	\$ 44,514,333
Contributions as a percentage of			
covered-employee payroll	15.53%	13.89%	11.85%

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

2015

\$ 7,103,043

7,103,043

\$ 79,989,223

8.88%

\$ 3,337,367

3,337,367 \$ -

\$ 28,354,860

11.77%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

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 State 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.

These schedules present information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

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.

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuation for postemployment benefits other than pension.

Changes of Assumptions – There were no changes in assumptions since the previous valuation for other postemployment benefits.

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2018

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

Schedule of District 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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures	Passed Through To Subrecipients	
U.S. DEPARTMENT OF EDUCATION					
Passed through California Department of Education (CDE):					
Carl D. Perkins Vocational and Technical Education Act of 1998 Secondary Education	84.048	14894	\$ 158,141	\$ -	
Investing in Innovation (i3) - Spurwink/BARR Validation Grant	84.411B	[1]	120,954	-	
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	5,737,196	-	
Title I, Part G - Advanced Placement (AP) Test Fee Reimbursement Program Title II, Part A - Supporting Effective Instruction	84.330B 84.367	14831 14341	14,075 531,574	-	
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	548,042	-	
Title VII, Part B - Education for Homeless Children and Youth	84.196	14332	2,425	-	
Passed through Riverside County Special Education Local Plan Area:					
Special Education Cluster:					
Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	44,615,597	41,179,524	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	919,509	870,331	
Preschool Local Entitlement, Part B, Section 611 (Age 3-4-5)	84.027A	13682	3,435,602	3,251,856	
Mental Health Services, Part B, Section 611	84.027A	15197	3,597,994	2,882,078	
Preschool Staff Development, Part B, Section 619	84.173A	13431	9,525	9,016	
Alternative Dispute Resolution, Part B, Section 611	84.173A	13007	26,725		
Total Special Education Cluster			52,604,952	48,192,805	
Early Intervention Grants, Part C	84.181	23761	162,285	162,285	
Total U.S. Department of Education			59,879,644	48,355,090	

^[1] Pass-Through Entity Identifying Number not available

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through	CFDA	Pass-Through Entity Identifying	Program	Passed Through To
Grantor/Program	Number	Number	Expenditures	Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed through CDE:				
Child Nutrition Cluster:				
Especially Needy Breakfast	10.553	13526	\$ 2,133,231	\$ -
National School Lunch Program	10.555	13523	6,914,612	-
Meal Supplement	10.555	13396	162,189	-
Summer Food Service Program	10.559	13004	102,274	-
Food Distribution	10.555	13524	745,632	
Total Child Nutrition Cluster			10,057,938	
CACFP Claims - Centers and Family Day Care	10.558	13393	630,469	
Total U.S. Department of Agriculture			10,688,407	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERV	ICES			
Passed through California Department of Health Services:				
Medi-Cal Assistance Program Medi-Cal Billing Option	93.778	10013	702,444	
Medical Administrative Activities Program	93.778	10013	1,087,213	-
Total Medi-Cal Assistance Program	75.770	10000	1,789,657	_
Total Federal Programs			\$ 72,357,708	\$ 48,355,090

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2018

ORGANIZATION

The Val Verde Unified School District was unified on July 1, 1991, and consists of an area comprising approximately 57 square miles. The District operates twelve elementary schools, four middle schools, two high schools, one opportunity school, one independent study program, and a continuation high school. There were no boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	TERM EXPIRES
Suzanne Stotlar	President	2018
Julio Gonzalez	Vice President	2018
Shelly Yarbrough	Clerk	2018
Marla Kirkland	Member	2020
Matthew Serafin	Member	2020

ADMINISTRATION

Michael R. McCormick District Superintendent

R. Darrin Watters

Deputy Superintendent, Business Services

Mark LeNoir Assistant Superintendent, Education Services

Juan Cabral Assistant Superintendent, Human Resources

SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2018

	Final Report		
	Second Period	Annual	
	Report	Report	
Regular ADA			
Transitional kindergarten through third	5,640.66	5,631.63	
Fourth through sixth	4,516.56	4,510.72	
Seventh and eighth	3,036.04	3,023.84	
Ninth through twelfth	6,213.54	6,160.35	
Total Regular ADA	19,406.80	19,326.54	
Extended Year Special Education			
Transitional kindergarten through third	0.07	0.07	
Fourth through sixth	0.09	0.09	
Seventh and eighth	0.08	0.08	
Ninth through twelfth	2.22	2.22	
Total Extended Year Special Education	2.46	2.46	
Special Education, Nonpublic, Nonsectarian Schools			
Transitional kindergarten through third	4.13	4.01	
Fourth through sixth	2.60	4.00	
Seventh and eighth	7.14	6.63	
Ninth through twelfth	8.37	8.38	
Total Special Education, Nonpublic,			
Nonsectarian Schools	22.24	23.02	
Extended Year Special Education, Nonpublic, Nonsectarian Schools			
Transitional kindergarten through third	0.56	0.56	
Fourth through sixth	0.35	0.35	
Seventh and eighth	1.09	1.09	
Ninth through twelfth	1.49	2.00	
Total Extended Year Special Education, Nonpublic,			
Nonsectarian Schools	3.49	4.00	
Total ADA	19,434.99	19,356.02	

SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2018

	1986-87	2017-18	Number of Days		
	Minutes	Actual	Traditional	Multitrack	
Grade Level	Requirement	Minutes	Calendar	Calendar	Status
Kindergarten	36,000	40,560	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		54,420	180	N/A	Complied
Grade 2		54,420	180	N/A	Complied
Grade 3		54,420	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,560	180	N/A	Complied
Grade 5		55,560	180	N/A	Complied
Grade 6		59,825	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		59,825	180	N/A	Complied
Grade 8		59,825	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		65,341	180	N/A	Complied
Grade 10		65,341	180	N/A	Complied
Grade 11		65,341	180	N/A	Complied
Grade 12		65,341	180	N/A	Complied

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2018.

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

	(Budget)			
	2019 1	2018	2017	2016
GENERAL FUND ³				
Revenues	\$ 281,722,965	\$ 261,976,173	\$ 249,725,523	\$ 236,459,715
Other sources and transfers in	1,500,000	12,695		3,600,000
Total Revenues				
and Other Sources	283,222,965	261,988,868	249,725,523	240,059,715
Expenditures	289,041,719	242,256,375	233,308,556	222,355,359
Other uses and transfers out	115,782	5,613,392	5,815,715	300,147
Total Expenditures				
and Other Uses	289,157,501	247,869,767	239,124,271	222,655,506
INCREASE (DECREASE)				
IN FUND BALANCE	\$ (5,934,536)	\$ 14,119,101	\$ 10,601,252	\$ 17,404,209
ENDING FUND BALANCE	\$ 70,599,652	\$ 76,534,188	\$ 62,415,087	\$ 51,813,835
AVAILABLE RESERVES ²	\$ 50,735,256	\$ 62,349,571	\$ 41,417,291	\$ 30,840,645
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	17.5%	25.2%	17.3%	13.9%
LONG-TERM OBLIGATIONS	N/A	\$ 236,442,220	\$ 239,537,543	\$ 188,805,406
K-12 AVERAGE DAILY ATTENDANCE AT P-2	19,434	19,435	19,238	19,017

The General Fund balance has increased by \$24,720,353 over the past two years. The fiscal year 2018-2019 budget projects a decrease of \$5,934,536 (7.75 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years, but anticipates incurring an operating deficit during the 2018-2019 fiscal year. Total long-term obligations have increased by \$47,636,814 over the past two years.

Average daily attendance has increased by 418 over the past two years. Decline of one ADA is anticipated during fiscal year 2018-2019.

Budget 2019 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

³ General Funds amounts do not include activity related to the consolidation of the Special Reserve Fund for Other Capital Outlay Projects as required by GASB Statement No. 54.

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2018

	De	Child velopment Fund	Cafeteria Fund		Capital Facilities Fund	
ASSETS		_		_		
Deposits and investments	\$	237,747	\$	3,128,224	\$	10,740,815
Receivables		292,394		1,408,781		45,810
Due from other funds		31,312		33,471		-
Stores inventories		-		149,037		-
Total Assets	\$	561,453	\$	4,719,513	\$	10,786,625
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	24,132	\$	94,032	\$	76,937
Due to other funds		424,683		1,074,054		-
Unearned revenue		32,610		44,675		
Total Liabilities		481,425		1,212,761		76,937
Fund Balances:						
Nonspendable		-		154,230		-
Restricted		80,028		3,352,522		10,709,688
Assigned						<u> </u>
Total Fund Balances		80,028		3,506,752		10,709,688
Total Liabilities and	_		_		_	
Fund Balances	\$	561,453	\$	4,719,513	\$	10,786,625

	CFD Capital Fund	Special Reserve Fund for Capital Outlay Projects		Fund for and apital Outlay Redemption		Debt Service Fund for Blended Component Units			Non-Major overnmental Funds
\$	1,267,809	\$	7,498	\$	9,619,773	\$	3,228,324	\$	28,230,190
	-		42		-		-		1,747,027
	-		-		-		-		64,783
Φ.	1 267 000	Φ.		Φ.	- 0.610.772	Φ.	- 2 220 224	Φ.	149,037
\$	1,267,809	\$	7,540	\$	9,619,773	\$	3,228,324	\$	30,191,037
\$	- - -	\$	- - -	\$	- - -	\$	- - -	\$	195,101 1,498,737 77,285
									1,771,123 154,230
	1,267,809		-		9,619,773		3,228,324		28,258,144
			7,540						7,540
	1,267,809		7,540		9,619,773		3,228,324		28,419,914
\$	1,267,809	\$	7,540	\$	9,619,773	\$	3,228,324	\$	30,191,037

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	De	Child velopment Fund	Cafeteria Fund		Capital Facilities Fund
REVENUES					
Federal sources	\$	630,469	\$	10,057,938	\$ -
Other State sources		2,563,671		737,919	-
Other local sources		12,958		675,297	6,134,468
Total Revenues		3,207,098		11,471,154	6,134,468
EXPENDITURES					
Current					
Instruction		1,457,934		-	-
Instruction-related activities:					
School site administration		479,968		-	-
Pupil services:					
Food services		_		11,644,055	_
All other pupil services		127,045		-	_
Administration:		,			
All other administration		169,855		599,944	115,033
Plant services		336,099		-	6,300
Facility acquisition and construction		_		17,816	1,972,435
Debt service				,	, ,
Principal		_		_	_
Interest and other		_		_	_
Total Expenditures		2,570,901		12,261,815	2,093,768
Excess (Deficiency) of Revenues					
Over Expenditures		636,197		(790,661)	4,040,700
OTHER FINANCING SOURCES (USES))			_	_
Transfers in		31,312		630,260	-
Transfers out		(596,789)		-	-
Net Financing Sources (Uses)		(565,477)		630,260	-
NET CHANGE IN FUND BALANCES		70,720		(160,401)	4,040,700
Fund Balances - Beginning		9,308		3,667,153	6,668,988
Fund Balances - Ending	\$	80,028	\$	3,506,752	\$ 10,709,688

CFD Capital Fund		Special Reserve Fund for Capital Outlay Projects		Bond Interest and Redemption Fund	Debt Service Fund for Blended Component Units	Non-Major Governmental Funds	
\$	-	\$ -	\$	-	\$ -	\$ 10,688,407	
	_	-		34,954	-	3,336,544	
	9,387	111,157		5,365,240	7,531	12,316,038	
	9,387	111,157		5,400,194	7,531	26,340,989	
						4 477 004	
	-	-		-	-	1,457,934	
	-	-		-	-	479,968	
	-	-		-	-	11,644,055	
	-	-		-	-	127,045	
	-	-		-	-	884,832	
	-	-		-	-	342,399	
	-	449,215		-	-	2,439,466	
	-	-		1,995,000	2,350,000	4,345,000	
	_	-		3,819,875	3,205,868	7,025,743	
	-	449,215		5,814,875	5,555,868	28,746,442	
	9,387	(338,058)	(414,681)	(5,548,337)	(2,405,453)	
	-	-		-	5,548,609	6,210,181	
						(596,789)	
	- 207	(220.050		- (41.4.601)	5,548,609	5,613,392	
	9,387	(338,058		(414,681)	272	3,207,939	
Ф.	1,258,422	345,598		10,034,454	3,228,052	25,211,975	
\$	1,267,809	\$ 7,540	\$	9,619,773	\$ 3,228,324	\$ 28,419,914	

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Medi-Cal Billing Option funds that have been recorded in the current period as revenues that have not been expended as of June 30, 2018. These unspent balances are reported as legally restricted ending balances within the General Fund.

CFDA	
Number	Amount
	\$ 72,432,976
93.778	(75,268)
	\$ 72,357,708

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated members of the governing board, and members of the administration.

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.

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2018

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 neither met nor exceeded 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 46206.

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

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is 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.

INDEPENDENT AUDITOR'S REPORTS



VALUE THE difference

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

Governing Board Val Verde Unified School District Perris, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Val Verde Unified School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Val Verde Unified School District's basic financial statements, and have issued our report thereon dated November 2, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Val Verde Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Val Verde Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Val Verde Unified School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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

Varrinek, Trine, Day & Co., LLP

November 2, 2018



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board Val Verde Unified School District Perris, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Val Verde Unified School District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Val Verde Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Val Verde Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Val Verde Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Val Verde Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Val Verde Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Val Verde Unified School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California

Varrinek, Trine, Day & Co., LLP

November 2, 2018





INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board Val Verde Unified School District Perris, California

Report on State Compliance

We have audited Val Verde Unified School District's (the District) compliance with the types of compliance requirements as identified in the 2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting that could have a direct and material effect on each of the Val Verde Unified School District's State government programs as noted below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Val Verde Unified School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Val Verde Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Val Verde Unified School District's compliance with those requirements.

Unmodified Opinion

In our opinion, Val Verde Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2018.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Val Verde Unified School District's compliance with the State laws and regulations applicable to the following items:

	Procedures
	Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
independent study Course Bused	ivo, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Non Classroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Non Classroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	No, see below
Charter School Facility Grant Program	No, see below

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer an After/Before School Education and Safety Program; therefore, we did not perform any procedures related to the After/Before School Education and Safety Program.

The District does not offer an Independent Study – Course Based Program; therefore, we did not perform any procedures for the Independent Study – Course Based Program.

The District does not have any Charter Schools; therefore, we did not perform any procedures for Charter School Programs.

Rancho Cucamonga, California

Varrinek, Trine, Day & Co., LLP

November 2, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS			
Type of auditor's report issued:	Type of auditor's report issued:		
Internal control over financial rep			
Material weakness identified?		No	
Significant deficiency identifie	ed?	None reported	
Noncompliance material to finance	cial statements noted?	No	
FEDERAL AWARDS			
Internal control over major Federa	al programs:		
Material weakness identified?		No	
Significant deficiency identifie	ed?	None reported	
Type of report issued on complian	nce for major Federal programs:	Unmodified	
Any audit findings disclosed that with Section 200.516(a) of the United Section 200.516(b) and the United Section 200.516(c) are section 200.516(c).	No		
Identification of major Federal pro	ograms:		
CFDA Numbers	Name of Federal Program or Cluster		
84.027, 84.027A, 84.173,			
84.173A	Special Education Cluster	_	
10.553, 10.555, 10.559	Child Nutrition Cluster	_	
Dollar threshold used to distinguis	sh between Type A and Type B programs:	\$ 2,170,731	
Auditee qualified as low-risk audi		Yes	
STATE AWARDS			
Type of auditor's report issued on	compliance for State programs:	Unmodified	

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

There were no audit findings reported in the prior year's schedule of financial statement findings.



APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF PERRIS, THE CITY OF MORENO VALLEY AND RIVERSIDE COUNTY

The following information is included only for the purpose of supplying general information regarding the City of Perris, the City of Moreno Valley, and the County of Riverside. This information is provided only for general informational purposes, and provides prospective investors limited information about this region and its economic base. The Bonds are not a debt of Perris, Moreno Valley, the County, the State or any of its political subdivisions, and neither the Perris, Moreno Valley, the County, the State nor any of its political subdivisions is liable therefor.

General Description and Background of the City of Perris

The City of Perris ("**Perris**") was actively settled in the 1880s, a boom period for Southern California, and the California Southern Railroad led to the forming of the city around the railroad depot. Perris was originally part of San Diego County but in 1892 was transferred to the newly established Riverside County. The city was officially incorporated in 1911.

Perris has a total area of 31.5 square miles and is served by Interstate Highway 215 and State Route 74. It has a privately-owned airport, the Perris Valley Airport. Perris is also known for its artificial lake in what is known as the Lake Perris State Recreation Area.

General Description and Background of the City of Moreno Valley

The City of Moreno Valley ("**Moreno Valley**") is located in <u>Riverside County, California</u> and is part of the <u>San Bernardino-Riverside Metropolitan Area</u>. Moreno Valley is 19 miles south of <u>downtown</u> <u>San Bernardino</u>, while Riverside lies directly to the west. The city was officially incorporated in 1984.

Moreno Valley has a total of 51.5 square miles and is situated at the junction of Interstate 215 and State Route 60. Moreno Valley was recently ranked as one of the fastest growing cities in the nation (for cities with a population of 100,000 or more) and is the second largest city in Riverside County.

General Description and Background of the County of Riverside

Riverside County (the **"County"**), which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 24 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a

leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Population

According to the State Department of Finance, Demographic Research Unit, as of January, 2018, Perris's population was estimated at 77,837, Moreno Valley's population was estimated at 207,629, and Riverside County's population was estimated at 2,415,955.

The following sets forth Perris, Moreno Valley, the County and the State population estimates for the years 2014 through 2018:

CITY OF PERRIS, CITY OF MORENO VALLEY, RIVERSIDE COUNTY AND STATE OF CALIFORNIA Estimated Population

Year	City of	City of	Riverside	State of
(January 1)	Perris	Moreno Valley	County	California
2014	73,351	199,752	2,291,262	38,568,628
2015	74,866	201,387	2,317,895	38,912,464
2016	76,070	202,621	2,346,717	39,179,627
2017	77,311	204,285	2,382,640	39,500,973
2018	77,837	207,629	2,415,955	39,809,693

Source: State of California Department of Finance, Demographic Research Unit.

Commerce

A summary of historic taxable sales within Perris during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2016 in Perris were reported to be \$980,763, a 17% increase over the total taxable sales of \$815,256 reported during the calendar year 2015. Annual figures for calendar year 2017 are not yet available.

CITY OF PERRIS

Taxable Transactions

Number of Permits and Valuation of Taxable Transactions

	Retail Stores		Total All Outlets		
_	Number Taxable		Number of	Taxable	
	of Permits	Transactions	Permits	Transactions	
2012	829	\$397,880	1,100	\$622,840	
2013	720	438,784	987	738,592	
2014	711	467,283	976	791,955	
2015 ⁽¹⁾	795	510,100	1,164	815,256	
2016	797	651,022	1,178	980,763	

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

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

A summary of historic taxable sales within Moreno Valley during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2016 in Moreno Valley were reported to be \$1,571,730, a 3% increase over the total taxable sales of \$1,524,713 reported during the first three quarters of calendar year 2015. Annual figures for calendar year 2017 are not yet available.

CITY OF MORENO VALLEY Taxable Transactions Number of Permits and Valuation of Taxable Transactions

	Retail Stores		Total All Outlets		
_	Number Taxable		Number of	Taxable	
	of Permits	Transactions	Permits	Transactions	
2012	1,732	\$1,185,877	2,231	\$1,275,922	
2013	1,616	1,240,243	2,116	1,349,129	
2014	1,688	1,307,780	2,181	1,475,946	
2015 ⁽¹⁾	1,920	1,366,324	2,629	1,524,713	
2016	2,063	1,393,342	2,823	1,571,730	

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

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the calendar year 2016 in the County were reported to be \$34,231,143, a 4% increase over the total taxable sales of

\$32,910,909 reported during the calendar year 2015. Figures for calendar year 2017 are not yet available.

COUNTY OF RIVERSIDE Taxable Transactions Number of Permits and Valuation of Taxable Transactions

	Retail Stores		Total All Outlets		
_	Number	Taxable	Number of	Taxable	
	of Permits	Transactions	Permits	Transactions	
2012	34,683	\$20,016,668	48,316	\$28,096,009	
2013	33,391	21,306,774	46,805	30,065,467	
2014	34,910	22,646,343	48,453	32,035,687	
2015 ⁽¹⁾	18,662	23,281,724	56,846	32,910,909	
2016	38,445	24,022,136	57,771	34,231,143	

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

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Major Employers

The following tables list the largest employers in the City of Perris, City of Moreno Valley, and the County.

CITY OF PERRIS Principal Employers

Employer Name	Employment
Ross Stores Inc.	1,900
Perris Union High School District (1)	919
Lowe's CA Regional Distribution Center	756
Eastern Municipal Water District	604
Perris Elementary School District	750
NFI Industries (2)	551
Wal-Mart	
California Trus CO Inc	370
CR&R Waste - Perris	275
National Stores Inc (aka Fallas, Factory 2 U) (3)	485
Wayfair Distribution Center ⁽³⁾	330

⁽¹⁾ Includes classified, certificated and admin.

⁽²⁾ Supply chain management for Hanes, Whirlpool and Amazon.

⁽³⁾ Includes sub-contracted employees from temp services.

Source: City of Perris Comprehensive Annual Financial Report (CAFR) June 30, 2017.

CITY OF MORENO VALLEY Principal Employers

Employer Name	Product/Service	Employment
March Air Reserve Base	Military Reserve Base	8,000
Amazon	Retail Distribution	5,000
Moreno Valley Unified School District	Public Schools	3,468
Riverside County Regional Medical Center	County Hospital	2,882
Ross Dress for Less/ dd's Discounts	Retail Distribution	1,953
Val Verde Unified School District (MV Only)	Public Schools	1,404
Kaiser Permanente Community Hospital	Hospital/Medical Services	870
Harbor Freight Tools	Retail Distribution	775
United Natural Foods (UNFI)	Retail Distribution	493
City of Moreno Valley	Municipal Government	458

Source: City of Moreno Valley Comprehensive Annual Financial Report (CAFR), June 30, 2017.

COUNTY OF RIVERSIDE Major Employers January 2019

Employer Name	Location	Industry
Abbot Vascular Inc.	Temecula	Physicians & Surgeons Equip & Supls-Whls
Amazon.com Inc	Moreno Valley	Distribution Centers (whls)
Corrections Dept	Norco	Government Offices-State
Desert Regional Medical Ctr	Palm Springs	Hospitals
Eisenhower Health	Rancho Mirage	Hospitals
Fantasy Springs Resort Casino	Indio	Casinos
Handsome Rewards	Perris	Internet & Catalog Shopping
Hemet Valley Medical Ctr	Hemet	Hospitals
Indio Bingo Palace & Casino	Indio	Resorts
Kleinfelder Construction Svc	Riverside	Engineers-Structural
La Quinta Golf Course	La Quinta	Golf Courses
Parkview Community Hospital	Riverside	Hospitals
Pechanga Resort & Casino	Temecula	Casinos
Renaissance	Indian Wells	Hotels & Motels
Riverside Community Hospital	Riverside	Hospitals
Riverside University Health	Moreno Valley	Hospitals
Robertsons Ready Mix Ltd A Ca	Corona	Concrete-Ready Mixed
Southwest Healthcare System	Murrieta	Hospitals
Starcrest of California	Perris	Internet & Catalog Shopping
Starcrest Products	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Wholesale
Time Rack	Corona	Computer Software
Universal Protection Svc	Palm Desert	Security Guard & Patrol Service
US Air Force Dept	March Arb	Military Bases
Wachter Inc	Riverside	Electric Contractors

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2019 1st Edition.

Industry and Employment

The unemployment rate in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area was 4.1% in October 2018, unchanged from a revised 4.1% in September 2018, and below the year-ago estimate of 4.7%. This compares with an unadjusted unemployment rate of 4.0% for California and 3.5% for the nation during the same period. The unemployment rate was 4.4% in Riverside County, and 3.9% in San Bernardino County.

The following table presents the annual average distribution of persons in various wage and salary employment categories for Riverside-San Bernardino-Ontario MSA for calendar years 2013 through 2017.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA (Riverside and San Bernardino Counties) Annual Average Labor Force Employment by Industry March 2017 Benchmark

40	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Civilian Labor Force ⁽¹⁾	1,893,100	1,921,000	1,956,900	1,984,900	2,022,100
Employment	1,706,800	1,765,300	1,828,200	1,866,600	1,918,600
Unemployment	186,300	155,700	128,600	118,300	103,600
Unemployment Rate	9.8%	8.1%	6.6%	6.0%	5.1%
Wage and Salary Employment: (2)					
Agriculture	14,500	14,400	14,800	14,600	14,400
Mining and Logging	1,200	1,300	1,300	900	900
Construction	70,000	77,600	85,700	92,000	97,000
Manufacturing	87,300	91,300	96,100	98,600	98,700
Wholesale Trade	56,400	58,900	61,600	62,800	63,700
Retail Trade	164,800	169,400	174,300	178,000	182,100
Transportation, Warehousing and Utilities	78,500	86,600	97,400	107,300	120,200
Information	11,500	11,300	11,400	11,500	11,300
Finance and Insurance	26,200	26,600	26,900	26,700	26,200
Real Estate and Rental and Leasing	15,600	16,300	17,000	17,900	18,200
Professional and Business Services	131,900	138,700	147,400	145,000	147,200
Educational and Health Services	187,600	194,800	205,100	214,300	224,800
Leisure and Hospitality	135,900	144,800	151,700	160,200	165,700
Other Services	41,100	43,000	44,000	44,600	45,600
Federal Government	20,300	20,200	20,300	20,400	20,600
State Government	27,800	28,200	28,700	29,700	30,700
Local Government	177,100	180,400	184,400	192,200	198,600
Total, All Industries (3)	1,247,800	1,303,700	1,367,900	1,416,600	1,466,000

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

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

⁽³⁾ Totals may not add due to rounding.

Source: State of California Employment Development Department.

Construction Activity

The following is a five-year summary of the valuation of building permits issued in Perris, Moreno Valley, and the County.

CITY OF PERRIS Building Permit Valuation (Valuation in Thousands of Dollars)

	2013	2014	<u>2015</u>	2016	2017
Permit Valuation		·		·	
New Single-family	\$16,058.0	\$31,412.7	\$42,578.7	\$23,136.3	\$21,869.3
New Multi-family	5,213.9	10,427.7	0.0	4,718.2	0.0
Res. Alterations/Additions	149.8	625.7	485.8	3,976.7	915.3
Total Residential	21,421.6	42,466.1	43,064.5	31,831.2	22,784.6
New Commercial	15,160.1	46,186.1	9,375.8	276,746.6	174,203.0
New Industrial	32,170.8	45.259.7	69,451.0	0.0	79,439.2
New Other	165.0	2,544.6	9,038.0	9,397.1	1,698.3
Com. Alterations/Additions	37.3	1,319.2	14,816.8	21,376.4	44,391.2
Total Nonresidential	47,533.1	95,309.6	102,681.6	307,520.1	299,731.7
New Dwelling Units					
Single Family	112	207	170	120	71
Multiple Family	<u>75</u>	<u>126</u>	0	<u>104</u>	_0
TOTAL	187	333	170	224	71

Source: Construction Industry Research Board, Building Permit Summary.

CITY OF MORENO VALLEY Building Permit Valuation (Valuation in Thousands of Dollars)

	2013	2014	2015	2016	2017
Permit Valuation					
New Single-family	\$42,615.9	\$12,681.2	\$43,736.2	\$37,859.0	\$149,455.1
New Multi-family	4,970.0	0.0	0.0	12,924.8	1,846.4
Res. Alterations/Additions	2,093.2	2,548.0	3,222.8	2,257.1	345.1
Total Residential	49,679.0	15,229.2	46,959.0	53,040.9	151, 646.6
New Commercial	3,332.5	20,650.9	10,367.0	20,938.4	85,582.7
New Industrial	71,432.6	89,400.0	48,912.0	0.0	183,190.9
New Other	391.7	21,901.8	4,969.3	8,513.1	8,766.9
Com. Alterations/Additions	34,559.0	28,413.3	36,941.3	13,243.2	954.4
Total Nonresidential	109,715.8	160,366.0	101,189.6	42,694.7	278,494.9
New Dwelling Units					
Single Family	133	46	133	100	451
Multiple Family	60	_0	0	<u>112</u>	<u>16</u>
TOTAL	192	46	133	212	467

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF RIVERSIDE Building Permit Valuation (Valuation in Thousands of Dollars)

	2013	2014	2015	2016	2017
Permit Valuation					
New Single-family	\$1,138,738.1	\$1,296,552.9	\$1,313,084.2	\$1,526,767.9	\$1,670,541.7
New Multi-family	138,636.0	178,116.8	110,458.4	106,291.8	109,309.0
Res. Alterations/Additions	<u>98,219.3</u>	<u>147,081.3</u>	113,200.0	<u>126,475.0</u>	<u>123,566.8</u>
Total Residential	1,375,593.4	1,621,750.8	1,536,742.5	1,759,534.6	1,903,417.4
New Commercial	263,837.7	197,675.0	211,785.1	583,023.6	555,352.6
New Industrial	141,184.4	161,321.1	180,521.4	59,439.2	410,275.4
New Other	109,795.2	128,666.9	204,554.2	583,002.8	104,351.4
Com. Alterations/Additions	369,502.4	<u>197,675.0</u>	314,604.2	371,216.4	363,711.4
Total Nonresidential	884,319.7	685,338.0	911,464.9	1,596,682.0	1,433,690.8
New Dwelling Units					
Single Family	4,716	5,007	5,007	5,662	6,265
Multiple Family	1,427	1,931	1,189	1,039	1,070
TOTAL	6,143	6,938	6,196	6,701	7,335

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

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

CITY OF PERRIS, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA, and the UNITED STATES Effective Buying Income For Calendar Years 2013 through 2017

Median

			wedian
		Total Effective	Household
		Buying Income	Effective Buying
Year	Area	(000's Omitted)	Income
		,	
2013	City of Perris	\$755,698	\$39,231
	City of Moreno Valley	2,748,855	43,971
	Riverside County	40,293,518	44,784
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Perris	\$754,195	\$38,804
	City of Moreno Valley	2,796,660	44,681
	Riverside County	41,199,300	45,576
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
		^	.
2015	City of Perris	\$855,680	\$43,016
	City of Moreno Valley	3,079,685	47,668
	Riverside County	45,407,058	48,674
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Perris	\$889,340	\$44,389
	City of Moreno Valley	3,159,028	48,149
	Riverside County	47,509,909	50,287
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Downio	¢006.222	¢47.055
2017	City of Perris City of Moreno Valley	\$986,322 3,360,376	\$47,255 51,122
	Riverside County	51,784,973	54,014
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
	Officed Otales	0,040,110,229	30,733

Source: The Nielsen Company (US), Inc.



APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Series 2019D Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Series 2019D Bonds in substantially the following form:

[Date of Delivery]

Val Verde Unified School District Perris, California

> Val Verde Unified School District (Riverside County, California) <u>General Obligation Bonds, 2012 Election, Series 2019D</u> (Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Val Verde Unified School District (the "District"), which is located in the County of Riverside (the "County"), in connection with the issuance by the District of \$10,000,000 aggregate principal amount of bonds designated as "Val Verde Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series 2019D" (the "Series 2019D Bonds"), representing part of an issue in the aggregate principal amount of \$178,000,000 authorized at an election held in the District on June 5, 2012. The Series 2019D Bonds are issued under and pursuant to a resolution of the Board of Education of the District adopted on December 11, 2018 (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 the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. 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 2019D 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 presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents 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 ensure that future actions, omissions or events will not cause interest on the Series 2019D 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 2019D 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 school districts or counties 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 assets 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 assets. 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 January 16, 2019, or other offering material relating to the Series 2019D Bonds and express no opinion 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 2019D 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 2019D Bonds and the interest thereon.
- 4. Interest on the Series 2019D 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 2019D Bonds is not a specific preference item for purposes of the federal 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 2019D Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the Val Verde Unified School District (the "District") in connection with the issuance of \$10,000,000 aggregate principal amount of Val Verde Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series 2019D (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on December 11, 2018 (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 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).
- **Section 2.** <u>Definitions.</u> 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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).
- "Dissemination Agent" shall mean Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.
 - "Holder" shall mean the person in whose name any 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 January 16, 2019 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.
- "Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the 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 240 days after the end of the District's fiscal year (which due date shall be February 25 of each year, so long as the fiscal year ends on June 30), commencing with the report for the 2018-2019 Fiscal Year (which is due not later than February 25, 2020), 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 the same manner as for a Listed Event under Section 5(e) hereof. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the 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 send a notice in a timely manner to the MSRB, 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 adopted budget of the District for the then current fiscal year, or a summary thereof;
 - (ii) The average daily attendance in District schools on an aggregate basis for the last completed fiscal year;
 - (iii) The District's outstanding debt;
 - (iv) Information regarding total assessed valuation (secured, unsecured and total) of taxable properties within the District for the then current fiscal year, if and to the

extent made available by the County of Riverside (the "County"). If and to the extent such information is not made available by the County, a statement to that effect shall be included in the Annual Report;

- (v) Information regarding twenty taxpayers with the greatest combined ownership of taxable property in the District for the then current fiscal year, if and to the extent made available by the County. If and to the extent such information is not made available by the County, a statement to that effect shall be included in the Annual Report; and
- (vi) Information regarding total secured tax charges and delinquencies on taxable properties within the District for the last completed fiscal year, if and to the extent made available by the County. If and to the extent such information is not made available by the County, a statement to that effect shall be included in the Annual Report.
- (c) In addition to any of the information expressly required to be provided under subsections (a) and (b) hereof, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

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 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 the 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; or
 - (ix) bankruptcy, insolvency, receivership or similar event of the obligated person.

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 an obligated person 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 obligated person, 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 obligated person.

- (b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 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) hereof, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - (ii) modifications to rights of Bond Holders;
 - (iii) optional, unscheduled or contingent Bond calls;
 - (iv) release, substitution, or sale of property securing repayment of the Bonds;
 - (v) non-payment related defaults;
 - (vi) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; or
 - (vii) appointment of a successor or additional paying agent or the change of name of a paying agent.
- (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) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the District shall determine if such event would be material under applicable federal securities laws.
- (e) If the District learns of the occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof 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 in electronic format, accompanied by such identifying information as is prescribed by 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 Bonds pursuant to the Resolution.

Section 6. <u>Termination of Reporting Obligation</u>. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. <u>Dissemination Agent</u>. 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 Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices.

Section 8. <u>Amendment; Waiver.</u> 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 an obligated person with respect to the 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 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 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 the same manner as for a Listed Event under Section 5(e) hereof, 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. <u>Default.</u> 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 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 11. <u>Duties, Immunities and Liabilities of Dissemination Agent</u>. 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 Bonds.

Section 12. <u>Beneficiaries.</u> This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

	•
Dated: January 30, 2019	VAL VERDE UNIFIED SCHOOL DISTRICT
	By:
ACCEPTED AND AGREED TO:	
FIELDMAN, ROLAPP & ASSOCIATES, INC. DOING BUSINESS AS APPLIED BEST PRACTICES, as Dissemination Agent	
By:Authorized Signatory	

EXHIBIT A

NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	VAL VERDE UNIFIED SCHOOL DISTRICT					
Name of Issue:	Val Verde Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series 2019D					
Date of Issuance:	January 30, 2019					
NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated annuary 30, 2019. [The District anticipates that the Annual Report will be filed by]						
Dated:						

VAL VERDE UNIFIED SCHOOL DISTRICT



APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

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

- 1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.
- 2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference*.

- 3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.
- 4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.
- 5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.
- 6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
- 7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

- 8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
- 9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.
- 10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.
- 11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.



APPENDIX G

RIVERSIDE COUNTY INVESTMENT POLICY AND INVESTMENT REPORT





COUNTY OF RIVERSIDE OFFICE OF THE TREASURER TAX-COLLECTOR STATEMENT OF INVESTMENT POLICY

INTRODUCTION

The Treasurer's Statement of Investment Policy is presented annually to the County Investment Oversight Committee for review and to the Board of Supervisors for approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code (Code Section). This policy will become effective immediately upon approval by the Board of Supervisors.

SCOPE

The Treasurer's Statement of Investment Policy is limited in scope to only those county, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond funds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

FIDUCIARY RESPONSIBILITY

Code Section 27000.3 declares each treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in Code Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer or the board of supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors."

PORTFOLIO OBJECTIVES

The first and primary objective of the Treasurer's investment of public funds is to **safeguard investment principal**; second, to maintain sufficient **liquidity** within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or **yield** on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

AUTHORITY

Statutory authority for the Treasurer's investment and safekeeping functions are found in Code Sections 53601 and 53635 et. seq. The Treasurer's authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the Board of Supervisors on November 07, 2017 by County Ordinance No.767.21. Code Section 53607 effectively requires the legislative body to delegate investment authority of the County on an annual basis.

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Code Sections 53601 and 53635 as amended

and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the Treasurer-Tax Collector, Jon Christensen, Sr. Chief Deputy Treasurer-Tax Collector, Giovane Pizano, Sr. Chief Deputy Treasurer-Tax Collector, Steve Faeth, and Assistant Investment Manager, Isela Licea, are authorized to make investments (except in the case of an emergency, see schedule VII) and to order the receipt and delivery of investment securities among custodial security clearance accounts.

AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule II of this policy.

DAILY ACCOUNTABILITY AND CONTROL

Except for emergencies or previous authorization by the Treasurer-Tax Collector, all investment transactions are to be conducted at the Treasurer-Tax Collector's office (if open and available to conduct business), documented, and reviewed by the Treasurer-Tax Collector. All investment transactions will be entered daily into the Treasurer's internal financial accounting system with copies to be filed on a timely basis. Portfolio income shall be reconciled daily against cash receipts and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

SECURITY CUSTODY & DELIVERIES

All securities except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County Treasurer with custodial security clearance services. These third party trust department arrangements provide the County with a perfected interest in, and ownership and control over the securities held by the custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the Treasurer's vault. The security holdings shall be reconciled with the custodian holding records daily. The Treasurer's Fiscal Compliance unit will audit purchases daily for compliance, and audit holding records monthly.

COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the Board of Supervisors pursuant to Code Section 53601.

LIQUIDITY

The portfolio shall maintain a weighted average days to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

SECURITIES LENDING

The Treasurer may engage in securities lending activity limited to 20% of the portfolio's book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the Treasurer to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in Schedule I, (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the short and long term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the Treasurer-Tax Collector.

PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the Treasurer's portfolio on the settlement date.

PORTFOLIO REPORTS/AUDITING

Portfolio reports required by Code Sections 53607 and 27133(e) shall be filed monthly with the Board of Supervisors, Investment Oversight Committee, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties. Consistent with Board Policy B-21 (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the Board of Supervisors, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer's website: http://www.countytreasurer.org/Treasurer/TreasurersPooledInvestmentFund/MonthlyReports.aspx

SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the Treasurer's Statement of Investment Policy, upon written request and approval of the responsible agency's governing board, and, approval of the Treasurer-Tax Collector. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the Treasurer-Tax Collector. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The Treasurer-Tax Collector reserves the right to allocate a pro-rata charge for administrative costs to such funds.

PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer's Institutional Money Market Index (TIMMI), or other suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio's performance, in keeping with this policy, and, current market conditions.

INVESTMENT OVERSIGHT COMMITTEE

In accordance with Code Section 27130 et seq. of the Code, the Board of Supervisors has established an Investment Oversight Committee. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with Sections 53684 and 53844 of the Code which give the Treasurer broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the calendar quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the Treasurer to assure compliance with Code Sections 53684 and 53844.

QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is permitted, pursuant to Code Section 27013, to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with Code Sections 27013, 27133(f), and 27135, the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: banking services, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the Treasurer-Tax Collector's office engaged in the administration,

investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the Treasurer-Tax Collector shall annually prepare a proposed budget revenue estimate per Code Section 27013.

TREASURY OPERATIONS

Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The Treasurer will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County Treasurer may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

Should any agency solicit entry, the agency shall comply with the requirements of Section 53684 of the Code and adopt a resolution by the the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County Treasurer. The resolution shall specify the amount of monies to be invested, the person authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency's willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the Treasurer's ability to deduct pro-rata administrative charges permitted by Code Section 27013. Any solicitation for entry into the TPIF must have the County Treasurer's consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the Treasurer.

POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

With the Treasury being required to maintain a 40% liquidity position at all times during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County Treasurer.

The Treasurer's approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and, an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Neither the Treasurer-Tax Collector nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County Treasurer which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of Code Section 27133. IOC members shall be subject to the limits included in the Board of Supervisors Policy B-21.

ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program

or impairs their ability to make impartial and prudent investment decisions. In addition, the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, , Investment Manager, and Assistant Investment Manager are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.

INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office Of The Treasurer-Tax Collector Policy Governing Competitively Bid Investments, dated March 3, 2011).

No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County Treasury, shall be invested for a period of time exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the Board of Supervisors, and, will remain in force until subsequently amended in writing by the Treasurer-Tax Collector and approved by the Board.

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Jon Christensen County of Riverside Treasurer-Tax Collector 12/07/2017

SCHEDULE I

AUTHORIZED INVESTMENTS	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY (S&P/MOODY'S/FITCH)
U.S. Treasury notes, bills, bonds or other certificates of indebtedness	100%	N/A	Maximum 5 years	N/A
Notes, participations, or obligations issued by the agencies of the federal government	100%	N/A	Maximum 5 years	N/A
Bonds, notes, warrants or certificates of indebtedness issued by the state of CA, or local agencies, or, the County of Riverside. Registered treasury notes or bonds of any of the other 49 United States per Government Code Section 53601 (d)	15% maximum	See Schedule VI	Maximum 4 years	Long term "AA-, Aa3, AA-" or better
Local Agency Investment Fund (LAIF)	\$50 million	Maximum \$50 million per LAIF	Daily Liquidity	N/A
Commercial Paper (CP)	40% maximum	See Schedule VI	Maximum 270 days	Short term "A-1,P-1,F-1" or better
Local Agency Obligations (LAO)	2.5% maximum	Board of Supervisors approval required. Issued by pool depositors only	Maximum 3 years	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
CalTRUST Short Term Fund (CLTR)	1% maximum	Board of Supervisors approval required	Daily liquidity	NR / Portfolio managed pursuant to California Government Code § 53601 & 53635
Negotiable CD's (NCD'S) issued by national or state chartered banks or a licensed branch of a foreign bank	25% maximum	See Schedule VI	Maximum 1 year	Short term "A-1,P-1,F-1" or better
Collateralized Time Deposits (TCD)	2% maximum	See Schedule IV	Maximum 1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency mortgages, CP, BA's	40% max, 25% in term repo over 7 days. No more than 20% w/one dealer in term repo	Repurchase agreements to be on file	Maximum 45 days	Short Term "A-1, P-1, F-1" or better If "A-2, P-2, F2" then overnight only
Reverse Repurchase Agreements on U. S. Treasury & federal agency securities in portfolio	10% maximum	For temporary cash Flow needs only.	Max 60 days with prior approval of Board of Supervisors	N/A
Medium Term Notes (MTNO) or Corporate Notes	20% maximum	See Schedule VI	Maximum 3 years	"AA, Aa2, AA" minimum if under 1 year
Interest bearing Checking Account	20%	N/A	Daily Liquidity	Fully collateralized
Money Market Mutual Funds (MMF) that invest in eligible securities meeting requirements of California Government Code	20% maximum	See Schedule V	Daily liquidity	Long Term "AAA" (2 of 3 nationally recognized rating services)
		1	1	

⁽¹⁾ Whichever is greater.

AUTHORIZED BROKER/DEALERS SCHEDULE II

The Treasurer is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

Union Bank
Piper Jaffray & Co.
SunTrust Bank
Stifel Nicolaus
FTN Financial
InCapital
Raymond James & Associates, Inc.
Williams Capital Group

- 2. Direct purchases from major commercial paper issuers, money market mutual funds, banker's acceptance issuers, negotiable CD issuers, or savings and loan are authorized.
- 3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the Treasurer, such transactions are deemed advantageous.

To ensure compliance with the County Treasurer's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the Board of Supervisors.

POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS SCHEDULE III

- 1. The County Treasurer has elected to limit security transactions as mentioned in Schedule II. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The Treasurer is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.
- 2. The County Treasurer's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
- 3. The firm must specify the types of securities it specializes in and will be made available for our account.
- 4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
- 5. The firm must be willing to provide us annual financial statements.
- 6. The County Treasurer is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
- 7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
- 8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS SCHEDULE IV

Before the Treasury can place a time deposit with a local bank or savings and loan, the following criteria must be met:

- 1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
- 2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
- 3. Investments less than the FDIC insurance limit will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
- 4. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided on a monthly basis. A collateral waiver for the portion insured by the FDIC will be granted.
- 5. The County Treasurer must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
- 6. The County Treasurer will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
- 7. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
- 8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
- 9. The County Treasurer must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists between any County official and an officer or employee of the bank.
- 10. Time deposits will only be made with banks and savings and loans having branch office locations within Riverside County.

POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND SCHEDULE V

Shares of beneficial interest issued by diversified management companies, also known as mutual funds, invest in the securities and obligations authorized by Code Sections 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

- 1. The fund must have a "AAA" ratings from two of the nationally recognized rating services: Moody's, Fitch, Standard & Poor's.
- 2. The fund's prospectus cannot allow hedging strategies, options or futures.
- 3. The fund must provide a current prospectus before participation in the fund and provide copies of their portfolio reports and shall provide at least at month-end, a complete listing of securities within the fund's portfolio.

POLICY CRITERIA CORPORATE AND MUNICIPAL SECURITIES SCHEDULE VI

Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers acceptances, and commercial paper. Medium term securities will be restricted by the long term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1+)	AAA/Aaa/AAA	Corp. Maximum of 5% per issuer with no more than 2% greater than 1 year final maturity and no more than 1% greater than 2 year final maturity. Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity. Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity. For the State of California debt only maximum of 2% greater than 13 month final maturity.
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity. Muni. Maximum of 5% per issuer. No more than 13 month final maturity. For the State of California Debt only, maximum of 2% greater than 13 month final maturity.
4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	Corp. No Asset Backed programs. Maximum of 2% per issuer with no more than 1% greater than 7 days. No more than 45 days maximum maturity. Muni. For the State of California Debt only, maximum of 3% with no more than 2% greater than 1 year final maturity.

Rating Agency Comparison Table

Short-Term Scale

Long-Term Scale

S&P Moody's	A-1+, A-1 P-1
Fitch	F-1+, F-1

S&P	AAA, AA+, AA, AA-, A+, A
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2
Fitch	AAA , AA+ , AA , AA- , A+ , A

POLICY CRITERIA FOR STAFF AUTHORIZED TO MAKE INVESTMENTS ON EMERGENCY CASES SCHEDULE VII

- 1. Don Kent, Riverside County Chief Financial Officer
- 2. Other treasury staff approved by the Treasurer



County of Riverside

Treasurer's Pooled Investment Fund

June 2018

Contents

- 2 | Treasurer's Pooled Investment Fund
- 3 | Economy
- 4 | Market Data
- 6 | Portfolio Data
- 8 | Compliance Report
- 9 | Month End Holdings



tot air balloons over Lake Skinner in Temecula, Southwest Riverside County, CA. Digital Image. NBC San Diego. http://www.nbcsandiego.com/news/local/temecula-valley-2014-balloon-wine-festival-north-san-diego-261142951.html

Treasurer's Pooled Investment Fund

Quarterly Commentary

The period was marked by a populist anti-euro government elected in Italy, the denuclearization summit in Singapore, and escalating trade tensions. Yet, the US economy continues its second-longest expansion in history and the FED is adjusting policy accordingly, having already raised rates twice in 2018 with many expecting two more rate hikes this year.

Trade tensions are threatening to boil over to a trade war. Triggered by US-levied aluminum and steel tariffs, the US and its trading partners have made escalating threats to impose tariffs against one another. Negotiators from the US, Mexico, and Canada have not reached an agreement on NAFTA and it remains unclear whether the three nations will strike an accord.

At the end of 1Q18, the US levied respective 10 and 25-percent tariffs against aluminum and steel imports from all but a few nations. Tariff exemptions were lifted soon after being imposed and on June 5, Mexico imposed \$3 billion in tariffs against the US; on June 21, Turkey imposed \$267 million worth of tariffs; on June 22, the European Union imposed tariffs on \$3 billion worth of goods. Starting July 1, Canada promised to impose tariffs against the US

Trade Winds

worth \$13 billion and India announced they would levy tariffs worth \$241 million beginning August 4.

So far, the US has threatened additional tariffs on more than \$200 billion worth of Chinese goods. China has matched tariff threats, and promises to impose alternative measures of retaliation if the US keeps on its path.

FED Chair J. Powell acknowledges risks associated with trade disputes, but downplays their negative effects to the US economy so far by stating, "We don't really see it in the numbers." Estimates of the effects of trade disputes on the US economy range from "not very sizable" to diminishing US GDP in the long run by 3.5% in the event of a trade war, according to the Federal Reserve Bank of Dallas.

For 2Q18, US economic growth remains strong with leading indicators forecasting steady growth. Real GDP growth YoY is at 2%, the labor market displays strong growth with job gains averaging 223K in 2Q18 and the lowest U-3 unemployment rate since November 2000 at 3.8%, and key inflationary figures are in line with the FED's symmetric two-percent target rate.

Second quarter, to date, has seen treasury yields climb as investors anticipated the Fed's second 25-basis-point rate hike for 2018, which took place on June 13. With this hike, the Fed Funds rate now stands at 2.00%. During the quarter, 2-yr. treasury yields rose from 2.25 to 2.56 and 5-yr. yields rose from 2.55 to 2.74. With economic fundamentals showing continued strength (e.g. annualized vehicle sales hovering near 17 million and new home sales at 689K), bond investors are expecting a third 25-basis-point Fed Funds hike on September 26 and a possible fourth 25-basis-point hike on December 19.

Whether trade disputes meaningfully interfere with economic activity remains to be seen. In any case, the Treasurer's Pooled Investment Fund is committed to capitalizing on rising rates and is well positioned for market changes.

Jon Christensen Treasurer-Tax Collector

Capital Markets Team

Jon Christensen Treasurer-Tax Collector

Giovane Pizano Chief Investment Manager

Steve Faeth Sr. Investment Manager

Isela Licea Assistant Investment Manager

Jake Nieto
Administrative Services Assistant

Treasurer's Statement

The Treasurer's Pooled Investment Fund is comprised of contributions from the county, schools, special districts, and other discretionary depositors throughout the County of Riverside. The primary objective of the treasurer shall be to **safeguard the principal** of the funds under the treasurer's control, meet the **liquidity needs** of the depositor, and to maximize a **return on the funds** within the given parameters.

The Treasurer-Tax Collector and the Capital Markets team are committed to maintaining the highest credit ratings. The Treasurer's Pooled Investment Fund is currently rated **Aaa-bf** by **Moody's Investor Service** and **AAAf/S1** by **Fitch Ratings**, two of the nation's most trusted bond credit rating services.

Since its inception, the Treasurer's Pooled Investment Fund has been in **full compliance** with the Treasurer's Statement of Investment Policy, which is more restrictive than California Government Code 53646.

6-Month Pool Performance

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
18-Jun	6,488,967,672.40	6,525,613,476.09	(36,645,803.69)	-0.56%	1.88	1.17
18-May	7,108,808,189.85	7,140,053,875.23	(31,245,685.38)	-0.44%	1.82	1.11
18-Apr	7,705,324,013.51	7,744,877,200.23	(39,553,186.72)	-0.51%	1.75	1.04
18-Mar	6,690,407,405.09	6,723,896,582.30	(33,489,177.21)	-0.50%	1.63	1.14
18-Feb	6,498,908,307.13	6,535,413,566.05	(36,505,258.92)	-0.56%	1.53	1.17
18-Jan	6,605,413,937.61	6,637,299,033.46	(31,885,095.85)	-0.48%	1.47	1.14
*Market valu	es do not include accrued inter	rest.				

Economy

National Economy

Jobs gains in 11 of 14 nonfarm sectors in May implies that robust economic growth is widespread. [BLS; 07/05/2018]

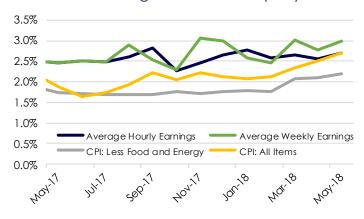
- Through the first five months of 2018, monthly gains in nonfarm jobs have averaged 207k, compared to 182k through the first five in 2017. [Wells Fargo Research; 07/05/2018].
- Inflation-adjusted hourly wage growth YoY was neutral in May. [FRED; 07/05/18]
- Estimates for 2Q18 YoY real GDP growth center around 4.0 percent and estimates for annualized GDP growth in 2018 center around 3.0 percent. [CNBC; 07/05/2018]

State Economy

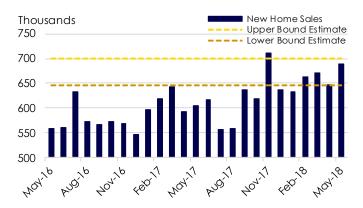
California job growth falters with 5,500 nonfarm jobs added in May, compared to 25,600 added in April 2018 and 42,600 in May 2017. [BLS: 07/09/2018].

- Orange County is the only Southern California region to post a net decrease in nonfarm jobs last month, while the Inland Empire and Los Angeles led California regions with 4,000 and 5,300 jobs added respectively. [LA Times: 07/05/2018].
- House price growth in LA County and the Inland Empire exceeded 8 percent YoY in May, compared to 7.1 percent nationally. [Orange County Register; 07/09/18]

US Earnings and Inflation (Y/Y)

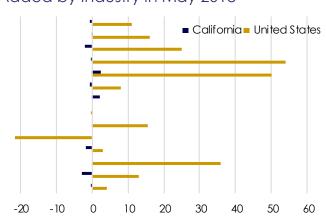


US New Home Sales



Nonfarm Jobs Added by Industry in May 2018





Key Economic Indicators

*For California, net nonfarm jobs added to the wholesale trade, retail trade, transportation and warehousing, and utilities industries are included in the 'Wholesale Trade' category.

Release Date	Indicator	Actual	Consensus	Difference
06/28/2018	Real GDP - Q/Q Change - 1Q18 (3rd estimate)	2.00%	2.20%	-0.20%
06/01/2018	Unemployment Rate - Seasonally Adjusted	3.80%	3.90%	-0.10%
06/01/2018	Non-Farm Payrolls - M/M Change	223,000	190,000	33,000
06/12/2018	CPI - Y/Y Change	2.80%	2.80%	0.00%
06/12/2018	CPI Ex Food and Energy - Y/Y Change	2.20%	2.20%	0.00%
06/05/2018	Non-Manufacturing Index (> 50 indicates growth)	58.6	58	0.60
06/05/2018	New Home Sales - SAAR	689,000	665,000	24,000
06/04/2018	Factory Orders - M/M Change	-0.80%	-0.40%	-0.40%
06/27/2018	Durable Goods Orders - M/M Change	-0.60%	-0.60%	0.00%

Market Data

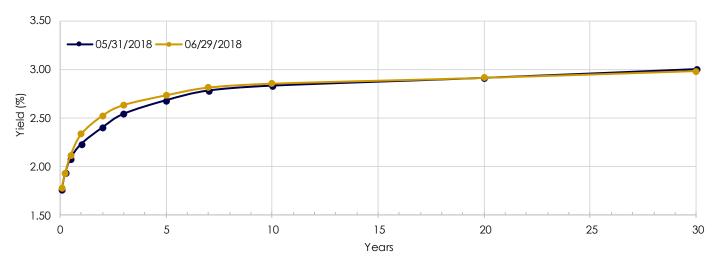
FOMC Meeting 06/13/2018

- The FOMC stated recent data from May "indicates that the labor market has continued to strengthen and that economic activity has been rising at a solid rate."
- The Federal Reserve increased the Fed Funds Target Rate from 1.50—1.75% to 1.75—2.00%.
- "Risks to the economic outlook appear roughly balanced", stated the FOMC in their June 13, 2018 press release.
- The next FOMC policy statement meeting is scheduled for July 31, 2018.

Fed Funds Target Rate (Upper Limit)



US Treasury Curve

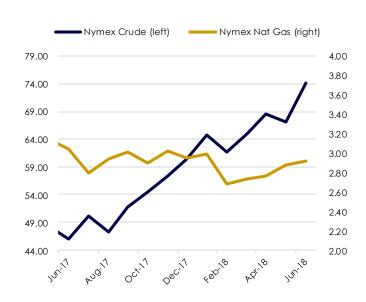


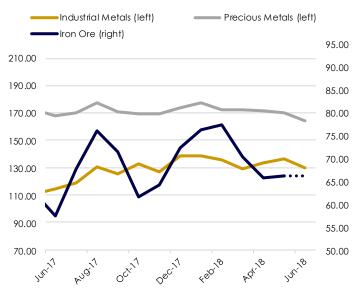
Treasury Curve Differentials	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
06/29/2018 - 05/31/2018	0	0.03	0.1	0.12	0.09	0.05	0.02	-0.02
06/29/2018	1.93	2.11	2.33	2.52	2.63	2.73	2.85	2.98
05/31/2018	1.93	2.08	2.23	2.40	2.54	2.68	2.83	3

The US Treasury Curve and its forecasted values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

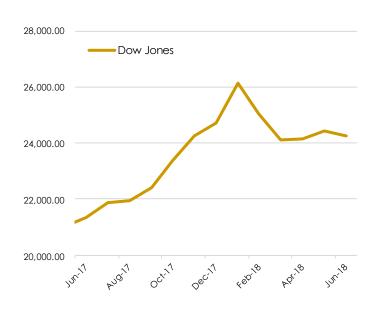
Commodities

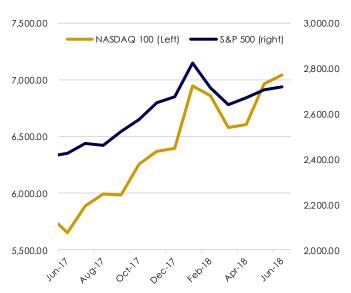




*Pricing information for iron ore for June 2018 is unavailable. Please see World Bank Commodity Markets to acquire information when updated.

Stocks





^{*} Values listed on this page are in US dollars and are based on the final business day of the month.

Portfolio Data

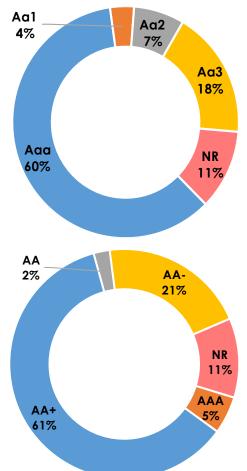
The County of Riverside's Treasurer's Pooled Investment Fund is currently rated **AAA-bf** by **Moody's Investor Service** and **AAAf/S1** by **Fitch Ratings**.

Moody's Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
Aaa	3,934,465.42	99.03%	60.29%	1.77%
Aa1	222,963.65	100.00%	3.42%	2.08%
Aa2	471,665.43	100.18%	7.23%	2.09%
Aa3	1,167,789.67	100.09%	17.90%	2.07%
NR	728,729.30	99.94%	11.17%	1.97%
Totals:	6,525,613.48	99.44%	100.00%	1.88%

S&P Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
AAA	344,748.80	99.64%	5.28%	2.23%
AA+	3,960,576.00	99.09%	60.69%	1.76%
AA	148,596.26	99.79%	2.28%	1.92%
AA-	1,342,963.12	100.11%	20.58%	2.06%
NR	728,729.30	99.93%	11.17%	1.97%
Totals:	6,525,613.48	99.44%	100.00%	1.88%



12-Month Projected Cash Flow

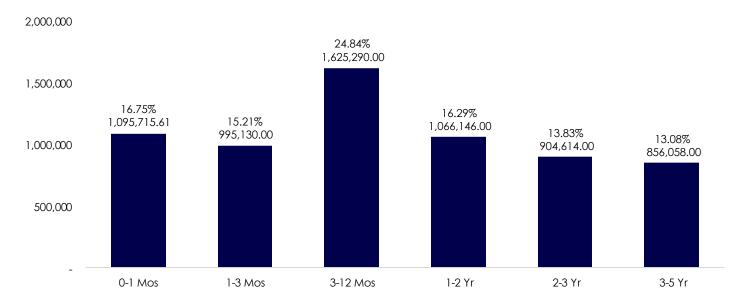
				Required		Actual	
	Monthly	Monthly		Matured		Investments	Available to
Month	Receipts	Disbursements	Difference	Investments	Balance	Maturing	Invest > 1 Year
07/2018					112.99		
07/2018	1,006.35	1,300.00	(293.65)	180.66	-	1,225.72	
08/2018	740.88	635.84	105.04		105.04	545.13	
09/2018	1,100.00	1,250.00	(150.00)	44.96	-	370.00	
10/2018	1,051.06	1,100.00	(48.94)		-	523.87	
11/2018	1,125.00	1,100.00	25.00		25.00	334.50	
12/2018	2,350.00	1,100.00	1,250.00		1,275.00	-	
01/2019	1,000.00	2,100.00	(1,100.00)		175.00	415.66	
02/2019	850.00	1,050.00	(200.00)	25.00	-	130.34	
03/2019	1,350.00	1,200.00	150.00		150.00	68.31	
04/2019	2,000.00	1,300.00	700.00		850.00	9.07	
05/2019	1,200.00	2,050.00	(850.00)		-	44.46	
06/2019	1,050.00	1,850.00	(800.00)	800.00	-	49.09	
TOTALS	14,823.29	16,035.84	(1,212.55)	1,050.62	2,693.03	3,716.14	5,474.99
				16.10%		56.95%	83.90%

^{*} Values listed in Cash Flow Table are in millions of USD.

Based on historic and current financial conditions within the County, the Pool is expected to maintain sufficient liquidity of funds to cover County expenses for the next twelve months.

Portfolio Data cont'd

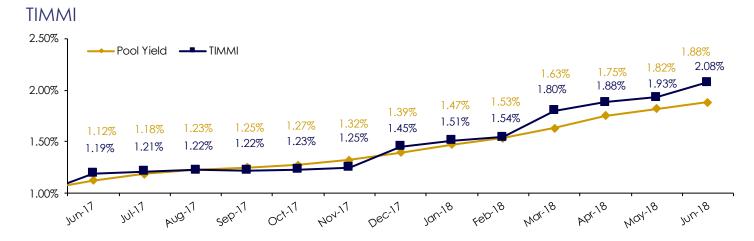
Asset Maturity Distribution (Par Value, 000's)



Asset Allocation (000's)

Assets	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
TREAS	218,849.08	218,979.15	100.06%	1.53%	0.441	0.441
AGENCIES	3,237,265.95	3,198,789.65	98.81%	1.71%	1.989	2.032
MMKT	90,994.51	90,994.51	100.00%	1.96%	0.003	0.003
CASH	515,000.00	515,000.00	100.00%	2.01%	0.003	0.003
CALTRUST FND	24,000.00	24,000.00	100.00%	1.96%	0.003	0.003
COMM PAPER	1,148,913.71	1,154,198.06	100.46%	2.11%	0.219	0.219
NCDS	858,931.28	858,931.28	100.00%	2.14%	0.273	0.273
MEDIUM TERM NOTES	185,247.78	185,087.14	99.91%	2.46%	1.590	1.608
MUNI	246,251.18	242,827.89	98.61%	1.56%	1.000	1.000
LOCAL AGCY OBLIG	160.00	160.00	100.00%	2.32%	1.962	1.962
Totals:	6,525,613.48	6,488,967.67	99.44%	1.88%	1.160	1.182

^{*} For details on the Pool's composition see Month End Portfolio Holdings, pages 9 to 13.



The Treasurer's Institutional Money Market Index (TIMMI) is a composite index of four AAA rated prime institutional money market funds. Their aggregate yield is compared to the yield of the Treasurer's Pooled Investment Fund in the above graph.

Compliance Report

Compliance Status: Full Compliance

The Treasurer's Pooled Investment Fund was in full compliance with the County of Riverside's Treasurer's Statement of Investment Policy. The County's Statement of Investment Policy is more restrictive than California Government Code 53646. The County's Investment Policy is reviewed annually by the County of Riverside's Oversight Committee and approved by the Board of Supervisors.

	GOVERNMENT CODE					
Investment Category	Maximum Maturity	Authorized % Limit	S&P/ Moody's			
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA			
U.S. TREASURIES	5 YEARS	NO LIMIT	NA			
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA			
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA			
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1			
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA			
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA			
REVERSE REPOS	92 DAYS	20%	NA			
MEDIUM TERM NOTES (MTNO)	5 YEARS	30%	Α			
CALTRUST SHORT TERM FUND	NA	NA	NA			
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS (1)	20%	AAA/Aaa			
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA			
CASH/DEPOSIT ACCOUNT	NA	NA	NA			

COUNT	Y INVESTMENT	POLICY
Maximum Ma- turity		S&P/ Moody's
4 YEARS	15%	AA-/Aa3/AA-
5 YEARS	100%	NA
3 YEARS	2.50%	INVESTMENT GRADE
5 YEARS	100%	NA
270 DAYS	40%	A1/P1/F1
1 YEAR	25% Combined	A1/P1/F1
45 DAYS	40% max, 25% in term repo over 7 days	A1/P1/F1
60 DAYS	10%	NA
3 YEARS	20%	AA/Aa2/AA
DAILY LI- QUIDITY	1.00%	NA
DAILY LI- QUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.
DAILY LI- QUIDITY	Max \$50 million	NA
NA	NA	NA

¹ Money Market Mutual I	Funds maturity ma	ny he interpreted	as a weighted	average maturity r	not exceeding 60 days

²Or must have an investment advisor with no fewer than 5 years experience and with assets under management of \$500,000,000 USD.

THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646.

Actual %

3.77%

3.35%

0.00%

49.61%

17.61%

13.16%

0.00%

0.00%

2.84%

0.37%

1.39%

0.00%

7.89%

CUSIP	Description	Maturity	Coupon	Yield	Par	Book	Market	Market	Unrealized	Modified	Years To
Fund: 1 POOL		Date		To Mat	Value	Value	Price	Value	Gain/Loss	Duration	Maturity
1060: MMKT AC		07/01/0010	1.704	1.704	2 000 000 00	2 000 000 00	100 000000	2 000 000 00	0.00	002	000
FRGXX GOFXX	FIDELITY GOV FEDERATED GOV	07/01/2018 07/01/2018	1.734 1.712	1.734 1.712	3,000,000.00 1,000,000.00	3,000,000.00	100.000000	3,000,000.00	0.00	.003	.003
FGTXX	GOLDMAN SACHS GOV	07/01/2018	1.798	1.798	1,000,000.00	1,000,000.00	100.000000	1,000,000.00	0.00	.003	.003
WFFXX WFJXX	WELLS FARGO GOV HERITAGE PRIME MMF	07/01/2018 07/01/2018	1.804 2.036	1.804 2.005	1,000,000.00 4,998,000.80	1,000,000.00 5,000,000.00	100.000000 100.040000	1,000,000.00 5,000,000.00	0.00	.003	.003
FIPXX	FIDELITY PRIME MMF	07/01/2018	2.003	1.975	29.988.005.30	29.997.501.25	100.031666	29.997.501.25	0.00	.003	.003
TMPXX	BLACKROCK PRIME MMF	07/01/2018	1.983	1.968	24,990,003.50	24,995,001.50	100.020000	24,995,001.50	0.00	.003	.003
CJPXX	JP MORGAN PRIME MMF	07/01/2018	1.987 1.979	1.973 1.960	24,997,003.50 90,973,013.10	25,002,002.90 90,994,505.65	100.020000 100.023625	25,002,002.90 90,994,505.65	0.00	.003	.003
1065: CLTR-A/3 CLTR	365-6 CALTRUST SHT TERM FUND	07/01/2018	1.976	1.976	0.00	0.00	100.040000	0.00	0.00	.000	.003
CLTR	CALTRUST SHT TERM FUND		1.965	1.965	23,997,600.24	24,000,000.00	100.040000	24,000,000.00	0.00	.003	.003
1090: MCD BA1	TE A /24 E 4		1.965	1.965	23,997,600.24	24,000,000.00	100.010000	24,000,000.00	0.00	.003	.003
1080: MGD RAT	BANK OF THE WEST	07/01/2018	2.036	2.036	85,000,000.00	85,000,000.00	100.000000	85,000,000.00	0.00	.003	.003
1170: MGD RAI	TF- A /340		2.036	2.036	85,000,000.00	85,000,000.00	100.000000	85,000,000.00	0.00	.003	.003
CASH	UB MANAGED RATE	07/01/2018	2.005	2.005	400.000.000.00	400.000.000.00	100.000000	400.000.000.00	0.00	.003	.003
CASH	PACIFIC PREMIER BANK	07/01/2018	1.974	1.974	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.003	.003
1175: LAO-SINI	KING FND-A/360		2.003	2.003	430,000,000.00	430,000,000.00	100.000000	430,000,000.00	0.00	.003	.003
LAO	US DIST COURTHOUSE	06/15/2020	2.322	2.322	160,000.00	160,000.00	100.000000	160,000.00	0.00	.963	1.962
1300: U.S. TREA	SURY BILL		2.322	2.322	160,000.00	160,000.00	100.000000	160,000.00	0.00	.963	1.962
912796NQ8	U.S. TREASURY	08/16/2018	1.508	1.524	50,000,000.00	49,482,672.22	99.772000	49,886,000.00	403,327.78	.127	.129
1310: U.S. TREA	SURY ROND		1.508	1.524	50,000,000.00	49,482,672.22	99.772000	49,886,000.00	403,327.78	.127	.129
912828U40	U.S. TREASURY BOND	11/30/2018	1.000	1.115	25,000,000.00	24,943,359.38	99.555000	24,888,750.00	-54,609.38	.417	.419
9128282K5 9128282K5	U.S. TREASURY BOND U.S. TREASURY BOND	07/31/2019 07/31/2019	1.375 1.375	1.428 1.418	25,000,000.00 25,000,000.00	24,975,585.94 24,980,468.75	98.918000 98.918000	24,729,500.00 24,729,500.00	-246,085.94 -250,968.75	1.066 1.066	1.085 1.085
912828\$68	U.S. TREASURY BOND	07/31/2019	.750	1.515	50,000,000.00	49,757,812.50	99.915000	49,957,500.00	199,687.50	.084	.085
912828WD8	U.S. TREASURY BOND	10/31/2018	1.250	1.803	25,000,000.00	24,897,460.94	99.742000	24,935,500.00	38,039.06	.334	.337
912828W30	U.S. TREASURY BOND	02/28/2019	1.125 1.088	2.048 1.534	20,000,000.00	19,811,718.75 169,366,406.26	99.262000 99.466559	19,852,400.00 169,093,150.00	40,681.25 -273,256.26	.657	.666
1425: FHLMC-F	xd-S 30/360				170,000,000.00	107,300,400.20	77.400557	167,073,130.00	-273,230.20		
3134G72T7 3134G72T7	FHLMC 3YrNc6MoB FHLMC 3YrNc6MoB	10/29/2018 10/29/2018	1.050 1.050	1.050 1.050	5,000,000.00 10.000.000.00	5,000,000.00 10.000.000.00	99.662000 99.662000	4,983,100.00 9.966.200.00	-16,900.00	.330 .330	.332 .332
3134G7217 3134G8L64	FHLMC 2.5YrNc1YrE	08/24/2018	1.000	1.000	5,000,000.00	5,000,000.00	99.861000	4,993,050.00	-33.800.00 -6,950.00	.150	.151
3134G8QE2 3134G8QB8	FHLMC 3YrNc1YrE FHLMC 3YrNc1YrE	03/29/2019	1.300 1.270	1.300 1.270	9,000,000.00 4,000,000.00	9,000,000.00 4,000,000.00	99.317000 99.294000	8,938,530.00 3,971,760.00	-61,470.00 -28,240.00	.739 .739	.745 .745
3134G8TG4	FHLMC 3.5YrNc6MoE	03/29/2019 10/11/2019	1.500	1.500	15,000,000.00	15,000,000.00	98.759000	14,813,850.00	-186,150.00	1.260	1.282
3134G9B55	FHLMC 2YrNc6MoE	07/20/2018	1.000	1.000	25,000,000.00	25,000,000.00	99.955000	24,988,750.00	-11,250.00	.054	.055
3134G9C70 3134G9Q75	FHLMC 2YrNc6MoE FHLMC 3YrNc3MoB	07/20/2018 07/26/2019	.820 1.250	.820 1.250	10,000,000.00 10,000,000.00	10,000,000.00	99.946000 98.748000	9,994,600.00 9,874,800.00	-5,400.00 -125,200.00	.055 1.056	.055 1.071
3134G9Q67	FHLMC 2YrNc3MoB	07/27/2018	1.050	1.050	10,000,000.00	10,000,000.00	99.942000	9,994,200.00	-5,800.00	.074	.074
3134GABZ6 3134GAVF8	FHLMC 3.5YrNc1YrE FHLMC 3.5YrNc1YrE	02/25/2020 05/08/2020	1.250 1.200	1.250 1.200	10,000,000.00 15,000,000.00	10,000,000.00	97.919000 97.516000	9,791,900.00 14,627,400.00	-208,100.00 -372,600.00	1.624 1.827	1.658 1.858
3134GAXZ2	FHLMC 4YrNc6MoE	11/25/2020	1.370	1.370	25,000,000.00	25,000,000.00	97.111000	24,277,750.00	-722,250.00	2.353	2.408
3134GAYK4 3134G9XZ5	FHLMC 4YrNc1YrE FHLMC 1Yr	11/30/2020 07/20/2018	1.440 1.000	1.440 1.238	10,000,000.00 9.400.000.00	10,000,000.00 9.371.800.00	97.254000 99.955000	9,725,400.00 9.395.770.00	-274,600.00 23.970.00	2.364 .054	2.422 .055
3130A9C90	FHLMC 1.25Yr	09/28/2018	1.050	1.300	5,000,000.00	4,982,950.00	99.765000	4,988,250.00	5,300.00	.245	.247
3134GAK78 3134GBWH1	FHLMC 1.5YrNc1MoB FHLMC 2.25YrNc6MoB	01/25/2019 09/27/2019	1.350 1.500	1.350 1.509	10,000,000.00 6,250,000.00	10,000,000.00 6,248,750.00	99.447000 98.844000	9,944,700.00 6,177,750.00	-55,300.00 -71,000.00	.562 1.221	.573 1.244
3134GBYS5	FHLMC 2YrNc3MoB	07/26/2019	1.600	1.600	5.000.000.00	5.000.000.00	99.120000	4.956.000.00	-44.000.00	1.052	1.071
3134GBK35 3137EAEE5	FHLMC 3YrNc3MoB FHLMC 2.75Yr	09/29/2020 01/17/2020	1.800 1.500	1.800 1.602	15,000,000.00 25,000,000.00	15,000,000.00 24,942,750.00	97.969000 98.429000	14,695,350.00 24,607,250.00	-304,650.00 -335,500.00	2.183 1.513	2.252 1.551
3134GBTX0	FHLMC 2.75YrNc2MoB	06/29/2020	1.750	1.780	20,000,000.00	19,983,860.00	98.275000	19,655,000.00	-328,860.00	1.954	2.000
3134GBG30 3134GBG30	FHLMC 2YrNc5MoB FHLMC 2YrNc6MoB	09/27/2019 09/27/2019	1.500 1.500	1.620 1.621	20.000.000.00 25,000,000.00	19.953.600.00 24,942,500.00	98.840000 98.840000	19.768.000.00 24,710,000.00	-185.600.00 -232,500.00	1.221 1.221	1.244 1.244
3134G92B2	FHLMC 2YrNc8MoE	01/30/2019	.950	1.734	20,000,000.00	19,820,000.00	99.250000	19,850,000.00	30,000.00	.576	.586
3134G9NH6 3134G9W37	FHLMC 1.5YrNc5MoE FHLMC 2.5YrNc3MoB	05/24/2019 08/10/2020	1.080 1.450	1.809 2.421	10,000,000.00 10.000.000.00	9,895,000.00 9.769.000.00	98.785000 97.400000	9,878,500.00 9.740.000.00	-16,500.00 -29.000.00	.889 2.050	.899 2.115
3134GBX80	FHLMC 4.5YrNc7MoB	11/14/2022	2.300	2.755	12,628,000.00	12,381,754.00	97.212000	12,275,931.36	-105,822.64	4.114	4.378
3134GSMF9 3134GSQL2	FHLMC 5YrNc3YrE FHLMC 5YrNc2YrE	05/26/2023 06/29/2023	3.000 3.100	3.000 3.100	15,000,000.00 5,000,000.00	15,000,000.00 5,000,000.00	100.433000 100.005000	15,064,950.00 5,000,250.00	64,950.00 250.00	4.519 4.596	4.907 5.000
		00/27/2023	1.440	1.573	376,278,000.00	375,291,964.00	98.769790	371,648,991.36	-3,642,972.64	1.436	1.488
1460: FHLMC-S 3134GAPS7	TEP%-Q30/360 FHLMC 2YrNc1MoB	10/24/2019	1.500	1.618	15,000,000.00	14,973,750.00	99.433000	14,914,950.00	-58,800.00	1.304	1.318
1465: FHLMC-S	TEP%-\$30/360		1.500	1.618	15,000,000.00	14,973,750.00	99.433000	14,914,950.00	-58,800.00	1.304	1.318
3134G7\$77	FHLMC 5YrNc6MoB	10/29/2020	1.250	1.250	15,000,000.00	15,000,000.00	98.723000	14,808,450.00	-191,550.00	2.288	2.334
3134G8KU2 3134G8L31	FHLMC 5YrNc6MoB FHLMC 5YrNc6MoB	02/26/2021 02/26/2021	1.250 1.250	1.250 1.250	10,000,000.00 10.000.000.00	10,000,000.00	97.743000 98.762000	9,774,300.00 9.876.200.00	-225,700.00 -123.800.00	2.593 2.593	2.663 2.663
3134G9JX6	FHLMC 5YrNc3MoB	06/09/2021	1.600	1.600	15,000,000.00	15,000,000.00	97.113000	14,566,950.00	-433,050.00	2.860	2.945
3134G9JW8 3134G9NU7	FHLMC 5YrNc3MoB FHLMC 5YrNc3MoB	05/25/2021	1.500 1.750	1.500 1.757	20,000,000.00 15,000,000.00	20,000,000.00 14,997,000.00	97.145000 97.646000	19,429,000.00 14,646,900.00	-571,000.00 -350,100.00	2.826 2.880	2.904 2.964
3134G9UM7	FHLMC 5YrNc3MoB	06/16/2021 06/30/2021	1.500	1.500	15,000,000.00	15,000,000.00	97.074000	14,561,100.00	-438,900.00	2.923	3.003
3134G9VA2	FHLMC 5YrNc6MoB	06/30/2021	1.300	1.300	15,000,000.00	15,000,000.00	97.648000	14,647,200.00	-352,800.00	2.933	3.003
3134G9UX3 3134G9UH8	FHLMC 5YrNc3MoB FHLMC 3.5YrNc3MoB	06/30/2021 12/30/2019	1.500 2.000	1.500 2.000	10,000,000.00 15,000,000.00	10,000,000.00 15,000,000.00	96.757000 99.701000	9,675,700.00 14,955,150.00	-324,300.00 -44,850.00	2.923 1.478	3.003 1.501
3134G9XA0	FHLMC 5YrNc6MoB	07/13/2021	1.250	1.250	15,000,000.00	15,000,000.00	98.452000	14,767,800.00	-232,200.00	2.953	3.038
3134G9S40 3134G9R66	FHLMC 4YrNc6MoB FHLMC 5YrNc3MoB	07/27/2020 08/10/2021	1.150 1.500	1.150 1.500	15.000.000.00 15,000,000.00	15.000.000.00 15,000,000.00	97.460000 96.708000	14.619.000.00 14,506,200.00	-381.000.00 -493,800.00	2.035 3.024	2.077 3.115
3134G9S57	FHLMC 4YrNc6MoB	08/10/2020	1.150	1.150	15,000,000.00	15,000,000.00	97.385000	14,607,750.00	-392,250.00	2.071	2.115
3134G9T23 3134G9U47	FHLMC 5YrNc3MoB FHLMC 5YrNc3MoB	08/10/2021 08/25/2021	1.350 1.500	1.350 1.500	10,000,000.00 15.000.000.00	10,000,000.00 15.000.000.00	97.137000 96.657000	9,713,700.00 14.498.550.00	-286,300.00 -501,450.00	3.026 3.053	3.115 3.156
3134G95W3	FHLMC 5YrNc3MoB	08/25/2021	1.500	1.500	10,000,000.00	10,000,000.00	96.003000	9,600,300.00	-399,700.00	3.053	3.156
3134G96A0 3134GAEB6	FHLMC 5YrNc3MoB FHLMC 4.25YrNc3MoB	08/25/2021 12/08/2020	1.375 1.250	1.375 1.250	15,000,000.00 20,000,000.00	15,000,000.00 20,000,000.00	96.647000 97.257000	14,497,050.00 19,451,400.00	-502,950.00 -548,600.00	3.061 2.393	3.156 2.444
3134GAEG5	FHLMC 5YrNc6MoB	08/24/2021	1.250	1.250	20.000.000.00	20.000.000.00	97.472000	19.494.400.00	-505.600.00	3.066	3.153
3134GADP6	FHLMC 5YrNc3MoB	09/13/2021	1.500	1.500	16,500,000.00	16,500,000.00	96.986000	16,002,690.00	-497,310.00	3.102	3.208
3134GAET7 3134GAKY9	FHLMC 5YrNc3MoB FHLMC 5YrNc6MoB	09/30/2021 09/30/2021	1.500 1.450	1.500 1.450	20,000,000.00 15,000,000.00	20,000,000.00 15,000,000.00	96.777000 97.090000	19,355,400.00 14,563,500.00	-644,600.00 -436,500.00	3.149 3.152	3.255 3.255
3134GANB6	FHLMC 5YrNc6MoB	09/30/2021	1.350	1.350	15.000.000.00	15.000.000.00	96.678000	14.501.700.00	-498.300.00	3.159	3.255
3134GAPM0 3134GAPM0	FHLMC 5YrNc3MoB FHLMC 5YrNc3MoB	10/25/2021 10/25/2021	1.375 1.375	1.375 1.375	10,000,000.00 6,705,000.00	10,000,000.00 6,705,000.00	96.737000 96.737000	9,673,700.00 6,486,215.85	-326,300.00 -218,784.15	3.226 3.226	3.323 3.323
3134GAPA6	FHLMC 5YrNc3MoB	10/27/2020	1.250	1.250	10,000,000.00	10,000,000.00	97.821000	9,782,100.00	-217,900.00	2.280	2.329
3134GAQV9 3134GAQV9	FHLMC 5YrNc6MoB FHLMC 5YrNc6MoB	10/27/2021 10/27/2021	1.400 1.400	1.400 1.400	15.000.000.00 15,000,000.00	15.000.000.00 15,000,000.00	96.204000 96.204000	14.430.600.00 14,430,600.00	-569,400.00 -569,400.00	3.230 3.230	3.329 3.329

CUSIP	Description	Maturity	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized	Modified	Years To
3134GARL0	FHLMC 5YrNc6MoB	Date 10/28/2021	1.250	1.250	10,000,000.00	10,000,000.00	98.127000	9,812,700.00	Gain/Loss -187,300.00	Duration 3.243	Maturity 3.332
3134GASF2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	15,000,000.00	15,000,000.00	96.640000	14,496,000.00	-504,000.00	3.224	3.329
3134GASF2	FHLMC 5YrNc3MoB	10/27/2021	1.500	1.500	15,000,000.00	15,000,000.00	96.640000	14,496,000.00	-504,000.00	3.224	3.329
3134GATA2 3134GATB0	FHLMC 5YrNc3MoB FHLMC 5YrNc3MoB	10/27/2021 11/10/2021	1.400 1.550	1.400 1.550	10,000,000.00	10,000,000.00	96.330000 96.539000	9,633,000.00 16.411.630.00	-367,000.00 -588.370.00	3.230 3.256	3.329 3.367
3134GATA2	FHLMC 5YrNc3MoB	10/27/2021	1.400	1.400	14,000,000.00	14,000,000.00	96.330000	13,486,200.00	-513,800.00	3.230	3.329
3134GAUA0	FHLMC 5YrNc3MoB	11/30/2021	1.500	1.500	4,500,000.00	4,500,000.00	96.446000	4,340,070.00	-159,930.00	3.315	3.422
3134GAYF5 3134GAYG3	FHLMC 5YrNc3MoB FHLMC 5YrNc3MoB	11/26/2021 12/09/2021	1.550 1.500	1.550 1.500	20,000,000.00 10.000.000.00	20,000,000.00 10.000.000.00	96.425000 97.325000	19,285,000.00 9.732.500.00	-715,000.00 -267.500.00	3.300 3.339	3.411 3.447
3134GAYR9	FHLMC 5YrNc3MoB	12/09/2021	1.650	1.650	20,000,000.00	20,000,000.00	97.774000	19,554,800.00	-445,200.00	3.329	3.447
3134GAA87	FHLMC 5YrNc3MoB	12/30/2021	1.900	1.900	10,000,000.00	10,000,000.00	97.443000	9,744,300.00	-255,700.00	3.371	3.504
3134GAA87	FHLMC 5YrNc3MoB	12/30/2021	1.900	1.900	10,000,000.00	10,000,000.00	97.443000	9,744,300.00	-255,700.00	3.371	3.504
3134GAZ49 3134G7\$77	FHLMC 3YrNc6MoB FHLMC 3.5Yr	02/24/2020 10/29/2020	1.750 1.250	1.750 1.327	20.000.000.00 7,125,000.00	20.000.000.00 7,108,968.75	99.979000 98.723000	19.995.800.00 7,034,013.75	-4.200.00 -74,955.00	1.617 2.287	1.655 2.334
3134GBGB2	FHLMC 3.5YrNc6MoB	10/27/2020	1.750	1.750	15,000,000.00	15,000,000.00	99.575000	14,936,250.00	-63,750.00	2.271	2.329
3134GBHN5	FHLMC 3YrNc3MoB	04/27/2020	1.500	1.500	10,000,000.00	10,000,000.00	99.049000	9,904,900.00	-95,100.00	1.789	1.827
3134GBKC5	FHLMC 3YrNc3MoB	04/27/2020	1.500	1.500	20.000.000.00	20.000.000.00	98.037000	19.607.400.00	-392.600.00	1.789	1.827
3134GBMP4 3134GBPJ5	FHLMC 3YrNc3MoB FHLMC 3YrNc6MoB	05/22/2020 05/22/2020	1.500 1.600	1.500 1.600	10,000,000.00 20,000,000.00	20,000,000.00	98.768000 98.567000	9,876,800.00 19,713,400.00	-123,200.00 -286,600.00	1.858 1.856	1.896 1.896
3134GBSE3	FHLMC 4YrNc6MoB	02/24/2021	1.650	1.650	15,000,000.00	15,000,000.00	98.228000	14,734,200.00	-265,800.00	2.568	2.658
3134GBSD5	FHLMC 3YrNc6MoB	11/24/2020	1.600	1.600	15.000.000.00	15.000.000.00	98.188000	14.728.200.00	-271.800.00	2.342	2.405
3134GBTD4 3134GBTE2	FHLMC 5YrNc3MoB FHLMC 5YrNc6MoB	06/29/2022 06/22/2022	2.050 2.000	2.050 2.000	20,000,000.00 15,000,000.00	20,000,000.00 15,000,000.00	97.860000 97.297000	19,572,000.00 14,594,550.00	-428,000.00 -405,450.00	3.819 3.804	4.000 3.981
3134GBYK2	FHLMC 5YrNc3MoB	07/05/2022	2.000	2.000	20,000,000.00	20,000,000.00	97.951000	19,590,200.00	-409,800.00	3.802	4.016
3134GBWD0	FHLMC 3.5YrNc3MoB	01/20/2021	1.500	1.500	10.000.000.00	10.000.000.00	98.632000	9.863.200.00	-136.800.00	2.482	2.562
3134GBW\$7	FHLMC 5YrNc3MoB	07/27/2022	2.050 2.100	2.050 2.100	20,000,000.00 20,000,000.00	20,000,000.00	97.568000 97.983000	19,513,600.00 19,596,600.00	-486,400.00 -403,400.00	3.857 3.852	4.077
3134GBYN6	FHLMC 5YrNc3MoB	07/27/2022	1.543	1.545	805,830,000.00	805,810,968.75	97.529407	785,921,219.60	-19,889,749.15	2.885	4.077 2.981
1525: FNMA-F											
3136G3RL1 3136G3WC5	FNMA 3.5YrNc6MoB	12/16/2019	1.500 1.350	1.500	5,000,000.00 10,000,000.00	5,000,000.00	98.601000 97.592000	4,930,050.00	-69,950.00	1.439	1.463
3136G38Y2	FNMA 4YrNc6MoE FNMA 3.25YrNc6MoB	07/13/2020 09/30/2019	1.350	1.350 1.250	7,500,000.00	10,000,000.00 7,500,000.00	98.527000	9,759,200.00 7,389,525.00	-240,800.00 -110,475.00	1.989 1.233	2.038 1.252
3136G3XE0	FNMA 2YrNc6MoE	07/27/2018	.800	.800	15,000,000.00	15,000,000.00	99.923000	14,988,450.00	-11,550.00	.074	.074
3135G0M26	FNMA 3YrNc6MoE	07/26/2019	1.000	1.000	10,000,000.00	10,000,000.00	98.496000	9,849,600.00	-150,400.00	1.059	1.071
3135G0M26 3136G3XS9	FNMA 3YrNc6MoE	07/26/2019 01/25/2019	1.000 .875	1.000 .900	10,000,000.00 7,500,000.00	10,000,000.00	98.496000 99.241000	9,849,600.00 7.443.075.00	-150,400.00 -52.275.00	1.059 .565	1.071 .573
3136G3X59 3136G3A62	FNMA 2.5YrNc6MoE FNMA 3YrNc1YrE	07/26/2019	.875 1.050	1.050	15,000,000.00	7.495.350.00 15,000,000.00	98.549000	14,782,350.00	-52.275.00 -217,650.00	.565 1.059	.5/3 1.071
3136G3P25	FNMA 3.5YrNc1YrE	07/26/2019	1.125	1.125	25,000,000.00	25,000,000.00	98.626000	24,656,500.00	-343,500.00	1.058	1.071
3135G0R39	FNMA 3Yr	10/24/2019	1.000	1.091	10,000,000.00	9,973,200.00	98.096000	9,809,600.00	-163,600.00	1.302	1.318
3136G4GU1 3135G0T60	FNMA 3YrNc6MoB FNMA 3Yr	11/25/2019 07/30/2020	1.400 1.500	1.400 1.604	10,000,000.00 10,000,000.00	10,000,000.00 9,969,700.00	98.371000 97.728000	9,837,100.00 9,772,800.00	-162,900.00 -196,900.00	1.383 2.030	1.405 2.085
3136G0YK1	FNMA 2Yr	08/28/2019	1.500	1.400	10,000,000.00	10,019,600.00	98.936000	9,893,600.00	-126,000.00	1.142	1.162
3135G0\$46	FNMA 2.16Yr2MoB	01/27/2020	1.650	1.800	5,000,000.00	4,983,850.00	98.471000	4,923,550.00	-60,300.00	1.537	1.578
3136G1MG1 3135G0J53	FNMA 1.4YrNC5MoB FNMA 1.25Yr	05/29/2019 02/26/2019	1.300 1.000	1.833 1.761	10,000,000.00 25,000,000.00	9,922,200.00 24,770,250.00	99.038000 99.170000	9,903,800.00 24,792,500.00	-18,400.00 22,250.00	.902	.912 .660
3135G0J33 3135G0A78	FNMA 1.2511 FNMA 2Yr	01/21/2020	1.625	1.761	15,000,000.00	14,910,900.00	98.666000	14,799,900.00	-111,000.00	.647 1.520	1.562
3135G0UU5	FNMA 2.25Yr	03/06/2020	1.750	1.913	11,082,000.00	11,042,326.44	98.707000	10,938,709.74	-103,616.70	1.642	1.685
3135G0T78	FNMA 4.83Yr	10/05/2022	2.000	2.322	15,000,000.00	14,782,200.00	96.774000	14,516,100.00	-266,100.00	4.042	4.268
3135G0T94	FNMA 5Yr	01/19/2023	2.375 1.316	2.495 1.477	10.000.000.00 236,082,000.00	9,944,100,00 235,313,676.44	98.192000 98.548475	9.819.200.00 232,655,209.74	-124,900.00 -2,658,466.70	4.244 1.437	4.559 1.483
1560: FNMA-S	TEP%-Q 30/360								_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
3136G3SG1	FNMA 4.25YrNc6MoB	09/09/2020	1.500	1.500	15,000,000.00	15,000,000.00	97.271000	14,590,650.00	-409,350.00	2.152	2.197
3136G3SG1 1565: FNMA-S1		09/09/2020	1.500 1.500	1.500 1.500	15,000,000.00 15,000,000.00	15,000,000.00 15,000,000.00	97.271000 97.271000	14,590,650.00 14,590,650.00	-409,350.00 - 409,350.00	2.152 2.152	2.197 2.197
1565: FNMA-S 3136G3BX2	TEP%-\$ 30/360 FNMA 4YrNc6MoB	03/09/2020	1.500	1.500 1.500	15,000,000.00 15,000,000.00	15,000,000.00 15,000,000.00	97.271000 99.031000	14,590,650.00 14,854,650.00	-409,350.00 -145,350.00	2.152 1.660	2.197 1.693
1565: FNMA-S1 3136G3BX2 3136G3EH4	TEP%-\$ 30/360 FNMA 4YrNc6MoB FNMA 4YrNc6MoB	03/09/2020 03/30/2020	1.500 1.500 2.000	1.500 1.500 2.000	15,000,000.00 15,000,000.00 10,000,000.00	15,000,000.00 15,000,000.00 10,000,000.00	97.271000 99.031000 99.632000	14,590,650.00 14,854,650.00 9,963,200.00	-409,350.00 -145,350.00 -36,800.00	2.152 1.660 1.714	2.197 1.693 1.751
1565: FNMA-S1 3136G3BX2 3136G3EH4 3136G3DV4	TEP%-S 30/360 FNMA 4YrNC6M0B FNMA 4YrNC6M0B FNMA 5YrNC6M0B	03/09/2020 03/30/2020 03/30/2021	1.500 1.500 2.000 1.750	1.500 1.500 2.000 1.750	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00	97.271000 99.031000 99.632000 97.016000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00	2.152 1.660 1.714 2.676	1.693 1.751 2.751
1565: FNMA-S1 3136G3BX2 3136G3EH4	TEP%-\$ 30/360 FNMA 4YrNc6MoB FNMA 4YrNc6MoB	03/09/2020 03/30/2020	1.500 1.500 2.000	1.500 1.500 2.000	15,000,000.00 15,000,000.00 10,000,000.00	15,000,000.00 15,000,000.00 10,000,000.00	97.271000 99.031000 99.632000	14,590,650.00 14,854,650.00 9,963,200.00	-409,350.00 -145,350.00 -36,800.00	2.152 1.660 1.714	2.197 1.693 1.751
1565: FNMA-S1 3136G3BX2 3136G3EH4 3136G3PB5 3136G3TG0 3136G3XT7	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021	1.500 2.000 1.750 1.550 1.375 1.250	1.500 1.500 2.000 1.750 1.550 1.375 1.250	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.000.00 15,000.000.00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.00 15,000,000.00 15,000,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.096000	14.590,650.00 14.854,650.00 9,963,200.00 14.552,400.00 14.576,100.00 19.599,600.00 14.414,400.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -423,900.00 -400.400.00 -585.600.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992	2.197 1.693 1.751 2.751 2.945 2.003 3.077
1565: FNMA-S1 3136G3BX2 3136G3EH4 3136G3DV4 3136G3PB5 3136G3TG0 3136G3XT7 3136G3ZW8	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021	1.500 2.000 1.750 1.550 1.375 1.250 1.250	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.096000 96.340000	14.590,650.00 14.854,650.00 9.963,200.00 14.552,400.00 14.576,100.00 19.599,600.00 14.414,400.00 19,268,000.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -423,900.00 -400.400.00 -585.600.00 -732,000.00	1.660 1.714 2.676 2.862 1.969 2.992 2.992	2.197 1.693 1.751 2.751 2.945 2.003 3.077 3.077
1565: FNMA-S 3136G3BX2 3136G3EH4 3136G3DV4 3136G3PB5 3136G33TG0 3136G3XT7 3136G3ZW8 3136G3Y74	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021	1.500 2.000 1.750 1.550 1.375 1.250	1.500 1.500 2.000 1.750 1.550 1.375 1.250	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.000.00 15,000.000.00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.00 15,000,000.00 15,000,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.096000	14.590,650.00 14.854,650.00 9,963,200.00 14.552,400.00 14.576,100.00 19.599,600.00 14.414,400.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -423,900.00 -400.400.00 -585.600.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992	2.197 1.693 1.751 2.751 2.945 2.003 3.077
1565: FNMA-SI 3136G3BX2 3136G3EH4 3136G3DV4 3136G3DV3 3136G3TG0 3136G3XT7 3136G3ZW8 3136G3Y74	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020	1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441	1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.143	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 20,000,000,00 20,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.096000 96.340000 96.913000 97.412240	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 121,765,300.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -3,234,700.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431	2.197 1.693 1.751 2.751 2.945 2.003 3.077 3.077 2.405 2.492
1565: FNMA-S 3136G3BX2 3136G3EH4 3136G3DV4 3136G3PB5 3136G33TG0 3136G3XT7 3136G3ZW8 3136G3Y74	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021	1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.000.00 15,000,000.00 20,000,000.00 20,000,000.00 15,000,000.00	15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000.000.00 15,000,000.00 15,000,000.00 15,000,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.096000 96.340000 96.913000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -423,900.00 -400.400.00 -732,000.00 -463,050.00	1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359	2.197 1.693 1.751 2.751 2.945 2.003 3.077 3.077 2.405
1565: FNMA-SI 3136G3BX4 3136G3EH4 3136G3DV4 3136G3PB5 3136G33T7 3136G3ZW8 3136G3ZW8 3136G3Y74 1700: FHLB-DIS 313385E69	TEP%-S 30/360 FNMA 4YINC6MOB FNMA 4YINC6MOB FNMA 5YINC6MOB FNMA 5YINC6MOB FNMA 4YINC6MOB FNMA 4YINC6MOB FNMA 5YINC6MOB FNMA 5YINC6MOB FNMA 4YINC6MOB FNMA 5YINC6MOB FNMA 5YINC6MOB FNMA 4YINC6MOB CONTE FHLB 3MO	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 20,000,000,0	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 24,877,592.36	97.271000 99.632000 97.632000 97.016000 97.7174000 97.978000 96.076000 96.340000 97.412240 97.650000 99.650000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 121,765,300.00 24,912,500.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -423,900.00 -400,400.00 -585,600.00 -732,000.00 -3,234,700.00 -3,234,700.64	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180	2.197 1.693 1.751 2.751 2.945 2.003 3.077 3.077 2.405 2.492 .184 .184
1565: FNMA-SI 3136G3BX2 3136G3EH4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7H57	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB TNMA 4YRNC6MOB TNMA 4YRNC6MOB THLB 3MO	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.250 1.125 1.441 1.937 1.100	1.500 2.000 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 15,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 24,877,592.36 24,877,592.36	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.340000 96.913000 97.412240 99.650000 99.777000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,414,400.00 19,268,000.00 14,536,950.00 121,765,300.00 24,912,500.00 4,988,850.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -32,34,700.00 34,907,64 -11,150.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184
1565: FNMA-SI 3136G3BX2 3136G3DV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3YW8 3136G3YV4 1700: FHLB-DIS 313385E69 1725: FHLB-FX 3130A7PV1	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937 1.937	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.143 1.947 1.947	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000,000 20,000,000 20,000,000 15,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000.000 20,000,000.00 20,000,000.00 15,000,000.00 24,877,592.36 24,877,592.36	97.271000 99.031000 99.632000 97.016000 97.174000 97.798000 96.340000 96.340000 97.412240 99.650000 99.777000 96.701000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,888,850.00 4,835,050.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -402,900.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -3,234,700.00 -31,150.00 -161,300.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180	2.197 1.693 1.751 2.751 2.945 2.003 3.077 3.077 2.405 2.492 .184 .184 .247 2.767
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7H57 3130A7PV1 3130A7PU3 3130A8PK3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB TNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 04/05/2021 04/06/2020 08/07/2018	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 24,877,592.36 24,877,592.36 5,000,000.00 4,996,350.00 4,996,000.00 4,989,600.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.340000 96.913000 97.412240 99.650000 99.777000 96.701000 97.663000 97.863000 97.863000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,993,400.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -34,907,64 -11,150.00 -161,300.00 -229,700.00 -3,800.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3ZW8 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FXC 3130A7PV1 3130A7PV1 3130A7PV3 3130A8PK3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 5Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 .625	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.143 1.947 1.947 1.100 1.390 1.210 .726	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.000.00 15,000,000.00 20,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 24,877,592.36 24,877,592.36 5,000,000.00 4,996,350.00 4,996,350.00 4,998,600.00 24,878,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.798000 96.340000 96.340000 97.412240 99.650000 99.777000 96.701000 97.663000 99.868000 99.868000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,993,400.00 24,974,700.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -402,3,900.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -32,34,700.00 -11,150.00 -161,300.00 -229,700.00 -3,800.00 -19,000.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7H57 3130A7PV1 3130A7PU3 3130A8PK3	TEP%-S 30/360 FNMA 4YINC6MOB FNMA 4YINC6MOB FNMA 5YINC6MOB THE 3MO d-S 30/360 FHLB 2,5YINC1YIE FHLB 5YI FHLB 4YI FHLB 2YI FHLB 2YI FHLB 2YI FHLB 2YI FHLB 2YI FHLB 2YI	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 6.625 6.625	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 7.726 7.726	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 24,877,592.36 5,000,000,00 4,996,350.00 4,989,600,00 24,948,000,00 29,979,200,000	97.271000 99.031000 99.632000 97.016000 97.174000 97.998000 96.340000 96.913000 97.412240 99.650000 99.777000 96.701000 97.663000 97.863000 97.863000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,983,000,00 24,973,400.00 24,967,000.00 9,986,8800.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -400,400.00 -585,600.00 -463,050.00 -32,200.00 -34,907,64 -11,150.00 -161,300.00 -229,700.00 3,800.00 17,600.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FXC 3130A7PV1 3130A7PV1 3130A7PV3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8Y72	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNHB 2YrNC1YrE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 4Yr FHLB 2Yr FHLB 3Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.625 6.625 1.000 8.875	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.143 1.947 1.947 1.100 1.390 1.210 .726 .726 .726 1.000 .940	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 20,000.000.00 15,000,000.00 20,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 25,000,000.00 10,000,000.00 25,000,000.00 10,000,000.00 25,000,000.00 10,000,000.00 25,000,000.00 10,000,000.00 11,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 24,877,592.36 24,877,592.36 5,000,000,00 4,996,350.00 4,996,350.00 4,998,600.00 24,948,000.00 9,979,200.00 9,500,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.798000 96.340000 96.340000 97.412240 99.650000 99.777000 96.701000 97.663000 99.868000 99.868000 99.868000 99.866000 99.566000 98.318000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,983,400.00 24,967,000.00 9,986,800.00 9,458,770.00 14,747,700.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -402,900.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -32,34,700.00 -11,150.00 -161,300.00 -229,700.00 -3,800.00 -1,000.00 -41,230.00 -223,500.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .104 .104 .398 1.086	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FXC 3130A7HS7 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8YS8 3130A8YS8 3130A8YS2 3130A8YS2 3130A8YS2	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB TNMA 5YRNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2,5YrNC1YrE FHLB 5Yr FHLB 5Yr FHLB 2Yr FHLB 3Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/05/2019 11/23/2018	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.625 6.625 1.000 8.75 8.75	1.500 2.000 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 7.26 7.26 7.26 1.000 9.40 9.908	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 24,877,592,36 5,000,000,00 4,996,350,00 4,996,350,00 4,989,600,00 24,948,000,00 24,948,000,00 9,979,200,00 14,971,200,00 9,993,200,00	97.271000 99.031000 99.632000 97.016000 97.074000 97.978000 96.076000 96.913000 97.412240 97.650000 99.777000 96.701000 97.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,971,400.00 9,971,400.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -885,600,00 -453,050,00 -32,200,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 3,800,00 -7,600,00 -41,230,00 -223,500,00 -21,800,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7PV1 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 3Yr FHLB 2Yr FHLB 2.25YrNC1YFE	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 10/01/2018	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 1.000 .875 .875 1.375	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 1.000 9.40 9.908 1.444	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 10,000,000.00 25,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,996,350.00 9,996,000.00 4,989,600.00 24,948,000.00 9,797,200.00 9,979,200.00 9,993,200.00 9,993,200.00 9,998,000.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.978000 97.412240 99.650000 99.777000 96.701000 97.643000 99.868000 99.868000 99.868000 99.868000 99.868000 99.818000 99.714000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 12,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,986,300.00 9,766,300.00 9,766,300.00 9,986,800.00 9,986,800.00 9,458,770.00 14,747,700.00 9,971,400.00 9,881,400.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -409,000 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -34,907,64 -11,150.00 -161,300.00 -229,700.00 -3,800.00 19,000.00 -41,230.00 -21,800.00 -104,600.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .104 .398 1.086 .253 1.054	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255 1.071
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FXC 3130A7HS7 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8YS8 3130A8YS8 3130A8YS2 3130A8YS2 3130A8YS2	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB TNMA 5YRNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2,5YrNC1YrE FHLB 5Yr FHLB 5Yr FHLB 2Yr FHLB 3Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/05/2019 11/23/2018	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.625 6.625 1.000 8.75 8.75	1.500 2.000 1.550 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 7.26 7.26 7.26 1.000 9.40	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 24,877,592,36 5,000,000,00 4,996,350,00 4,996,350,00 4,989,600,00 24,948,000,00 24,948,000,00 9,979,200,00 14,971,200,00 9,993,200,00	97.271000 99.031000 99.632000 97.016000 97.074000 97.978000 96.076000 96.913000 97.412240 97.650000 99.777000 96.701000 97.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 4,988,000 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,971,400.00 9,971,400.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -885,600,00 -453,050,00 -32,200,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 3,800,00 -7,600,00 -41,230,00 -223,500,00 -21,800,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7H57 3130A7PV1 3130A7PV3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130A8PX3 3130A8PX3 3130ABSZ1 3130ABSZ1 3130ABSZ1 3130ABZ2 3130ABZ2 3130ABZ3 3130ABZ3 3130ABZ23	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 2Yr FHLB 3Yr FHLB 2Yr FHLB 2YF FHLB 3Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 07/26/2019 07/12/2019 05/22/2020 08/28/2020	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 1.000 .875 1.375 1.460 1.600 2.000	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 1.000 9.40 9.908 1.444 1.483 1.600 1.790	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 25,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,987,592.36 5,000,000.00 4,989,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 9,993,200.00 9,993,200.00 9,993,200.00 9,995,400.00 10,061,000.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.9798000 96.913000 97.412240 99.650000 99.777000 96.701000 97.643000 99.868000 99.868000 99.868000 99.868000 99.3714000 98.318000 99.714000 98.814000 99.040000 98.190000 98.9300000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 12,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,986,800.00 9,766,300.00 9,986,800.00 9,986,800.00 9,458,770.00 14,747,700.00 9,971,400.00 9,881,400.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,904,000.00 9,9904,000.00 9,9904,000.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -34,907,64 -11,150.00 -161,300.00 -7,600.00 -7,000.00 -104,600.00 -90,500.00 -168,000.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .104 .398 1.086 .253 1.054 1.015 1.856	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 2.555 1.071 1.033 1.896 2.164
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3YT7 3136G3YT7 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7PU3 3130A8PK3 3130A8PZ2 3130ABZE9	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1 YrE FHLB 5Yr FHLB 2Yr FHLB 3YrNC1 YrE FHLB 3YrNC1 YrE FHLB 3YrNC1 YrE	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 10/01/2018 08/05/2019 10/01/2018 08/05/2019 10/01/2018 08/05/2019 07/26/2019 07/12/2020 08/28/2020 08/28/2020	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 6.25 1.000 8.75 8.75 1.460 1.600 2.000 1.650	1.500 1.500 2.000 1.750 1.555 1.250 1.250 1.125 1.143 1.947 1.100 1.390 1.210 7.26 7.26 7.26 7.26 1.000 9.40 9.98 1.444 1.483 1.600 1.790 1.650	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 25,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 5,000,000.00 10,000,000.00 5,000,000.00 10,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 24,877,592.36 5,000,000.00 4,996,350.00 4,996,350.00 9,996,000.00 24,948,000.00 24,948,000.00 9,979,200.00 14,971,200.00 9,986,000.00 9,995,000.00 14,971,200.00 9,995,000.00 10,061,000.00 10,061,000.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.174000 96.976000 96.340000 96.913000 97.412240 99.650000 99.777000 96.701000 97.663000 99.868000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 4,973,400.00 9,986,800.00 9,458,770.00 14,747,700.00 9,881,400.00 9,891,400.00 9,891,400.00 9,893,000.00 4,909,500.00 9,893,000.00 4,909,500.00 9,893,000.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -423,900,00 -400,400,00 -585,600,00 -32,000,00 -32,34,700,00 -31,234,700,00 -161,300,00 -229,700,00 -3,800,00 -1,600,00 -223,500,00 -21,800,00 -91,400,00 -91,400,00 -90,500,00 -168,000,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .104 .104 .104 .104 .104 .105 .1856 .253 .054 .015 1.856 2.094 2.103	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .104 .400 1.099 .255 .1071 1.033 1.896 2.164 2.164
1565: FNMA-SI 3136G3BX2 3136G3BV4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7H57 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 4Yr FHLB 2Yr FHLB 27YrNC1YrE FHLB 3YrNC1YrE	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/05/2019 10/01/2018 07/26/2019 07/12/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2020	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.625 6.625 1.000 8.75 8.75 1.375 1.460 1.600 2.000 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.550 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 1.000 .940 .908 1.444 1.483 1.600 1.790 1.550	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 20,000,000,0	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 20,000,000.00 20,000,000.00 24,877,592.36 5,000,000.00 4,996.350.00 4,996.350.00 4,989,600.00 4,989,600.00 24,948,000.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 9,993,200.00 9,995,400.00 10,001,000.00 5,000,000.00 5,000,000.00 5,000,000.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.913000 97.412240 99.650000 99.777000 97.663000 99.7663000 99.868000 98.818000 98.818000 98.980000 98.980000 98.980000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 4,993,400.00 24,967,000.00 9,986,800.00 9,986,800.00 9,976,000.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,400.00 9,971,900.00 4,909,500.00 4,909,500.00 4,909,500.00 4,909,500.00 4,909,500.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -585,600,00 -32,000,00 -463,050,00 -32,34,700,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 -3,800,00 -21,800,00 -21,800,00 -90,500,00 -168,000,00 -168,000,00 -52,500,00 -52,500,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255 1.071 1.033 1.896 2.164 2.164 2.164
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3YT7 3136G3YT7 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7PU3 3130A8PK3 3130A8PZ2 3130ABZE9	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1 YrE FHLB 5Yr FHLB 2Yr FHLB 3YrNC1 YrE FHLB 3YrNC1 YrE FHLB 3YrNC1 YrE	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 10/01/2018 08/05/2019 10/01/2018 08/05/2019 10/01/2018 08/05/2019 07/26/2019 07/12/2020 08/28/2020 08/28/2020	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 6.25 1.000 8.75 8.75 1.460 1.600 2.000 1.650	1.500 1.500 2.000 1.750 1.555 1.250 1.250 1.125 1.143 1.947 1.100 1.390 1.210 7.26 7.26 7.26 7.26 1.000 9.40 9.98 1.444 1.483 1.600 1.790 1.650	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 25,000,000.00 25,000,000.00 5,000,000.00 5,000,000.00 25,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 10,000,000.00 5,000,000.00 10,000,000.00 5,000,000.00 10,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00 5,000,000.00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996,350.00 4,996,350.00 4,989,600.00 24,948,000.00 24,948,000.00 9,979,200.00 14,971,200.00 9,996,000.00 14,971,200.00 9,996,000.00 14,971,200.00 9,996,000.00 10,010,000.00 5,000,000.00 10,010,000.00 5,000,000.00 10,022,300.00 10,001,500.00	97.271000 99.031000 99.632000 97.016000 97.174000 97.198000 96.340000 96.340000 97.412240 99.650000 99.777000 96.701000 97.663000 99.868000 99.9680000 99.8790000 98.9790000 98.9790000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 4,973,400.00 9,986,800.00 9,458,770.00 14,747,700.00 9,881,400.00 9,891,400.00 9,891,400.00 9,893,000.00 4,909,500.00 9,893,000.00 4,909,500.00 9,893,000.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -423,900.00 -400,400.00 -585,600.00 -32,000.00 -32,000.00 -34,907,64 -11,150.00 -161,300.00 -229,700.00 -3,800.00 -1,600.00 -223,500.00 -21,800.00 -91,400.00 -99,500.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -71,500.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .104 .104 .104 .104 .104 .105 .1856 .253 .054 .015 1.856 2.094 2.103	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .104 .400 1.099 .255 .1071 1.033 1.896 2.164 2.164
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A8PK3 3130ABZ1 3130ABZ1 3130ABZ2 3130ABZ2 3130ABZ2 3130ABZ2 3130ABZ2 3130ABZ2 3130ABZ2 3130ABZ2	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 4YrNC6MOB TNMA 5YRNC6MOB FNMA 4YRNC6MOB TNMA 5YRNC6MOB TNMA 4YRNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2.5YrNC2YrE FHLB 2YRNC1YrE FHLB 3YRNC1YRE FHLB 3YRNC1YRE FHLB 3YRNC1YRE FHLB 3YRNC1YRE FHLB 3YRNC1YRE FHLB 3YRNC1YRE FHLB 2YRNC3MOB FHLB 2Yr FHLB 2.5Yr FHLB 1.5Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 07/26/2019 07/26/2019 07/26/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 6.25 6.25 1.000 8.75 8.75 1.375 1.460 1.600 2.000 1.650 1.550 1.550 1.350	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 .940 .908 1.444 1.483 1.600 1.790 1.650 1.350 1.351 1.350 1.400	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,996.330.00 4,996.330.00 4,996.300.00 24,948,000.00 24,948,000.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 9,995,400.00 10,001,000.00 10,001,000.00 10,001,000.00 10,001,000.00 10,001,000.00 10,001,000.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.0798000 96.913000 97.412240 97.650000 97.650000 97.66000 97.663000 97.668000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 4,993,400.00 24,967,000.00 9,986,800.00 9,986,800.00 9,976,000.00 9,976,000.00 9,971,400.00 9,981,400.00 9,994,000.00 4,909,500.00 9,994,500.00 9,947,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 12,433,875.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -400.400.00 -585.600.00 -43.3900.00 -443.050.00 -32.000.00 -443.050.00 -32.47.00.00 -32.97.00.00 -38.00.00 -229.700.00 -38.00.00 -21.800.00 -21.800.00 -90.500.00 -168.000.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -75.500.00 -75.500.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.04 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .400 1.099 2.255 1.071 1.033 1.896 2.164
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3T77 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV1 3130A8PK3 3130AB21 3130AB21 3130AB21 3130AB21 3130AB225 3130AB259 3130AC3JI 3133782M2 3130ABQ25 3130ABQ25	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2YS FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 2Yr FHLB 2YRC3MOB FHLB 2Yr FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr	03/09/2020 03/30/2021 03/30/2021 05/30/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 07/12/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/29/2019 02/08/2019 01/01/2018	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 .625 1.000 .875 1.375 1.460 1.600 2.000 1.650 1.550 1.550 1.360 1.350 1.350 1.875	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 .726 1.000 9.40 9.40 1.483 1.600 1.790 1.650 1.550 1.350 1.400 1.444	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,996.350.00 9,996,000.00 4,989,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,993,200.00 9,993,200.00 14,971,200.00 9,993,200.00 9,993,000.00 10,061,000.00 5,000,000.00 10,061,000.00 5,000,000.00 10,022,300.00 10,001,500.00 11,500.00 12,491.375.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.174000 97.998000 96.913000 97.412240 99.650000 99.777000 96.701000 99.777000 97.643000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.9714000 98.814000 99.040000 98.190000 98.9730000 99.97950000 99.9750000 99.9710000 99.9710000 99.711000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 14,414,400.00 19,268,000.00 14,414,536,950.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,986,300.00 9,766,300.00 9,766,300.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,990,000.00 4,900,900.00 4,900,900.00 4,947,500.00 9,930,000.00 12,433,875.00.00 9,930,000.00 12,433,875.00.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -585,600,00 -732,000,00 -463,050,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 -3,800,00 -19,000,00 -72,800,00 -91,400,00 -91,400,00 -91,400,00 -91,400,00 -91,100,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -71,500,00 -71,500,00 -71,500,00 -71,500,00 -71,500,00 -75,500,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 1.04 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255 1.033 1.896 2.164 2.164 1.162 688 .745 .611 .255
1565: FNMA-SI 3136G3BX2 3136G3BY4 3136G3DV4 3136G3TQ0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 3YrNC1YrE FHLB 3YrNC1YF FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 2.5SYr FHLB 1.5Yr FHLB 2.5SYr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 07/12/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/08/2019 10/01/2018 05/29/2020 06/29/2020	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 .625 .625 1.000 .875 1.375 1.375 1.460 2.000 1.650 1.550 1.550 1.350 8.75 1.360 1.350 8.75 1.613	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 .940 .908 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.400 1.446 1.813 1.861	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 20,000,000,0	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,996.330.00 4,996.330.00 4,996.330.00 9,996.000.00 24,948,000.00 24,948,000.00 9,979.200.00 9,979.200.00 9,979.200.00 9,993,200.00 9,995,400.00 10,061,000.00 5,000,000.00 10,061,000.00 5,000,000.00 10,001,500.0	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.913000 97.412240 99.650000 99.777000 97.663000 99.77000 99.7663000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.8790000 98.930000 99.9710000 98.9300000 99.9714000 98.9714000 98.9714000 98.9714000 98.9714000 99.9714000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,556,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 4,993,400.00 24,967,000.00 9,986,800.00 9,986,800.00 9,987,000.00 9,994,000.00 4,909,500.00 9,994,500.00 9,947,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,930,000.00 12,433,875.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -407.600.00 -400.400.00 -585.600.00 -32.000.00 -463.050.00 -32.34.700.00 -32.34.700.00 -32.97.700.00 -38.00.00 -104.600.00 -104.600.00 -90.500.00 -188.000.00 -72.800.00 -72.800.00 -77.500.00 -77.500.00 -75.500.00 -68.854.50	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 2.255 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 2.164 2.165 688 .745 611 2.255 1.915 2.000
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TT7 3136G3T74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130AB21 3130AB21 3130AB21 3130AB21 3130AB225 3130AC2C7 3130AB7Z3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 3Yr FHLB 2Yr FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 2YR FHLB 2YF FHLB 2.55Yr FHLB 1.5Yr FHLB 2.5Yr	03/09/2020 03/30/2021 03/30/2021 05/09/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2019 07/12/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/09/2019 01/01/2018 05/29/2020 06/29/2020 06/29/2020 06/29/2020 03/08/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 .625 1.000 .875 1.460 1.600 2.000 1.650 1.550 1.350 1.350 .875 1.460 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 .726 1.000 9.40 9.40 1.483 1.600 1.790 1.650 1.550 1.350 1.400 1.446 1.813 1.861 1.766	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,987,592.36 5,000,000.00 4,989,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 9,993,200.00 9,993,000.00 10,061,000.00 5,000,000.00 10,061,000.00 10,062,300.0	97.271000 99.031000 99.632000 97.016000 97.016000 97.0798000 96.0798000 96.913000 97.412240 99.650000 99.777000 96.701000 97.643000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.8714000 98.176000 99.471000 99.471000 98.176000 98.176000 98.176000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 12,680,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,766,300.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,990,000.00 4,900,900.00 4,900,900.00 4,947,500.00 9,930,000.00 12,433,875.00.00 9,817,600.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -585,600,00 -732,000,00 -463,050,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 -3,800,00 -19,000,00 -72,800,00 -104,600,00 -90,500,00 -110,600,00 -91,400,00 -91,400,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 1.04 .104 .104 .398 1.086 2.53 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 2.555 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 2.164 2.164 2.165 688 .745 611 .255 1.915 2.000 .688
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TG0 3136G3TY7 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7PV1 3130A8PK3 3130ABZE9 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D5 3133782M2 3130AC3D5	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2YF FHLB 2YF FHLB 2YF FHLB 2YF FHLB 2YF FHLB 2YF FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 2.58YrNC1MOB FHLB 2.58YrNC1MOB FHLB 2.5Yr FHLB 3.5Yr	03/09/2020 03/30/2021 03/30/2021 05/09/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/28/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 10/01/2018 08/05/2019 10/01/2018 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/08/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 1.000 8.75 1.460 1.650 1.550 1.350 1.350 8.75 1.360 1.350 8.75 1.4613 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 7.726 7.726 7.726 7.726 1.000 9.940 9.98 1.444 1.483 1.600 1.790 1.550 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.568	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 24,948,77,592.36 5,000,000.00 4,996,350.00 9,996,000.00 4,989,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,400.00 9,979,400.00 9,979,400.00 5,000,000.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,001,500.00 10,9730,692.00 9,950,500.00 5,321,270,50 14,950,500.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.074000 97.978000 96.913000 97.412240 97.650000 97.650000 97.650000 97.66000 97.760000 97.760000 97.760000 97.760000 97.760000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 14,536,950.00 14,536,950.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,983,400.00 24,967,000.00 9,986,800.00 9,986,800.00 9,976,000.00 9,971,400.00 9	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -400.400.00 -400.400.00 -32.2000.00 -453.050.00 -32.34.700.00 -34.907.64 -11.150.00 -161.300.00 -229.700.00 -3.800.00 -10.400.00 -21.800.00 -21.800.00 -91.400.00 -91.400.00 -91.400.00 -91.500.00 -168.000.00 -17.500.00 -18.000.00 -17.500.00 -18.000.00 -18.000.00 -19.1400.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -91.100.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -12.800.00 -13.2900.00 -14.600.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .106	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.074 .104 .400 1.099 .255 1.071 1.033 1.896 2.164 2.164 4.1162 .688 .745 .611 .255 1.915 2.000 .688
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TT7 3136G3T74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130AB21 3130AB21 3130AB21 3130AB21 3130AB225 3130AC2C7 3130AB7Z3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 3Yr FHLB 2Yr FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 2YR FHLB 2YF FHLB 2.55Yr FHLB 1.5Yr FHLB 2.5Yr	03/09/2020 03/30/2021 03/30/2021 05/09/2021 06/09/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2019 07/12/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/09/2019 01/01/2018 05/29/2020 06/29/2020 06/29/2020 06/29/2020 03/08/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 .625 1.000 .875 1.460 1.600 2.000 1.650 1.550 1.350 1.350 .875 1.460 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 .726 1.000 9.40 9.40 1.483 1.600 1.790 1.650 1.550 1.350 1.400 1.446 1.813 1.861 1.766	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,987,592.36 5,000,000.00 4,989,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 9,993,200.00 9,993,000.00 10,061,000.00 5,000,000.00 10,061,000.00 10,062,300.0	97.271000 99.031000 99.632000 97.016000 97.016000 97.0798000 96.0798000 96.913000 97.412240 99.650000 99.777000 96.701000 97.643000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.8714000 98.176000 99.471000 99.471000 98.176000 98.176000 98.176000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 12,680,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,766,300.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,990,000.00 4,900,900.00 4,900,900.00 4,947,500.00 9,930,000.00 12,433,875.00.00 9,817,600.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -585,600,00 -732,000,00 -463,050,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 -3,800,00 -19,000,00 -72,800,00 -104,600,00 -90,500,00 -110,600,00 -91,400,00 -91,400,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 1.04 .104 .104 .398 1.086 2.53 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 2.555 1.071 1.033 1.896 2.164 2.164 2.164 1.162 688 .745 611 .255 1.915 2.000 688
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TG0 3136G3TY7 1700: FHLB-DIS 313385E69 1725: FHLB-FxC 3130A7PV1 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130ABS21 3130ABS34 3130ACBD5 3133782M2 3130ABS34 3130ACBD5 313379C69 3130ACJX3 3130ACJX3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2.5YrNC9MOE FHLB 3YrNC1YrE FHLB 2YRNC3MOB FHLB 3YRNC1YrE FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 3.58YrNC1MOB FHLB 3.58YrNC1MOB FHLB 3.58YrNC1MOB FHLB 3.5Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/05/2019 09/06/2019 09/06/2019 09/06/2019 09/06/2019 09/08/2019 09/08/2019 09/08/2018 06/10/2022 09/28/2018 06/10/2022	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.625 6.625 1.000 8.75 1.460 1.650 1.550 1.550 1.500 1.350 8.75 1.460 1.350 8.75 1.461 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 9.40 9.08 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.350 1.400 1.446 1.813 1.861 1.766 1.558 2.182 1.711 2.212	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 20,000,000.00 20,000,000.00 20,000,000.00 24,877,592.36 5,000,000.00 4,983,600.00 4,984,600.00 4,984,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 9,979,400.00 9,979,400.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000 10,001,500,000 11,491,375.00 49,730,692.00 14,950,500.00 5,321,270.50 14,950,500.00 7,955,620,75 39,862,400.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.074000 97.978000 96.096000 96.913000 97.412240 97.650000 97.650000 97.650000 97.66000 97.66000 97.66000 97.66000 97.66000 97.66000 97.66000 97.66000 98.176000 98.176000 98.176000 99.471000 99.471000 99.471000 99.471000 99.471000 99.471000 99.471000 99.471000 99.471000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000 99.475000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 14,576,100.00 14,516,500.00 12,766,300.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,993,400.00 24,967,000.00 9,986,800.00 9,981,400.00 9,971,400.00 9,901,000 14,747,700.00 9,901,000 14,907,900.00 9,930,000.00 12,433,875.00 4,945,500.00 9,930,000.00 12,433,875.00 4,9817,600.00 9,817,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 9,917,600.00 14,984,250.00 14,984,250.00 14,984,250.00 14,8855,100.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -423.900.00 -400.400.00 -32.2000.00 -453.050.00 -32.34.700.00 -34.907.64 -11.150.00 -161.300.00 -229.700.00 -3.800.00 -21.800.00 -91.400.00 -91.400.00 -91.400.00 -91.500.00 -168.000.00 -71.500.00 -72.800.00 -72.800.00 -71.500.00 -71.500.00 -71.500.00 -72.800.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .106 3.759 .244 2.462	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 2.164 2.169 6.688 .745 6.611 .255 1.971 2.500 6.888 .107 3.948 .247 2.575
1565: FNMA-SI 3136G3BX2 3136G3BY4 3136G3DV4 3136G3TQ0 3136G3XT7 3136G3XT7 3136G3Y74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130ABZ1 3130ABZ1 3130ABZ2 3130ABZ3 3130ACGD 313378ZM2 3130ACBD 313378ZM2 3130ACJX3 3130ACJX3 3130ACJX3 3130ACJX3	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2YRNC1YrE FHLB 2YRNC1YrE FHLB 3YRNC1YRE FHLB 1.5Yr FHLB 3YRNC1MOB FHLB 1.5Yr FHLB 3YR FHLB 1.3Yr FHLB 1.33Yr	03/09/2020 03/30/2020 03/30/2021 06/09/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/28/2018 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2019 07/12/2019 07/12/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/28/2019 06/10/2022 09/28/2019 06/10/2022 09/28/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 1.000 8.75 1.375 1.375 1.375 1.375 1.460 2.000 1.650 1.500 1.350 8.75 1.350 8.75 1.613 1.650 1.500 9.950 2.125 1.250 2.200 1.375	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 .940 .940 .908 1.444 1.483 1.600 1.790 1.550 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.568 2.182 1.711 2.212	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 21,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996.300.00 4,996.300.00 4,989,600.00 4,989,600.00 24,948,000.00 24,948,000.00 24,971,200.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,01,500,000.00 10,9750,500.00 11,9730,692.00 11,9750,500.00 14,973,650.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.913000 97.412240 99.650000 99.777000 96.701000 99.776000 99.7663000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.874000 98.818000 99.874000 98.814000 99.8745000 99.8750000 99.8750000 99.8750000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,993,400.00 4,993,400.00 9,986,800.00 9,986,800.00 9,986,800.00 9,994,967,000.00 9,994,900,000 14,747,700.00 9,991,000.00 9,994,500.00 9,994,500.00 9,930,000.00 12,433,875.00 49,857,000.00 9,949,500.00	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -400,400,00 -585,600,00 -433,900,00 -463,050,00 -32,200,00 -463,050,00 -32,34,700,00 -32,700,00 -38,800,00 -104,600,00 -104,600,00 -90,500,00 -168,000,00 -72,800,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.955 .679 .106 3.759 .244 2.462 .899	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.04 .104 .400 1.099 .255 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 3.164 2.164 3.164
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TT7 3136G3TM8 3136G3T74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130A8PX3 3130A8PX3 3130AB21 3130AB34 3130AC3JI 3130AB21 3130AB34 3130AC3JI 3130AB734 3130AC3JI 3130AB734	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2.5YrNC9MOE FHLB 3YrNC1YrE FHLB 2YRNC3MOB FHLB 3YRNC1YrE FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 3.58YrNC1MOB FHLB 3.58YrNC1MOB FHLB 3.58YrNC1MOB FHLB 3.5Yr	03/09/2020 03/30/2021 03/30/2021 06/30/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 07/12/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/28/2019 08/08/2019	1.500 1.500 2.000 1.750 1.750 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.625 6.625 1.000 8.75 1.460 1.650 1.550 1.550 1.500 1.350 8.75 1.460 1.350 8.75 1.461 1.650 1.550	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 9.40 9.08 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.350 1.400 1.446 1.813 1.861 1.766 1.558 2.182 1.711 2.212	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 215,000,000.00 24,877,592.36 5,000,000.00 4,996,300.00 4,996,300.00 4,996,300.00 4,998,600.00 4,989,600.00 24,948,000.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 5,000,000.00 10,061,000.00 5,000,000.00 10,061,000.00 5,000,000.00 10,061,000.00 10,061,000.00 5,000,000.00 10,061,000.00 10,000.0	97.271000 99.031000 99.632000 97.016000 97.016000 97.174000 97.998000 96.913000 97.412240 99.650000 99.777000 96.701000 99.777000 96.701000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.875000 99.714000 98.814000 99.040000 98.176000 98.176000 99.9714000 98.176000 99.9714000 99.9714000 99.9714000 99.9715000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000 99.975000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 14,576,100.00 12,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,766,300.00 9,966,800.00 9,986,800.00 9,9458,770.00 14,747,700.00 9,971,400.00 9,904,000.00 4,909,500.00 9,904,000.00 4,909,500.00 9,904,000.00 4,909,500.00 9,904,000.00 4,947,500.00 9,930,000.00 12,433,875.00 9,931,7600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,911,500.00 9,911,500.00 9,911,500.00 9,817,500.00 9,972,4800.00 14,855,100.00 9,911,500.00 9,817,500.00 9,817,500.00 9,817,500.00 9,817,500.00 9,971,500.00 9,817,500.00 9,817,500.00 9,817,500.00 9,817,500.00 9,817,500.00	-409,350.00 -145,350.00 -36,800.00 -447,600.00 -447,600.00 -400,400.00 -585,600.00 -732,000.00 -463,050.00 -32,34,700.00 -34,907,64 -11,150.00 -161,300.00 -229,700.00 -3,800.00 -19,000.00 -41,230.00 -21,800.00 -91,400.00 -91,400.00 -91,400.00 -72,800.00 -72,800.00 -71,500.00 -72,800.00 -71,500.00 -71,500.00 -72,800.00 -71,500.00 -72,800.00 -71,500.00 -71,500.00 -72,800.00 -71,500.00 -71,500.00 -72,800.00 -71,500.00 -71,500.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00 -72,800.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .106 3.759 .244 2.462	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 .255 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 2.164 2.169 6.688 .745 6.611 .255 1.971 2.500 6.888 .107 3.948 .247 2.575
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TQ0 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3130A7H57 3130A7H57 3130A7PV1 3130A7PV3 3130A8PK3 3130AB7AE1	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB TNMA 5YRNC6MOB FNMA 4YRNC6MOB TNMA 4YRNC6MOB TNMA 4YRNC6MOB TNMA 4YRNC6MOB TNMA 4YRNC6MOB THLB 2YRC6MOB THLB 2YRC6MOB THLB 2YF FHLB 3YRNC1YF FHLB 3YRNC1YF FHLB 3YRNC1YF FHLB 3YRNC1YF FHLB 3YRNC1YF FHLB 3YRNC1 FF FHLB 3YRNC1 FF FHLB 3YRNC1 FF FHLB 3YRNC1 FF FHLB 3YF FHLB 1.5YF FHLB 3YF	03/09/2020 03/30/2021 03/30/2021 05/39/2021 06/30/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2019 07/12/2019 07/12/2019 03/08/2019	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 1.000 8.75 1.375 1.375 1.375 1.460 2.000 1.650 1.500 1.350 1.	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 .940 .908 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.568 2.182 1.711 2.212 2.484 2.489 2.500	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 10,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996.300.00 4,996.300.00 4,989,600.00 4,989,600.00 4,989,600.00 9,979,200.00 9,979,200.00 9,979,200.00 9,979,200.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000 10,001,500	97.271000 99.031000 99.632000 97.016000 97.016000 97.978000 96.9798000 96.913000 97.412240 99.650000 99.777000 96.701000 97.663000 99.8768000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.8766000 98.818000 99.876000 99.8714000 98.930000 99.9714000 98.930000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9714000 99.9715000 99.975000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,766,300.00 9,766,300.00 9,976,000.00 9,988,000.00 9,988,000.00 9,994,967,000.00 9,994,000.00 9,994,000.00 9,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,000.00 19,994,500.00 19,91,700.00 11,91,700.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -447.600.00 -400.400.00 -5855.600.00 -32.2000.00 -463.050.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.350.00 -104.600.00 -41,230.00 -21,800.00 -91,400.00 -91,400.00 -91,400.00 -72,800.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.955 .679 .106 3.759 .244 2.462 8.899 2.581 2.581	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.04 .104 .400 1.099 2.555 1.071 1.033 1.896 2.164 2.164 2.164 2.164 2.164 3.164 2.164 2.164 3.164 2.1
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TG0 3136G3T74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV1 3130A8PK3 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB734 3130AC3D4 3130AC3D7 3130AC3D7 3130AC3D7	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2.75YrNC9MOE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 2Yr FHLB 2.5Yr FHLB 1.5Yr FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 2.5Yr FHLB 3Yr	03/09/2020 03/30/2021 03/30/2021 05/30/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2019 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2019 03/08/2019 03/12/2020 03/12/2021 05/28/2019 03/12/2021 05/15/2020 03/11/2022	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 .625 .625 1.000 .875 1.375 1.460 1.650 1.550 1.550 1.360 1.350 .875 1.460 1.650 1.550 1.550 1.550 1.550 1.550 1.550 1.550 1.550 2.200 1.375 2.2375 2.375 2.375 2.500 2.500	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 .726 1.000 9.40 9.40 9.40 1.483 1.600 1.790 1.650 1.550 1.350 1.400 1.446 1.813 1.861 1.766 1.568 2.182 1.711 2.212 1.972 2.484 2.489 2.500 2.619	15,000,000,00 15,000,000,00 10,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996,350.00 4,996,350.00 4,996,350.00 4,998,600.00 4,989,600.00 4,989,600.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 9,993,200.00 10,061,000.00 10,061,000.00 5,000,000.00 10,061,000.00	97.271000 99.031000 99.632000 97.016000 97.016000 97.174000 97.978000 96.973000 97.412240 99.650000 99.777000 96.701000 99.777000 96.701000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.875000 98.176000 98.176000 98.176000 99.9714000 98.176000 99.9714000 99.9714000 99.9714000 99.9715000 99.975000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 12,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,963,400.00 24,967,000.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,987,500.00 9,904,000.00 4,900,900.00 4,900,900.00 4,947,500.00 9,930,000.00 12,433,875.00 9,930,000.00 14,947,500.00 9,930,000.00 14,947,500.00 9,930,000.00 14,947,500.00 9,930,000.00 14,947,500.00 9,930,000.00 14,947,500.00 9,930,000.00 14,948,250.00 7,771,797.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -447.600.00 -400.400.00 -585.600.00 -732.000.00 -463.050.00 -3.234.700.00 -3.234.700.00 -3.234.700.00 -161.300.00 -229.700.00 -3.800.00 -19.000.00 -7.600.00 -104.600.00 -91.400.00 -91.400.00 -91.400.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -73.000.00 -72.800.00 -73.000.00 -73.000.00 -73.000.00 -73.000.00 -73.000.00 -74.000.00 -75.500.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 1.04 .104 .104 .398 1.086 2.553 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .106 3.759 .244 2.462 .899 2.581 2.581 2.581 2.121 3.483	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 2.555 1.071 1.033 1.896 2.164 2.165 88 .745 611 2.255 1.915 2.000 688 .107 3.948 .107 3.948 .247 2.575 .910 2.701 2.701 2.701 2.701 2.701
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TG0 3136G3TG0 3136G3TG0 3136G3TY7 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PK3 3130A8PX3 3130A8PX3 3130A8PX3 3130A8PX3 3130A8PX3 3130A8PX3 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB21 3130AB73 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D4 3130AC3D7 3130ACBD5 3133782M2 3130ACBD5	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2.5SYRNC1YrE FHLB 3YRNC1YrE FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 2.5SYr FHLB 3Yr FHLB 2.5YRNC3MOB FHLB 4.08Yr FHLB 2.5YRNC3MOB FHLB 4.08Yr FHLB 2.5YRNC3MOB FHLB 4.08Yr FHLB 2.5YRNC3MOB	03/09/2020 03/30/2021 03/30/2021 06/30/2021 06/30/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 04/05/2021 04/06/2020 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/05/2019 10/01/2018 07/26/2019 07/12/2019 05/22/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 03/08/2019 03/08/2019 03/08/2019 03/08/2019 03/29/2020 03/08/2019 03/12/2021 05/28/2019 03/12/2021 03/11/2022 03/20/2020	1.500 1.500 2.000 1.750 1.750 1.755 1.250 1.125 1.441 1.937 1.100 1.375 1.200 1.625 1.625 1.000 1.875 1.460 1.000 1.375	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 9.40 9.08 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.558 2.182 1.711 2.212 1.972 2.484 2.489 2.500 2.619 2.350	15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 24,877,592,36 5,000,000,00 4,986,300,00 4,986,300,00 4,986,300,00 4,986,000,00 4,987,600,00 4,987,600,00 4,987,600,00 4,987,600,00 14,971,200,00 9,975,200,000 9,975,200,000 14,971,200,00 9,975,400,00 5,000,000,00 10,001,500,00 10,001,500,00 10,001,500,00 10,001,500,00 11,971,375,00 49,730,692,00 11,974,970,500,00 11,974,970,500,00 11,974,970,500,00 11,974,970,00 11,974,970,00 11,975,500,00 9,956,500,00 9,966,500,00 9,966,500,00 9,954,700,00 10,000,000,00 10,000,000,00 9,966,500,000 9,954,700,000 10,000,000,000 9,966,500,000 9,954,700,000 10,000,000,000 10,000,000,000 9,966,500,000 9,954,700,000 10,000,000,000	97.271000 99.031000 99.632000 97.016000 97.074000 97.774000 97.798000 96.096000 96.340000 97.412240 97.650000 97.650000 97.650000 97.66000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000 97.675000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 24,967,000.00 9,986,800.00 9,986,800.00 9,974,600.00 9,974,000.00 9,981,400.00 9,904,000.00 4,907,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,949,500.00 14,947,500.00 9,949,500.00 9,949,500.00 9,949,500.00 14,947,500.00 9,949,500.00 9,949,500.00 9,949,500.00 9,911,500.00 9,877,500.00 9,879,500.00 9,995,500.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -423.900.00 -400.400.00 -585.600.00 -463.050.00 -32.34.700.00 -32.34.700.00 -32.34.700.00 -32.34.700.00 -11,150.00 -161.300.00 -229.700.00 -3.800.00 -12,800.00 -104.600.00 -99.100.00 -99.100.00 -72.800.00 -72.800.00 -72.800.00 -72.800.00 -132.900.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .244 2.462 899 2.581 2.121 3.483 1.668	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.074 .104 .400 0.099 2.255 1.071 1.033 1.896 2.164 3.698 3.948 3.947 2.575 9.910 2.701 2.701 2.214 3.699 1.723
1565: FNMA-SI 3136G3BX2 3136G3BX4 3136G3DV4 3136G3PB5 3136G3TG0 3136G3XT7 3136G33Y74 1700: FHLB-DIS 313385E69 1725: FHLB-Fxc 3130A7H57 3130A7PV1 3130A7PV3 3130A8PK3 3130A8PX3 3130A8PX3 3130AB21 3130AB21 3130AB21 3130AB225 3130AC3J1 313782M2 3130AB25 3130AC3D4 3130AB734 3130ACBD5 3133782M2 3130AB734 3130ABPT3 3130ADPW7 3130ABPT2 3130ADPW7 3130ADPW7 3130ADPR7 3130ADPR7 3130ADPR7 3130ADPR7	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 2Yr FHLB 2.75YrNC2YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 3YrNC1YrE FHLB 2.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 2.5Yr FHLB 1.5Yr FHLB 2.5Yr FHLB 3Yr FHLB 2.5YrNC3MOB FHLB 1.83Yr FHLB 2.83YrNC1.33YrE	03/09/2020 03/30/2021 03/30/2021 05/30/2021 06/30/2020 07/27/2021 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2018 08/07/2019 07/12/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 08/28/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 06/29/2020 03/11/2022 03/11/2022 03/11/2022 03/11/2022 01/16/2019	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.100 1.375 1.200 .625 .625 1.000 .875 1.375 1.460 1.600 2.000 1.650 1.550 1.550 1.550 1.550 1.550 1.550 2.200 2.350 2.250 2.375 2.375 2.375 2.375 2.500 2.350 2.250	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 .726 .726 .726 1.000 9.40 9.40 9.40 1.444 1.483 1.600 1.790 1.650 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.568 2.182 1.711 2.212 1.972 2.484 2.489 2.500 2.619 2.350 2.121 2.553	15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996,350.00 4,996,350.00 4,996,350.00 4,998,600.00 4,989,600.00 4,989,600.00 9,979,200.00 9,979,200.00 9,979,200.00 14,971,200.00 14,971,200.00 10,061,000.0	97.271000 99.031000 99.632000 97.016000 97.016000 97.174000 97.978000 96.0798000 96.913000 97.412240 99.650000 99.777000 96.701000 97.663000 99.8750000 99.8775000 98.116000 99.814000 99.814000 99.814000 99.8176000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000 99.8775000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 14,576,100.00 14,576,100.00 12,268,000.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,766,300.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,986,800.00 9,988,1400.00 9,904,000.00 4,909,500.00 9,904,000.00 4,909,500.00 9,904,000.00 4,909,500.00 9,930,000.00 12,433,875.00 9,930,000.00 12,433,875.00 9,931,7600.00 9,817,600.00 9,817,600.00 9,817,600.00 9,817,500.00 9,817,500.00 9,817,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,951,200.00 23,034,362,45	-409,350,00 -145,350,00 -36,800,00 -447,600,00 -423,900,00 -400,400,00 -585,600,00 -32,200,00 -463,050,00 -32,234,700,00 -32,4700,00 -34,907,64 -11,150,00 -161,300,00 -229,700,00 -3,800,00 -19,000,00 -41,230,00 -21,800,00 -91,400,00 -91,400,00 -91,400,00 -97,500,00 -72,800,00 -71,500,00 -72,800,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -72,800,00 -71,500,00 -71,500,00 -72,800,00 -73,800,00 -73,800,00 -73,800,00 -74,600,00 -74,600,00 -75,500,00 -75,500,00 -70,500,00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 1.04 .104 .104 .398 1.086 2.53 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.873 1.955 .679 .106 3.759 .244 2.462 .899 2.581 2.121 3.483 1.668 .536	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .184 .247 2.767 1.770 .104 .104 .400 1.099 1.079 2.575 1.011 1.033 1.896 2.164 2.575 2.701
1565: FNMA-SI 3136G3BX2 3136G3BH4 3136G3DV4 3136G3TQ0 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3136G3TQ7 3130A7H57 3130A7H57 3130A7PV1 3130A7PU3 3130A8PK3 3130ABZE9	TEP%-S 30/360 FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 5YrNC6MOB FNMA 5YrNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 5YRNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB FNMA 4YrNC6MOB SC NOTE FHLB 3MO d-S 30/360 FHLB 2.5YrNC1YrE FHLB 5Yr FHLB 2Yr FHLB 2YRNC1YrE FHLB 3YRNC1YrE FHLB 3YRNC1YrE FHLB 3YRNC1YFE FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 1.5Yr FHLB 3YR	03/09/2020 03/30/2021 03/30/2021 05/39/2021 06/09/2021 06/30/2020 07/27/2021 11/24/2020 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2018 09/05/2019 00/07/2018 08/05/2019 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2018 00/07/2019	1.500 1.500 2.000 1.750 1.750 1.550 1.375 1.250 1.125 1.441 1.937 1.937 1.100 1.375 1.200 6.25 6.25 1.000 8.75 1.375 1.375 1.375 1.460 2.000 1.650 1.500 1.350 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.350 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 1.550 1.500 2.200 2.375 2.375 2.375 2.375 2.375	1.500 1.500 2.000 1.750 1.550 1.375 1.250 1.125 1.443 1.947 1.100 1.390 1.210 .726 .726 1.000 .940 1.444 1.483 1.600 1.790 1.650 1.550 1.351 1.350 1.400 1.446 1.813 1.861 1.766 1.568 2.182 1.711 2.212 2.484 2.489 2.500 2.619 2.350 2.121	15,000,000,00 15,000,000,00 15,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 20,000,000,00 15,000,000,00 25,000,000,00 5,000,000,00 5,000,000,00	15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 15,000,000.00 20,000,000.00 15,000,000.00 21,000,000.00 24,877,592.36 5,000,000.00 4,996,300.00 4,996,300.00 4,989,600.00 4,989,600.00 4,989,600.00 14,971,200.00 9,979,200.00 9,979,200.00 9,979,200.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000.00 10,001,500,000 10,001,500,000 10,992,000 10,993,000,000 10,993,000,000 10,993,000,000 10,993,000,000 10,993,000,000 10,993,000,000 10,993,000,000 10,993,000,000 10,994,000,000 10,994,000,000 10,994,000,000 10,994,000,000 10,9954,700,000 10,9954,700,000 10,9954,700,000 10,9954,700,000 10,9954,700,000 10,9954,700,000 10,9954,700,000 10,900,000,000	97.271000 99.031000 99.632000 97.016000 97.016000 97.174000 97.978000 96.973000 97.412240 99.650000 99.777000 96.701000 99.776000 99.7663000 99.868000 99.868000 99.868000 99.868000 99.868000 99.868000 99.8766000 98.318000 99.818000 99.714000 98.176000 99.714000 98.176000 99.7145000 99.7145000 99.7145000 99.7145000 99.7145000 99.715000 99.7755000 99.875000 99.8775000 99.8175000 99.8775000 99.811000 98.775000 99.811000 98.775000 99.811000 99.811000 99.8175000 99.811000 99.811000 99.812000 99.812000 99.812000	14,590,650.00 14,854,650.00 9,963,200.00 14,552,400.00 14,576,100.00 14,576,100.00 19,599,600.00 14,414,400.00 19,268,000.00 24,912,500.00 24,912,500.00 24,912,500.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 4,988,850.00 9,766,300.00 9,986,800.00 9,986,800.00 9,986,800.00 9,991,400.00 9,991,400.00 9,994,900.00 9,994,900.00 1,909,900.00 1,947,500.00 9,949,500.00 9,971,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,877,500.00 9,896,000.00 9,951,200.00 9,951,200.00 9,951,200.00 9,951,200.00 9,951,200.00	-409.350.00 -145.350.00 -36.800.00 -447.600.00 -447.600.00 -400.400.00 -585.600.00 -32.2000.00 -463.050.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.34,700.00 -32.350.00 -22.700.00 -38.00.00 -41,230.00 -21,800.00 -91,400.00 -91,400.00 -91,400.00 -72,800.00	2.152 1.660 1.714 2.676 2.862 1.969 2.992 2.992 2.359 2.431 .180 .180 .245 2.694 1.738 .104 .104 .398 1.086 .253 1.054 1.015 1.856 2.094 2.103 1.141 .681 .739 .598 .253 1.955 .679 .106 3.759 .244 2.462 899 2.581 2.581 2.581 2.121 3.483 1.668 .536	2.197 1.693 1.751 2.751 2.945 2.003 3.077 2.405 2.492 .184 .188 .247 2.767 1.770 .104 .104 .400 1.099 2.255 1.071 1.033 1.896 2.164 2.164 2.164 2.164 3.688 .745 5.1915 2.000 6.88 .107 3.948 .247 2.575 9.910 2.701 2.701 2.701 2.214 3.699 1.723 5.548

CUSIP	Description	Maturity	Coupon	Yield	Par	Book	Market	Market	Unrealized	Modified	Years To
		Date		To Mat	Value	Value	Price	Value	Gain/Loss	Duration	Maturity
313382AX1 3130A8DB6	FHLB 4.9Yr FHLB 1.167Yr	03/10/2023 06/21/2019	2.125 1.125	2.716 2.263	11,750,000.00 10,620,000.00	11,432,397.50 10,480,240.80	97.092000 98.786000	11,408,310.00 10,491,073,20	-24,087.50 10.832.40	4.401 .961	4.696 .975
3130AE6U9	FHLB 3Yr	05/07/2021	2.700	2.725	7,650,000.00	7,644,492.00	100.051000	7,653,901.50	9,409.50	2.718	2.855
3130AE6U9	FHLB 3Yr	05/07/2021	2.700	2.703	10,000,000.00	9,999,100.00	100.051000	10,005,100.00	6,000.00	2.718	2.855
1760: FHLB-STE	FP%-Q 30/360		1.456	1.775	528,500,000.00	526,410,641.00	99.210266	524,326,255.15	-2,084,385.85	1.175	1.219
3130A8UH4	FHLB 3YrNcMoB	08/15/2019	1.750	1.750	25,000,000.00	25,000,000.00	99.749000	24,937,250.00	-62,750.00	1.115	1.126
			1.750	1.750	25,000,000.00	25,000,000.00	99.749000	24,937,250.00	-62,750.00	1.115	1.126
1765: FHLB-STE 3130A9DH1	EP%-S 30/360 FHLB 5YrNc3MoB	09/30/2021	1.350	1.350	15,000,000.00	15,000,000.00	97.405000	14,610,750.00	-389,250.00	3.159	3.255
3130A9DA6	FHLB 5YrNc3MoB	09/30/2021	1.350	1.350	15.000.000.00	15.000,000.00	97.366000	14,604,900.00	-395.100.00	3.159	3.255
3130AA2T4	FHLB 5YrNc6MoB	12/09/2021	1.600	1.600	10,000,000.00	10,000,000.00	97.002000	9,700,200.00	-299,800.00	3.333	3.447
3130AA2T4 3130AA5A2	FHLB 5YrNc6MoB	12/09/2021	1.600 1.700	1.600 1.700	10,000,000.00	10,000,000.00	97.002000 97.850000	9,700,200.00 14,677,500.00	-299,800.00 -322,500.00	3.333	3.447
3130AA3A2 3130ABQV1	FHLB 5YrNc1YrB FHLB 5YrNc6MoB	12/08/2021 07/26/2022	2.000	2.000	15,000,000.00 15.000.000.00	15,000,000.00 15.000.000.00	97.929000	14.689.350.00	-310,650.00	3.323 3.859	3.444 4.074
3130ABVZ6	FHLB 5YrNc6MoB	02/09/2022	1.750	1.750	20,000,000.00	20,000,000.00	98.202000	19,640,400.00	-359,600.00	3.459	3.616
3130ABZW9	FHLB 5YrNc3MoB	08/24/2022	2.000	2.000 2.000	10,000,000.00	10,000,000.00	97.237000	9,723,700.00	-276,300.00	3.936	4.153
3130AC6H2 3130AC4T8	FHLB 5YrNc3MoB FHLB 5YrNc3MoB	08/24/2022 05/24/2022	2.000 1.800	1.800	15,000,000.00 20,000,000.00	15,000,000.00 20,000,000.00	97.063000 98.087000	14,559,450.00 19,617,400.00	-440,550.00 -382,600.00	3.936 3.744	4.153 3.901
3130AC418	FHLB 3.4YrNc2MoB	11/08/2021	1.250	2.210	10,000,000.00	9,690,500.00	96.880000	9,688,000.00	-2,500.00	3.254	3.362
17/7 51115 1/-			1.687	1.749	155,000,000.00	154,690,500.00	97.556032	151,211,850.00	-3,478,650.00	3.511	3.659
1767: FHLB-Va 3130A9FU0	FHLB 4Yr	09/22/2020	2.234	2.234	10.000.000.00	10.000.000.00	100.368000	10.036.800.00	36.800.00	2.207	2.233
3130A9FM8	FHLB 4Yr	09/22/2020	2.234	2.234	15,000,000.00	15,000,000.00	100.368000	15,055,200.00	55,200.00	2.207	2.233
3130A9FR7	FHLB 4Yr	09/28/2020	2.252	2.252	10,000,000.00	10,000,000.00	100.369000	10,036,900.00	36,900.00	2.224	2.249
3130A9FR7	FHLB 4Yr	09/28/2020	2.252 2.243	2.252 2.243	15,000,000.00 50,000,000.00	15,000,000.00 50,000,000.00	100.369000 100.368500	15,055,350.00 50,184,250.00	55,350.00 184,250.00	2.224 2.216	2.249 2.241
1770: FHLB-Va	ar-Q A/360		2.243	2.243	50,000,000.00	50,000,000.00	100.366500	50,164,250.00	164,250.00	2.210	2,241
3130A8NF6	FHLB 3Yr	07/01/2020	2.433	2.433	25,000,000.00	25,000,000.00	100.592000	25,148,000.00	148,000.00	1.973	2.005
1900: FFCB-DI	SC NOTE		2.433	2.433	25,000,000.00	25,000,000.00	100.592000	25,148,000.00	148,000.00	1.973	2.005
313313L71	FFCB DISC NOTE	10/24/2018	1.620	1.644	20,000,000.00	19,705,700.00	99.373000	19,874,600.00	168,900.00	.312	.318
313313E61	FFCB DISC NOTE	09/05/2018	1.600	1.619	25,000,000.00	24,704,444.44	99.650000	24,912,500.00	208,055.56	.181	.184
1925: FFCB-Fx	d-S 30/360		1.609	1.630	45,000,000.00	44,410,144.44	99.526889	44,787,100.00	376,955.56	.239	.243
3133EFHH3	FFCB 3YrNc3MoA	10/15/2018	1.110	1.110	5,000,000.00	5,000,000.00	99.748000	4,987,400.00	-12,600.00	.291	.293
3133EFV38	FFCB 3YrNc1YrA	03/29/2019	1.250	1.250	10,310,000.00	10,310,000.00	99.202000	10,227,726.20	-82,273.80	.739	.745
3133EF5D5 3133EGNY7	FFCB 4YrNc1YrA FFCB 2.5YrNc3MoA	04/27/2020 01/28/2019	1.420 1.110	1.420 1.110	7.700.000.00 25,000,000.00	7.700.000.00 25,000,000.00	97.663000 99.275000	7.520.051.00 24,818,750.00	-179.949.00 -181,250.00	1.791 .572	1.827 .581
3133EGSA4	FFCB 4YrNc1YrA	08/24/2020	1.320	1.320	10,000,000.00	10,000,000.00	97.124000	9,712,400.00	-287,600.00	2.104	2.153
3133EGVK8	FFCB 4YrNc1YrA	09/21/2020	1.350	1.350	10,000,000.00	10,000,000.00	97.155000	9,715,500.00	-284,500.00	2.177	2.230
3133EGXX8 3133EGC94	FFCB 4YrNc1YrA FFCB 4YrNc3MoA	10/13/2020 11/02/2020	1.340 1.380	1.340 1.380	15.000.000.00 10,000,000.00	15.000.000.00	96.695000 96.880000	14.504.250.00 9,688,000.00	-495.750.00 -312,000.00	2.238 2.289	2.290 2.345
3133EGR49	FFCB 4YrNc1YrA	12/07/2020	1.770	1.770	10,000,000.00	10,000,000.00	97.873000	9,787,300.00	-212,700.00	2.372	2.441
3133EHAJ2	FFCB 3YrNc1YrE	02/27/2020	1.710	1.710	10,000,000.00	10,000,000.00	98.416000	9,841,600.00	-158,400.00	1.619	1.663
3133EHNY5 3133EHNY5	FFCB 1.5Yr	11/21/2018	1.250 1.250	1.342 1.322	10,000,000.00	9,987,200.00 9,990,000.00	99.694000 99.694000	9,969,400.00	-17,800.00	.392 .392	.395 .395
3133EHRK1	FFCB 1.5Yr FFCB 2.5Yr	11/21/2018 01/17/2020	1.520	1.522	10,000,000.00	10,000,000.00	98.489000	9,969,400.00 9,848,900.00	-20,600.00 -151,100.00	1.513	1.551
3133EHUL5	FFCB 3Yr	08/10/2020	1.550	1.550	5,000,000.00	5,000,000.00	97.826000	4,891,300.00	-108,700.00	2.057	2.115
3133EHWN9 3133EEZ60	FFCB 2Yr FFCB 2Yr	08/28/2019	1.400 1.520	1.400 1.400	5,000,000.00	5,000,000.00	98.854000 99.141000	4,942,700.00 4,957,050.00	-57,300.00 -53,590.00	1.143 .973	1.162 .984
3133EHWN9	FFCB 2Yr	06/24/2019 08/28/2019	1.400	1.410	5,000,000.00 10,000,000.00	5,010,640.00 9,998,000.00	98.854000	9,885,400.00	-112,600.00	1.143	1.162
3133EHZN6	FFCB 3Yr	03/20/2020	1.450	1.511	20,000,000.00	19,970,400.00	98.157000	19,631,400.00	-339,000.00	1.688	1.723
3133EHJ95	FFCB 3Yr	10/26/2020	1.750 1.600	1.760	20,000,000.00	19,994,000.00	97.985000	19,597,000.00	-397,000.00	2.259 1.327	2.326 1.353
3133EHP98 3133EH6X6	FFCB 2Yr FFCB 4Yr	11/06/2019 01/12/2022	2.200	1.667 2.365	25,000,000.00 10,000,000.00	24,967,247.50 9,938,000.00	98.825000 98.209000	24,706,250.00 9,820,900.00	-260,997.50 -117,100.00	3.344	3.540
3133EJEM7	FFCB 3Yr	03/01/2021	2.500	2.501	10,000,000.00	9,999,700.00	99.501000	9,950,100.00	-49,600.00	2.547	2.671
3133EJCE7	FFCB 2.8Yr	02/12/2021	2.350	2.474	15,000,000.00	14,948,670.00	99.146000	14,871,900.00	-76,770.00	2.500	2.625
3133EJKN8 3133EJNS4	FFCB 5Yr FFCB 3Yr	04/11/2023 05/10/2021	2.700 2.700	2.721 2.747	10,000,000.00	9,990,300.00 9,986,600.00	99.408000 99.967000	9,940,800.00 9,996,700.00	-49,500.00 10,100.00	4.431 2.725	4.784 2.863
		30, 10, 100	1.630	1.660	288,010,000.00	287,790,757.50	98.532057	283,782,177.20	-4,008,580.30	1.774	1.836
1930: FFCB-Vc 3133EDXQ0	FFCB 5Yr	10/10/2019	2.116	2.116	15.000.000.00	15.000.000.00	100 188000	15.028.200.00	28.200.00	1.274	1.279
3133EDXQ0	FFCB 5Yr	10/10/2019	2.116	2.116	25,000,000.00	25,000,000.00	100.188000	25,047,000.00	47,000.00	1.274	1.279
3133EDXQ0	FFCB 5Yr	10/10/2019	2.116	2.135	10,000,000.00	9,997,560.00	100.188000	10,018,800.00	21,240.00	1.274	1.279
3133EFM61 3133EFT56	FFCB 2.5Yr FFCB 4Yr	09/17/2018 04/01/2020	2.305 2.217	2.305 2.217	5,000,000.00 25.000.000.00	5,000,000.00 25.000.000.00	100.079000 100.496000	5,003,950.00 25.124.000.00	3,950.00 124.000.00	.213 1.738	.216 1.756
3133EF2Z9	FFCB 4Yr	04/13/2020	2.292	2.292	50,000,000.00	50,000,000.00	100.518000	50,259,000.00	259,000.00	1.771	1.789
3133EGCE3	FFCB 5Yr	05/25/2021	2.361	2.361	10,000,000.00	10,000,000.00	100.666000	10,066,600.00	66,600.00	2.867	2.904
3133EGCE3 3133EGLV5	FFCB 5Yr FFCB 3Yr	05/25/2021 07/15/2019	2.361 2.263	2.361 2.263	10,000,000.00 5,000,000.00	10,000,000.00 5,000,000.00	100.666000 100.325000	10,066,600.00 5,016,250.00	66,600.00 16,250.00	2.867 1.036	2.904 1.041
3133EGYA7	FFCB 3Yr	10/11/2019	2.226	2.226	15,000,000.00	15,000,000.00	100.324000	15,048,600.00	48,600.00	1.272	1.282
3133EGZ\$7	FFCB 3Yr	10/24/2019	2.271	2.271	15,000,000.00	15,000,000.00	100.374000	15,056,100.00	56,100.00	1.308	1.318
3133EGF67 3133EGF67	FFCB 3Yr FFCB 3Yr	11/14/2019 11/14/2019	2.227 2.227	2.227 2.227	15,000,000.00 15.000.000.00	15,000,000.00 15.000.000.00	100.328000 100.328000	15,049,200.00 15.049.200.00	49,200.00 49,200.00	1.363 1.363	1.375 1.375
3133EG4C6	FFCB 3.9Yr	01/18/2022	2.325	2.056	15,000,000.00	15,139,095.00	100.702000	15,105,300.00	-33,795.00	3.430	3.556
3133EJDG1	FFCB 5Yr	02/21/2023	2.158	2.158	15,000,000.00	15,000,000.00	99.868000	14,980,200.00	-19,800.00	4.453	4.649
3133EJFS3 3133EJJE0	FFCB 3Yr FFCB 3.5Yr	03/12/2021 10/04/2021	2.056 2.026	2.056 2.026	15,000,000.00 25,000,000.00	15,000,000.00 25,000,000.00	100.070000 99.906000	15,010,500.00 24,976,500.00	10,500.00 -23,500.00	2.630 3.152	2.701 3.266
3133EJFS3	FFCB 3Yr	03/12/2021	2.056	2.056	22,500,000.00	22,500,000.00	100.070000	22,515,750.00	15,750.00	2.630	2.701
3133EJTG4	FFCB 3Yr	06/28/2021	2.112	2.112	5,000,000.00	5,000,000.00	99.913000	4,995,650.00	-4,350.00	2.902	2.997
3133EJTG4	FFCB 3Yr	06/28/2021	2.112 2.193	2.112 2.181	5,000,000.00 317,500,000.00	5,000,000.00 317,636,655.00	99.913000 100.287575	4,995,650.00 318,413,050.00	-4,350.00 776,395.00	2.902 2.089	2.997 2.134
1950: FMAC-F											
3132X0SU6 3132X0UT6	FAMCA 2Yr FAMCA 1.25Yr	08/15/2018 09/14/2018	1.250 1.320	1.320 1.320	5,000,000.00 15,000,000.00	4,996,000.00 15,000,000.00	99.944000 99.893000	4,997,200.00 14,983,950.00	1,200.00 -16,050.00	.125 .207	.126 .208
3132X0016 3132X0WK3	FAMCA 1.2511 FAMCA 2Yr	08/20/2019	1.320	1.442	5,000,000.00	4,999,800.00	98.884000	4,944,200.00	-55,600.00	1.120	1.140
3132X0WY3	FAMCA 2Yr	09/26/2019	1.420	1.420	10.000.000.00	10.000.000.00	98.741000	9.874.100.00	-125.900.00	1.220	1.241
3132X0A50 3132X0C41	FAMCA 1.4Yr FAMCA 1.5Yr	05/15/2019 06/24/2019	1.810 1.860	1.810 1.860	10.000.000.00 20,000,000.00	10.000.000.00 20,000,000.00	99.539000 99.477000	9.953.900.00 19,895,400.00	-46.100.00 -104,600.00	.863 .970	.874 .984
3132X0C74	FAMCA 2.08Yr	02/03/2020	1.970	1.970	15,000,000.00	15,000,000.00	99.121000	14,868,150.00	-131,850.00	1.547	1.597
3132X0F97	FAMCA 1Yr	01/29/2019	1.900	1.900	25,000,000.00	25,000,000.00	99.768000	24,942,000.00	-58,000.00	.570	.584
3132X02Y6	FAMCA 1.58Yr	01/02/2020	2.530 1.843	2.530 1.847	20,000,000.00 125,000,000.00	20,000,000.00 124,995,800.00	99.567120	20,000,000.00 124,458,900.00	-536,900.00	1.468 . 930	1.510 . 952
1965: FMAC-V											
3132X0AT8	FAMCA 2.5 Yr	06/02/2020	2.141	2.011	25,000,000.00	25,063,500.00	100.335000	25,083,750.00	20,250.00	1.893	1.926
3132X0S77 3132X0U90	FAMCA 3Yr FAMCA 3Yr	04/23/2021 05/10/2021	2.141 2.066	2.141 2.066	25,000,000.00 10,000,000.00	25,000,000.00 10,000,000.00	100.006000 99.917000	25,001,500.00 9,991,700.00	1,500.00 -8,300.00	2.733 2.776	2.816 2.863
		22, 10,2021	2.128	2.074	60,000,000.00	60,063,500.00	100.128250	60,076,950.00	13,450.00	2.389	2.452
1975: FMAC-V 3132X0ED9		03/10/2010	2.396	2.396	10,000,000.00	10,000,000.00	100.147000	10 01 4 700 00	14,700.00	71.4	710
3132X0ED9 3132X0EV9	FAMCA 3Yr FAMCA 3Yr	03/19/2019 07/26/2019	2.396	2.502	15,000,000.00	15,000,000.00	100.147000	10,014,700.00 15,040,350.00	40,350.00	.714 1.061	.718 1.071
		1.,20,20.7			. 2,223,000.00	, ,		. 2,2 .0,000.00	.5,000.00		

CUSIP	Description	Maturity Date	Coupon 2.459	Yield To Mat 2.459	Par Value 25,000,000.00	Book Value 25,000,000.00	Market Price 100,220200	Market Value 25,055,050.00	Unrealized Gain/Loss 55,050.00	Modified Duration	Years To Maturity .930
2350: MUNIS-S 3	80/360				.,,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		.,,			,,,,,,
20772JL34	CONNECTICUT STATE	08/01/2018	2.250	1.398	25,000,000.00	25,613,250.00	99.988000	24,997,000.00	-616,250.00	.087	.088
882723A33	TEXAS STATE	10/01/2019	1.497	1.497	5,000,000.00	5,000,000.00	98.842000	4,942,100.00	-57,900.00	1.232	1.255
419792JG2	HAWAII STATE	04/01/2019	1.380	1.380	4.990.000.00	4.990.000.00	99.158000	4.947.984.20	-42.015.80	.744	.753
419792JH0	HAWAII STATE	04/01/2020	1.660	1.660	5.055.000.00	5.055.000.00	98.136000	4.960.774.80	-94.225.20	1.714	1.756
76222RUM2	RHODE ISLAND STATE RHODE ISLAND STATE	05/01/2020	1.625 1.375	1.520 1.220	2.660.000.00	2.670.719.80	97.598000	2.596.106.80	-74.613.00 -36,487.50	1.798 .828	1.838 .836
76222RUL4 3733845L6	GEORGIA STATE	05/01/2019 07/01/2020	3.000	1.220	2,625,000.00 6,825,000.00	2,636,838.75 7,254,770.25	99.061000 100.562000	2,600,351.25 6,863,356.50	-36,467.30	1.918	2.005
3733845J1	GEORGIA STATE	07/01/2020	3.000	.930	6.345.000.00	6.602.480.10	100.000000	6.345.000.00	-257.480.10	.003	.003
3733845K8	GEORGIA STATE	07/01/2019	3.000	1.110	6,580,000.00	6,943,874.00	100.352000	6,603,161.60	-340,712.40	.976	1.003
041042ZT2	ARKANSAS STATE	06/01/2019	2.000	1.024	13,470,000.00	13,837,192.20	99.637000	13,421,103.90	-416,088.30	.910	.921
419792ND4	HAWAII STATE	10/01/2018	1.000	.911	4,870,000.00	4,878,473.80	99.719000	4,856,315.30	-22,158.50	.253	.255
419792NE2	HAWAII STATE	10/01/2019	1.151	1.101	2.250.000.00	2.253.262.50	98.276000	2.211.210.00	-42.052.50	1.237	1.255
419792NF9	HAWAII STATE	10/01/2020	1.370	1.319	2,250,000.00	2,254,320.00	97.018000	2,182,905.00	-71,415.00	2.204	2.258
13063C4V9	CALIFORNIA STATE	11/01/2018	1.050	.950	50,000,000.00	50,098,500.00	99.631000	49,815,500.00	-283,000.00	.338	.340
68609BXK8	OREGON STATE	05/01/2019	1.450	1.450	1,830,000.00	1,829,981.70	99.220000	1,815,726.00	-14,255.70	.827	.836
68609BYC5	OREGON STATE	04/01/2019	1.440	1.441	1.750.000.00	1.749.982.50	99.275000	1.737.312.50	-12.670.00	.744	.753
93974DV21	WASHINGTON STATE	08/01/2018	1.350	1.350	1,620,000.00	1,620,000.00	99.939000	1,619,011.80	-988.20	.087	.088
93974DV39 801546PC0	WASHINGTON STATE	08/01/2019 08/01/2018	1.500 1.650	1.541 1.650	8,745,000.00 33,510,000.00	8,738,703.60 33,510,000.00	98.940000 99.964000	8,652,303.00 33,497,936.40	-86,400.60 -12,063.60	1.070 .087	1.088 .088
13063DAC2	SANTA CLARA COUNTY STATE OF CALIFORNIA	04/01/2018	2.625	2.011	14,400,000.00	14,688,720.00	99.303000	14,299,632.00	-389,088.00	2.632	2.756
010878AL0	ALAMEDA COUNTY G.O.	08/01/2020	2.562	2.562	17,600,000.00	17,600,000.00	99.603000	17,530,128.00	-69,872.00	1.998	2.736
76222RWT5	RHODE ISLAND ST & PROV	04/01/2020	2.750	2.451	3,065,000.00	3,082,378.55	100.081000	3,067,482.65	-14,895.90	1.694	1.756
76222RWS7	RHODE ISI AND ST & PROV	04/01/2019	5.000	2.253	2.330.000.00	2.390.020.80	101.801000	2.371.963.30	-18.057.50	.734	.753
76222RWU2	RHODE ISLAND ST & PROV	04/01/2021	2.750	2.551	3.150.000.00	3.167.766.00	99.972000	3.149.118.00	-18.648.00	2.623	2.756
13063DGA0	STATE OF CALIFORNIA	04/01/2021	2.800	2.799	16.000.000.00	16.000.640.00	99.762000	15.961.920.00	-38.720.00	2.619	2.756
13063DAC2	STATE OF CALIFORNIA	04/01/2021	2.625	2.850	1,795,000.00	1,784,301.80	99.303000	1,782,488.85	-1,812.95	2.620	2.756
2000, COMMER	CIAL DARED		1.941	1.558	243,715,000.00	246,251,176.35	99.636006	242,827,891.85	-3,423,284.50	.964	.999
3020: COMMER		07/10/0010	1 500	1 527	05 000 000 00	04.710.000.00	00 050000	04.007.500.00	0/0 077 70	007	007
25214PBZ5	DEXIA (GUARANTEE)	07/10/2018	1.520	1.537	25,000,000.00	24,719,222.22	99.950000	24,987,500.00	268,277.78	.027	.027
89233HG24	TOYOTA MOTOR CORP	07/02/2018	1.660	1.676	25.000.000.00 50.000.000.00	24.761.375.00	99.994444	24.998.611.00	237.236.00	.005	.005 .049
64105HGJ5 89233HJR6	NESTLE TOYOTA MOTOR CORP	07/18/2018 09/25/2018	1.660 1.900	1.675 1.925	40,000,000.00	49,550,416.67 39,487,000.00	99.905556 99.500722	49,952,778.00 39,800,288.80	402,361.33 313,288.80	.048 .234	.049
64105HHN5	NESTLE	08/22/2018	1.690	1.706	35,000,000.00	34,663,173.61	99.500722 99.711111	34,898,888.85	235,715.24	.143	.238
89233HHQ0	TOYOTA MOTOR CORP	08/24/2018	2.150	2.173	25,000,000.00	24,737,222.22	99.700000	24,925,000.00	187,777.78	.143	.143
25214PEL3	DEXIA (GUARANTEE)	10/10/2018	2.140	2.173	30,000,000.00	29,611,233.33	99.379972	29,813,991.60	202,758.27	.273	.279
25214PEY5	DEXIA (GUARANTEE)	11/28/2018	2.320	2.358	30,000,000.00	29,510,866.67	99.016667	29,705,000.10	194,133.43	.404	.414
03785EKQ6	APPLE	10/24/2018	2.110	2.137	45,000,000.00	44,430,300.00	99.294028	44,682,312.60	252,012.60	.311	.318
16677KL76	CHEVRON	11/07/2018	2.290	2.324	45.000.000.00	44.341.625.00	99.154333	44.619.449.85	277.824.85	.348	.356
63763QG27	NATL SEC CLEARING CORP		2.050	2.061	25,000,000.00	24,870,451.39	99.994444	24,998,611.00	128,159.61	.005	.005
63763QG27	NATL SEC CLEARING CORP		2.050	2.060	40,000,000.00	39,797,277.78	99.994444	39,997,777.60	200,499.82	.005	.005
03785EJH8	APPLE TOYOTA HOTOR CORR	09/17/2018	2.170	2.192	25,000,000.00	24,749,847.22	99.547167	24,886,791.75	136,944.53	.212	.216
89233HKA1 25214PFE8	TOYOTA MOTOR CORP DEXIA (GUARANTEE)	10/10/2018 10/04/2018	2.350 2.290	2.379 2.317	25.000.000.00 25,000,000.00	24.691.562.50 24,708,979.17	99.379972 99.416806	24.844.993.00 24,854,201.50	153.430.50 145,222.33	.273 .257	.279 .263
63763QHF7	NATL SEC CLEARING CORP		2.090	2.106	25,000,000.00	24,806,965.28	99.750000	24,937,500.00	130,534.72	.123	.126
30229BH18	EXXON MOBIL	08/01/2018	1.910	1.922	50,000,000.00	49,686,972.22	99.827778	49,913,889.00	226,916.78	.086	.088
16677KG31	CHEVRON	07/03/2018	1.940	1.949	35.000.000.00	34.832.136.11	99.988889	34.996.111.15	163.975.04	.008	.008
16677KN41	CHEVRON	01/04/2019	2.350	2.392	60,000,000.00	58,950,333.33	98.732556	59,239,533.60	289,200.27	.503	.515
64105HN32	NESTLE	01/03/2019	2.230	2.267	20,000,000.00	19,676,650.00	98.739333	19,747,866.60	71,216.60	.501	.512
89233HGH1	TOYOTA MOTOR CORP	07/17/2018	2.280	2.293	25,000,000.00	24,860,666.67	99.911111	24,977,777.75	117,111.08	.046	.047
89233HNE0	TOYOTA MOTOR CORP	01/14/2019	2.490	2.537	20.000.000.00	19.627.883.33	98.664778	19.732.955.60	105.072.27	.529	.542
25214PG98	DEXIA(GUARANTEE)	01/18/2019	2.470	2.515	15,000,000.00	14,729,329.17	98.637667	14,795,650.05	66,320.88	.539	.553
03785EKV5	APPLE	10/29/2018	2.270	2.296	50,000,000.00	49,435,652.78	99.213333	49,606,666.50	171,013.72	.324	.332
25214PGF4	DEXIA (GUARANTEE)	08/01/2018	2.180	2.191	20,000,000.00	19,895,844.44	99.827778	19,965,555.60	69,711.16	.086	.088
25214PGX5	DEXIA (GUARANTEE)	08/10/2018	2.180	2.192	45.000.000.00	44.760.200.00	99.777778	44.900.000.10	139.800.10	.110	.112
74271UGX2 03785ELS1	PROCTOR & GAMBEL APPLE	07/31/2018 11/26/2018	1.950 2.280	1.957 2.306	80,000,000.00 45,000,000.00	79,696,666.65 44,501,250.00	99.833333 99.029778	79,866,666.40 44,563,400.10	169,999.75 62,150.10	.083 .399	.085 .408
89233HHT4	TOYOTA MOTOR CORP	08/27/2018	2.170	2.306	25,000,000.00	24,874,923.61	99.683333	24,920,833.25	45,909.64	.155	.159
30229BGP6	EXXON MOBIL	07/23/2018	1.940	1.945	75.000,000.00	74.818.125.00	99.877778	74.908.333.50	90.208.50	.062	.063
63763QKQ9	NATL SEC CLEARING CORP		2.200	2.217	40,000,000.00	39,689,555.56	99.294028	39,717,611.20	28,055.64	.311	.318
63763QNP8	NATL SEC CLEARING CORP		2.400	2.434	40,000,000.00	39,440,000.00	98.603778	39,441,511,20	1,511.20	.553	.567
007 00 Q111 0	TATE SEC CEL KING COK	01/20/2017	2.094	2.114	1,160,000,000.00	1,148,913,706.93	99.499833	1,154,198,057.25	5,284,350,32	.213	.218
3130: CORP-Fxd	I-S 30/360										
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.273	6,350,000.00	6,297,739.50	98.722000	6,268,847.00	-28,892.50	1.555	1.605
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.277	6,000,000.00	5,951,100.00	98.722000	5,923,320.00	-27,780.00	1.555	1.605
594918BG8	MICROSOFT CORP	11/03/2020	2.000	2.543	25,000,000.00	24,649,750.00	98.423000	24,605,750.00	-44,000.00	2.263	2.348
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.354	3,000,000.00	2,971,440.00	98.722000	2,961,660.00	-9,780.00	1.554	1.605
037833CE8	APPLE	02/08/2019	1.550	2.281	22.840.000.00	22.684.688.00	99.476000	22.720.318.40	35.630.40	.595	.611
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.373	4,097,000.00	4,057,013.28	98.722000 98.722000	4,044,640.34 7,897,760.00	-12,372.94 -22,400.00	1.554	1.605
594918BV5 594918BN3	MICROSOFT CORP MICROSOFT CORP	02/06/2020 08/08/2019	1.850 1.100	2.388 2.288	8,000,000.00 10,000,000.00	7,920,160.00 9,835,600.00	98.431000	9,843,100.00	7,500.00	1.554 1.085	1.605 1.107
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.414	16.000.000.00	15.832.480.00	98.722000	15.795.520.00	-36.960.00	1.554	1.605
478160BS2	NOSUHOL & NOSUHOL	03/01/2021	1.650	2.646	12,000,000.00	11,663,160.00	97.142000	11,657,040.00	-6,120.00	2.574	2.671
594918BV5	MICROSOFT CORP	02/06/2020	1.850	2.469	10,000,000.00	9,887,000.00	98.722000	9,872,200.00	-14,800.00	1.553	1.605
478160BS2	NOSNHOL & NOSNHOL	03/01/2021	1.650	2.625	12,969,000.00	12,617,410.41	97.142000	12,598,345.98	-19,064.43	2.574	2.671
594918BN3	MICROSOFT CORP	08/08/2019	1.100	2.481	14,772,000.00	14,527,818.84	98.431000	14,540,227.32	12,408.48	1.084	1.107
594918BN3	MICROSOFT CORP	08/08/2019	1.100	2.400	20.000.000.00	19.697.600.00	98.431000	19.686.200.00	-11.400.00	1.084	1.107
594918AY0	MICROSOFT CORP	02/12/2020	1.850	2.691	16.880.000.00	16.654.820.80	98.769000	16.672.207.20	17.386.40	1.568	1.622
4500 1:05 1:	4/0/0		1.628	2.457	187,908,000.00	185,247,780.83	98.498806	185,087,136.24	-160,644.59	1.554	1.604
4500: NCD-Mat											
65590AMZ6	NORDEA BK	07/18/2018	1.520	1.520	25.000.000.00	25.000.000.00		25.000.000.00	0.00	.049	.049
63253TM21	NATIONAL AUSTRALIAN	08/02/2018	1.610	1.610	35,000,000.00	35,000,000.00	100.000000	35,000,000.00	0.00	.089	.090
89113XQR8 65590APV2	TORONTO DOMINION NORDEA BK	07/05/2018 07/10/2018	1.700 1.700	1.700 1.700	25,000,000.00 20,000,000.00	25,000,000.00 20,000,000.00	100.000000 100.000000	25,000,000.00	0.00 0.00	.013 .027	.014
65590APV2 65590AQE9	NORDEA BK	07/10/2018	1.700	1.700	20,000,000.00	20,000,000.00		20,000,000.00 20,000,000.00	0.00	.027	.027 .200
89113XSU9	TORONTO DOMINION	09/11/2018	1.740	1.900	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.176	.200
96121T6K9	WESTPAC	11/02/2018	2.080	2.080	35,000,000.00	35,000,000.00	100.000000	35,000,000.00	0.00	.335	.342
65590ASK3	NORDEA BK	08/23/2018	2.000	2.000	20,000,000.00	20,000,000.00		20,000,000.00	0.00	.145	.148
05252WNG4	AUSTRALIA NZ BK GRP	09/12/2018	1.950	1.950	35,000,000.00	35,000,000.00	100.000000	35,000,000.00	0.00	.199	.203
05252WNN9	AUSTRALIA NZ BK GRP	10/31/2018	2.100	2.100	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.330	.337
63253TN95	NATIONAL AUSTRALIAN	09/04/2018	2.130	2.130	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.177	.181
89113XD43	TORONTO DOMINION	10/24/2018	2.380	2.380	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.310	.318
87019VFF9	SWEDBANK AB	10/03/2018	2.330	2.330	30.000.000.00	30.000.000.00	100.000000	30.000.000.00	0.00	.254	.260
65590AUP9	NORDEA BK	10/04/2018	2.370	2.370	24,000,000.00	24,000,000.00	100.000000	24,000,000.00	0.00	.257	.263
05252WPB3	AUSTRALIA NZ BK GRP	01/08/2019	2.400	2.400	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.513	.526
89113XL77	TORONTO DOMINION	10/30/2018	2.370	2.370	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.326	.334
65590AVR4	NORDEA BK	01/25/2019	2.450	2.450	25.000.000.00	25.000.000.00	100.000000	25.000.000.00	0.00	.559	.573
89113XM27	TORONTO DOMINION	01/25/2019	2.510	2.510	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.558	.573
87019VHE0	SWEDBANK AB	11/02/2018	2.330	2.330	50,000,000.00	50,000,000.00		50,000,000.00	0.00	.334	.342
65590AVV5	NORDEA BK NORDEA BK	07/16/2018 02/08/2019	1.940 2.450	1.940	20,000,000.00 20.000.000.00	20,000,000.00	100.000000	20,000,000.00 20.000.000.00	0.00	.043	.044
65590AWG7 87019VHX8	SWEDBANK AB	02/08/2019	2.410	2.450 2.410	30,000,000.00	30,000,000.00		30,000,000.00	0.00	.596 .596	.611 .611
		, 50, 2017	2.710	2.710	55,000,000.00	55,000,000.00		55,000,000.00	0.00	.070	.011

CUSIP	Description	Maturity	Coupon	Yield	Par	Book	Market	Market	Unrealized	Modified	Years To
		Date		To Mat	Value	Value	Price	Value	Gain/Loss	Duration	Maturity
89113XQ23	TORONTO DOMINION	08/10/2018	2.220	2.220	40,000,000.00	40,000,000.00	100.000000	40,000,000.00	0.00	.110	.112
96121T4V7	WESTPACK	10/19/2018	1.710	2.320	25,000,000.00	24,931,278.36	99.725113	24,931,278.36	0.00	.297	.304
89113X2C7	TORONTO DOMINION	08/27/2018	2.220	2.220	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.155	.159
87019VKM8	SWEDBANK AB	09/10/2018	2.190	2.190	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.193	.197
63253TQ27	NATIONAL AUSTRALIAN	08/21/2018	2.060	2.060	25.000.000.00	25.000.000.00	100.000000	25.000.000.00	0.00	.139	.142
			2.114	2.134	779,000,000.00	778,931,278.36	99.991178	778,931,278.36	0.00	.256	.262
4540: NCD-A	A/360										
05252WNR0	AUSTRALIA NZ BK GRP	10/10/2018	2.130	2.130	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.273	.279
65590AXW1	NORDEA BK	01/16/2019	2,420	2.420	25.000.000.00	25.000.000.00	100.000000	25.000.000.00	0.00	.535	.548
			2.262	2.262	55,000,000.00	55,000,000.00	100.000000	55,000,000.00	0.00	.392	.401
4541: NCD-VA	R-M A/360										
96121T6P8	WESTPAC BANK NY	11/06/2018	2.213	2.213	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.348	.353
			2.213	2.213	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.348	.353
	Total Fur	nd	1.808	1.879	6.542.953.613.34	6.525.613.476.09	99.174900	6.488.967.672.40	-36.645.803.69	1.137	1.173
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Grand Total			1.808	1.879	6 542 953 613 34	6 525 613 476 09	99.174900	6 488 967 672 40	-36 645 803 69	1.137	1.173



 $\label{thm:linear_control_control} The \textit{ Mission Inn. Downtown Riverside. Digital Image. } \textit{The Mission Inn. http://www.missioninn.com/about-en.html.}$



COUNTY OF RIVERSIDE TREASURER-TAX COLLECTOR CAPITAL MARKETS

COUNTY ADMINISTRATIVE CENTER
4080 LEMON STREET,
4TH FLOOR,
RIVERSIDE, CA 92502-2205

WWW.COUNTYTREASURER.ORG

APPENDIX H SPECIMEN MUNICIPAL BOND INSURANCE POLICY





MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]	Policy No:
MEMBER: [NAME OF MEMBER]	
BONDS: \$ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]	Effective Date:
	Risk Premium: \$
	Member Surplus Contribution: \$
	Total Insurance Payment: \$

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

By:		
	Authorized O	fficer

BUILD AMERICA MUTUAL ASSURANCE COMPANY

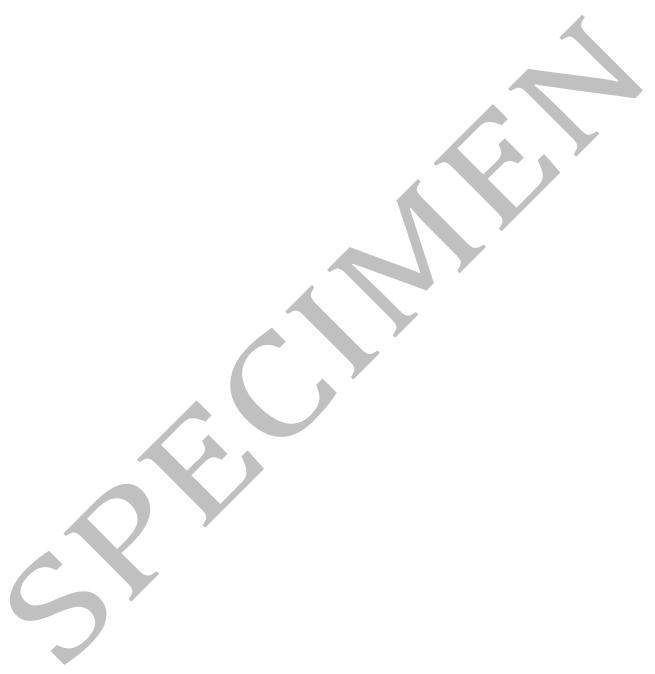
Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com Address:

200 Liberty Street, 27th floor New York, New York 10281

Telecopy: 212-962-1524 (attention: Claims)





CALIFORNIA

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

