NEW ISSUE - FULL BOOK-ENTRY | **INSURED RATING: S&P: "AA"**
BANK QUALIFIED | **UNDERLYING RATING: S&P: "A"**
See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In addition, the Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$1,750,000
WESTSIDE ELEMENTARY SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2018, Series A
(Bank Qualified)

Dated: Date of Delivery | **Due: August 1, as shown on inside front cover**

Authority and Purpose. The captioned General Obligation Bonds, Election of 2018, Series A (Bank Qualified) (the "Bonds") are being issued by the Westside Elementary School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Governing Board of the District adopted on February 26, 2019. The Bonds were authorized at an election of the registered voters of the District held on November 6, 2018, which authorized the issuance of $3,500,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities (the "2018 Bond Authorization"). The Bonds are the first series of bonds to be issued under the 2018 Bond Authorization. See "THE BONDS – Authority For Issuance" and "THE FINANCING PLAN" 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 the County of Fresno (the "County"). The County Board of Supervisors is empowered and is obligated to annually levy *ad valorem* taxes for the payment by the District 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). 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 ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. The Bonds are dated the date of delivery and will 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 made by Wilmington Trust, National Association, Costa Mesa, California, 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 – Optional Redemption" and "-Mandatory Sinking Fund 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 Municipal Assurance Corp. ("MAC" or the "Bond Insurer"). See "BOND INSURANCE."

MUNICIPAL ASSURANCE CORP.
AN ASSURED GUARANTY COMPANY

MATURITY SCHEDULE
(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Dannis Woliver Kelley, Long Beach, California is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about April 2, 2019.

O'CONNOR & COMPANY SECURITIES
PUBLIC FINANCE

The date of this Official Statement is March 19, 2019.

MATURITY SCHEDULE

WESTSIDE ELEMENTARY SCHOOL DISTRICT

(Fresno County, California)

General Obligation Bonds
Election of 2018, Series A
(Bank Qualified)

Base CUSIP†: 961453

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2020	$20,000	5.000%	1.520%	104.564%	BG1
2021	35,000	5.000	1.540	107.888	BH9
2028	15,000	2.000	2.150	98.736	BK2
2029	20,000	2.000	2.250	97.705	BL0
2030	25,000	2.250	2.450	98.030	BM8
2031	25,000	2.500	2.750	97.398	BN6
2032	30,000	2.750	2.970	97.590	BP1
2033	35,000	3.000	3.050	99.420	BQ9
2034	40,000	3.000	3.120	98.544	BR7
2035	50,000	3.000	3.200	97.468	BS5
2036	55,000	3.125	3.280	97.960	BT3
2037	60,000	3.125	3.340	97.067	BU0
2038	65,000	3.250	3.390	98.023	BV8

$20,000 - 2.000% Term Bond maturing August 1, 2027; Yield 2.030%; Price: 99.770; CUSIP†: BJ5

$475,000 - 5.000% Term Bond maturing August 1, 2043; Yield 3.140%; Price: 114.938[C]; CUSIP†: BW6

$780,000 - 5.000% Term Bond maturing August 1, 2048; Yield 3.190%; Price: 114.503[C]; CUSIP†: BX4

C Priced to first par call August 1, 2028.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CUSIP® Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

GOVERNING BOARD

Linda Vazquez, *President*
Ismael Reyes, *Clerk*
Gloria Pena , *Member*

DISTRICT ADMINISTRATION

Baldomero Hernandez, *Superintendent and Principal*
Guadalupe Oden, *Business Manager*
Edith Gustafson, *Financial Consultant*

PROFESSIONAL SERVICES

FINANCIAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Wilmington Trust, National Association
Costa Mesa, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

Bond Insurance. Municipal Assurance Corp. ("MAC" or the "Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, MAC 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 MAC supplied by MAC and presented under the heading "BOND INSURANCE" and in Appendix H.

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

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

Document Summaries. All summaries of the 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.

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$1,750,000
WESTSIDE ELEMENTARY SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2018, Series A
(Bank Qualified)

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 captioned General Obligation Bonds, Election of 2018, Series A (Bank Qualified) (the **"Bonds"**) by the Westside Elementary School District (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 is located in Five Points, California, an unincorporated community in the County of Fresno (the **"County"**), approximately forty miles southwest of the City of Fresno. The District has one school that serves students in grades pre-kindergarten through eight. Enrollment for the 2018-19 school year is budgeted for 187 students. The total assessed value of the District in fiscal year 2018-19 is $376,311,660. See also Appendix C hereto for demographic and other statistical information regarding the County.

Purpose. The net proceeds of the Bonds will be used to finance school construction and improvements to the school facilities as authorized by more than the requisite 55% of the voters of the District (the **"2018 Bond Authorization"**) at an election held in the District on November 6, 2018 (the **"Bond Election"**). See "THE FINANCING PLAN" herein.

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to the 2018 Bond Authorization, certain provisions of the Government Code of the State of California (the "**State**"), commencing with Section 53506 thereof (the **"Bond Law"**), and a resolution adopted by the Governing Board of the District on February 26, 2019 (the "**Bond Resolution**"). See "THE BONDS - Authority for Issuance" herein.

Payment and Registration of the Bonds. The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable by the District solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment by the District of the principal of and interest on 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). See "SECURITY FOR THE BONDS." The District has no other bonded indebtedness outstanding.

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

Tax Matters; Bank Qualification. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Bonds will not be includable in gross income for federal income tax purposes. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from the State personal income taxes. The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. Such section provides an exception to the prohibition against the ability of a "financial institution" (as defined in the Internal Revenue Code of 1986) to deduct its interest expense allocable to interest payable on the Bonds. See "TAX MATTERS" herein.

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

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the Superintendent's Office at 19191 W. Excelsior Avenue, Five Points, California 93624, Telephone: (559) 884-2492. The District may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

The proceeds of the Bonds will be used to finance projects approved by the voters at the Bond Election, which authorized the issuance of $3,500,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities, together with related costs of issuing the Bonds. The abbreviated form of the ballot measure (limited to 75 words or less) presented to voters is as follows:

> *"To improve the quality of education; repair or replace leaky roofs; modernize/renovate outdated classrooms, restrooms and school facilities; and make health, safety and handicapped accessibility improvements; shall Westside Elementary School District issue $3,500,000 of bonds at legal interest rates, generating on average $208,000 annually for issued bonds through maturity from levies of approximately $0.03 per $100 assessed value, with annual audits, independent citizens' oversight committee, NO money for salaries and all money for local schools?"*

As part of the ballot materials presented to District voters at the Bond Election, the voters authorized a specific list of projects (the **"Project List"**) eligible to be funded with proceeds of bonds sold pursuant to the 2018 Bond Authorization, including the Bonds described herein. 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 2018 Bond Authorization will provide sufficient funds to complete any particular project listed in the Project List.

The Bonds will be the first series of general obligation bonds issued pursuant to the 2018 Bond Authorization. Following the issuance of the Bonds, $1,750,000 principal amount of general obligation bonds will remain authorized but unissued under the 2018 Bond Authorization.

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	$1,750,000.00
Net Original Issue Premium	178,973.65
Total Sources	$1,928,973.65
Uses of Funds	
Deposit to Building Fund	$1,710,866.26
Deposit to Debt Service Fund	25,806.06
Costs of Issuance(1)	192,301.33
Total Uses	$1,928,973.65

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

THE BONDS

Authority for Issuance

The Bonds will be issued under the Bond Law and the Bond Resolution, and are authorized under the 2018 Bond Authorization.

Description of the Bonds

The Bonds mature in the years and in the amounts and bear interest at the rates per annum all as set forth on the inside cover page hereof. Interest shall be computed based on a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "Book-Entry Only System" below and "APPENDIX F – DTC and the Book-Entry Only System."

The Bonds will be issued in the denomination of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2019 (each, an **"Interest Payment Date"**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding the Interest Payment Date (the **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2019, in which event it will bear interest from the date of delivery thereof identified on the cover page. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. 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.

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

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 The Depository Trust Company, New York, New York ("**DTC**"). Purchasers of the Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by Wilmington Trust, National Association, Costa Mesa, California (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 of any other action premised on such notice. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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

Optional Redemption

The Bonds maturing on or before August 1, 2028 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2029 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2028, or on any date thereafter, at a 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, 2027, August 1, 2043, and August 1, 2048 (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 in the sinking fund payments amounts and on the dates set forth below, without premium.

$20,000 Principal Amount Term Bonds Maturing August 1, 2027

Redemption Date (August 1)	Sinking Fund Redemption
2025	$5,000
2026	5,000
2027 (Maturity)	10,000

$475,000 Principal Amount Term Bonds Maturing August 1, 2043

Redemption Date (August 1)	Sinking Fund Redemption
2039	$75,000
2040	85,000
2041	95,000
2042	105,000
2043 (Maturity)	115,000

$780,000 Principal Amount Term Bonds Maturing August 1, 2048

Redemption Date (August 1)	Sinking Fund Redemption
2039	$130,000
2040	140,000
2041	155,000
2042	170,000
2043 (Maturity)	185,000

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

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their addresses appearing on the registration books maintained by the Paying Agent. Such notice may be a conditional notice of redemption and subject to rescission as set forth below. Such notice shall state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

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

Partial Redemption of Bonds

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

Right to Rescind Notice of Optional Redemption

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

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

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

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Costa Mesa, California for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity and series. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or

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

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

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

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

As defined in the Bond Resolution, the term **"Federal Securities"** means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is, directly or indirectly guaranteed by the faith and credit of the United States.

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions). The District does not have any other bonded indebtedness outstanding.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Bond Debt Service Schedule

Bond Year Ending August 1	Principal	Interest	Total Debt Service
2019	--	$25,806.06	$25,806.06
2020	$20,000.00	78,068.76	98,068.76
2021	35,000.00	77,068.76	112,068.76
2022	--	75,318.76	75,318.76
2023	--	75,318.76	75,318.76
2024	--	75,318.76	75,318.76
2025	5,000.00	75,318.76	80,318.76
2026	5,000.00	75,218.76	80,218.76
2027	10,000.00	75,118.76	85,118.76
2028	15,000.00	74,918.76	89,918.76
2029	20,000.00	74,618.76	94,618.76
2030	25,000.00	74,218.76	99,218.76
2031	25,000.00	73,656.26	98,656.26
2032	30,000.00	73,031.26	103,031.26
2033	35,000.00	72,206.26	107,206.26
2034	40,000.00	71,156.26	111,156.26
2035	50,000.00	69,956.26	119,956.26
2036	55,000.00	68,456.26	123,456.26
2037	60,000.00	66,737.50	126,737.50
2038	65,000.00	64,862.50	129,862.50
2039	75,000.00	62,750.00	137,750.00
2040	85,000.00	59,000.00	144,000.00
2041	95,000.00	54,750.00	149,750.00
2042	105,000.00	50,000.00	155,000.00
2043	115,000.00	44,750.00	159,750.00
2044	130,000.00	39,000.00	169,000.00
2045	140,000.00	32,500.00	172,500.00
2046	155,000.00	25,500.00	180,500.00
2047	170,000.00	17,750.00	187,750.00
2048	185,000.00	9,250.00	194,250.00
Total	$1,750,000.00	$1,811,624.98	$3,561,624.98

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 in the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment by the District 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 Bonds Payable from Ad Valorem Property Taxes. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

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

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

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

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

Economic and other factors beyond the District's control, such as economic recession, deflation of property 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, drought, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The County will establish a Debt Service Fund (the "**Debt Service Fund**") for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment by the District of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon its receipt. The Debt Service Fund is pledged by the District for the payment by it 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 Debt Service Fund to the Paying Agent to the extent necessary to enable the District 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 Debt Service Fund, the County shall apply such amounts to pay debt service on other outstanding general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, shall be transferred to the general fund of the District, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

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

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PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Taxation of State-Assessed Utility Property

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

Assessed Valuation

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2009-10 through Fiscal Year 2018-19

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2009-10	$172,465,625	$568,468	$29,532,425	$202,566,518	--%
2010-11	169,779,184	568,468	34,662,297	205,009,949	1.2
2011-12	214,830,104	724,704	35,803,333	251,358,141	22.6
2012-13	224,969,528	53,610	39,743,845	264,766,983	5.3
2013-14	251,467,674	53,610	40,752,709	292,273,993	10.4
2014-15	277,952,470	53,610	40,061,848	318,067,928	8.8
2015-16	274,763,345	52,275	27,789,764	302,605,384	(4.9)
2016-17	301,103,572	52,275	27,523,755	328,679,602	8.6
2017-18	334,650,028	52,275	25,667,426	360,369,729	9.6
2018-19	349,721,739	52,275	26,537,646	376,311,660	4.4

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation 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 man-made or natural disasters such as earthquakes, fires, floods and drought. Notable natural disasters in recent years include drought conditions throughout the State, which ended in 2017 due to record-level precipitation in late 2016 and early 2017, and wildfires in different regions of the State, and related flooding and mudslides. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas. Seismic activity is also a risk in the region where the District is located. Although recent California wildfires have not occurred within District boundaries, the District cannot predict or make any representations regarding the effects that wildfires or any other type of natural or manmade 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 on economic activity in the District or throughout the State.

Assessed Valuation by Jurisdiction. The following table shows the assessed valuation by jurisdiction in the District.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2018-19

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
Unincorporated Fresno County	$376,311,660	100.00%	$23,176,026,651	1.62%
Total District	$376,311,660	100.00%		
Fresno County	$376,311,660	100.00%	$78,519,340,361	0.48%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The table below shows the land use of property within the District, as measured by assessed valuation and the number of parcels for fiscal year 2018-19. As shown, the majority of the District's assessed valuation is represented by agricultural property.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2018-19

Non-Residential:	2018-19 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural	$322,090,578	92.10%	525	88.53%
Commercial	10,962,593	3.13	11	1.85
Industrial	14,136,479	4.04	17	2.87
Church	0	0.00	1	0.17
Subtotal Non-Residential	$347,189,650	99.28%	554	93.42%
Residential:				
Single Family Residence	$1,561,365	0.45%	7	1.18%
Mobile Home	207,200	0.06	30	5.06
Multi-family Residential	679,374	0.19	1	0.17
Vacant Residential	84,150	0.02	1	0.17
Subtotal Residential	$2,532,089	0.72%	39	6.58%
Total	$349,721,739	100.00%	593	100.00%

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

Assessed Valuation of Single-Family Residential Parcels. The table below shows the breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2018-19, including the median and average assessed value per parcel.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Per Parcel 2018-19 Assessed Valuation of Single-Family Homes

	No. of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	7	$1,561,365	$223,052	$172,524

2018-19 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	0	0.000%	0.000%	$ 0	0.000%	0.000%
$25,000 - $49,999	0	0.000	0.000	0	0.000	0.000
$50,000 - $74,999	1	14.286	14.286	69,400	4.445	4.445
$75,000 - $99,999	1	14.286	28.571	75,413	4.830	9.275
$100,000 - $124,999	0	0.000	28.571	0	0.000	9.275
$125,000 - $149,999	0	0.000	28.571	0	0.000	9.275
$150,000 - $174,999	2	28.571	57.143	337,297	21.603	30.877
$175,000 - $199,999	0	0.000	57.143	0	0.000	30.877
$200,000 - $224,999	0	0.000	57.143	0	0.000	30.877
$225,000 - $249,999	0	0.000	57.143	0	0.000	30.877
$250,000 - $274,999	0	0.000	57.143	0	0.000	30.877
$275,000 - $299,999	1	14.286	71.429	292,205	18.715	49.592
$300,000 - $324,999	0	0.000	71.429	0	0.000	49.592
$325,000 - $349,999	0	0.000	71.429	0	0.000	49.592
$350,000 - $374,999	0	0.000	71.429	0	0.000	49.592
$375,000 - $399,999	1	14.286	85.714	387,050	24.789	74.381
$400,000 - $424,999	1	14.286	100.000	400,000	25.619	100.000
$425,000 - $449,999	0	0.000	100.000	0	0.000	100.000
$450,000 - $474,999	0	0.000	100.000	0	0.000	100.000
$475,000 - $499,999	0	0.000	100.000	0	0.000	100.000
$500,000 and greater	0	0.000	100.000	0	0.000	100.000
Total	7	100.000%		$1,561,365	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

Reassessment or appeals of assessed values 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 B.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the 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. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

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

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or blanket reassessments 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) may be paid.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities for property in the District which lies in Tax Rate Area 172-003 during fiscal years 2014-15 through 2018-19.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Typical Tax Rates
(TRA 172-003) (1)
Dollars per $100 of Assessed Valuation
Fiscal Years 2014-15 through 2018-19

	2014-15	2015-16	2016-17	2017-18	2018-19
General Tax Rate	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
West Hills Community College District	.011206	.028458	.016254	.012954	.016952
West Hills Community College District SFID No. 3	.016280	.017244	.016002	.029050	.024310
Riverdale Joint Unified School District	.037066	.037996	.036264	.035218	.036690
Westside Elementary School District	.026834	.030618	.027644	.000000	.000000
Westlands Water District	- .043864	- .002640	- .047682	- .044018	- .044562
Total Tax Rate	$1.047522	$1.111676	$1.048482	$1.033204	$1.033390

(1) 2018-19 assessed valuation for TRA 172-003 is $277,461,900, which is 73.73% of the District's assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

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

So long as the Teeter Plan remains in effect and the County continues to include the District in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. On July 8, 2008, the County adopted Resolution No. 08-322, which determined that, because the "…County of Fresno Supplemental Secured Property Tax Roll is now severely delinquent and, by such delinquency, impairs, impedes and disrupts the County of Fresno's general fund cash flow…", the County discontinues the use of the Teeter Plan as it applies to the supplemental secured property tax rolls. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Notwithstanding that the District is on the Teeter Plan, the following table shows secured tax charges and delinquencies for secured property in the District for property within the District for fiscal years 2013-14 through 2017-18.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2013-14 Through 2017-18

Fiscal Year	Secured Tax Charge (1)	Amount Delinquent June 30	Percent Delinquent June 30
2013-14	$2,886,309.46	$ 8,922.86	0.31%
2014-15	3,044,083.26	7,430.90	0.24
2015-16	3,099,619.98	13,638.00	0.44
2016-17	3,262,127.68	7,218.63	0.22
2017-18	3,556,164.08	4,185.11	0.12

(1) All taxes collected within the District.
Source: California Municipal Statistics, Inc.

Major Taxpayers

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations for fiscal year 2018-19:

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Largest 2018-19 Local Secured Taxpayers[1]

	Property Owner	Primary Land Use	2018-19 Assessed Valuation	% of Total [2]
1.	John C. Harris	Agricultural	$ 16,793,359	4.80%
2.	Westlands Greens LLC	Agricultural	13,989,057	4.00
3.	David & Marilyn Britz, Trustees	Agricultural	11,537,568	3.30
4.	Harris Farms Inc.	Agricultural	10,410,755	2.98
5.	Sustainable AG Farming Enterprises LLC	Agricultural	10,365,586	2.96
6.	Harris-Woolf California Almonds	Agricultural	10,298,613	2.94
7.	Casaca Vineyards	Agricultural	7,850,743	2.24
8.	Christian P. Diener, Trustee	Agricultural	7,796,742	2.23
9.	Edward M. & Susan A. Coelho	Agricultural	7,661,442	2.19
10.	John A. Coelho, Trustee	Agricultural	6,700,810	1.92
11.	Lansing Farming Co.	Agricultural	6,190,569	1.77
12.	MP Farms	Agricultural	5,973,549	1.71
13.	Five Points Ranch Inc.	Agricultural	5,968,855	1.71
14.	Ronnda R. & Dennis N. Graham Jr.	Agricultural	5,809,883	1.66
15.	TRCC Inc.	Agricultural	5,382,840	1.54
16.	Akhavi LLC	Agricultural	5,176,075	1.48
17.	Oderj LLC	Agricultural	5,130,042	1.47
18.	HP Farms	Agricultural	5,127,159	1.47
19.	JP Fams	Agricultural	4,630,203	1.32
20.	John E. Diener, Trustee	Agricultural	4,424,934	1.27
			$157,218,784	44.96%

[1] Some of the largest taxpayers have similar but not identical names. No assurance is provided that said taxpayers are unrelated.
[2] 2018-19 local secured assessed valuation: $349,721,739.
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 February 1, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of February 1, 2019

2018-19 Assessed Valuation: $376,311,660

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 2/1/19**	
West Hills Community College District	3.320%	$ 402,882	
West Hills CCD School Facilities Improvement District No. 3	7.549	2,386,684	
Riverdale Joint Unified School District	27.704	224,364	
Westside School District	**100.000**	**-**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$3,013,930	
OVERLAPPING GENERAL FUND DEBT:			
Fresno County General Fund Obligations	0.479%	$ 188,103	
Fresno County Pension Obligation Bonds	0.479	1,222,780	
West Hills Community College District General Fund Obligations	3.320	414,941	
Coalinga Hospital District General Fund Obligations	0.503	21,403	
TOTAL OVERLAPPING GENERAL FUND DEBT		$1,847,227	
COMBINED TOTAL DEBT		$4,861,157	(2)

Ratios to 2018-19 Assessed Valuation:
Direct Debt .... **- %**
Total Direct and Overlapping Tax and Assessment Debt 0.80%
Combined Total Debt 1.29%

(1) Excludes the Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

BOND INSURANCE

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

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Municipal Assurance Corp. ("**MAC**") will issue its Municipal Bond Insurance Policy for the Bonds (the "**Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX H to this Official Statement.

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

Municipal Assurance Corp.

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

MAC is wholly owned by Municipal Assurance Holdings Inc., which, in turn, is owned 61% by Assured Guaranty Municipal Corp. and 39% by Assured Guaranty Corp.

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

Current Financial Strength Ratings

On July 12, 2018, KBRA announced it had affirmed MAC's financial strength rating of "AA+" (stable outlook). MAC can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it had affirmed MAC's financial strength rating of "AA" (stable outlook). MAC can give no assurance as to any further ratings action that S&P may take.

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

Capitalization of MAC

As of December 31, 2018, MAC's policyholders' surplus and contingency reserve were approximately $521 million and its unearned premium reserve was approximately $195 million, in each case, determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to MAC are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019).

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

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

Miscellaneous Matters

MAC makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, MAC 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 MAC supplied by MAC and presented under the heading “BOND INSURANCE”.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Furthermore, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the **“Tax Code”**) such that, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable on the Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes, and in order for the Bonds to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds, or may cause the Bonds to lose their status as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

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

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

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

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

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

In addition, future legislation, if enacted into law, or clarification of the Tax Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Tax Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

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

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 Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, Dannis Woliver Kelley, as Underwriter's Counsel, and Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District, is contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. The District has covenanted 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 nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 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 **"MSRB**"). The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

The District made one undertaking pursuant to the Rule in connection with its 2003 General Obligation Refunding Bonds (Ambac Insured) which were issued on August 7, 2003 (the **"Refunding Bonds"**) and matured in full on August 1, 2017. In the previous five years, no instances of noncompliance have been identified.

In order to assist in future timely compliance with its disclosure undertakings for its outstanding obligations and the Bonds, the District has contracted with Isom Advisors, a

Division of Urban Futures, Inc. to serve as dissemination agent for the Bonds and the outstanding obligations of the District.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") is expected to assign their ratings 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). Such ratings reflect only the view of S&P and explanations of the significance of such ratings 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 such agency's 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.

UNDERWRITING

The Bonds are being purchased by O'Connor & Company Securities, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of $1,775,806.06 (which is equal to the initial principal amount of the Bonds, plus net original issue premium of $178,973.65, less the premium for the Policy of $7,301.33, less a portion of costs of issuance of $110,866.26, and less Underwriter's discount of $35,000.00). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

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

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 Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Costa Mesa, 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.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

By: *\/s\/ Baldomero Hernandez*
Superintendent

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APPENDIX A

WESTSIDE ELEMENTARY SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2017-18

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WESTSIDE ELEMENTARY SCHOOL DISTRICT
COUNTY OF FRESNO
FIVE POINTS, CALIFORNIA
AUDIT REPORT
JUNE 30, 2018

Linger, Peterson & Shrum
Certified Public Accountants
575 East Locust Avenue, Suite 308
Fresno, California 93720-2928

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Introductory Section

Westside Elementary School District
Audit Report
For The Year Ended June 30, 2018

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Westside Elementary School District
Audit Report
For The Year Ended June 30, 2018

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Financial Section

Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720-2928
(559) 438-8740

Independent Auditor's Report

To the Board of Trustees
Westside Elementary School District
Five Points, California 93624

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 Westside Elementary 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westside Elementary School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations,* Section 19810 and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018 on our consideration of Westside Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westside Elementary School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 10, 2018

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Management's Discussion and Analysis

Westside Elementary School District
19191 Excelsior Ave ● P.O. Box 398 ● Five Points, CA 93624
(559) 884-2492 ● Fax (559) 884-2206
www.westside-elem.k12.ca.us

Baldomero Hernandez, Superintendent

WESTSIDE ELEMENTARY SCHOOL DISTRICT
Management's Discussion and Analysis (MDA)

The Management's Discussion and Analysis section of the audit is management's overall view of Westside Elementary School District's financial condition and provides an opportunity to discuss important fiscal issues with the Board and the public. Accounting rules require this discussion and analysis, which make reporting of finances similar to that of private business.

ENROLLMENT

The following chart reveals that Westside Elementary School District's enrollment declined by a total of 44 students from 2012 through 2018. As drought conditions continue in California and farming changes from crops to fruit and nut trees, the District's enrollment continues to decline. As long as water is an issue in our area, it is not anticipated that the District's enrollment will increase.

Figure 1

Year	CBEDS Enrollment	Increase (Decrease)
2012	255	---
2013	240	-15
2014	243	3
2015	231	-12
2016	221	-10
2017	219	-2
2018	211	-8

FINANCIAL HIGHLIGHTS

To resolve a cash shortage in October 2013, the Fresno County Office of Education loaned the District $365,821.66. The District required the loan for the limited purpose of reimbursing Crescent View South Charter for unpaid in lieu property taxes. The District is required to make an annual minimum payment of $75,000, plus accrued interest by July 31st of each year. The District made the fourth payment to the Fresno County Office of Education in July 2017. The final payment is due July 2018. As a result of the new Local Control Funding Formula (LCFF) through the State of California and District policy, the District is slowly recovering financially.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.

- The governmental funds statements tell how basic services like regular and special education were financed in the short-term as well as what remains for future spending.

- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1 - Organization of Westside Elementary School District's Annual Financial Report

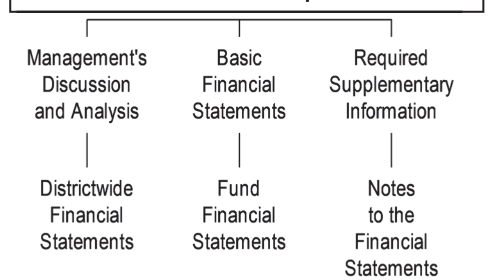

Figure A-2 summarizes the major features of the District's financial statements including the portion of the District's activities they cover, and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Figure A-2 - Major Features of the District-wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District except	The activities of the District that are not	Instances in which the
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances • Reconciliation to government-wide financial statements	• Statement of fiduciary net position • Statement of changes in fiduciary net position • Statement of changes in assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities both short-term and long-term; Funds do not currently contain nonfinancial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT-WIDE STATEMENTS

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

The two District-wide statements report the District's net position and how it has changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are combined into one category:

- Governmental activities – The District's basic services are included here, such as regular and special education, transportation, food services, preschool and administration. Property taxes, State formula aid, and fees charged finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like food services and preschool) or to show that it is properly using certain revenues.

The District has two kinds of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- **Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the Student Body Funds. The District is responsible for ensuring that the assets reported in these Funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position--Fiduciary Fund and a Statement of Changes In Assets and Liabilities--Agency Fund. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position

The District's net position increased by $1,013,268 from the prior year net position. (See Table A-1.)

Table A-1 - Net Position

	Governmental Activities		
	2018	2017	Percentage Change
Assets			
Current and other assets	$ 2,389,062	$ 1,718,034	39.06%
Capital assets	906,920	872,870	3.90%
Total Assets	$ 3,295,982	$ 2,590,904	27.21%
Deferred Outflows of Resources	$ 691,447	$ 452,002	52.97%
Liabilities			
Current liabilities	$ 361,957	$ 672,479	-46.18%
Long-term liabilities	2,704,348	2,656,350	1.81%
Total Liabilities	$ 3,066,305	$ 3,328,829	-7.89%
Deferred Inflows of Resources	$ 459,954	$ 266,175	72.80%
Net Position			
Invested in cap. assets, net of rel. debt	$ 908,690	$ 766,588	18.54%
Restricted	14,615	182,040	-91.97%
Unrestricted	(462,135)	(1,500,726)	-69.21%
Total Net Position	$ 461,170	$ (552,098)	-183.53%

Changes in Net Position

The District's total revenues were $4,724,513. (See Table A-2.) The total cost of all programs and services was $3,711,245. (See Table A-2.) The District's expenses are predominantly related to educating and caring for students 76%. The purely administrative activities of the District accounted for just 12% of total costs. Maintenance and operations accounted for 12% of the District's expenses. Other outgo accounted for 1%.

Table A-2 - Changes in Net Position

	Governmental Activities		
	2018	**2017**	**Percentage Change**
Revenues			
Program revenues:			
Charges for services	$ 5,048	$ 5,946	-15.11%
Operating grants and contributions	878,221	746,677	17.62%
General revenues			
LCFF sources	2,776,434	2,415,544	14.94%
Other state revenue	154,831	238,486	-35.08%
Other local revenue	909,979	512,679	77.50%
Total Revenues	$ 4,724,513	$ 3,919,332	20.54%
Expenses			
Program expenses:			
Instruction	$ 1,876,159	$ 2,055,206	-8.71%
Instruction-related services	403,703	351,585	14.82%
Pupil services	543,298	550,189	-1.25%
Community services	(16,002)	3,455	-563.15%
Enterprise	(12,689)	-	0.00%
Administration	453,198	504,682	-10.20%
Maintenance and operations	438,475	542,542	-19.18%
Other	26,489	17,119	54.73%
Interest on long-term debt	(1,386)	7,536	-118.39%
Total Expenses	$ 3,711,245	$ 4,032,314	-7.96%
Changes in Net Position	$ 1,013,268	$ (112,982)	-996.84%

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were $4,640,949, while total expenditures were $3,662,451. There was an increase of $978,498 in net position for governmental activities in 2018.

FINANCIAL CONDITION OF THE GENERAL FUND

	2018	2017	Percentage Change
Total Revenues	$ 4,234,686	$ 3,346,610	26.54%
Total Expenditures	3,133,189	3,391,256	-7.61%
Other Financing Sources (Uses)	(34,258)	-	0.00%
Net Change	$ 1,067,239	$ (44,646)	-2490.45%

CAPITAL ASSETS

As of June 30, 2018, the District had $906,920 in a broad range of capital assets including land, buildings, and machinery and equipment (net of depreciation). (See Table A-3.)

Table A-3 - Capital Assets At Year-End (Net of Depreciation)

	2018	2017	Percentage Change
Land	$ 130,759	$ 130,759	0.00%
Land Improvements	224,438	249,214	-9.94%
Buildings	127,890	132,917	-3.78%
Equipment	146,567	82,714	77.20%
Work In Process	277,266	277,266	
	$ 906,920	$ 872,870	3.90%

LONG-TERM DEBT

At year-end, the District had $2,704,348 in general long-term debt obligations outstanding. (See Table A-4.)

Table A-4 - Long-Term Debt at Year-End

	2018	2017	Percentage Change
General Obligation Bonds Payable	$ -	$ 105,000	-100.00%
Compensated Absences Payable	49,195	132,720	-62.93%
Net Pension Liability	2,655,153	2,352,809	12.85%
Note Payable	-	65,821	-100.00%
	$ 2,704,348	$ 2,656,350	1.81%

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

Westside Elementary School District is faced with similar economic pressures as districts throughout the State of California. Because a major portion of the revenues coming to the District are from the State, the economic fortunes of the State are very important to the School District.

The District Administration and staff have worked together to repair Westside Elementary School District's financial issues over the last school year. The Board recognized the efforts of the entire staff with a salary increase of 3%. Revenue increases brought about by the State of California's Local Control Funding Formula, updated Board Policies and new district procedures have proven to have a positive result.

The District also continues to struggle with declining enrollment. Enrollment has decreased 17% over the past 5 years. As the California drought continues, enrollment may remain a concern.

The District will continue to monitor revenue, expenses and enrollment/attendance, and will make adjustments necessary to ensure a satisfactory education for our students.

The District has made their final payment to the Fresno County Superintendent of Schools in Spring 2018.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Guadalupe Oden, Westside Elementary School District, PO Box 398, 19191 Excelsior, Five Points, California 93624, (559) 884-2492 ext. 2494.

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Basic Financial Statements

WESTSIDE ELEMENTARY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities
ASSETS:		
Cash in County Treasury	$	1,938,626
Cash in Revolving Fund		1,000
Accounts Receivable		444,302
Stores Inventories		5,134
Capital Assets:		
Land		130,759
Land Improvements, Net		224,438
Buildings, Net		127,890
Equipment, Net		146,567
Work in Progress		277,266
Total Assets		3,295,982
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources - Pensions		691,447
Total Deferred Outflows of Resources		691,447
LIABILITIES:		
Accounts Payable		309,152
Accrued Interest Payable		(1,770)
Unearned Revenue		54,575
Long-term Liabilities		
Due Within One Year:		
Due After One Year:		
Net Pension Liability		2,655,153
Compensated Absences Payable		49,195
Total Liabilities		3,066,305
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources - Pensions		459,954
Total Deferred Inflows of Resources		459,954
NET POSITION:		
Net Investment in Capital Assets		908,690
Restricted For:		
Debt Service		37,027
Other Purposes		14,615
Unrestricted		(499,162)
Total Net Position	$	461,170

The accompanying notes are an integral part of this statement.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	$ 1,876,159	$ 2,368	$ 439,218	$ (1,434,573)
Instruction-Related Services	403,703	162	58,387	(345,154)
Pupil Services	543,298	2,342	234,419	(306,537)
Community Services	(16,002)	-	-	16,002
Enterprise	(12,689)	-	-	12,689
General Administration	453,198	183	80,065	(372,950)
Plant Services	438,475	(7)	66,132	(372,350)
Other Outgo	26,489	-	-	(26,489)
Interest on Long-Term Obligations	(1,386)	-	-	1,386
Total Governmental Activities	3,711,245	5,048	878,221	(2,827,976)
Total Primary Government	$ 3,711,245	$ 5,048	$ 878,221	(2,827,976)
General Revenues:				
LCFF Sources				2,776,434
State Revenues				154,831
Local Revenues				909,979
Total General Revenues				3,841,244
Change in Net Position				1,013,268
Net Position - Beginning				(552,098)
Net Position - Ending				$ 461,170

The accompanying notes are an integral part of this statement.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Cafeteria Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash in County Treasury	$ 1,833,288	$ 15,045	$ 90,293	$ 1,938,626
Cash in Revolving Fund	1,000	-	-	1,000
Accounts Receivable	385,206	25,827	33,269	444,302
Due from Other Funds	108,987	44,346	255	153,588
Stores Inventories	-	5,134	-	5,134
Total Assets	2,328,481	90,352	123,817	2,542,650
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 302,594	$ 6,167	$ 391	$ 309,152
Due to Other Funds	44,346	75,500	33,742	153,588
Unearned Revenue	53,521	1,054	-	54,575
Total Liabilities	400,461	82,721	34,133	517,315
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	1,000	-	-	1,000
Stores Inventories	-	5,134	-	5,134
Restricted Fund Balances	77,889	-	49,145	127,034
Committed Fund Balances	-	-	40,539	40,539
Assigned Fund Balances	27,889	2,497	-	30,386
Unassigned:				
Reserve for Economic Uncertainty	36,963	-	-	36,963
Other Unassigned	1,784,279	-	-	1,784,279
Total Fund Balance	1,928,020	7,631	89,684	2,025,335
Total Liabilities and Fund Balances	$ 2,328,481	$ 90,352	$ 123,817	$ 2,542,650

The accompanying notes are an integral part of this statement.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

Total Fund Balances - Balance Sheet, Governmental Funds	$ 2,025,335
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	7,281,016
Accumulated depreciation	(6,374,096)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	1,770
Net pension liability	(2,655,153)
Compensated absences payable	(49,195)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	691,447
Deferred inflows of resources related to pensions	(459,954)
Net Assets of Governmental Activities - Statement of Net Assets	$ 461,170

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

	General Fund	Cafeteria Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 2,062,884	$ -	$ -	$ 2,062,884
Education Protection Account Funds	283,166	-	-	283,166
Local Sources	430,384	-	-	430,384
Federal Revenue	287,594	156,904	-	444,498
Other State Revenue	244,838	28,747	184,350	457,935
Other Local Revenue	925,820	2,706	33,556	962,082
Total Revenues	4,234,686	188,357	217,906	4,640,949
Expenditures:				
Current:				
Instruction	1,697,243	-	160,535	1,857,778
Instruction - Related Services	288,119	-	11,826	299,945
Pupil Services	257,387	221,899	403	479,689
General Administration	402,706	-	13,742	416,448
Plant Services	397,982	2,111	11,592	411,685
Other Outgo	26,001	-	-	26,001
Capital Outlay	57,735	-	-	57,735
Debt Service:				
Principal	6,016	-	105,000	111,016
Interest	-	-	2,154	2,154
Total Expenditures	3,133,189	224,010	305,252	3,662,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,101,497	(35,653)	(87,346)	978,498
Other Financing Sources (Uses):				
Transfers In	-	34,258	-	34,258
Transfers Out	(34,258)	-	-	(34,258)
Total Other Financing Sources (Uses)	(34,258)	34,258	-	-
Net Change in Fund Balance	1,067,239	(1,395)	(87,346)	978,498
Fund Balance, July 1	860,781	9,026	177,030	1,046,837
Fund Balance, June 30	$ 1,928,020	$ 7,631	$ 89,684	$ 2,025,335

The accompanying notes are an integral part of this statement.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

Net change in fund balances-total governmental funds	$	978,498
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Expenditures for capital outlay		75,905
Depreciation expense		(41,855)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		111,016
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:		
Change in accrued interest payable and accreted interest		3,540
Compensated absences		83,525
Early Retirement Incentives-STRS		65,821
In the funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs recognized in the current period net of the costs amortized for the period was:		(488)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(6,016)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:		(256,678)
Change in net assets of governmental activities - statement of activities	$	1,013,268

The accompanying notes are an integral part of this statement.

WESTSIDE ELEMENTARY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Fund
	Student Body Fund
ASSETS:	
Cash on Hand and in Banks	$ 662
Total Assets	662
LIABILITIES:	
Due to Student Groups	$ 662
Total Liabilities	662
NET POSITION:	
Total Net Position	$ -

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

The District reports the following major governmental funds:

General Fund. This is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes three Funds maintained by the District: The General Fund (Fund 01), the Pupil Transportation Fund (Fund 15), and the Special Reserve Fund for Other Than Capital Outlay (Fund 17). Although Fund 17 is a separate fund authorized in the Education Code, it does not meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and has therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

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

The District reports the following nonmajor governmental funds:

Child Development Fund. This fund is used to account for resources committed to child development programs maintained by the District.

Special Reserve (Capital Projects) Fund. This fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

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

In addition, the District reports the following fund types:

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

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

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

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

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

3. Encumbrances

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

4. Budgets and Budgetary Accounting

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

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

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

5. Assets, Liabilities, and Equity

a. Deposits and Investments

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

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

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

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

b. Stores Inventories and Prepaid Expenditures

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

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

c. Capital Assets

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

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

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation AC systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tool:	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5

Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds equipment	Mowers, tractors, attachments	15

d. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

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

e. Compensated Absences

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

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

f. Unearned Revenue

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

g. Interfund Activity

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

h. Property Taxes

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

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

6. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63, 65, 74 and 75, as applicable.

7. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 15 (Pupil Transportation Fund) and Fund 17 (Special Reserve Fund for Other Than Capital Outlay) are merged with the General Fund for purposes of presentation in the audit report.

8. Pensions

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

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

Valuation Date (VD) (STRS)	June 30, 2016
Valuation Date (VD) (PERS)	June 30, 2017
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

9. Use of Estimates

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

10. Fair Value Measurements

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

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

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

11. Change in Accounting Policies

The District has adopted accounting policies compliant with a new pronouncement issued by the Government Accounting Standards Board (GASB) that is effective for the fiscal year ended June 30, 2018. This newly implemented pronouncement is as follows:

GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This statement replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," as amended, and Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans" for OPEB.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

The financial statements and note disclosures have been updated for the effects of the adoption of GASB Statement No. 75.

B. Excess of Expenditures Over Appropriations

As of June 30, 2018, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category		Excess Expenditures
Cafeteria Fund:		
Services and other operating expenditures	$	545

Cafeteria fund: The District incurred a slight increase in expenditures.

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool ($1,938,626 as of June 30, 2018). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $1,938,626. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances in the revolving fund, $1,000, June 30, 2018 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments:

The District's investments at June 30, 2018 are shown below.

Investment or Investment Type	Maturity		Fair Value
Cash in County Treasury	Less Than 12 Months	$	1,938,626
Cash in Revolving Fund	Less Than 12 Months		1,000
Total Investments		$	1,939,626

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Percentage in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
County Pooled Investment Funds	N/A	100%	100%
Local Agency Investment Fund (LAIF)	N/A	None	None

4. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

5. Investment Accounting Policy

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

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

D. Accounts Receivable

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

	General Fund	Cafeteria Special Revenue Fund	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ 41,847	$ 25,729	$ -	$ 67,576
State categorical aid programs	15,101	-	31,917	47,018
State lottery	9,036	-	-	9,036
Interest	1,015	98	296	1,409
Other local receivables	318,207	-	1,056	319,263
Total	$ 385,206	$ 25,827	$ 33,269	$ 444,302

E. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 130,759	$ -	$ -	$ 130,759
Work in progress	277,266	-	-	277,266
Total capital assets not being depreciated	408,025	-	-	408,025
Capital assets being depreciated:				
Buildings	3,167,678	-	-	3,167,678
Improvements	2,917,954	-	-	2,917,954
Equipment	711,454	75,905	-	787,359
Total capital assets being depreciated	6,797,086	75,905	-	6,872,991
Less accumulated depreciation for:				
Buildings	(3,034,761)	(5,027)	-	(3,039,788)
Improvements	(2,668,740)	(24,776)	-	(2,693,516)
Equipment	(628,740)	(12,052)	-	(640,792)
Total accumulated depreciation	(6,332,241)	(41,855)	-	(6,374,096)
Total capital assets being depreciated, net	464,845	34,050	-	498,895
Governmental activities capital assets, net	$ 872,870	$ 34,050	$ -	$ 906,920

Depreciation was charged to functions as follows:	
Instruction	$ 4,518
School site administration	18,905
Home-to-school transportation	11,133
Food services	688
Community services	2,458
All other general administration	1,038
Plant services	3,115
Total	$ 41,855

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds during the year ended June 30, 2018, consisted of the following:

Fund	Due From	Due To
General Fund	$ 108,987	$ 44,346
Child Development Fund	-	33,742
Cafeteria Special Revenue Fund	44,346	75,500
Special Reserve Fund for Capital Outlay Projects	255	-
Total	$ 153,588	$ 153,588

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

2. Transfers To and From Funds
Transfers to and from funds at June 30, 2018, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Cafeteria Fund	$ 34,258	To support food service salaries and benefits

G. Accounts Payable

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

	General Fund	Cafeteria Special Revenue Fund	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 157,505	$ 6,167	$ 130	$ 163,802
Salaries and benefits	145,104	(15)	261	145,350
Other	(15)	15	-	-
Total	$ 302,594	$ 6,167	$ 391	$ 309,152

H. Unearned Revenue

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

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

	General Fund	Cafeteria Fund	Total Fund
Title II, Part A, Teacher Quality	$ 4,266	$ -	$ 4,266
Title VI, Part B, Rural & Low Income School Program	27,084	-	27,084
Title III, Limited English Proficient (LEP) Student Program	1,463	-	1,463
Title I, Part A, Basic Grants Low-Income and Neglected	20,708	-	20,708
Fresh Fruit and Vegetable Program	-	1,054	1,054
Total	$ 53,521	$ 1,054	$ 54,575

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	$ 105,000	$ -	$ (105,000)	$ -	-
Notes	65,821	-	(65,821)	-	-
Compensated absences	132,720	-	(83,525)	49,195	-
Net pension liability	2,352,809	302,344	-	2,655,153	-
Total governmental activities	$ 2,656,350	$ 302,344	$ (254,346)	$ 2,704,348	$ -

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

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Notes	Governmental	General
Compensated absences	Governmental	General
Net pension liability	Governmental	General

2. General Obligation Bonds and Accreted Interest on Capital Appreciation Bonds

The outstanding general obligation bond debt of the District at June 30,2018, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
2003	7/16/03	8/1/17	1.50-4.10

Bond	Original Issue	Bonds Outstanding July 1, 2017	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2018
2003	$ 1,175,000	$ 105,000	$ -	$ 105,000	$ -

J. Pension Plans

1. General Information About the Pension Plans

a. Plan Descriptions

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

b. Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2018 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-62	55-67
Monthly benefits, as a % of eligible compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (at June 30, 2018)	10.250%	9.205%
Required Employer Contribution Rates (at June 30, 2018)	14.430%	14.430%
Required State Contribution Rates (at June 30, 2018)	8.167%	8.167%

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

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1- 2.5%	1.0- 2.5%
Required Employee Contribution Rates (at June 30, 2018)	7.000%	6.500%
Required Employer Contribution Rates (at June 30, 2018)	15.531%	15.531%

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

c. Contributions

CalSTRS

For the measurement period ended June 30, 2017 (measurement date), Section 22950 of the California Education code requires members to contribute monthly to the system 9.205% (if hired prior to January 1, 2013) or 10.25% (if hired on or after January 1, 2013) of the creditable compensation upon which members contributions under this part are based. In addition the employer required rates established by the CalSTRS Board have been established at 12.58% of creditable compensation for the measurement period ended June 30, 2017 and 14.43% for the fiscal year ended June 30, 2018. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2017 (measurement date), employees hired prior to January 1, 2013 paid in 7.00%, employees hired on or after January 1, 2013 paid 6.00%, and the employer contribution rate was 13.888% of annual payroll. For the fiscal year ending June 30, 2018, employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 6.50%, and the employer's contribution rate was 15.531%.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the measurement period ended June 30, 2017 (measurement date) the State contributed 8.167% of salaries creditable to CalSTRS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budgeted amounts reported in the General Fund Budgetary Comparison Schedule. Contributions reported each fiscal year are based on the contribution rate multiplied by salaries creditable to CalSTRS from the fiscal year two periods prior to the measurement period.

On Behalf Payments reported by the District for the past three fiscal years are as follows:

Year Ended June 30,	Contribution Rate	Contribution Amount
2016	4.410%	$ 44,172
2017	6.000%	$ 60,224
2018	8.167%	$ 75,115

d. Contributions Recognized

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), the contributions recognized for each plan were:

	CalSTRS	CalPERS	Total
Contributions - Employer (Measurement Period)	$ 126,497	$ 66,965	$ 193,462
Contributions - State On Behalf Payments (Fiscal Year)	75,115	-	75,115
Total Contributions	$ 201,612	$ 66,965	$ 268,577

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	$ 1,758,973
CalPERS	896,180
Total Net Pension Liability	$ 2,655,153

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2017 and June 30, 2018 were as follows:

	CalSTRS			
	District's Proportionate Share	State's Proportionate Share	Total For District Employees	CalPERS
Proportion June 30, 2017	0.0020%	0.0011%	0.0031%	0.0038%
Proportion June 30, 2018	0.0019%	0.0011%	0.0030%	0.0038%
Change in Proportion	-0.0001%	-0.0000%	-0.0001%	-0.0001%

a. Pension Expense

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), pension expense was recognized as follows:

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 167,767	$ 134,577	$ 302,344
State On Behalf Pension Expense	84,422	-	84,422
Employer Contributions to Pension Expense	138,463	79,689	218,152
(Increase)/Decrease in Deferred Outflows of Resources			
Employer Contributions Subsequent to Measurement Date	(138,463)	(79,689)	(218,152)
Difference Between Actual & Expected Experience	(6,071)	(15,973)	(22,044)
Change in Assumptions	(304,138)	(139,628)	(443,766)
Change in Proportionate Shares	2,495	-	2,495
Net Difference Between Projected & Actual Earnings	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources			
Difference Between Actual & Expected Experience	(18)	(1,056)	(1,074)
Change in Assumptions	-	(2,172)	(2,172)
Change in Proportionate Shares	47,111	(386)	46,725
Net Difference Between Projected & Actual Earnings	166,431	178,331	344,762
Total Pension Expense	$ 157,999	$ 153,693	$ 311,692

b. Deferred Outflows and Inflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 138,463	$ 79,689	$ 218,152
Differences between actual and expected experience	6,071	15,973	22,044
Changes in assumptions	304,138	139,628	443,766
Change in employer's proportion share	7,485	-	7,485
Net difference between projected and actual earnings		-	-
Total Deferred Outflows of Resources	$ 456,157	$ 235,290	$ 691,447

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (52)	$ (3,169)	$ (3,221)
Changes in assumptions	-	(6,515)	(6,515)
Change in employer's proportionate share	(47,111)	(58,156)	(105,267)
Net difference between projected and actual earnings	(166,620)	(178,331)	(344,951)
Total Deferred Inflows of Resources	$ (213,783)	$ (246,171)	$ (459,954)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2019. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect
June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2019	$ 218,511	$ 118,589	$ (53,462)	$ (75,211)	$ 208,427
2020	80,048	38,900	(53,462)	(75,211)	(9,725)
2021	80,048	38,900	(53,464)	(75,213)	(9,729)
2022	77,550	38,901	(53,395)	(20,536)	42,520
2023	-	-	-	-	-
Total	$ 456,157	$ 235,290	$ (213,783)	$ (246,171)	$ 231,493

c. Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS		CalPERS	
Valuation Date	June 30, 2016		June 30, 2016	
Measurement Date	June 30, 2017		June 30, 2017	
Actuarial Cost Method	Entry Age Normal		Entry Age Normal	
Actuarial Assumptions:				
Discount Rate	7.10%		7.15%	
Inflation	2.75%		2.75%	
Wage Growth	3.50%		3.00%	
Projected Salary Increase	0.5%-6.4%	(1)	3.10%-9.00%	(1)
Investment Rate of Return	7.10%	(2)	7.15%	(2)
Mortality	0.073%-22.86%	(3)	0.466%-32.536%	(3)

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) RP2000 series tables adjusted to fit CalSTRS/CalPERS specific experience

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS websites.

The CalPERS discount rate was increased from 7.50% for measurement date June 30, 2015 to correct for an adjustment to exclude administrative expenses. The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

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

CalSTRS and CalPERS are scheduled to review all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require board action and proper stakeholder outreach. For these reasons, CalSTRS and CalPERS expect to continue using a discount rate net of administrative expenses for GASB 67 and GASB 68 calculations through at least the 2017-18 fiscal year. CalSTRS and CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

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

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

CalSTRS

Asset Class	Assumed Allocation 06/30/2017	Long Term Expected Return*
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Absolute Return	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year geometric average used for long term expected real rate of return

CalPERS

Asset Class	Assumed Allocation 06/30/2017	Real Return Years 1-10(1)	Real Return Years 11+(2)
Global Equity	47.00%	4.90%	5.38%
Global Debt Securities	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period
(2) An expected inflation of 3.0% used for this period

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

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

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	$ 2,582,733	$ 1,318,566
Current Discount Rate	7.10%	7.15%
Net Pension Liability	$ 1,758,973	$ 896,180
1% Increase	8.10%	8.15%
Net Pension Liability	$ 1,090,439	$ 545,773

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

CalSTRS

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2017 (Previously Reported)	$ 8,209,922	$ 5,725,471	$ 2,484,451	$ 893,245	$ 1,591,206
Changes for the year:					
Change in Proportionate share	(26,383)	6,558	(32,941)	19,904	(52,845)
Service Cost	183,800	-	183,800	68,463	115,337
Interest	613,080	-	613,080	228,363	384,717
Differences between expected and actual experience	12,094	-	12,094	4,505	7,589
Change in assumptions	605,836	-	605,836	225,665	380,171
Contributions:					
Employer	-	126,491	(126,491)	(47,116)	(79,375)
Employee	-	104,294	(104,294)	(38,848)	(65,446)
State On Behalf Payments	-	75,115	(75,115)	(27,979)	(47,136)
Net Investment Income	-	762,757	(762,757)	(284,115)	(478,642)
Other Income	-	2,183	(2,183)	(813)	(1,370)
Benefit Payments, including refunds of employee contributions	(421,386)	(421,386)	-	-	-
Administrative expenses	-	(5,528)	5,528	2,059	3,469
Borrowing Costs	-	(1,757)	1,757	654	1,103
Other Expenses	-	(311)	311	116	195
Net Changes	967,041	648,416	318,625	150,858	167,767
Balance at June 30, 2018	$ 9,176,963	$ 6,373,887	$ 2,803,076	$ 1,044,103	$ 1,758,973

CalPERS

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017 (Previously Reported)	$ 2,920,572	$ 2,158,969	$ 761,603
Changes for the year:			
Adjustment for Change in Proportionate Share	(80,182)	(59,996)	(20,186)
Service Cost	76,278	-	76,278
Interest	214,723		214,723
Differences between expected and		-	19,966
actual experience	19,966		174,535
Changes in Assumptions	174,535		
Contributions - Employer	-	66,961	(66,961)
Contributions - Employee	-	33,690	(33,690)
Net Plan to Plan Resource Movement	-	(5)	5
Net Investment Income	-	233,190	(233,190)
Benefit Payments, including refunds of employee contributions	(139,833)	(139,833)	-
Administrative expenses	-	(3,097)	3,097
Net Changes	265,487	130,910	134,577
Balance at June 30, 2018	$ 3,186,059	$ 2,289,879	$ 896,180

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

K. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

L. Joint Ventures (Joint Powers Agreements)

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

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

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

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

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

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

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

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

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

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

Condensed financial information for the above JPAs for the year ended June 30, 2018 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below:

FCSIG	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
OSS	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
SELF	Schools Excess Liability Fund 1531 I Street, Suite 300 Sacramento, CA 95814

M. Subsequent Events

Implementation of New Accounting Guidance

The District is evaluating accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are not yet effective for the fiscal year ended June 30, 2018. Those newly issued pronouncements are as follows:

GASB 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.

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

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

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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

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

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Required Supplementary Information

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT B-1

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 2,004,976	$ 2,048,677	$ 2,062,884	$ 14,207
Education Protection Account Funds	261,662	283,166	283,166	-
Local Sources	619,513	66,922	430,384	363,462
Federal Revenue	258,495	402,277	287,594	(114,683)
Other State Revenue	167,380	246,336	244,838	(1,498)
Other Local Revenue	743,934	846,835	925,820	78,985
Total Revenues	4,055,960	3,894,213	4,234,686	340,473
Expenditures:				
Current:				
Certificated Salaries	937,746	999,856	895,968	103,888
Classified Salaries	446,485	517,891	511,197	6,694
Employee Benefits	701,601	732,930	670,986	61,944
Books And Supplies	460,024	629,108	385,543	243,565
Services And Other Operating Expenditures	861,974	921,898	593,485	328,413
Other Outgo	25,350	26,002	26,001	1
Direct Support/Indirect Costs	-	(13,742)	(13,742)	-
Capital Outlay	12,750	58,000	57,735	265
Debt Service:				
Principal	5,500	6,016	6,016	-
Total Expenditures	3,451,430	3,877,959	3,133,189	744,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	604,530	16,254	1,101,497	1,085,243
Other Financing Sources (Uses):				
Transfers Out	-	(34,258)	(34,258)	-
Total Other Financing Sources (Uses)	-	(34,258)	(34,258)	-
Net Change in Fund Balance	604,530	(18,004)	1,067,239	1,085,243
Fund Balance, July 1	860,781	860,781	860,781	-
Fund Balance, June 30	$ 1,465,311	$ 842,777	$ 1,928,020	$ 1,085,243

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT B-2

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal Revenue	$ 191,141	$ 203,364	$ 156,904	$ (46,460)
Other State Revenue	15,000	28,747	28,747	-
Other Local Revenue	4,225	2,830	2,706	(124)
Total Revenues	210,366	234,941	188,357	(46,584)
Expenditures:				
Current:				
Classified Salaries	71,179	76,179	75,544	635
Employee Benefits	54,410	55,031	53,101	1,930
Books And Supplies	76,677	88,964	86,944	2,020
Services And Other Operating Expenditures	7,800	7,876	8,421	(545)
Total Expenditures	210,066	228,050	224,010	4,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	6,891	(35,653)	(42,544)
Other Financing Sources (Uses):				
Transfers In	-	34,258	34,258	-
Total Other Financing Sources (Uses)	-	34,258	34,258	-
Net Change in Fund Balance	300	41,149	(1,395)	(42,544)
Fund Balance, July 1	9,026	9,026	9,026	-
Fund Balance, June 30	$ 9,326	$ 50,175	$ 7,631	$ (42,544)

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.002%	0.002%	0.002%	0.002%
District's proportionate share of the net pension liability (asset)	$ 1,758,973	$ 1,591,206	$ 1,355,000	$ 1,251,000
State's proportionate share of the net pension liability (asset) associated with the District	1,044,103	893,245	717,000	755,000
Total	$ 2,803,076	$ 2,484,451	$ 2,072,000	$ 2,006,000
District's covered-employee payroll	$ 959,550	$ 1,013,490	$ 963,000	$ 934,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	183.31%	157.00%	140.71%	133.94%
Plan fiduciary net position as a percentage of the total pension liability	69.46%	69.74%	74.02%	74.00%

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

	2018	2017	2016	2015
Contractually required contribution	$ 138,463	$ 127,497	$ 103,333	$ 82,960
Contributions in relation to the contractually required contribution	138,463	127,497	103,333	82,960
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 959,550	$ 1,013,490	$ 963,000	$ 934,000
Contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT B-5

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

	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.004%	0.004%	0.004%	0.005%
District's proportionate share of the net pension liability (asset)	$ 896,180	$ 761,603	$ 528,000	$ 534,000
District's covered-employee payroll	$ 513,096	$ 482,179	$ 462,000	$ 397,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	174.66%	157.95%	114.29%	134.51%
Plan fiduciary net position as a percentage of the total pension liability	71.87%	73.92%	79.43%	79.40%

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	2018	2017	2016	2015
Contractually required contribution	$ 79,689	$ 66,965	$ 54,718	$ 46,679
Contributions in relation to the contractually required contribution	79,689	66,965	54,718	46,679
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee a roll	$ 513,096	$ 482,179	$ 462,000	$ 397,000
Contributions as a percenta e of covered-employee a roll	15.53%	13.89%	11.84%	11.76%

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

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Combining Statements and Budget Comparisons as Supplementary Information

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT C-1

COMBINING BALANCE SHEET
ALL GENERAL FUNDS
JUNE 30, 2018

	General Fund	Special Reserve General Fund	Totals June 30, 2018
ASSETS:			
Cash in County Treasury	$ 1,796,496	$ 36,792	$ 1,833,288
Cash in Revolving Fund	1,000	-	1,000
Accounts Receivable	385,035	171	385,206
Due from Other Funds	108,987	-	108,987
Total Assets	2,291,518	36,963	2,328,481
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	$ 302,594	$ -	$ 302,594
Due to Other Funds	44,346	-	44,346
Unearned Revenue	53,521	-	53,521
Total Liabilities	400,461	-	400,461
Fund Balance:			
Nonspendable Fund Balances:			
Revolving Cash	1,000	-	1,000
Restricted Fund Balances	77,889	-	77,889
Assigned Fund Balances	27,889	-	27,889
Unassigned:			
Reserve for Economic Uncertainty	-	36,963	36,963
Other Unassigned	1,784,279	-	1,784,279
Total Fund Balance	1,891,057	36,963	1,928,020
Total Liabilities and Fund Balances	$ 2,291,518	$ 36,963	$ 2,328,481

WESTSIDE ELEMENTARY SCHOOL DISTRICT **EXHIBIT C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund	Special Reserve General Fund	Totals June 30, 2018
Revenues:			
LCFF Sources:			
State Apportionment or State Aid	$ 2,062,884	$ -	$ 2,062,884
Education Protection Account Funds	283,166	-	283,166
Local Sources	430,384	-	430,384
Federal Revenue	287,594	-	287,594
Other State Revenue	244,838	-	244,838
Other Local Revenue	925,181	639	925,820
Total Revenues	4,234,047	639	4,234,686
Expenditures:			
Current:			
Instruction	1,697,243	-	1,697,243
Instruction - Related Services	288,119	-	288,119
Pupil Services	257,387	-	257,387
General Administration	402,706	-	402,706
Plant Services	397,982	-	397,982
Other Outgo	26,001	-	26,001
Capital Outlay	57,735	-	57,735
Debt Service:			
Principal	6,016	-	6,016
Total Expenditures	3,133,189	-	3,133,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,100,858	639	1,101,497
Other Financing Sources (Uses):			
Transfers Out	(34,258)	-	(34,258)
Total Other Financing Sources (Uses)	(34,258)	-	(34,258)
Net Change in Fund Balance	1,066,600	639	1,067,239
Fund Balance, July 1	824,457	36,324	860,781
Fund Balance, June 30	$ 1,891,057	$ 36,963	$ 1,928,020

WESTSIDE ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds	Debt Service Fund — Bond Interest & Redemption	Capital Projects Fund — Capital Outlay Projects	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:				
Cash in County Treasury	$ 39,875	$ 36,861	$ 13,557	$ 90,293
Accounts Receivable	31,271	166	1,832	33,269
Due from Other Funds	-	-	255	255
Total Assets	71,146	37,027	15,644	123,817
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 261	$ -	$ 130	$ 391
Due to Other Funds	33,742	-	-	33,742
Total Liabilities	34,003	-	130	34,133
Fund Balance:				
Restricted Fund Balances	12,118	37,027	-	49,145
Committed Fund Balances	25,025	-	15,514	40,539
Total Fund Balance	37,143	37,027	15,514	89,684
Total Liabilities and Fund Balances	$ 71,146	$ 37,027	$ 15,644	$ 123,817

WESTSIDE ELEMENTARY SCHOOL DISTRICT

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

	Special Revenue Funds	Debt Service Fund Bond Interest & Redemption	Capital Projects Fund Capital Outlay Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Other State Revenue	$ 184,340	$ 10	$ -	$ 184,350
Other Local Revenue	4,274	12,336	16,946	33,556
Total Revenues	188,614	12,346	16,946	217,906
Expenditures:				
Current:				
Instruction	160,535	-	-	160,535
Instruction - Related Services	11,826	-	-	11,826
Pupil Services	403	-	-	403
General Administration	13,742	-	-	13,742
Plant Services	-	-	11,592	11,592
Debt Service:				
Principal	-	105,000	-	105,000
Interest	-	2,154	-	2,154
Total Expenditures	186,506	107,154	11,592	305,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,108	(94,808)	5,354	(87,346)
Net Change in Fund Balance	2,108	(94,808)	5,354	(87,346)
Fund Balance, July 1	35,035	131,835	10,160	177,030
Fund Balance, June 30	$ 37,143	$ 37,027	$ 15,514	$ 89,684

WESTSIDE ELEMENTARY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Child Development Fund	Public Transportation Equipment	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
ASSETS:			
Cash in County Treasury	$ 14,966	$ 24,909	$ 39,875
Accounts Receivable	31,155	116	31,271
Total Assets	46,121	25,025	71,146
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	$ 261	$ -	$ 261
Due to Other Funds	33,742	-	33,742
Total Liabilities	34,003	-	34,003
Fund Balance:			
Restricted Fund Balances	12,118	-	12,118
Committed Fund Balances	-	25,025	25,025
Total Fund Balance	12,118	25,025	37,143
Total Liabilities and Fund Balances	$ 46,121	$ 25,025	$ 71,146

WESTSIDE ELEMENTARY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Child Development Fund	Public Transportation Equipment	Total Nonmajor Special Revenue Funds (See Exhibit C-4)
Revenues:			
Other State Revenue	$ 184,340	$ -	$ 184,340
Other Local Revenue	3,840	434	4,274
Total Revenues	188,180	434	188,614
Expenditures:			
Current:			
Instruction	160,535	-	160,535
Instruction - Related Services	11,826	-	11,826
Pupil Services	403	-	403
General Administration	13,742	-	13,742
Total Expenditures	186,506	-	186,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,674	434	2,108
Net Change in Fund Balance	1,674	434	2,108
Fund Balance, July 1	10,444	24,591	35,035
Fund Balance, June 30	$ 12,118	$ 25,025	$ 37,143

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT C-7

CHILD DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other State Revenue	$ 249,566	$ 184,340	$ (65,226)
Other Local Revenue	4,025	3,840	(185)
Total Revenues	253,591	188,180	(65,411)
Expenditures:			
Current:			
Certificated Salaries	81,325	81,078	247
Classified Salaries	23,779	19,963	3,816
Employee Benefits	74,649	61,422	13,227
Books And Supplies	11,589	9,517	2,072
Services And Other Operating Expenditures	46,833	784	46,049
Direct Support/Indirect Costs	13,742	13,742	-
Total Expenditures	251,917	186,506	65,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,674	1,674	-
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	1,674	1,674	-
Fund Balance, July 1	10,444	10,444	-
Fund Balance, June 30	$ 12,118	$ 12,118	$ -

WESTSIDE ELEMENTARY SCHOOL DISTRICT **EXHIBIT C-8**

PUPIL TRANSPORTATION EQUIPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 440	$ 434	$ (6)
Total Revenues	440	434	(6)
Expenditures:			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	440	434	(6)
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	440	434	(6)
Fund Balance, July 1	24,591	24,591	-
Fund Balance, June 30	$ 25,031	$ 25,025	$ (6)

WESTSIDE ELEMENTARY SCHOOL DISTRICT **EXHIBIT C-9**

BOND INTEREST AND REDEMPTION FUND
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other State Revenue	$ 10	$ 10	$ -
Other Local Revenue	12,384	12,336	(48)
Total Revenues	12,394	12,346	(48)
Expenditures:			
Debt Service:			
Principal	107,154	105,000	2,154
Interest	2,154	2,154	-
Total Expenditures	109,308	107,154	2,154
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,914)	(94,808)	2,106
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(96,914)	(94,808)	2,106
Fund Balance, July 1	131,835	131,835	-
Fund Balance, June 30	$ 34,921	$ 37,027	$ 2,106

WESTSIDE ELEMENTARY SCHOOL DISTRICT **EXHIBIT C-10**

SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 20,762	$ 16,946	$ (3,816)
Total Revenues	20,762	16,946	(3,816)
Expenditures:			
Current:			
Books And Supplies	3,145	3,048	97
Services And Other Operating Expenditures	18,126	8,544	9,582
Total Expenditures	21,271	11,592	9,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	(509)	5,354	5,863
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(509)	5,354	5,863
Fund Balance, July 1	10,160	10,160	-
Fund Balance, June 30	$ 9,651	$ 15,514	$ 5,863

WESTSIDE ELEMENTARY SCHOOL DISTRICT

EXHIBIT C-11

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
STUDENT BODY ACTIVITIES				
ASSETS				
Cash and investments	$ 3,298	$ 7,597	$ 10,233	$ 662
Total Assets	$ 3,298	$ 7,597	$ 10,233	$ 662
LIABILITIES				
Due to student groups	$ 3,298	$ 7,597	$ 10,233	$ 662
Total Liabilities	$ 3,298	$ 7,597	$ 10,233	$ 662

The accompanying notes are an integral part of this statement.

Other Supplementary Information

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

Supplementary Information Section

WESTSIDE ELEMENTARY SCHOOL DISTRICT
LOCAL EDUCATION AGENCY
ORGANIZATION STRUCTURE
JUNE 30, 2018

The District was established in 1926, and is comprised of an area of approximately 147 square miles, located in Fresno County. There were no changes in the boundaries of the District during the year ended June 30, 2018. The District is currently operating one elementary school.

Governing Board

Name	Office	Term Expiration
Gloria Pena	President	2019
Ismael Reyes	Clerk	2021
Linda Vasquez	Member	2021

Administration

Baldomero Hernandez
Superintendent/Principal

Guadalupe Oden
Business Manager

WESTSIDE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2018

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	92.77	92.51
Grades 4-6:		
Regular ADA	66.71	66.81
Grades 7 and 8:		
Regular ADA	45.47	46.46
ADA Totals	204.95	205.78

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

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2018

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2017-18 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	57,465	180	N/A	Complied
Kindergarten	36,000	N/A	57,465	180	N/A	Complied
Grade 1	50,400	N/A	55,790	180	N/A	Complied
Grade 2	50,400	N/A	55,790	180	N/A	Complied
Grade 3	50,400	N/A	55,790	180	N/A	Complied
Grade 4	54,000	N/A	60,040	180	N/A	Complied
Grade 5	54,000	N/A	60,040	180	N/A	Complied
Grade 6	54,000	N/A	60,040	180	N/A	Complied
Grade 7	54,000	N/A	60,040	180	N/A	Complied
Grade 8	54,000	N/A	60,040	180	N/A	Complied

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

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

WESTSIDE ELEMENTARY SCHOOL DISTRICT

TABLE D-3

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

General Fund	Budget 2019 (see note 1)	2018	2017	2016
Revenues and other financial sources	$ 3,456,802	$ 4,234,686	$ 3,346,610	$ 3,558,941
Expenditures	3,680,611	3,133,189	3,391,256	2,870,025
Other uses and transfers out	-	34,258	-	90,966
Total outgo	3,680,611	3,167,446	3,391,256	2,960,991
Change in fund balance (deficit)	(223,809)	1,067,239	(44,646)	597,950
Ending fund balance	$ 1,704,211	$ 1,928,020	$ 860,781	$ 905,427
Available reserves (see note 2)	$ 1,496,516	$ 1,821,242	$ 808,701	$ 633,703
Available reserves as a percentage of total outgo (see note 3)	40.7%	57.5%	23.8%	21.4%
Total long-term debt	$ 2,704,348	$ 2,704,348	$ 2,656,350	$ 2,128,605
Average daily attendance at P-2	205	205	211	217

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

The fund balance of the general fund has increased by $1,022,593 (112.9%) over the past two years. The fiscal year 2018-2019 budget projects a decrease of $223,809 (11.6%). For a district of this size, the State recommends available reserves of at least 5% of total general fund expenditures, transfers out and other uses (total outgo).

The District has incurred an operating deficit in one of the past three years, and projects a deficit during the 2018-2019 fiscal year. Total long-term debt has increased by $575,743 over the past two years.

Average daily attendance has decreased by 12 over the past two years. During fiscal year 2018-2019, no change in average daily attendance is anticipated.

NOTES:

1 The budget for 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.

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

There were no audit adjustments for any fund impacting the fund balance for the year ended June 30, 2018.

The following schools are chartered by the District:

Charter Schools	Included In Audit?
Crescent View South, Inc.	No
Crescent View South II, Inc.	No
Inspire Charter School	No

Subrecipients
The District did not provide any awards to subrecipients.

De Minimis Cost Rate
The District did not elect to use the 10% de minimis cost rate.

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

Other Independent Auditor's Reports

Linger, Peterson & Shrum
Certified Public Accountants
575 E. Locust Ave., Suite 308
Fresno, California 93720-2928
(559) 438-8740

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

Board of Trustees
Westside Elementary School District
Five Points, California 93624

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westside Elementary School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Westside Elementary School District's basic financial statements and have issued our report thereon dated December 10, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item(s) 2018-001, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Westside Elementary 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*.

Westside Elementary School District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 10, 2018

Linger, Peterson & Shrum
Certified Public Accountants
575 East Locust Avenue, Suite 308
Fresno, California 93720-2928

Independent Auditor's Report on State Compliance

Board of Trustees
Westside Elementary School District
Five Points, California 93624

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* prescribed in Title 5, *California Code of Regulations,* Section 19810 that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2018.

Management's Responsibility for State Compliance

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations,* Section 19810. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing* Standards issued by the Comptroller General of the United States; and the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* prescribed in Title 5, *California Code of Regulations,* Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

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

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform testing for Independent Study as it was under the material amount for testing.

Opinion on State Compliance

In our opinion, Westside Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2018.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations,* Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 10, 2018

Findings and Recommendations Section

WESTSIDE ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
One or more material weaknesses identified?		Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	X	Yes		
Noncompliance material to financial statements noted?		Yes	X	No

2. Federal Awards

Internal control over major programs:				
One or more material weaknesses identified?		Yes	N/A	No
One or more significant deficiencies identified that are not considered to be material weaknesses?		Yes	N/A	None Reported
Type of auditor's report issued on compliance for major programs:	N/A			
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?		Yes	N/A	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster

The District had less than $750,000 in federal expenditures for the year ended June 30, 2018.

Dollar threshold used to distinguish between type A and type B programs:	N/A			
Auditee qualified as low-risk auditee?		Yes	N/A	No

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting?		Yes	X	No
Type of auditor's report issued on compliance for state programs:	Unmodified			

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards".

2018-001 Internal Control [30000]

Federal Program Information

This finding does not relate to any Federal programs.

Criteria or Specific Requirement

A strong internal control structure is necessary to provide management with reasonable, but not absolute, assurance that financial data are recorded, processed, summarized, and reported consistent with the assertions embodied in the financial statements.

Condition

There is inadequate control over financial transactions of the Student Body Fund because of a general lack of segregation of duties due to a limited number of employees. We believe this to be a significant deficiency.

Questioned Costs

There were no questioned costs related to this finding.

Perspective

This weakness applies to the entire internal control structure over the student body funds.

Effect

If financial data were recorded, processed, summarized, or reported in a manner which was not consistent with the assertions embodied in the financial statements, management may not be able to detect such errors within a reasonable period of time.

Cause

There are not enough District employees involved in these funds to adequately separate the duties. This finding is a repeat finding for this District, and has been reported previously for June 30, 2017. (Finding 2017-001)

Recommendation

While we realize that budgetary considerations may preclude the hiring of additional employees, we still must advise the Administration of this situation and recommend that duties be segregated as much as possible in order to enhance internal controls.

Views of Responsible Officials and Planned Corrective Actions

The Administration has segregated duties as much as possible with existing personnel, and believes that it is impractical and not cost effective to increase the number of employees. Management is aware of the potential risk of not having the proper segregation of duties, and has incorporated controls to reduce the risk.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no Federal award findings and questioned costs.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

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

There were no State award findings and questioned costs.

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
2017-001 Internal Control [30000] There were insufficient numbers of employees to adequately separate duties in the Student Body Fund. Such separation of duties would enhance internal control. We recommend that duties be segregated as much as possible in order to enhance internal controls.	Not Implemented	See current-year Finding 2018-001
2017-002 School Accountability Report Card [72000] District management did not accurately prepare the SARC to contain the latest information from their Facility Inspection Report (FIT). We recommend that the management assign a qualified individual to the task of gathering all of the appropriate information and ensuring that the correct information is reflected in the SARC.	Implemented	
2017-003 Transportation Maintenance of Effort [40000] For the 2012-13 fiscal year, the District received State revenue for transportation in the amount of $230,805, and the total expenditures were $277,160. For the 2016-17 fiscal year, the District had transportation expenditures totaling $185,196. Therefore, the District spent less on transportation in the 2016-17 fiscal year than they spent in the 2012-13 year. The District management should consult with the County Office of Education to determine what action needs to be done to comply with the Transportation Maintenance of Effort requirements.	Implemented	

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APPENDIX B

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and 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 by the District. See "SECURITY FOR THE BONDS" in the front half of the Official Statement.*

General Information

The District is located in Five Points, California, an unincorporated community in the County, approximately forty miles southwest of the City of Fresno. The District has one school that serves students in grades pre-kindergarten through eight. Enrollment for the 2018-19 school year is 187 students. The District authorized two charter schools that operate in its boundaries.

Administration

Governing Board. The District is governed by a three-member Governing Board that governs all activities related to public K-8 education. Two positions are vacant and have been for extended periods. The District is in the process of seeking a waiver from the State Department of Education to permit it to operate with a three-member board permanently. Current members of the Governing Board, together with their office and the date their term expires, are listed below.

Name	Office	Term Expires
Linda Vazquez	President	November 2021
Ismael Reyes	Clerk	November 2021
Gloria Pena	Member	November 2019

Superintendent and Administrative Personnel. The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Currently, Baldomero Hernandez is the District's Superintendent. Mr. Hernandez also serves as the School Principal.

Recent Enrollment Trends

The following table shows recent enrollment history for the District.

ANNUAL ENROLLMENT
Fiscal Years 2014-15 through 2018-19
Westside Elementary School District

School Year	Enrollment
2014-15	231
2015-16	221
2016-17	219
2017-18	218
2018-19	187

Source: Westside Elementary School District

Employee Relations

The District has 12 full time equivalent (**"FTE"**) certificated employees, 17 FTE classified employees and 5.0 management/Supervisor/Confidential FTE employees. Certificated and classified employees are represented by employee bargaining units as follows:

Name of Bargaining Unit	Current Contract Expiration Date*
Westside Teachers Association	June 2018
California School Employees Association	June 2018

* Employees continue to work under expired contracts while negotiations are underway.
Source: Westside Elementary School District.

Insurance - Joint Powers Agreements

The District participates in three joint powers ("**JPAs**") entities, the Fresno County Self-Insurance Group, Organization of Self-Insured Schools, and Schools Excess Liability Fund. The relationship between the District and the JPAs is such that the JPAs are not considered component units of the District for financial reporting purposes.

The JPAs arrange for and provide workers' compensation, property and liability insurance for its members. The JPAs are each governed by a board consisting of a representative from each member entity. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member entitles beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

DISTRICT FINANCIAL INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal 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.

Education Funding Generally

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

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid 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 replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

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

The LCFF was implemented for fiscal year 2013-14 and 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. Full implementation occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

Funding levels used in the LCFF "Target Entitlement" calculations for fiscal year 2018-19 are set forth in the following table.

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

Grade Span	2017-18 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 Budget for fiscal year 2013-14 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 "APPENDIX A – Audited Financial Statements of the District for Fiscal Year Ending June 30, 2018 – Note 1 - Significant Accounting Policies" herein.

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 Linger, Peterson & Shrum, Certified Public Accountants, Fresno, California and are attached hereto as Appendix A. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Associate Superintendent, Administrative Services of the District, Westside Elementary School District, 19191 W. Excelsior Avenue, Five Points, California 93624, telephone (559) 884-2492.

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. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. This District may impose a charge for copying, mailing and handling.

General Fund Revenues, Expenditures and Changes in Fund Balance. The District's General Fund is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The following table shows the audited income and expense statements for the District's General Fund for the fiscal years 2013-14 through 2017-18.

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REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2013-14 through 2017-18 (Audited)
Westside Elementary School District

	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18
SOURCES					
LCFF Sources	$1,881,019	$2,067,538	$2,388,264	$2,415,544	$2,776,434
Federal revenues	302,605	229,006	188,157	198,705	287,594
Other state revenues	192,365	118,538	441,854	157,044	244,838
State on-behalf payments	48,022	--	--	--	--
Other local revenues	390,582	367,371	540,569	575,317	925,820
Total Sources	2,814,593	2,782,453	3,558,844	3,346,610	4,234,686
EXPENDITURES					
Instruction	1,381,657	1,484,316	1,539,659	1,597,422	1,697,243
Instruction-Related Services	--	--	--	271,683	288,119
Supervision of instruction	40,607	128,952	141,819	--	--
Instructional library, media, tech	--	57,763	3,095	--	--
School site administration	146,074	34,572	63,855	--	--
Pupil services: Home-to-school transport.	317,498	150,807	210,787	--	--
Food services	--	13,601	1,665	--	--
All other pupil services	13,737	--	10,761	271,683	257,387
General administration: Data Processing.	--	6,818	7,668	--	--
All other general administration	254,415	346,899	343,113	424,929	402,706
Plant services	450,845	325,401	491,489	404,458	397,982
Facility acquisition and construction	--	--	36,914	--	--
Ancillary services	62,725	1,273	--	--	--
Community services	20,498	--	--	--	--
Other outgo	66,471	60,723	19,200	11,554	26,001
Capital Outlay	--	--	--	366,454	57,735
Debt service					
Principal	--	--	--	75,000	6,016
Interest	--	3,208	--	2,075	--
Total Expenditures	2,757,806	2,614,333	2,870,025	3,391,256	3,133,189
Excess of (Deficiency) Revenues Over (Under) Expenditures	56,787	168,120	688,819	(44,646)	1,101,497
OTHER FINANCING SOURCES					
Operating transfers in	20,000	83	97	--	--
Operating transfers out	(21,046)	(25,706)	(90,966)	--	(34,258)
Other Sources (Uses)	--	--	--	--	--
Total Other Financing Sources (Uses)	(1,046)	(25,623)	(90,869)	--	(34,258)
NET change in fund balance	55,741	142,497	597,950	(44,646)	1,067,239
Fund Balance, July 1	109,239	164,980	307,477	905,427	860,781
Fund Balance, June 30	$164,980	$307,477	$905,427	$860,781	$1,928,020

Source: Westside Elementary School District - Audited Financial Statements.

District Budget and Interim Financial Reporting

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

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

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

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

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

Interim Certifications Regarding Ability to Meet Financial Obligations. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues the following types of certifications:

- ***Positive certification*** - the school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

- ***Negative certification*** - the school district will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year.

- ***Qualified certification*** - the school district may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.

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

District's Budget Approval/Disapproval and Certification History. During the past five years, each of the District's adopted budgets has been approved by the County Superintendent and the District has certified each of its interim reports as positive.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at 19191 W. Excelsior Avenue, Five Points, California 93624, telephone (559) 884-2492. The District may impose charges for copying, mailing and handling.

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District's Fiscal Year 2018-19 Budgeted General Fund Figures. The following table shows a comparison of the Adopted Budget figures for fiscal year 2018-19, and the First Interim Projections for fiscal year 2018-19.

WESTSIDE ELEMENTARY SCHOOL DISTRICT
General Fund - Revenues, Expenses and Changes in Fund Balance(1)
Fiscal Year 2018-19 Adopted Budget
and Fiscal Year 2018-19 First Interim Projections

Revenues	**Adopted Budget 2018-19**	**First Interim Projections Fiscal Year 2018-19**
LCFF Sources	$2,473,614	$2,505,497
Federal Revenues	385,184	389,202
Other State Revenues	189,095	196,999
Other Local Revenues	408,634	414,483
Total Revenues	3,456,527	3,508,181
Expenditures		
Certificated Salaries	1,019,984	992,366
Classified Salaries	531,973	577,795
Employee Benefits	855,288	848,218
Books and Supplies	362,195	404,413
Services and Other Operating Expenditures	870,386	925,946
Capital Outlay	12,750	199,980
Other Outgo (Excluding Indirect Costs)	28,035	20,700
Other Outgo – Transfers of Indirect Costs	--	--
Total Expenditures	3,680,611	3,969,418
Excess of Revenues Over/(Under) Expenditures	(224,084)	(463,237)
Other Financing Sources (Uses)		
Operating Transfers In	--	--
Operating Transfers Out	--	150,000
Other Sources	--	--
Total Other Financing Sources (Uses)	--	(150,000)
Net Change In Fund Balance	(224,084)	(613,237)
Fund Balance, July 1	1,891,057	1,891,057
Fund Balance, June 30	$1,666,972	$1,277,819

(1) Columns may not add to totals due to rounding.
(2) Projected year totals.
Source: Westside Elementary School District.

District Reserves. In general, the State requires that California school districts of the size of the District maintain the equivalent of 5% of annual general fund expenditures in reserve to be available during financial crisis. The District has historically had a reserve in excess of the 5%.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget ("**SB 858**"), the California 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.

Effective January 1, 2018, Senate Bill 751, which was signed by the Governor on October 11, 2017, amends Section 42127.01 of the Education Code to raise the reserve cap to no more than 10% of a school district's combined assigned or unassigned ending general fund balance. In addition, the amendment provides that the reserve cap will be effective only if there is a minimum balance of 3% in the Proposition 98 reserve referenced in the preceding paragraph. Basic aid school districts and small districts with 2,500 or fewer ADA are exempted from the reserve cap contained in Education Code Section 42127.01.

The District cannot predict if or when the reserve cap enacted by SB 751 will be triggered, or when or how any additional changes to legal provisions governing the reserve cap would impact its reserves and future spending.

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Attendance - Revenue Limit and LCFF Funding

Background. As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental and concentration funding based on Targeted Student enrollment (unduplicated count) and funding based on an economic recovery target.

Total Funding Trends Under LCFF. The following table sets forth historical total LCFF funding for the District for fiscal year 2013-14 through 2018-19 (Budgeted), together with ADA.

ADA AND LCFF FUNDING
Fiscal Years 2013-14 through 2018-19 (Projected)
Westside Elementary School District

Fiscal Year	ADA(1)	LCFF "Phase-In" Entitlement Per ADA(2)
2013-14	226	$1,881,019
2014-15	228	2,067,538
2015-16	217	2,388,264
2016-17	211	2,415,544
2017-18	205	2,776,434
2018-19(1)	181	2,505,497

(1) Projected.
Source: The District.

Unduplicated Count. The District has a Target Student unduplicated count of approximately 95 percent in fiscal year 2018-19. Because this percentage is over 55 percent, the District qualifies for both supplemental funding and concentration funding based on this percentage 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 was entitled to. Furthermore, if a school district's share of local property tax revenues exceeded the revenue limit, the school district was deemed a "Basic Aid" district, and entitled to keep the full share of local property taxes, even if they exceeded the revenue limit which would have been provided through State funding.

For school districts which were "Basic Aid" 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 Basic Aid 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 Basic Aid status as the result of the implementation of the LCFF. Accountability measures contained in the LCFF must be implemented by all districts, including Basic Aid districts.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds, 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 substantial 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. Lottery revenues generally comprise approximately 2% of general fund revenues. 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 "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS - State Funding of Education."

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

District Retirement Systems

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

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

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
Westside Elementary School District
Fiscal Years 2013-14 through 2018-19 (Projected)

Fiscal Year	Amount*
2013-14	$78,670
2014-15	82,960
2015-16	103,333
2016-17	165,211
2017-18	210,612
2018-19(1)	234,541

*Increases in fiscal years 2017-18 and following attributed to increase in contribution rates and modified accounting reporting requirements, which include reporting the District's proportionate share of the plan's net pension liability and recognizing on-behalf STRS contributions in governmental funds.
(1) First Interim Projections.
Source: Westside Elementary 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 2019-20 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.
(2) The employer contribution rate is projected to decrease in fiscal years 2021-22 and 2022-23. Projections may change based on actual experience.
Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-2022 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "**STRS Board**"), is required to increase or decrease the employer contribution rate to reflect the contribution required to eliminate the remaining unfunded actuarial obligation with respect to service credited to members of the STRS plan before July 1, 2014 (the "**2014 Liability**") by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which employees' contributions to the STRS plan are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, A.B. 1469 also requires the STRS Board to report to the State legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS plan and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for employers and the State in order to eliminate the 2014 Liability.

On February 14, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation as of June 30, 2016. The revised actuarial assumptions include (i) decreasing the investment rate of return to 7.25% and then to 7.00%, for the June 30, 2016 and June 30, 2017 actuarial valuations, respectively, (ii) decreasing projected wage growth to 3.50% (from 3.75%), and (iii) decreasing the inflation factor to 2.75% (from 3.00%).

The State also contributes to STRS, currently in an amount equal to 6.828% of teacher payroll in Fiscal Year 2017-2018. Based upon the recommendation from its actuary, for fiscal year 2017-2018 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the **"SBPA"**), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

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
Westside Elementary School District
Fiscal Years 2013-14 through 2018-19 (Projected)

Fiscal Year	Amount
2013-14	$56,537
2014-15	46,679
2015-16	54,718
2016-17	55,150
2017-18	66,965
2018-19[1]	93,088

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

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

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

Source: PERS.

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

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

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

Fiscal Year	Employer Contribution Rate(2)
2019-20	20.800%
2020-21	23.500
2021-22	24.600
2022-23	25.300

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

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. 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) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of 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 14 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 Underwriter for accuracy or completeness.*

No Other Post-Employment Retirement Benefits

The District currently does not provide other post-employment benefits (**"OPEB"**) generally to employees and as such has no current liability with respect to OPEB.

Existing Debt Obligations

Other than liability relating to its pensions, the District has no long-term debt or other obligations currently outstanding prior to the issuance of the Bonds described herein.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the Fresno 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. For further information concerning County investments, access the County's website at www.co.fresno.ca.us and access the link to the Department of the Treasurer-Tax Collector, and the links to "Investment Policy" and "Quarterly Investment Reports". The information contained in such website has not been reviewed by the District or the Underwriter and is not incorporated in this Official Statement by reference. The most recent Investment Policy adopted by the Board of Supervisors of the County is attached hereto as Appendix G.

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 "—State Funding of Education – Revenue Limits" 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" below.

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 Underwriter or the County 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 Finance" and sub-heading "-Public Finance Division", (1) 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, and (2) also posts various financial documents for the State under the "-Financial Information" link.

- 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 headings "The Budget" and "State Budget Condition."

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, 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 30 at the November 2, 2012 statewide election and 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 $2 billion in Proposition 98 funding for the LCFF, reflecting a 3.46% cost-of-living adjustment, and bringing 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 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.

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

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

Availability of State Budgets. The complete 2018-19 State Budget and 2019-20 Proposed Budget are available from the California Department of Finance website at www.ebudget.ca.gov. Impartial analyses of these documents are published by the Legislative Analyst Office, and can be accessed at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of internet addresses referenced herein 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 County 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. 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 County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article 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 State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

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

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

Proposition 30 and Proposition 55

Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily 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 will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers and over, $340,000 but less than $408,000 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers and over $408,000 but less than $680,000 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

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 school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than

$200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a 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. Proposition 55 did not extend the sales and use tax increase that was approved as part of Proposition 30. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

Proposition 1A and Proposition 22

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

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the 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.

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, 1A, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX C

GENERAL INFORMATION ABOUT THE COUNTY OF FRESNO

The following information concerning the County of Fresno (the "County") is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt (or a pledge of the full faith and credit) of the County, the State or any of its political subdivisions, other than the District, and neither the County, the State nor any of its political subdivisions, other than the District, is liable therefor.

General

The County is California's fifth-largest county as measured by area, covering approximately 6,000 square miles. It is located in the geographic center of the State and regularly ranks in the top three counties in agricultural production based on gross receipts of counties nation-wide.

Within the County, there are roughly four different agricultural areas. East and south of the City of Fresno, grapes and other fruit and nut crops are grown, harvested and processed for shipment; west of the City of Fresno is a melon-producing area, which lies within the Mendota Unified School District. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, extensive cattle and sheep ranches.

The County is the trade, financial and commercial center for many surrounding counties in the central part of the State known as the "Central Valley" and is a hub of transportation facilities connecting the Central Valley to other states. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Routes 180 and 145 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

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Population

The most recent estimate of the County's population at January 1, 2018 was 1,007,229 persons according to the State Department of Finance. The City, with an estimated 2018 population of 538,330 persons, is the largest city in the County. The table below shows population estimates for the cities in the County for the last five years.

FRESNO COUNTY
Population Estimates
Calendar Years 2014 through 2018

	2014	2015	2016	2017	2018
Clovis	102,442	105,220	107,958	110,532	113,883
Coalinga	16,383	16,484	16,654	16,987	16,791
Firebaugh	7,951	8,101	8,095	8,047	8,112
Fowler	5,777	5,841	5,918	6,092	6,241
Fresno	**519,157**	**524,938**	**529,552**	**533,670**	**538,330**
Huron	6,867	6,895	7,009	7,274	7,302
Kerman	14,354	14,423	14,507	14,743	15,083
Kingsburg	11,809	11,959	12,025	12,215	12,392
Mendota	11,409	11,418	11,560	11,704	12,051
Orange Cove	9,196	9,117	9,141	9,279	9,469
Parlier	14,755	14,815	15,112	15,283	15,493
Reedley	25,286	25,875	25,935	26,023	26,390
Sanger	24,912	25,286	25,878	26,249	26,648
San Joaquin	4,056	4,068	4,076	4,095	4,119
Selma	166,301	166,576	166,829	168,455	170,183
Balance of County	166,576	166,829	168,455	170,183	166,576
Fresno County Total	964,611	975,043	984,537	995,233	1,007,229

Source: State Department of Finance, Demographic Research.

Employment and Industry

The District is located in the Fresno Metropolitan Statistical Area ("**MSA**"), which includes the entire County. The unemployment rate in the Fresno County was 7.5 percent in December 2018, up from a revised 6.9 percent in November 2018, and below the year-ago estimate of 8.1 percent. This compares with an unadjusted unemployment rate of 4.1 percent for California and 3.7 percent for the nation during the same period.

The following tables show civilian labor force and wage and salary employment data for the County, for the years 2013 through 2017.

COUNTY OF FRESNO
Fresno MSA
Civilian Labor Force(1), Employment and Unemployment, Unemployment by Industry
(Annual Averages)
(March 2017 benchmark)

	2013	2014	2015	2016	2017
Civilian Labor Force	437,900	439,300	441,400	446,100	449,900
Civilian Employment	379,900	388,400	396,400	403,700	411,700
Civilian Unemployment	58,100	50,900	45,000	42,400	38,200
Civilian Unemployment Rate	13.3%	11.6%	10.2%	9.5%	8.5%
Wage and Salary Employment: (2)					
Agriculture	49,200	48,800	47,300	46,900	46,500
Mining and Logging	300	300	300	300	300
Construction	13,100	13,900	15,000	16,000	17,300
Manufacturing	23,100	23,900	25,300	25,200	25,700
Wholesale Trade	13,600	13,700	13,800	14,300	14,400
Retail Trade	35,100	36,300	37,400	38,500	38,700
Information	3,800	3,900	3,900	3,800	3,600
Financial and Insurance	8,700	8,400	8,500	8,700	8,800
Professional and Business Services	28,900	31,000	31,500	31,900	32,000
Educational and Health Services	55,400	57,000	60,400	64,300	67,800
Leisure and Hospitality	29,000	30,600	31,400	32,800	34,000
Other Services	10,900	11,200	11,500	11,700	11,700
Federal Government	9,900	9,800	9,600	9,800	9,800
State Government	10,600	11,400	11,900	12,100	12,400
Local Government	43,600	45,100	47,200	49,000	50,300
Total All Industries (3)	351,500	361,500	371,700	382,800	391,000

(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.

Major Employers

The following table lists the major employers within the County as of March 2019, in alphabetical order without regard to the number of employees.

COUNTY OF FRESNO
Major Employers (Listed Alphabetically)
As of March 2019

Employer Name	Location	Industry
Aetna	Fresno	Insurance
California Teaching Fellows	Fresno	Employment Service-Govt Co Fraternal
Cargill	Fresno	Meat Packers (mfrs)
Community Medical Ctr	Fresno	Medical Centers
Community Regional Medical Ctr	Fresno	Hospitals
Foster Farms	Fresno	Poultry Farms
Fresno County Sheriff's Dept	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Fresno State	Fresno	Schools-Universities & Colleges Academic
Harris Ranch Beef Co	Selma	Meat Packers (mfrs)
Kaiser Permanente Fresno Med	Fresno	Hospitals
Lion Dehydrators	Selma	Dehydrating Service (mfrs)
Pelco-Schneider Electric	Fresno	Security Control Equip & Systems-Mfrs
Phebe Conley Art Gallery	Fresno	Art Galleries & Dealers
Pitman Family Farms	Sanger	Farms
Pleasant Valley State Prison	Coalinga	Government Offices-State
Shehadey Pavilion At St Agnes	Fresno	Diagnostic Imaging Centers
St Agnes Medical Ctr	Fresno	Information & Referral Svcs-Hlth Prgrms
St Agnes Medical Ctr	Fresno	Hospitals
Stamoules Produce Co	Mendota	Fruits & Vegetables & Produce-Retail
State Center Community College	Fresno	Junior-Community College-Tech Institutes
Sun Maid Growers	Kingsburg	Maid & Butler Service
Taylor Communications	Fresno	Commercial Printing NEC (mfrs)
US Veterans Medical Ctr	Fresno	Hospitals
Zacky Farms	Fresno	Poultry & Eggs NEC

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 1st Edition.

Effective Buying Income

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

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

FRESNO COUNTY, THE STATE OF CALIFORNIA
AND THE UNITED STATES
Median Household Effective Buying Income
2015 through 2019

	2015	2016	2017	2018	2019
County of Fresno	$38,000	$40,819	$41,237	$44,641	$46,028
State	50,072	53,589	55,681	59,646	62,637
United States	45,448	46,738	48,043	50,735	52,841

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

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Commercial Activity

Total taxable sales reported during the first three quarters of calendar year 2017 in the County were reported to be $10,913,929,238, a 3.32% increase over the total taxable sales of $10,562,829,280 reported during first three quarters of calendar year 2016. A summary of historic taxable sales within the County is shown in the following table. Taxable sales figures are not yet available for calendar year 2017.

COUNTY OF FRESNO
Taxable Transactions – 2012 through 2016
(dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2012	12,670	$8,164,919	19,164	$12,020,630
2013	12,047	8,597,480	18,112	12,618,111
2014	12,268	8,998,182	18,304	13,328,511
2015(1)	7,298	9,247,616	20,242	14,080,800
2016	13,128	9,567,618	20,530	14,073,246

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2013 through 2017.

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

	2013	2014	2015	2016	2017
Permit Valuation					
New Single-family	$622,066.8	$388,564.8	$580,986.1	$689,016.6	$512,951.0
New Multi-family	66,027.4	43,654.0	34,183.5	52,363.2	131,175.3
Res. Alterations/Additions	30,063.8	35,354.2	31,800.5	30,648.8	29,478.7
Total Residential	718,158.0	467,573.0	646,970.1	772,028.6	673,605.0
New Commercial	$129,117.6	$98,770.4	$210,280.3	$184,408.2	$201,676.5
New Industrial	20,967.0	21,368.5	8,359.4	14,895.8	14,087.9
New Other	49,089.1	49,382.5	121,042.6	147,642.2	68,383.0
Com. Alterations/Additions	77,977.8	70,566.8	88,609.5	80,745.4	69,202.2
Total Nonresidential	277,151.5	240,088.2	428,291.8	427,691.6	353,349.6
New Dwelling Units					
Single Family	2,310	1,140	2,153	2,559	1,886
Multiple Family	773	539	343	339	1,135
TOTAL	3,083	1,949	2,496	2,898	3,021

Source: Construction Industry Research Board, Building Permit Summary

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

April 2, 2019

Governing Board
Westside Elementary School District
19191 W. Excelsior Avenue
Five Points, California 93624

OPINION: $1,750,000 Westside Elementary School District (Fresno County, California) General Obligation Bonds, Election of 2018, Series A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to the Westside Elementary School District (the "District") in connection with the issuance by the District of its Westside Elementary School District (Fresno County, California) General Obligation Bonds, Election of 2018, Series A (Bank Qualified) in the aggregate principal amount of $1,750,000 (the "Bonds"). The Bonds have been authorized to 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, and Resolution No. 2019-18 adopted by the Governing Board of the District (the "Board") on February 26, 2019 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a school district with the power to cause the Board to issue the Bonds on its behalf and to perform its obligations under the Bond Resolution and the Bonds.

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

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Fresno is obligated to levy *ad valorem*

taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In addition, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions’ interest expense allocable to the portion of the Bonds designated as and comprising interest.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes, and in order for the Bonds to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds not to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code.

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

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

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

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

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$1,750,000
WESTSIDE ELEMENTARY SCHOOL DISTRICT
(Fresno County, California)
General Obligation Bonds
Election of 2018, Series A
(Bank Qualified)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Westside Elementary School District (the "**District**") in connection with the issuance and delivery of the captioned bonds (the "**Bonds**"). The captioned Bonds are being issued pursuant to a resolution adopted by the Governing Board of the District on February 26, 2019 (the "**Resolution**"). Wilmington Trust, National Association is initially acting as paying agent for the Bonds (the "**Paying Agent**"). The District hereby covenants and agrees as follows:

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

Section 2. Definitions. In addition to the definitions set forth above and in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently March 31).

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

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

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

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means Wilmington Trust, National Association, Costa Mesa, California, or any successor thereto.

"*Participating Underwriter*" means O'Connor & Company Securities, Inc., the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2020 with the report for the 2018-19 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

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

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. The District's Annual Report shall contain or incorporate by reference the following:

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

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year, or if available at the time of filing the Annual Report, for the fiscal year in which the Annual Report is filed, as follows:

(i) total assessed valuation of taxable properties in the District;

(ii) total secured assessed valuation of taxable properties of the top twenty taxpayers in the District;

(iii) property tax collection delinquencies for the District, but only if *ad valorem* taxes for general obligation bonds are not collected on the County's Teeter Plan and such information is available from the County at the time of filing the Annual Report; and

(iv) the District's most recently adopted budget available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. <u>Reporting of Significant Events</u>.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

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

(e) For purposes of Section 5(a)(15) and (a)(16), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

Date: April 2, 2019

WESTSIDE ELEMENTARY SCHOOL DISTRICT

By: ____________________________________

Name_________

Title__________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Westside Elementary School District (the "District")
Name of Bond Issue:	Westside Elementary School District General Obligation Bonds, Election of 2018, Series A (Bank Qualified)
Date of Issuance:	April 2, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated as of April 2, 2019. The District anticipates that the Annual Report will be filed by _____________.

Dated:__________________

DISSEMINATION AGENT:

By: ___________________________
Its: ___________________________

cc: Paying Agent and Participating Underwriter

APPENDIX F

DTC AND THE BOOK-ENTRY 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 certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is

a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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APPENDIX G

FRESNO COUNTY INVESTMENT POOL

INVESTMENT POLICY AND INVESTMENT REPORT

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Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

County of Fresno Treasury Investment Pool

INVESTMENT POLICY

Established: 1984

Current Revision: December 4, 2018

(559) 600-3496
Room 105
Hall of Records
2281 Tulare Street
Fresno, California 93721

COUNTY OF FRESNO
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR
TREASURY INVESTMENT POOL

INVESTMENT POLICY

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COUNTY OF FRESNO
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR
TREASURY INVESTMENT POOL

INVESTMENT POLICY

1.0 Purpose

The Auditor-Controller/Treasurer-Tax Collector's policy is to invest public funds in a manner that will provide a market average rate of return consistent with the objectives included in this Investment Policy while meeting the daily cash flow demands of the County Treasury, and conform to all applicable state laws governing the investment of public funds.

Investments differing from this policy shall be made only in circumstances where market timing or economic trends indicate such investments are beneficial. Such investments must comply with all applicable laws and may only be made with written approval by the Auditor-Controller/Treasurer-Tax Collector.

2.0 Scope

This Investment Policy applies to all financial assets deposited and retained in the County of Fresno Treasury Investment Pool.

3.0 Objective

The primary objectives, in priority order, of the County of Fresno's investment activities shall be the following:

3.1 Legality. Investments shall only be made in securities legally permissible by the California Government Code(GC), Sections 53635, 53635.2 et. al. In recognition of a rapidly changing and expanding marketplace, new concepts or securities shall be reviewed for compliance and possible consideration. Legality issues shall be resolved with County Counsel.

3.2 Safety. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Investments should be made in securities of high quality to avoid credit risk and loss of principal.

3.3 Liquidity. The investment portfolio should remain sufficiently liquid to enable the Treasury Investment Pool to meet all operating requirements which might be reasonably anticipated or respond to opportunities for investments arising from changing market conditions.

3.4 Return on Investment. The investment portfolio shall be designed with the objective of attaining the highest interest revenue, taking into consideration the objectives of this Investment Policy and the cash flow characteristics of the portfolio.

3.5 Local Community Reinvestment. When it is in the best interest of the investment portfolio, and within the confines of other objectives enumerated in this Investment Policy, the Auditor-Controller/Treasurer-Tax Collector may give preference to local investment opportunities.

4.0 Delegation of Authority

The authority of the Board of Supervisors to delegate management responsibility for the County of Fresno Treasury Investment Pool is derived from GC 53607. Investment authority, in accordance with this provision, has been delegated to the Auditor-Controller/Treasurer-Tax Collector. The original delegation is in the Ordinance Code of the County of Fresno, Section 2.20.080 and is subject to annual renewal by the Board of Supervisors. The Auditor-Controller/Treasurer-Tax Collector shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions (GC 53607).

No person may engage in an investment transaction for the Treasury Investment Pool except as provided under the terms of this policy and the procedures established by the Auditor-Controller/Treasurer-Tax Collector. The Auditor-Controller/Treasurer-Tax Collector shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff.

The County of Fresno Treasury Oversight Committee shall annually review and monitor the Investment Policy. The County of Fresno Treasury Oversight Committee shall also cause an annual audit to determine the Auditor-Controller/ Treasurer-Tax Collector's compliance with the Investment Policy. The cost of the audit shall be considered an administrative cost of investing. Audit Reports are available to participants of the Treasury Investment Pool upon request (GC 27133, 27134 and 27135).

5.0 **Ethics and Conflict of Interest**

The Auditor-Controller/Treasurer-Tax Collector, the County of Fresno Treasury Oversight Committee and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County of Fresno Treasury Oversight Committee shall require the completion of an annual Statement of Economic Interests by each member to be filed with the member's respective agency. This policy sets a $470 per current filing limit on the amount of honoraria, gifts and gratuities that a committee member may receive from a single source in a calendar year.

6.0 **Prudence**

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, and not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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

7.0 **Borrowing for Purposes of Making Investments**

The Fresno County Auditor-Controller/Treasurer-Tax Collector is prohibited from the practice of borrowing for the sole purpose of making investments.

8.0 **Authorized Investments and Limits**

The following securities are authorized investments for the County of Fresno Treasury Investment Pool. Securities shall be valued at amortized cost when determining their percentage to the money in the County of Fresno Treasury Investment Pool. Additions or deviations from this list, in addition to being permissible under the Government Code, require approval by the Auditor-

Controller/ Treasurer-Tax Collector. Investments not expressly authorized by law are prohibited.
The Auditor-Controller/Treasurer-Tax Collector interprets the authorized investment limits to be based upon the portfolio allocation at the time a security is purchased. The portfolio allocation may temporarily fall outside of these limits due to maturities and fluctuations in the size of the pool after the purchase of a security. Additionally, the applicable credit ratings are interpreted to be based upon the rating at the time the security is purchased.

8.1 United States Treasury Bills, Notes, Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.2 Obligations issued by Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Mortgage Company, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in obligations, participations, or other instruments of or issued by a federal agency or a United States Government-sponsored enterprise

8.3 Bills of Exchange or Time Drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Any investment in Bankers Acceptances shall be restricted to the top 150 world banks as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical-rating service.

Purchases of Bankers Acceptances may not exceed 180 days maturity or 40 percent of the money in the Treasury Investment Pool.

8.4 Commercial Paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's (P-1; A-1). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and having an "A" or higher rating for the issuer's other outstanding debentures by Standard and Poor's, or its equivalent or better ranking by a nationally recognized statistical-rating service and a maximum maturity limit of 270 days.

Additionally GC 53635 limits the assets held by the Treasury Investment Pool in any single issuer to 10 percent and the total Commercial Paper investments may not exceed 40 percent of the total assets in the Treasury Investment Pool.

8.5 Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. Any investment is to be restricted to the top 150 world banks as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher rating as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments.

Investments in Negotiable Certificates of Deposit (in combination with section 8.6.1) may not exceed 30 percent of the money in the Treasury Investment Pool. No more than 5 percent of the money shall be invested in any one institution.

8.6 Non-negotiable Time Certificates of Deposit issued by a nationally or state-chartered bank, savings association or federal association (GC 53601 (n)). Unless fully covered by FDIC insurance, including the interest earned, these investments require full collateralization with government securities totaling 110 percent or mortgages totaling 150 percent of the principal amount (GC 53652). Any investment is to be restricted to those institutions whose short term rating is of prime quality of the highest ranking as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments. Any investment will require the approval and execution of a Contract for Deposit by the Auditor-Controller/Treasurer-Tax Collector.

Investments in Non-negotiable Time Certificates of Deposit may not exceed 50 percent of the money in the Treasury Investment Pool. No more than 15 percent of the money shall be invested in any one institution.

8.6.1 Investments in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. Investments will be made in compliance with GC 53635.8. Investments shall be initially placed with a nationally or state-chartered commercial bank, savings bank, savings and loan association or a credit union in this state, which shall be known as the selected depository institution. Any investment will require the approval and execution of a Deposit Placement Agreement by the Auditor-

Controller/Treasurer-Tax Collector. Combined purchases under sections 8.5 and 8.6.1 shall not exceed 30 percent of the portfolio. Additionally, purchases under 8.6.1 shall not exceed 15 percent of the portfolio.

8.7 Investments in Repurchase Agreements representing United States Treasury Securities, United States Agency discount and coupon securities, domestic and foreign Banker's Acceptances, commercial paper, and domestic bank/savings associations or federal associations Negotiable Certificates of Deposit.

Investments shall be made only after the execution of a Repurchase and Custody Agreement (Tri-Party Agreement) between the County or the investment manager (if under contract), the dealer and the Custodian. Investments will consist of overnight Repurchase Agreements, which include weekend placements and maturities; however, securities with longer maturities may be used as collateral for these Agreements. (GC 53635.2)

Excluding circumstances of market-timing and known cash demands, investments in Repurchase Agreements shall be limited to not more than 15 percent of the money in the Treasury Investment Pool. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against these securities. Any exceptions to the maturity or investment amount provisions will require written approval by the Auditor-Controller/Treasurer-Tax Collector.

8.8 Medium-term Notes with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or higher, by Standard and Poor's Corporation, or its equivalent or better by a nationally recognized rating service

Investments in Medium-term Notes may not exceed 30 percent of the money in the Treasury Investment Pool.

8.9 Investment of funds in the Local Agency Investment Fund (LAIF) created by law, which the State Treasurer invests through the Pooled Money Investment Account. Money invested in LAIF is available for overnight liquidity; however, it is also subject to a limited number of transactions per month. Money shall be placed in LAIF as alternative liquid investments under the guidelines of this policy pertaining to yield. The County may invest up to the maximum amount permitted by LAIF, not to exceed 10 percent of the portfolio. The Auditor-Controller/ Treasurer-Tax Collector may invest any portion of debt proceeds in the LAIF.

8.10 Shares of beneficial interest issued by diversified management companies, otherwise known as Mutual Funds, investing in the securities and obligations as authorized by the GC 53601 et. seq.

To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with at least five years of experience investing in the securities authorized by the GC sections noted above and with assets under management in excess of $500,000,000.

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500,000,000 (GC 53601).

Investment in Mutual Funds shall not include the payment of any commission that these companies may charge and may not exceed 20 percent of the surplus funds in the Treasury Investment Pool. Only 10 percent of the surplus funds may be invested in any one mutual fund (GC 53601, 53635.2).

8.11 Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond of a maximum of five years maturity. Securities eligible for investment shall be rated "AA" or its equivalent or better by a nationally recognized rating service.

Investments in these securities may not exceed 10 percent of the funds in the Treasury Investment Pool.

8.12 Bond proceeds may be invested in accordance with the Government Code provisions, or they may be invested in alternative vehicles if authorized by bond documents (GC 53635.2 and California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines).

8.13 External Investment Managers. The Auditor-Controller/Treasurer-Tax Collector may contract with external investment managers to provide investment management services. These managers may be hired to invest funds not needed for liquidity and to increase the rate of return of the pool by employing an active investment strategy. The external investment manager is allowed to make specific investment decisions within the framework of this investment policy.

External investment managers are required to provide timely transaction documentation and investment reports to ensure that the manager's actions comply with the requirements of the law and this investment policy. External investment managers shall remit, at least quarterly, the interest earnings to the Pool to allow these earnings to be apportioned to the pool participants.

Selection of External Investment Managers is subject to section 13.0 of this investment policy. Additionally, after selection, the manager's performance shall be reviewed against the agreed upon benchmark.

8.14 Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Investments in these securities may not exceed 10 percent of the surplus funds in the Treasury Investment Pool.

9.0 Selection of Investments

Investments, with the exception of California registered state warrants in section 8.14, above, shall only be made following a minimum of three competitive comparisons with offerings documented and retained for each type of investment.

10.0 Diversification

The Treasury Investment Pool shall be diversified by security type and institution.

11.0 Maximum Maturities

To the extent possible, investments shall be made to match anticipated cash requirements. Unless matched to a specific cash flow, normal investments will be in securities such that the average weighted maturity of the Treasury Investment Pool shall not exceed 3.5 years. Proceeds of sales or funds set aside for the repayment of any notes issued for temporary borrowing purposes shall not be invested for a term that exceeds the term of the notes.

12.0 Selling Securities Prior to Maturity

Securities purchased shall normally be held until maturity. Occasionally, opportunities will exist to sell securities prior to maturity and purchase other securities (swap/trade). Securities that are no longer in compliance with this Investment Policy may be sold prior to maturity. Securities may also be sold in order to maintain the liquidity of the Treasury Investment Pool.

13.0 Authorized Financial Dealers and Institutions

The Auditor-Controller/Treasurer-Tax Collector shall maintain a list of financial institutions authorized to provide investment services. In addition, a list shall also be maintained of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following: audited financial statements, proof of Financial Industry Regulatory Authority membership, trading resolution, proof of state registration, completed broker-dealer questionnaire, certification of having read the County's Investment Policy, and if applicable, depository contracts. Broker-dealers are evaluated and selected based upon criteria that include: organization experience and credibility, individual broker-dealer qualifications, compliance, product inventory, and economic research.

An annual review of the financial conditions and registrations of selected brokers shall be conducted by the Auditor-Controller/Treasurer-Tax Collector. A current audited financial statement is required to be on file for each authorized financial institution and broker-dealer.

Investment managers are evaluated and selected based upon criteria that include: organization experience and credibility, staff experience, compliance, and performance.

The selection of any broker, brokerage firm, dealer or securities firm that has, within any consecutive 48 month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Auditor-Controller/ Treasurer-Tax Collector or member of the Board of Supervisors or any candidate for those offices is prohibited. The County will, to the best of its ability, monitor and comply with this requirement.

14.0 Confirmation

Receipts for confirmation of purchase of authorized securities should include the following information: trade date, par value, maturity, rate, price, yield, settlement date, description of securities purchased, agency's name, net amount due, and third party custodian information. Confirmation of all investment transactions should be received by the Auditor-Controller/Treasurer-Tax Collector within five business days of the transaction.

15.0 Safekeeping and Custody

Investments, excluding Non-negotiable Time Certificates of Deposit, Repurchase Agreements and investments that are under the management of contracted parties, shall be held in custody with the Service Bank or its correspondent or other institutions approved by the Auditor-Controller/Treasurer-Tax Collector. Investments in Repurchase Agreements shall be held in custody by the Custodian to the Tri-Party Agreement.

16.0 Performance Standards

The investment portfolio shall be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

16.1 Market yield benchmark. The investment strategy is passive. Given this strategy, the basis used by the Auditor-Controller/Treasurer-Tax Collector to determine whether market yields are being achieved shall be the one-year U.S. Treasury note rate.

17.0 Administrative Cost of Investing

The Auditor-Controller/Treasurer-Tax Collector may deduct actual administrative costs associated with investing, depositing, banking, auditing, reporting, or otherwise handling or managing of funds. The administrative costs shall be segregated and deducted from the interest earnings of the Treasury Pool each quarter prior to the distribution of interest earnings.

18.0 Credit of Interest Earnings

Interest shall be credited based on the average daily cash balance of money on deposit in the County Treasury for the calendar quarter and shall be paid quarterly.

19.0 Local Agency Deposit of Excess Funds

The County Auditor-Controller/Treasurer-Tax Collector is authorized to accept deposits of excess funds from local agencies within Fresno County pursuant to Resolution 98-354 and in accordance with Government Code section 53684. Such deposits will be accepted, if at all, subject to the terms and conditions of a written agreement between the depositing agency and the Auditor-Controller/Treasurer-Tax Collector. In deciding whether to accept such deposits, the Auditor-Controller/ Treasurer-Tax Collector considers factors that may include, but are not limited to, the objectives of this policy, the potential effect of such deposits on the volatility of the investment portfolio, the human resources available to conduct investment activities, and the best interests of current depositors.

20.0 Withdrawal of Funds from the Treasury Pool

The withdrawal of funds by any depositor/participant in the County of Fresno Treasury Investment Pool shall not adversely affect the interests of the other depositors/participants in the County of Fresno Treasury Investment Pool. All withdrawals that are not considered as funds being utilized for operations shall be presented to the Auditor-Controller/Treasurer-Tax Collector for review and approval. The Auditor-Controller/ Treasurer-Tax Collector shall perform an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Treasury Investment Pool as is required by GC 27136 and 27133. Prior to the approving a withdrawal, the Auditor-Controller/ Treasurer-Tax Collector shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the Treasury Investment Pool. All requests for withdrawals shall be considered in order of receipt and shall in no way affect the ability of the Auditor-Controller/Treasurer-Tax Collector to meet the pool's expenditure requirements.

If the assessment of the effect of the proposed withdrawal does not negatively impact the stability and predictability of the investments and the interests of other depositors, the Auditor-Controller/Treasurer-Tax Collector may authorize a total or partial withdrawal of funds from the Treasury Pool. A total withdrawal of funds from the County of Fresno Treasury Investment Pool by a participant requires a 30 day written notice to the Auditor-Controller/Treasurer-Tax Collector. Withdrawals involving less than the participant's total funds (other than for operational needs) are subject to all of the following constraints:

- each withdrawal shall be limited to a maximum of $5,000,000

- no more than two withdrawals of a non-operational purpose are allowed per 30 day period

- at least ten days must lapse before the second withdrawal in any 30 day period will be considered by the Auditor-Controller/Treasurer-Tax Collector

- each withdrawal shall be submitted to the Auditor-Controller/Treasurer-Tax Collector at least 2 business days prior to the date of withdrawal

The Auditor-Controller/Treasurer-Tax Collector shall be notified of normal operating expenditures or disbursements in excess of $1,000,000 as early as possible, preferably three business days in advance of disbursement, in order to adjust the cash position to meet disbursement requirements.

21.0 Reporting

The Auditor-Controller/Treasurer-Tax Collector shall provide the Board of Supervisors with a monthly inventory report and a monthly transaction report of the Treasury Investment Pool. The Auditor-Controller/ Treasurer-Tax Collector shall provide a quarterly investment report to the Board of Supervisors, the County Administrative Officer and the County of Fresno Treasury Oversight Committee. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report. Monthly inventory reports and quarterly investment reports are available to participants of the pool upon request (GC 53646).

22.0 Internal Control

As part of the County of Fresno's annual independent audit, the investment program shall be reviewed for appropriate internal controls that provide assurance of compliance with policies and procedures.

23.0 Investment Policy Review

This Investment Policy shall be reviewed on an annual basis by the Auditor-Controller/Treasurer-Tax Collector and rendered annually to the Board of Supervisors and the County of Fresno Treasury Oversight Committee, which consists of the following members:

- The County Auditor-Controller/Treasurer-Tax Collector
- A representative appointed by the County Board of Supervisors
- The County Superintendent of Schools or designee
- A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County

- A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County treasury

The Board of Supervisors shall accept and approve the investment policy and any changes thereto at a public meeting (GC 27133, 53646).

24.0 **Disaster/Business Continuity Plan**

The County of Fresno Treasurer's banking and investment functions are critical to the function of Treasury Investment Pool and therefore must have a continuity plan to guide operations in the event of a disaster or business interruption.

The objective of the Disaster/Business Continuity Plan is to protect and account for all funds on deposit with the county treasurer and to be able to continue banking and investment functions for all participants in the event of an occurrence; i.e. earthquake, fire, flood, or some other event, which disrupts normal operations. The Plan provides for the ability to perform banking and investment functions at an off-site location under less than optimal conditions.

Approved

Oscar J. Garcia

Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

12-4-18
Date

APPENDIX A

Permitted Investments/Deposits	Government Code Limits %	Investment Policy Limits %	Investment Policy Term Limit	Minimum Rating
Securities of the U.S. Government	No Limit	No Limit	5 years	N/A
Securities issued by United States Government Sponsored Enterprises	No Limit	No Limit	5 years	N/A
Bankers Acceptances (1)	40%	40%	180 days	N/A
Commercial Paper	40%	40%	270 days	P-1, A-1
Negotiable Certificates of Deposit (2)	30%	30%	13 months	P-1, or A-1 or 4 Star
Non-negotiable Certificates of Deposit (2)	No Limit	50%	13 months	P-1 or A-1 or 4 Star
Account Registry Service Deposits (2)	30%	15%	13 months	N/A
Repurchase Agreements	No Limit	15%	Overnight/Weekend	N/A
Medium Term Notes	30%	30%	5 years	A
LAIF (3)	No Limit	10%	5 years	N/A
Mutual Funds (4)	20%	20%	5 years	AAA,Aaa
Mortgage-Backed Securities	20%	10%	5 years	AA
State of California Debt	No Limit	10%	5 years	N/A

APPENDIX A
(Continued)

(1) Investment policy limits any investment in bankers acceptances to the top 150 world banks as determined by their total assets and limited to those institutions in this group whose short term debt is of prime quality and of the highest ranking as provided for by Moody's or Standard and Poor's (P-1, A-1).

(2) Banks, savings associations or federal associations having a "4 Star" or higher rating as provided by Bauer Financial, Inc. or a comparable rating service. For negotiable certificates of deposit, no more than 5 percent of the money shall be invested in any one institution. Negotiable certificates of deposit and account registry service deposits combined shall not exceed 30% of the portfolio. For non-negotiable certificates of deposit, no more than 15 percent of the money shall be invested in any one institution.

(3) LAIF Board of Directors currently limits the investment to $65,000,000, excluding bond and note proceeds. Government Code does not place a percentage limit on the amount of money that may be invested in LAIF.

(4) Diversified management companies investing in the securities and obligations as authorized by California Government Code, Sections 53601, et seq., shall either (1) attain the highest ranking or the highest letter and numerical rating provided by two of the largest nationally recognized rating services, or (2) have an investment adviser registered with the SEC with at least five years of experience investing in the securities authorized by code sections noted in the policy and with assets under management in excess of $500,000,000.

Diversified management companies issuing shares of beneficial interest that are money market funds registered with the Securities and Exchange Commission (SEC) under the Investment Act of 1940 shall either (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or (2) retain an investment adviser registered or exempt from registration with the SEC with not less than five years of experience managing money market mutual funds with assets under management in excess of $500,000,000. Only 10 percent of the money may be invested in any one mutual fund.

APPENDIX B

RATING SUMMARY

RATING SERVICE	RATING CATEGORY	RATING DEFINITION
Moody's	Aaa	Best Quality
	Aa	High Quality
	A	Upper-medium grade
	Baa	Medium grade obligations
	Ba	Judged to have speculative elements
	B	Lack characteristics of desirable investment
	Caa	Investment in poor standing
	Ca	Speculative in a high degree
	C	Poor prospect of attaining investment standing
Moody's Modifiers	1,2,and 3	Rankings within rating category
Moody's Commercial Paper	Prime-1	Superior ability for repayment
	Prime-2	Strong ability for repayment
	Prime-3	Acceptable ability for repayment
	Not Prime	Do not fall in top 3 rating categories
Standard & Poors	AAA	Highest Rating
	AA	Strong capacity for repayment
	A	Strong capacity for repayment but less than AA category
	BBB	Adequate capacity for repayment
	BB	Speculative
	B	Greater vulnerability to default than BB category
	CCC	Identifiable vulnerability to default
	CC	Subordinated debt of issues ranked in CCC category
	C	Subordinated debt of issues ranked in CCC category
	CI	Income bonds where no interest is paid
	D	Default
Standard & Poors – Modifiers	(+) or (-)	Rankings within rating category
Standard & Poors – Commercial	A-1	Highest degree of safety
	A-2	Timely repayment characteristics is satisfactory
	A-3	Adequate capacity for repayment
	B	Speculative
	C	Doubtful repayment
	D	Default

APPENDIX B
(Continued)

RATING SUMMARY

RATING SERVICE		RATING CATEGORY	RATING DEFINITION
Fitch		AAA	Highest credit quality
		AA	Very high credit quality
		A	High credit quality
		BBB	Good credit quality
		BB	Speculative
		B	High speculative
		CCC, CC, C	High default risk
		DDD, DD, D	Default
Fitch	Modifiers	"+" or "-	Relative status within rating categories
Fitch	Commercial Paper	F1	Highest credit quality
		F2	Good credit quality
		F3	Fair credit quality
		B	Speculative
		C	High default risk
		D	Default
Bauer		5 Star	Superior
		4 Star	Excellent
		3 ½ Star	Good
		3 Star	Adequate
		2 Star	Problematic
		1 Star	Troubled
		Zero	Our lowest star rating

APPENDIX C

Glossary of Cash Management Terms

The following is a glossary of key investing terms, many of which appear in County of Fresno Treasury Investment Policy. This glossary has been adapted from the Government Finance Officers Association (GFOA) sample investment policy.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds term bonds, or both, with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance – A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C
(Continued)

Certificate of Deposit (CD) – A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) – A private CD placement service that allows local agencies to purchase more than $100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than $100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest principal on a security, or both.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

APPENDIX C
(Continued)

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms in the United States.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause in investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940- Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash without significant loss of value.

Local Agency Investment Fund – A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

APPENDIX C
(Continued)

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Medium-Term Note – Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities – Mortgage-backed securities (MBS) are created when a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interest or participations in the pool. MBS owners receive a prorate share of the interest and principal passed through from the pool of mortgages. Most MBS are issued guaranteed, or both, by federal agencies and instrumentalities.

Mortgage Pass-Through Obligations – Securities that are created when residential mortgages are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

APPENDIX C
(Continued)

Negotiable Certificates of Deposit – Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, or state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.) [(Total assets) - (Liabilities)]/(Number of shares outstanding)

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit – CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to $100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically $1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C
(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of $10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C
(Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from $1,000 to $1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of $1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Quarterly Investment Report

As of December 31, 2018

P.O. Box 1247 | Fresno, CA 93715 | Telephone 559.600.3487 | investments@FresnoCountyCA.gov

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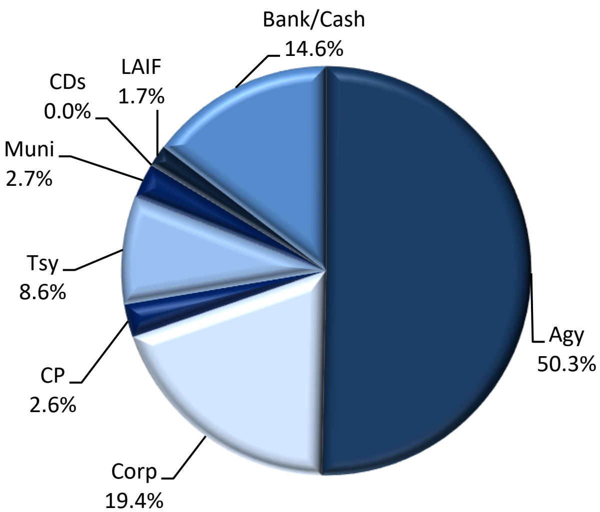
Portfolio Summary
12/31/2018

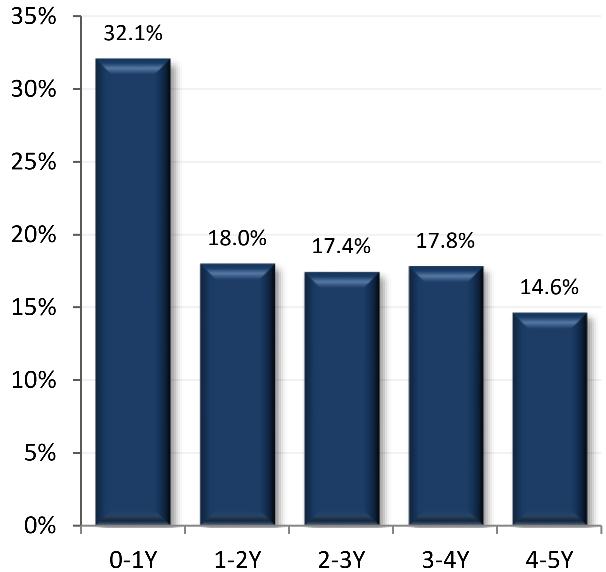
County of Fresno

SECTOR ALLOCATION



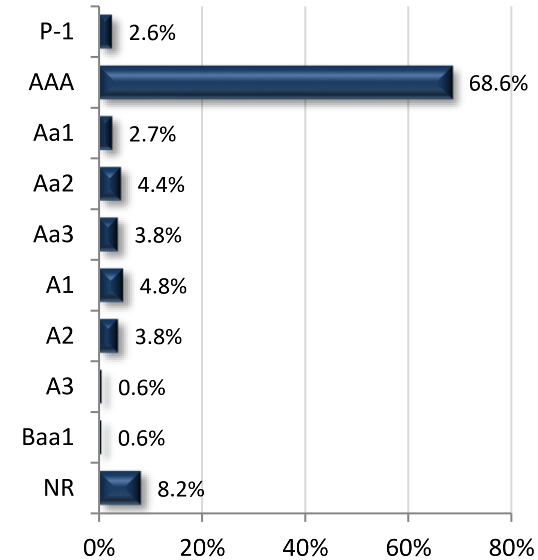
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



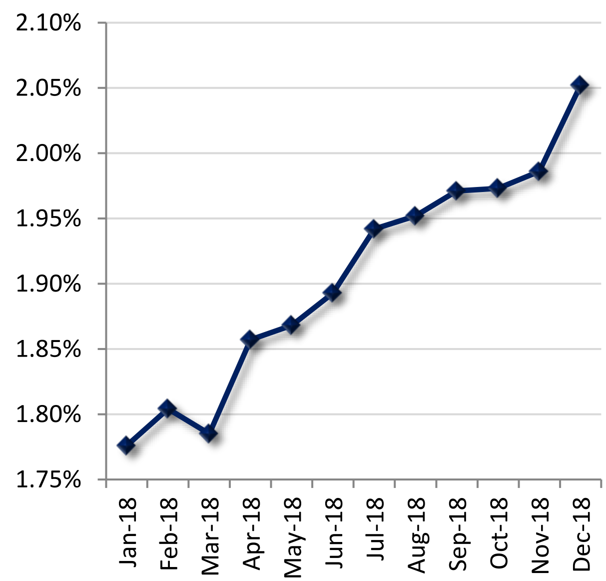
NR: Not Rated

ACCOUNT SUMMARY

	12/31/18	9/30/18
Market Value	$3,770,988,770	$3,263,439,272
Book Value*	$3,808,681,373	$3,325,605,518
Unrealized G/L	-$37,692,603	-$62,166,245
Par Value	$3,810,724,704	$3,327,620,818
Net Asset Value	$99.010	$98.131
Book Yield	2.05%	1.97%
Years to Maturity	1.98	2.33
Effective Duration	1.86	2.21

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
FEDERAL NATIONAL MORTGAGE	18.7%
FEDERAL HOME LOAN BANK	18.7%
FEDERAL FARM CREDIT BANK	9.3%
US TREASURY NOTE	8.6%
FIDELITY 2642	8.1%
UNION BANK MM	5.3%
FEDERAL HOME MORTGAGE CO	3.7%
US BANK NA	2.8%
STATE OF CALIFORNIA	2.7%
APPLE INC	2.7%
TOYOTA MOTOR CREDIT	2.3%
JP MORGAN	2.2%
CHEVRON CORP	2.1%
WELLS FARGO	2.1%
BANK OF NEW YORK	2.0%

Per Book Value

Investment Policy Compliance
12/31/2018

County of Fresno

Item / Sector	Parameters	In Compliance	
11.0 Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3.5 years.	Yes	1.98 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	8.6%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	50.3%
8.3 Banker Acceptances	40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.	Yes	0.0%
8.4 Commercial Paper	40% limit, corporation organized and operating in the US with total assets of $500mm. 10% of issuer's CP / 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.	Yes	2.6%
8.5 Negotiable CDs	30% limit (combined with 8.6.1), Issued by national or state chartered bank or savings assoc., or a state licensed branch of a foreign bank that is among 150 largest banks in total asset size; minimum short-term rating of P-1 or A-1 or issuer meets rating requirements; 5% in any one issuer, max maturity 13 months.	Yes	0.0%
8.6 Non-Negotiable CDs	50% limit, Issued by national or state chartered bank or savings association. FDIC insurance OR full collateralization of 110% government or 150% mortgages. Contract for Deposit in place. 15% in any one issuer; short-term rating is a minimum of A-1 by S&P or P-1 by Moody's, max maturity 13 months.	Yes	0.0%
8.6.1 Placement CDs	15% limit (30% combined with 8.5), Issued by national or state chartered bank or savings association or credit union that uses a placement entity. Deposit Placement Agreement in place.	Yes	0.0%
8.7 Repurchase Agreements	15% limit, Tri-party agreement in place. 102% collateralization of US treasuries or agencies, BAs, CP, Negotiable CD's; Overnight or weekend maturities.	Yes	0.0%
8.8 Medium-Term Notes	30% limit, organized and operating in the US or state licensed depository institution; max maturity 5 years; rated A or better by S&P, or its equivalent or better by a nationally recognized rating service.	Yes	19.4%
8.9 L.A.I.F	California State's deposit limit is $65 million; Current investment policy limit is not to exceed 10% of the portfolio.	Yes	$65 Mil

Item / Sector	Parameters	In Compliance	
8.10 Mutual Funds/ Money Markets Funds	20% limit, 10% per issuer; Registered with SEC, 5 years experience, $500mm AUM or rated by AAA-m, Aaa-mf, AAA-m by not less than two nationally recognized rating agencies.	Yes	8.1%
8.11 ABS and MBS	10% limit combined. Security must be AA rated by one rating agency, with an A or better rating for the underlying, max maturity 5 years.	Yes	0.0%
8.12 Money Held from Pledged Assets	Invest according to statutory provision or according to entity providing issuance.	Yes	0.0%
8.13 External Managers	Invest per policy.	Yes	0.0%
8.14 State of California Debt	10% limit, Registered State warrants or CA treasury notes, including revenue producing entities controlled or operated by the State or by a department, board, agency, or authority of the State; 5 years max maturity.	Yes	2.7%
Cash & Bank Account	NA	NA	6.5%

Compliance

The Treasury Investment Pool is in compliance with the County of Fresno Treasury Investment Pool Investment Policy.
The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

Review and Monitoring

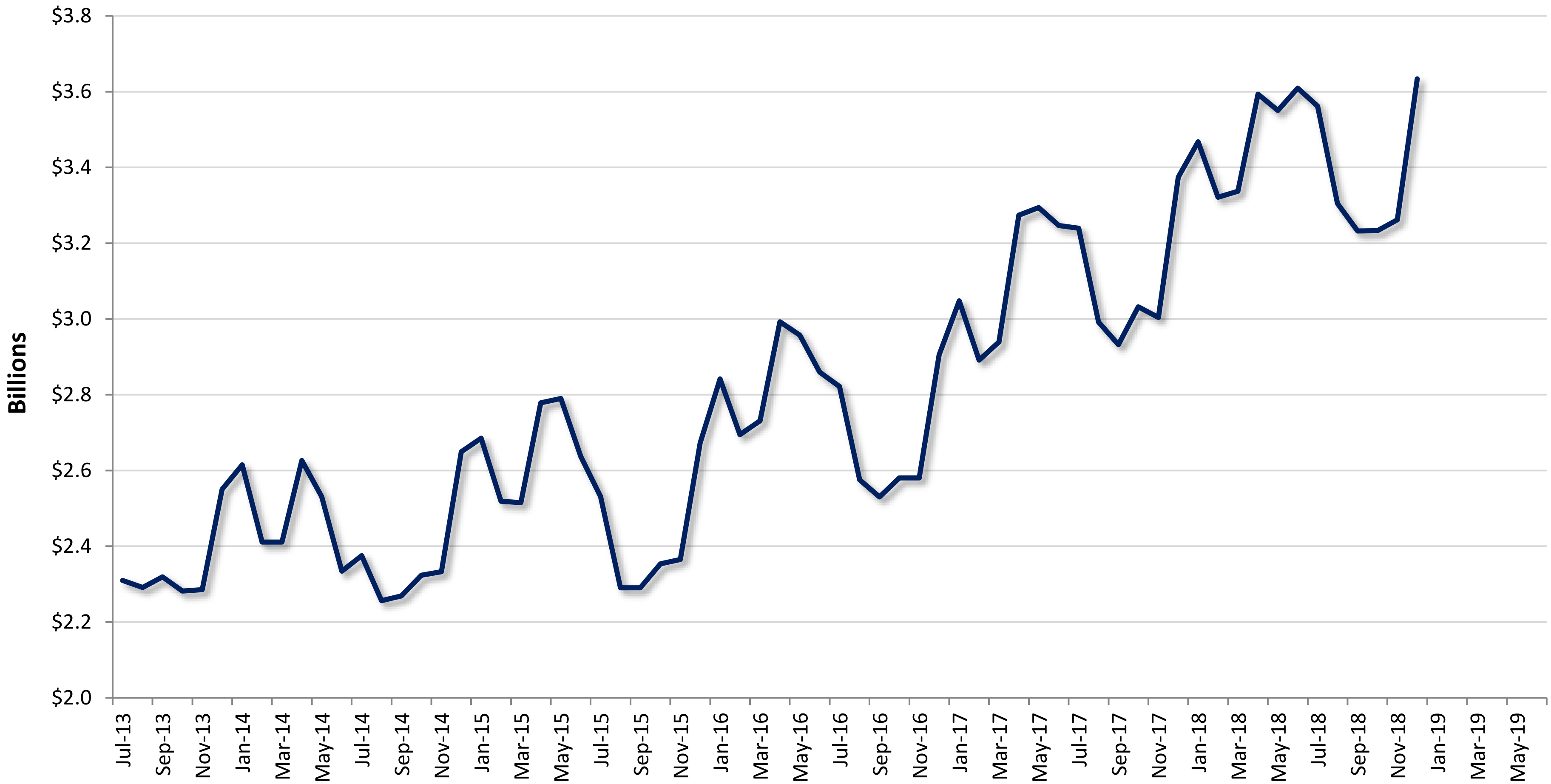
FTN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Interactive Data Corporation.

Historical Book Values
12/31/2018

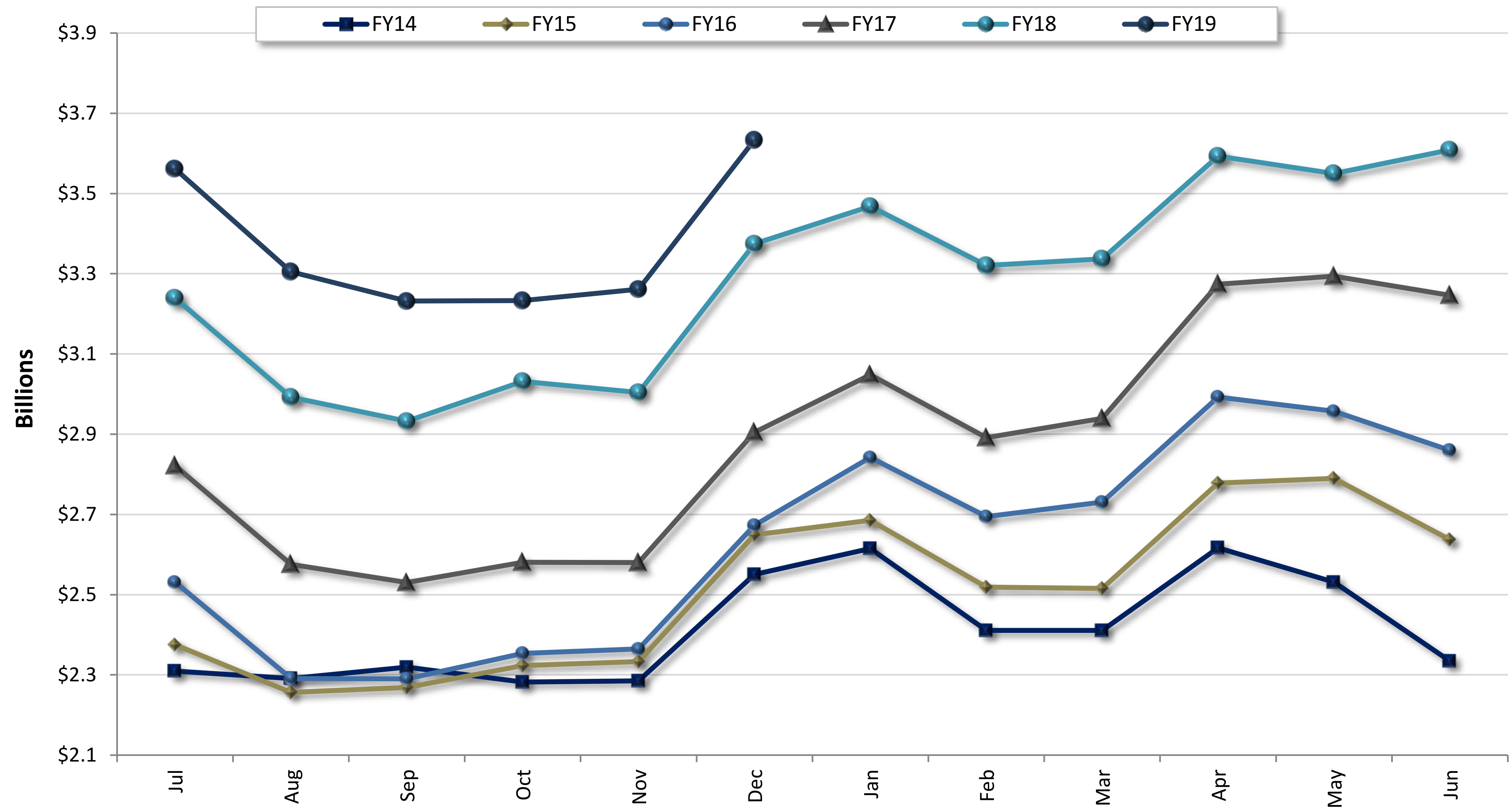


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	$2.310	$2.291	$2.319	$2.282	$2.285	$2.551	$2.615	$2.411	$2.411	$2.617	$2.531	$2.335
Fiscal Year 2015	$2.375	$2.256	$2.269	$2.323	$2.333	$2.649	$2.685	$2.519	$2.515	$2.778	$2.790	$2.637
Fiscal Year 2016	$2.531	$2.291	$2.290	$2.354	$2.365	$2.673	$2.842	$2.695	$2.731	$2.993	$2.957	$2.860
Fiscal Year 2017	$2.822	$2.576	$2.530	$2.581	$2.580	$2.905	$3.048	$2.891	$2.940	$3.274	$3.294	$3.247
Fiscal Year 2018	$3.240	$2.992	$2.932	$3.032	$3.004	$3.374	$3.468	$3.321	$3.337	$3.593	$3.550	$3.609
Fiscal Year 2019	$3.562	$3.305	$3.232	$3.233	$3.262	$3.634						

Figures in Billions, Average Daily Balance

Historical Book Values Per Fiscal Year
12/31/2018

County of Fresno



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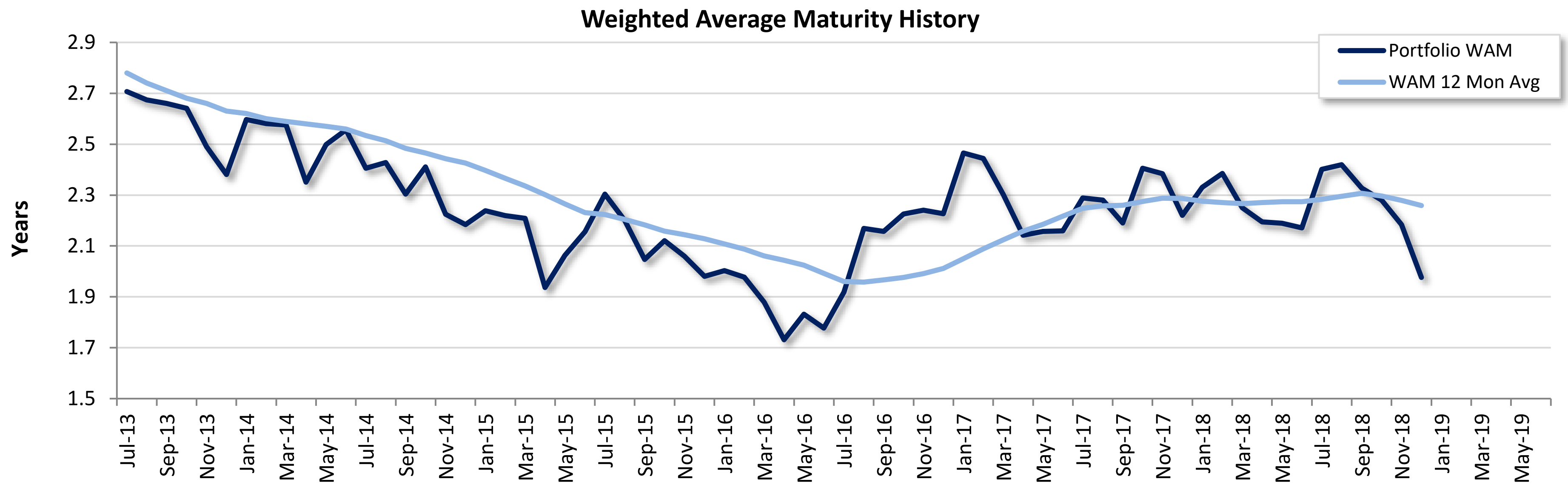
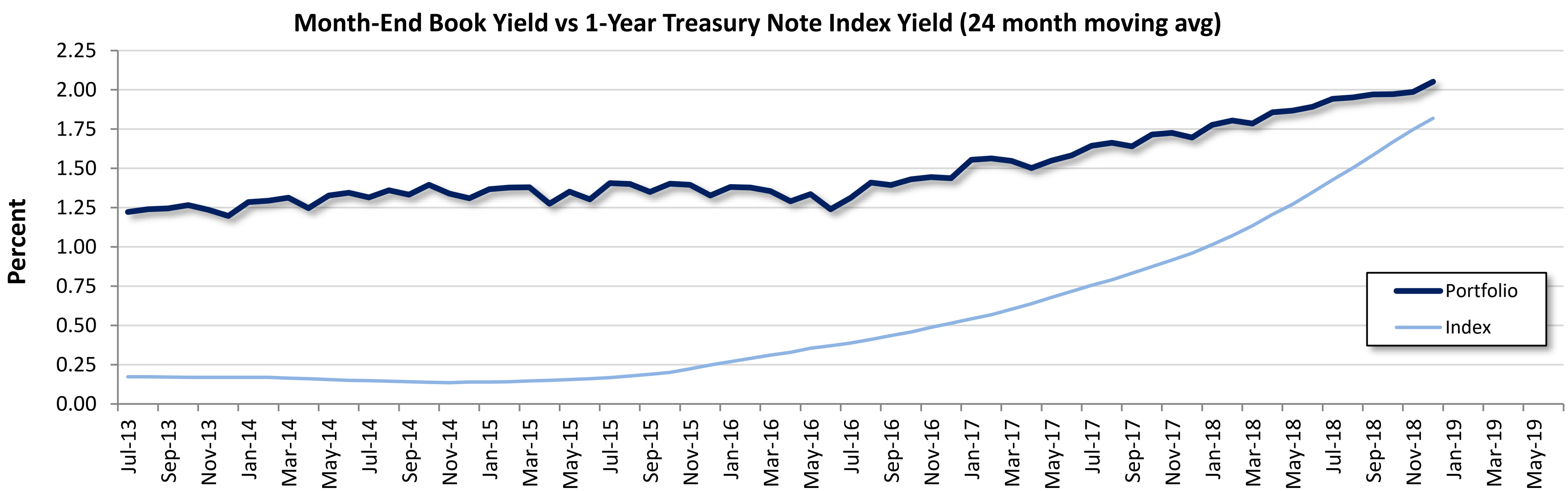
Figures in Billions, Average Daily Balance

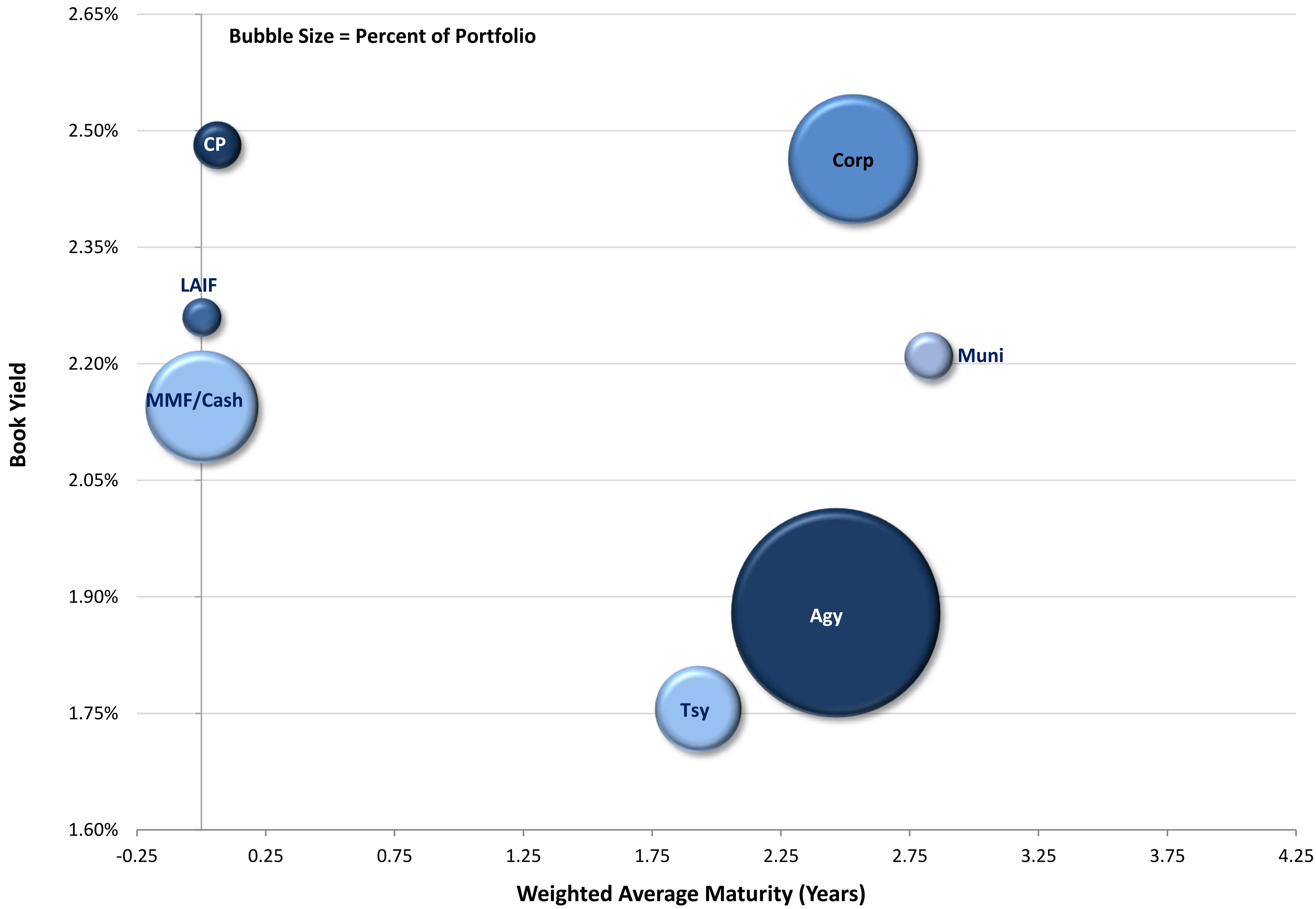




Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index

Book Yield per WAM per Percent of Portfolio
12/31/2018

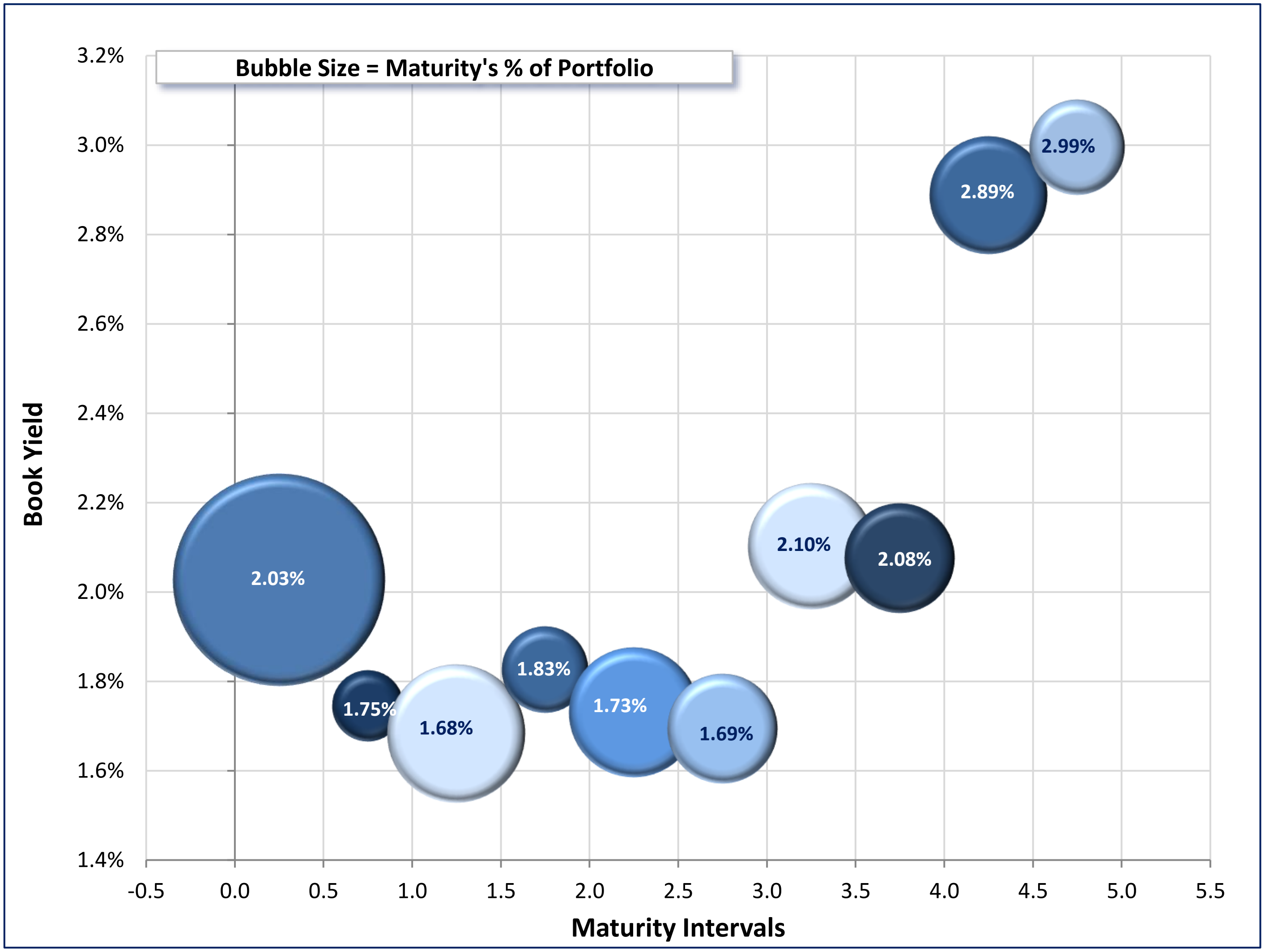
County of Fresno



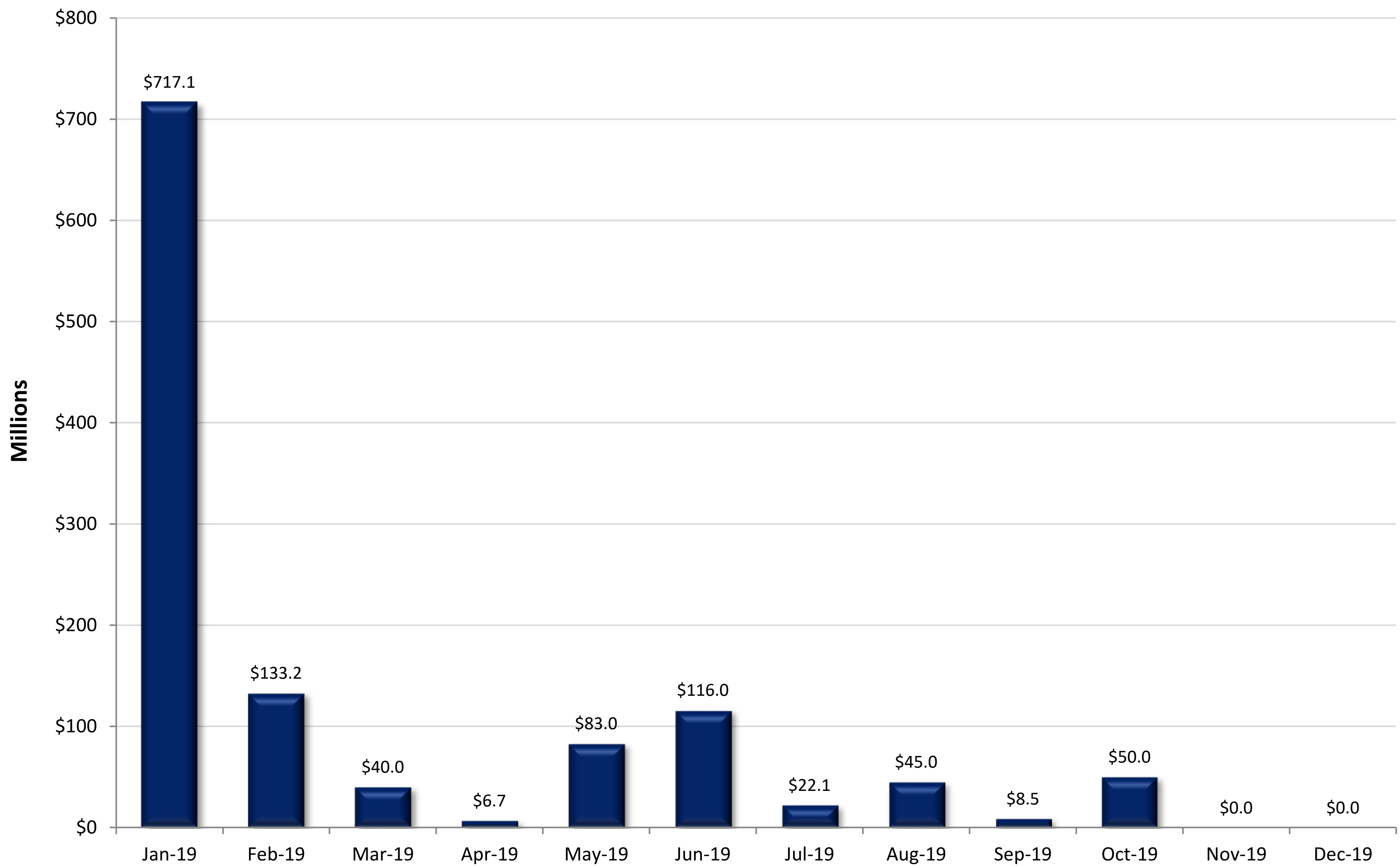
Book YTM Per 6-Month Maturity Intervals
12/31/2018

Years	Book Yield	% of Portfolio*
0 to .5	2.03%	28.84%
.5 to 1.0	1.75%	3.24%
1.0 to 1.5	1.68%	12.20%
1.5 to 2.0	1.83%	4.75%
2.0 to 2.5	1.73%	10.76%
2.5 to 3.0	1.69%	7.73%
3.0 to 3.5	2.10%	10.14%
3.5 to 4.0	2.08%	7.70%
4.0 to 4.5	2.89%	8.85%
4.5 to 5.0+	2.99%	5.79%

*Based on Book Value



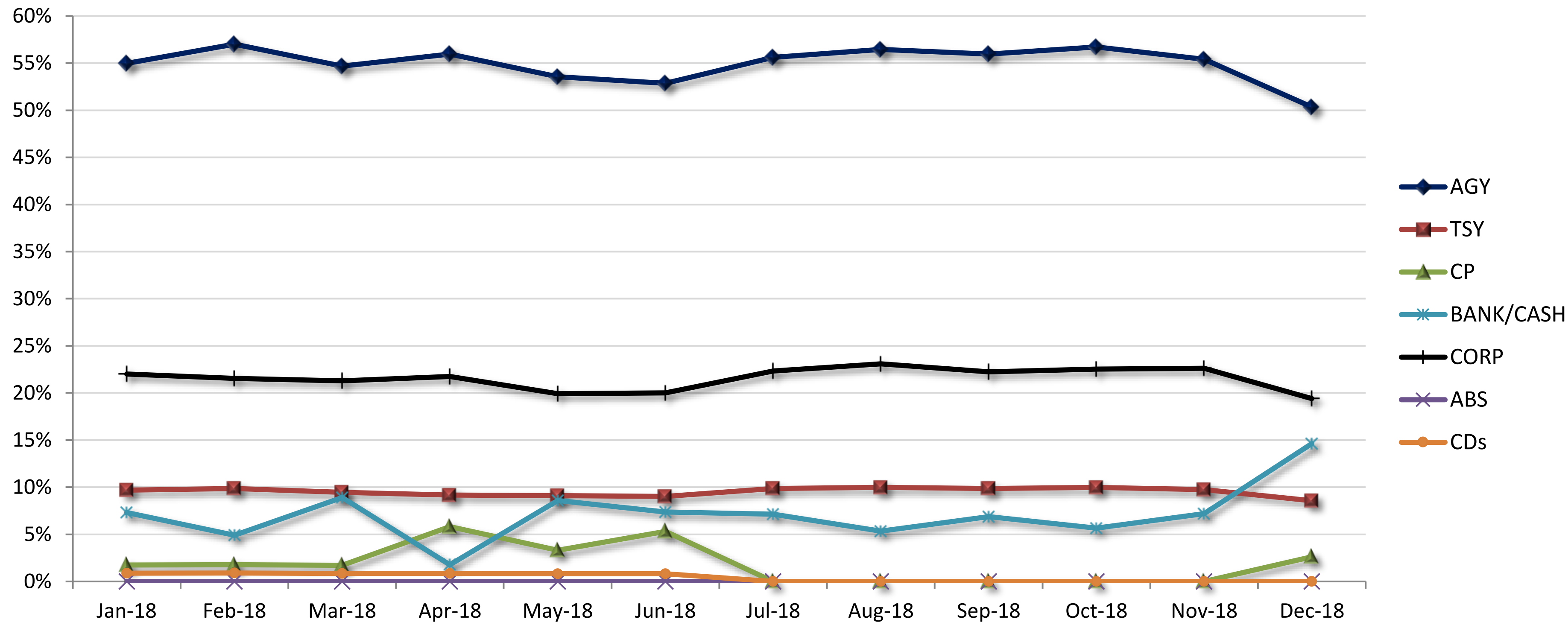
Next Twelve Months Maturities
12/31/2018



	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Maturities	$717.1	$133.2	$40.0	$6.7	$83.0	$116.0	$22.1	$45.0	$8.5	$50.0	$0.0	$0.0

Par Value in Millions

Historical Sector Allocation
12/31/2018

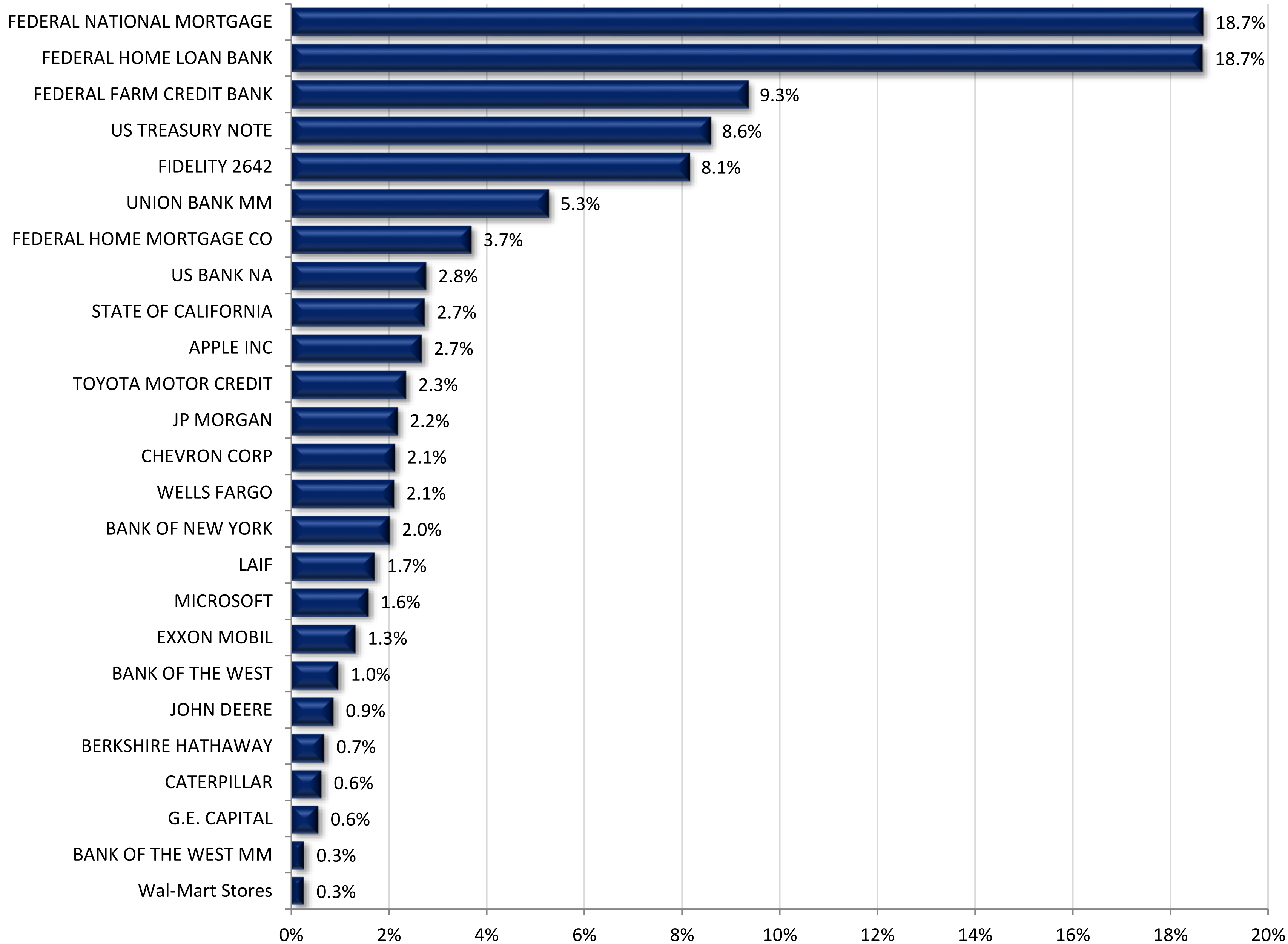


Sector	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Agency	55.0%	57.0%	54.7%	56.0%	53.6%	52.8%	55.6%	56.4%	56.0%	56.7%	55.4%	50.3%
Treasury	9.7%	9.9%	9.5%	9.2%	9.1%	9.0%	9.9%	10.0%	9.9%	10.0%	9.7%	8.6%
Commercial Paper	1.7%	1.8%	1.7%	5.8%	3.3%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%
LAIF	0.3%	0.9%	0.1%	1.8%	1.8%	1.8%	2.0%	2.0%	2.0%	2.0%	1.9%	1.7%
Muni	3.1%	3.1%	3.0%	2.9%	2.9%	2.8%	3.1%	3.2%	3.1%	3.2%	3.1%	2.7%
Corporates	22.0%	21.5%	21.3%	21.7%	19.9%	20.0%	22.3%	23.1%	22.2%	22.5%	22.6%	19.4%
CDs	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ABS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bank/Cash	7.3%	4.9%	8.9%	1.8%	8.6%	7.4%	7.2%	5.3%	6.9%	5.6%	7.2%	14.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

FTN FINANCIAL
MAIN STREET ADVISORS
A Subsidiary of First Tennessee Bank National Association

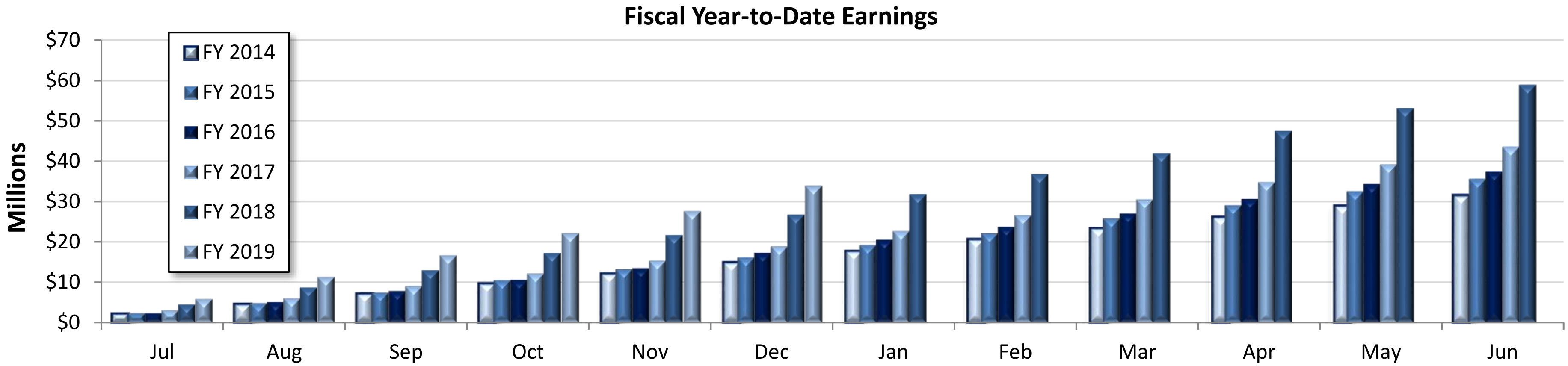
Holdings Allocation by Issuer
12/31/2018

County of Fresno

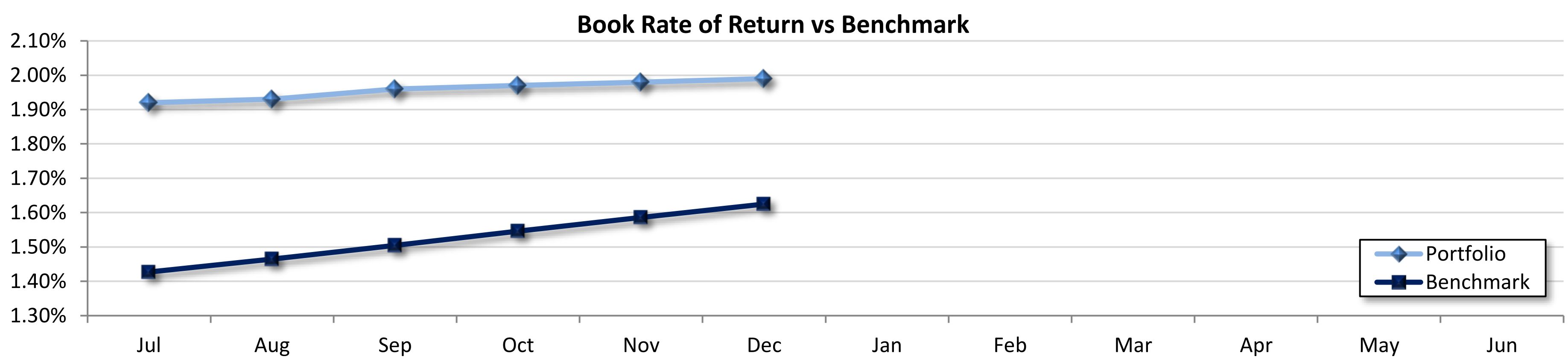


Historical Earnings and Book Rate of Return Performance
12/31/2018

County of Fresno



Fiscal YTD ($Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	$2.3	$4.7	$7.3	$9.8	$12.2	$15.0	$17.7	$20.7	$23.4	$26.2	$29.0	$31.6
FY 2015	$2.3	$4.9	$7.5	$10.5	$13.3	$16.2	$19.2	$22.1	$25.8	$29.0	$32.5	$35.5
FY 2016	$2.3	$5.1	$7.8	$10.6	$13.4	$17.2	$20.5	$23.7	$26.9	$30.5	$34.2	$37.3
FY 2017	$3.0	$6.0	$9.0	$12.1	$15.3	$18.9	$22.7	$26.5	$30.5	$34.8	$39.2	$43.5
FY 2018	$4.5	$8.7	$12.9	$17.3	$21.6	$26.7	$31.7	$36.7	$41.9	$47.4	$53.0	$58.8
FY 2019	$5.8	$11.3	$16.7	$22.1	$27.5	$33.8						

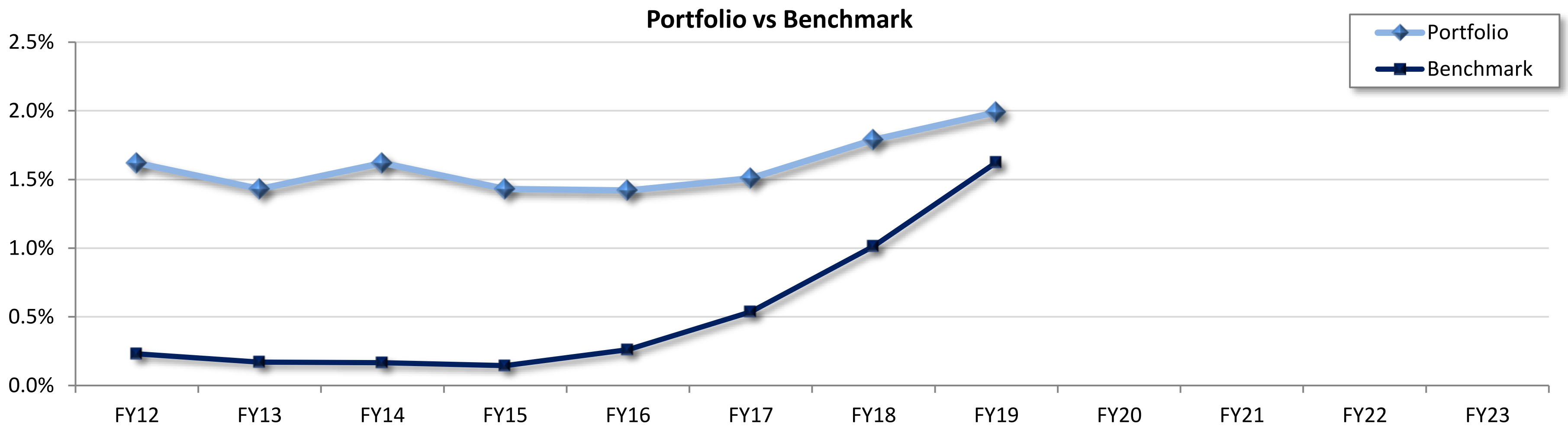


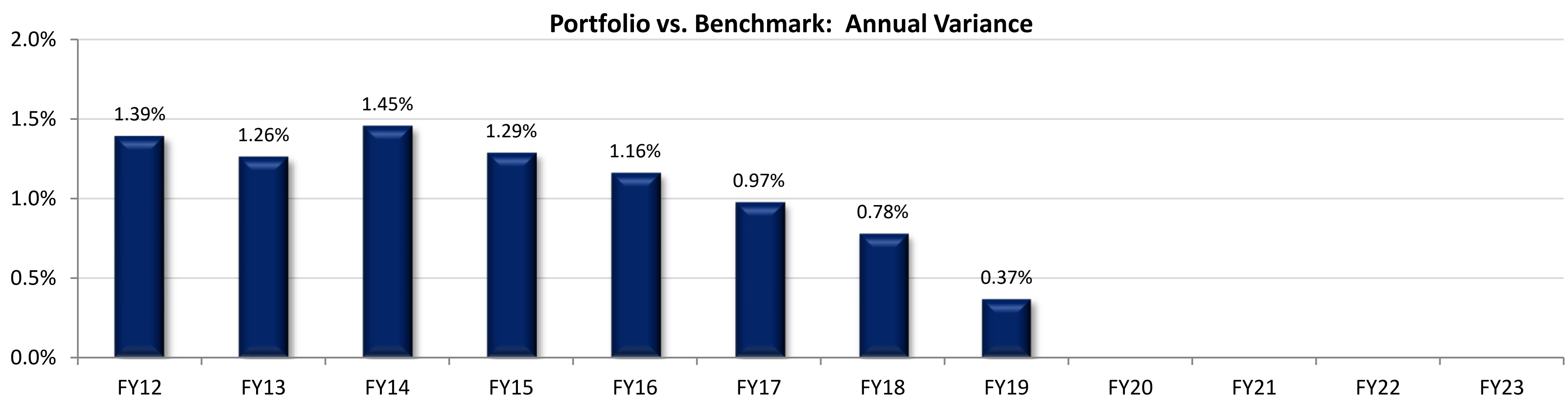
Fiscal YTD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	1.92%	1.93%	1.96%	1.97%	1.98%	1.99%						
Benchmark*	1.43%	1.46%	1.50%	1.55%	1.59%	1.62%						
Variance	0.49%	0.47%	0.46%	0.42%	0.39%	0.37%						

*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period

Historical Book Rate of Return Performance
12/31/2018

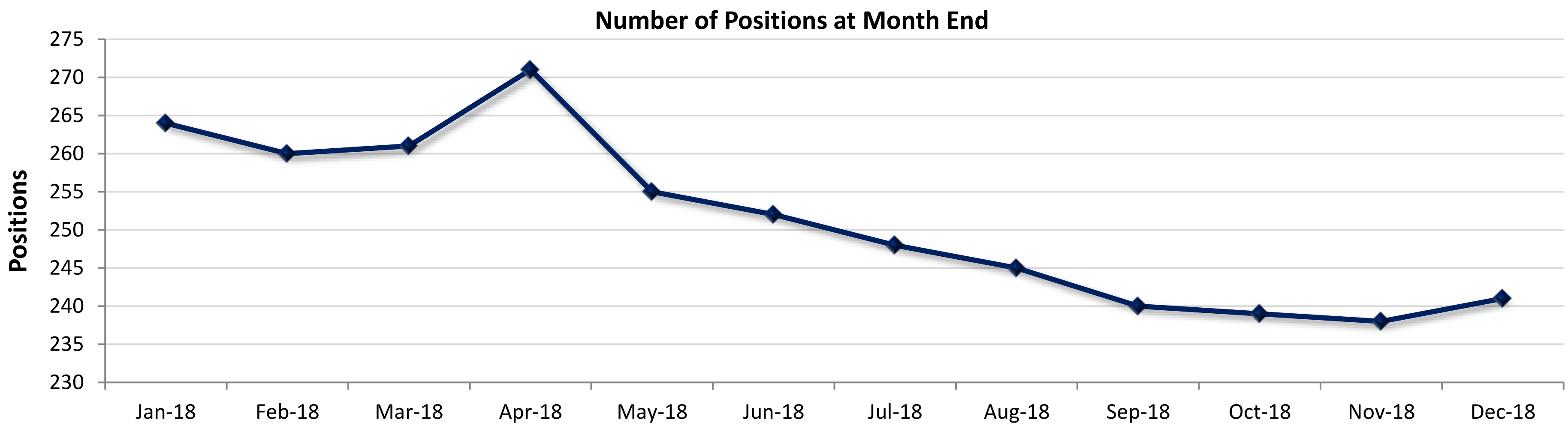
County of Fresno



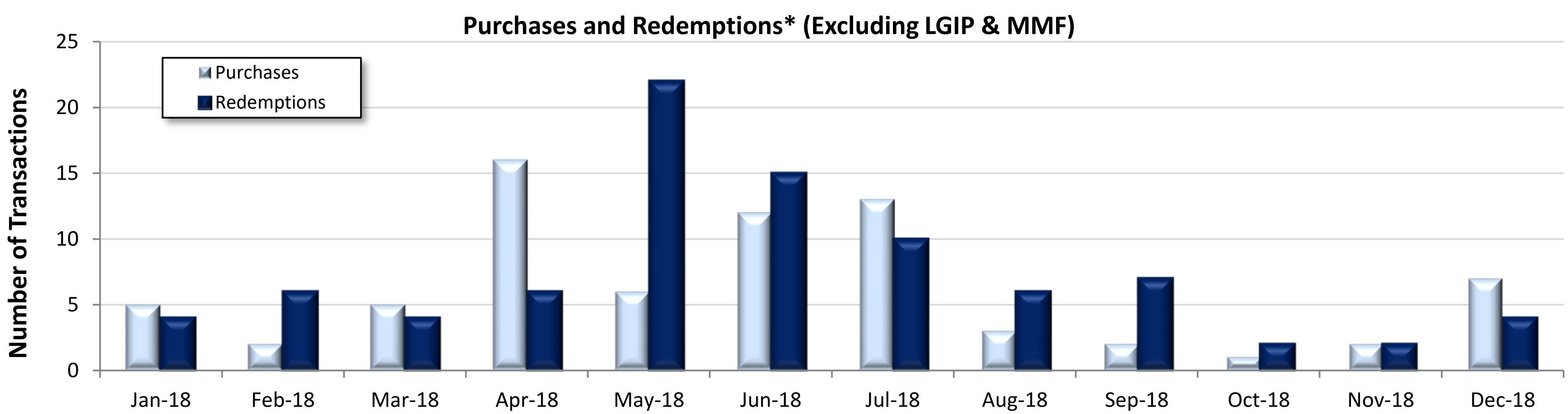


Fiscal YTD	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Portfolio	1.62%	1.43%	1.62%	1.43%	1.42%	1.51%	1.79%	1.99%				
Benchmark*	0.23%	0.17%	0.17%	0.14%	0.26%	0.54%	1.01%	1.62%				
Variance	1.39%	1.26%	1.45%	1.29%	1.16%	0.97%	0.78%	0.37%				

*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period



	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Positions	264	260	261	271	255	252	248	245	240	239	238	241



*Redemptions include maturities, calls, and sells

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Purchases	5	2	5	16	6	12	13	3	2	1	2	7
Redemptions	4	6	4	6	22	15	10	6	7	2	2	4
Total Transactions	9	8	9	22	28	27	23	9	9	3	4	11

Portfolio Statistics & Projected Cash Flows
12/31/2018

Summary of Portfolio

	December 2018	September 2018	June 2018	March 2018	December 2017
Market Value	$3,770,988,770	$3,263,439,272	$3,602,167,778	$3,445,620,926	$3,507,783,549
Amortize Cost Value	$3,808,681,373	$3,325,605,518	$3,657,258,602	$3,492,422,560	$3,528,384,784
Unrealized Gain/Loss % on cost	-0.99%	-1.87%	-1.51%	-1.34%	-0.58%
Yield (weighted on cost value)	2.05%	1.97%	1.89%	1.79%	1.70%
Years to Maturity (weighted on cost value)	1.98	2.33	2.17	2.25	2.22
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

Projection of Future Cash Flows (in millions)

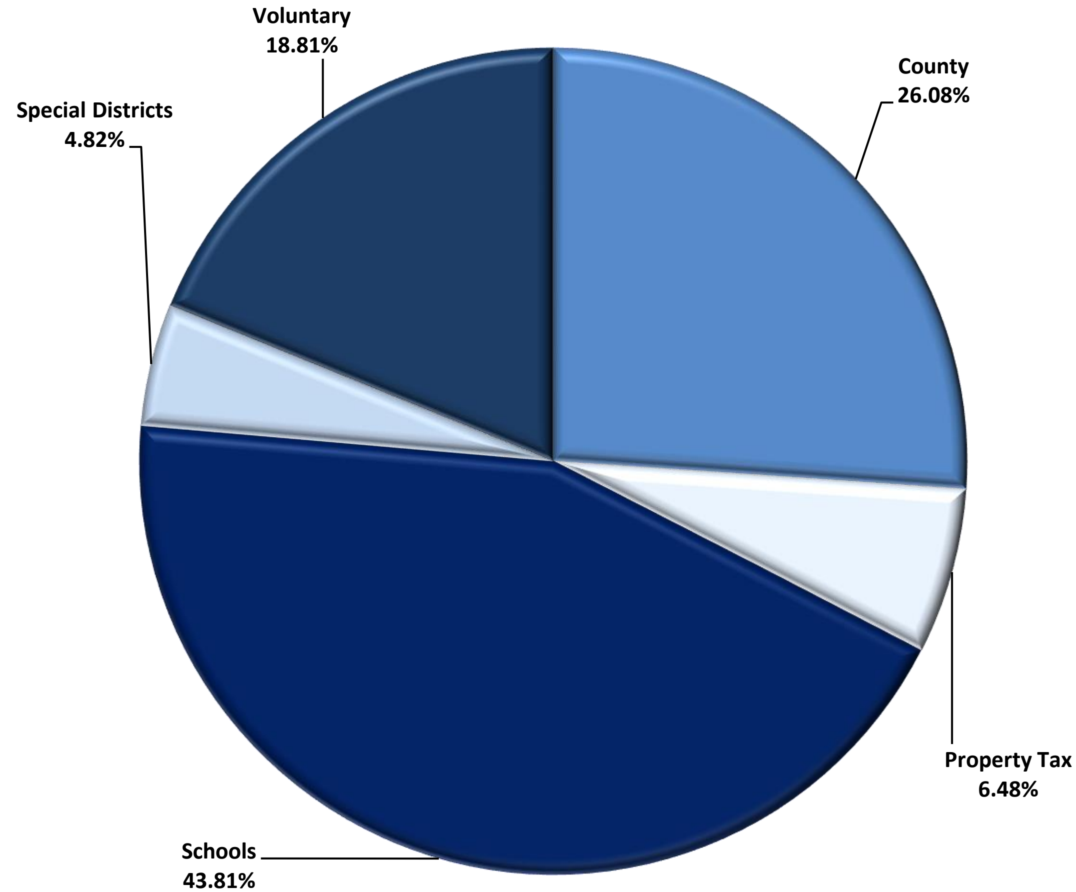
Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					622.1
1/19	488.9	600.4	-111.5	95.0	605.6
2/19	417.8	460.0	-42.2	133.2	696.6
3/19	579.6	508.8	70.8	40.0	807.4
4/19	644.8	549.1	95.7	6.7	909.8
5/19	379.6	491.7	-112.1	83.0	880.7
6/19	561.9	612.6	-50.7	116.0	946.0
Totals	**3,072.6**	**3,222.6**	**-150.0**	**473.9**	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.

Pool Participant Breakdown
12/31/2018

Entity	Portfolio $	Portfolio %
County	1,012,787,127	26.08%
Property Tax	251,689,728	6.48%
Schools	1,701,305,582	43.81%
Special Districts	187,306,112	4.82%
Voluntary	730,364,397	18.81%
Total	**3,883,452,946**	**100.00%**



County of Fresno
Portfolio Management
Portfolio Summary
December 31, 2018

Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Bank Accounts	36,705,619.77	36,705,619.77	36,705,619.77	0.96	1	1	0.444
Federal Agency Coupons	1,918,520,000.00	1,894,932,716.09	1,917,531,080.84	50.35	1,706	899	1.879
Medium Term Notes	740,609,000.00	729,619,705.26	739,011,611.98	19.40	1,642	923	2.463
Treasury Notes	326,000,000.00	322,048,129.00	326,289,754.62	8.57	1,459	704	1.755
Discount Commercial Paper	100,000,000.00	99,834,000.00	99,839,347.29	2.62	35	23	2.481
Mutual Funds	310,000,000.00	310,000,000.00	310,000,000.00	8.14	1	1	2.347
Local Agency Investment Funds	65,000,000.00	65,000,000.00	65,000,000.00	1.71	1	1	2.260
Bank Money Market Accounts	210,390,084.58	210,390,084.58	210,390,084.58	5.52	1	1	2.142
Municipal Bonds	103,500,000.00	102,458,515.00	103,913,874.07	2.73	1,598	1,031	2.209
Investments	**3,810,724,704.35**	**3,770,988,769.70**	**3,808,681,373.15**	**100.00%**	**1,347**	**721**	**2.052**

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	6,217,228.58	33,787,866.23
Average Daily Balance	**3,633,769,049.85**	**3,372,530,781.68**
Effective Rate of Return	**2.01%**	**1.99%**

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 12/01/2018-12/31/2018

Run Date: 01/16/2019 - 09:34

Portfolio FSNO
AC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Bank Accounts												
SYS03400B	03400B	BANK OF AMERICA			0.00	0.00	0.00	0.220	0.220			
SYS03400A	03400A	BANK OF THE WEST			36,705,619.77	36,705,619.77	36,705,619.77	0.450	0.450			
		Subtotal and Average	**36,830,956.60**		**36,705,619.77**	**36,705,619.77**	**36,705,619.77**		**0.450**			
Federal Agency Coupons												
3133EDLR1	17248	FEDERAL FARM CREDIT BANK		05/27/2014	5,000,000.00	4,984,130.00	5,000,584.56	1.650	1.617	AA+	Aaa	05/15/2019
3133EEW55	17316	FEDERAL FARM CREDIT BANK		06/15/2015	10,000,000.00	9,885,540.00	9,987,968.38	1.800	1.887	AA+	Aaa	06/15/2020
3133EFYZ4	17359	FEDERAL FARM CREDIT BANK		02/29/2016	17,800,000.00	17,370,699.60	17,777,955.84	1.375	1.436	AA+	Aaa	02/10/2021
3133EFW52	17383	FEDERAL FARM CREDIT BANK		06/09/2016	2,060,000.00	2,045,889.00	2,061,000.69	1.150	1.051	AA+	Aaa	07/01/2019
3133EGBR5	17384	FEDERAL FARM CREDIT BANK		06/09/2016	5,000,000.00	4,990,050.00	4,999,867.49	0.950	0.968	AA+	Aaa	02/25/2019
3133EGYQ2	17410	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,684,080.00	9,984,722.07	1.400	1.457	AA+	Aaa	10/14/2021
3133EGZJ7	17411	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,673,880.00	9,977,796.90	1.375	1.457	AA+	Aaa	10/25/2021
3133EG5D3	17447	FEDERAL FARM CREDIT BANK		01/27/2017	50,000,000.00	49,118,550.00	50,000,000.00	2.030	2.030	AA+	Aaa	01/27/2022
3133EHJT1	17479	FEDERAL FARM CREDIT BANK		05/18/2017	5,000,000.00	4,894,975.00	4,996,146.17	2.000	2.024	AA+	Aaa	05/18/2022
3133EEY20	17495	FEDERAL FARM CREDIT BANK		09/21/2017	10,000,000.00	9,914,690.00	10,155,421.34	2.400	1.928	AA+	Aaa	06/17/2022
3133EHVS9	17499	FEDERAL FARM CREDIT BANK		09/28/2017	5,500,000.00	5,342,144.50	5,474,856.43	1.840	1.972	AA+	Aaa	08/23/2022
3133EJBP3	17535	FEDERAL FARM CREDIT BANK		02/07/2018	10,000,000.00	9,920,640.00	9,964,704.19	2.500	2.593	AA+	Aaa	02/02/2023
3133EJBP3	17536	FEDERAL FARM CREDIT BANK		02/28/2018	51,180,000.00	50,773,835.52	50,670,399.30	2.500	2.762	AA+	Aaa	02/02/2023
3133EH7F4	17557	FEDERAL FARM CREDIT BANK		04/19/2018	19,869,000.00	19,603,192.52	19,534,433.40	2.350	2.797	AA+	Aaa	01/17/2023
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	20,215,700.00	19,997,636.89	2.875	2.878	AA+	Aaa	07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	30,323,550.00	29,931,249.93	2.875	2.945	AA+	Aaa	07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	10,107,850.00	9,984,582.20	2.875	3.029	AA+	Aaa	07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	17,329,120.00	17,302,178.09	3.080	2.775	AA+	Aaa	07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	2,941,384.35	2,958,032.24	2.875	2.774	AA+	Aaa	07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	65,307,840.00	64,952,506.51	2.770	2.787	AA+	Aaa	07/28/2023
313379EE5	17250	FEDERAL HOME LOAN BANK		06/18/2014	5,000,000.00	4,978,325.00	4,994,981.12	1.625	1.858	AA+	Aaa	06/14/2019
3130A2FH4	17256	FEDERAL HOME LOAN BANK		09/02/2014	20,000,000.00	19,921,000.00	20,000,757.26	1.750	1.741	AA+	Aaa	06/14/2019
313379EE5	17259	FEDERAL HOME LOAN BANK		09/10/2014	10,000,000.00	9,956,650.00	9,990,366.45	1.625	1.848	AA+	Aaa	06/14/2019
3130A2FH4	17260	FEDERAL HOME LOAN BANK		09/10/2014	10,000,000.00	9,960,500.00	9,995,805.18	1.750	1.847	AA+	Aaa	06/14/2019
3133X72S2	17272	FEDERAL HOME LOAN BANK		12/09/2014	10,000,000.00	10,098,840.00	10,130,977.44	5.375	1.706	AA+	Aaa	05/15/2019
3133X72S2	17279	FEDERAL HOME LOAN BANK		12/19/2014	20,500,000.00	20,702,622.00	20,771,041.95	5.375	1.675	AA+	Aaa	05/15/2019
313383HU8	17315	FEDERAL HOME LOAN BANK		06/12/2015	20,000,000.00	19,769,280.00	19,999,722.13	1.750	1.751	AA+	Aaa	06/12/2020
313383HU8	17317	FEDERAL HOME LOAN BANK		06/26/2015	12,615,000.00	12,469,473.36	12,601,781.57	1.750	1.826	AA+	Aaa	06/12/2020
3130A7CV5	17363	FEDERAL HOME LOAN BANK		03/03/2016	5,000,000.00	4,883,785.00	4,984,559.02	1.375	1.526	AA+	Aaa	02/18/2021
313376XN0	17364	FEDERAL HOME LOAN BANK		03/03/2016	820,000.00	812,553.58	829,022.59	2.100	1.554	AA+	Aaa	02/08/2021
3130A7CV5	17371	FEDERAL HOME LOAN BANK		04/21/2016	10,000,000.00	9,767,570.00	9,994,215.49	1.375	1.403	AA+	Aaa	02/18/2021

County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Federal Agency Coupons												
313381CA1	17372	FEDERAL HOME LOAN BANK		04/21/2016	5,000,000.00	4,889,335.00	5,000,553.29	1.375	1.369	AA+	Aaa	12/11/2020
3130A7CV5	17376	FEDERAL HOME LOAN BANK		05/20/2016	5,000,000.00	4,883,785.00	4,990,547.22	1.375	1.467	AA+	Aaa	02/18/2021
3130A7CV5	17379	FEDERAL HOME LOAN BANK		05/25/2016	10,000,000.00	9,767,570.00	9,976,192.82	1.375	1.491	AA+	Aaa	02/18/2021
3130A1W95	17386	FEDERAL HOME LOAN BANK		07/15/2016	30,000,000.00	29,784,840.00	30,709,062.74	2.250	1.250	AA+	Aaa	06/11/2021
3130A7CV5	17388	FEDERAL HOME LOAN BANK		08/08/2016	10,000,000.00	9,767,570.00	10,041,577.99	1.375	1.174	AA+	Aaa	02/18/2021
3130A8QS5	17389	FEDERAL HOME LOAN BANK		08/08/2016	15,000,000.00	14,486,460.00	14,956,200.68	1.125	1.244	AA+	Aaa	07/14/2021
313379RB7	17392	FEDERAL HOME LOAN BANK		08/17/2016	10,000,000.00	9,813,990.00	10,134,104.08	1.875	1.307	AA+	Aaa	06/11/2021
3130A8QS5	17399	FEDERAL HOME LOAN BANK		08/29/2016	3,955,000.00	3,819,596.62	3,936,235.59	1.125	1.319	AA+	Aaa	07/14/2021
3130A8QS5	17400	FEDERAL HOME LOAN BANK		09/13/2016	15,000,000.00	14,486,460.00	14,924,311.72	1.125	1.331	AA+	Aaa	07/14/2021
3130A8QS5	17403	FEDERAL HOME LOAN BANK		09/28/2016	10,000,000.00	9,657,640.00	9,971,747.36	1.125	1.240	AA+	Aaa	07/14/2021
3133752P1	17405	FEDERAL HOME LOAN BANK		10/05/2016	5,700,000.00	5,836,834.20	6,006,028.07	3.500	1.342	AA+	Aaa	07/29/2021
3130A8QS5	17408	FEDERAL HOME LOAN BANK		10/13/2016	10,000,000.00	9,657,640.00	9,927,797.76	1.125	1.420	AA+	Aaa	07/14/2021
3130A8QS5	17414	FEDERAL HOME LOAN BANK		11/14/2016	10,000,000.00	9,657,640.00	9,901,205.79	1.125	1.530	AA+	Aaa	07/14/2021
3130A1W95	17420	FEDERAL HOME LOAN BANK		11/29/2016	18,470,000.00	18,337,533.16	18,647,176.19	2.250	1.839	AA+	Aaa	06/11/2021
3130A7CV5	17457	FEDERAL HOME LOAN BANK		03/20/2017	20,000,000.00	19,535,140.00	19,799,882.73	1.375	1.864	AA+	Aaa	02/18/2021
3130AAX45	17460	FEDERAL HOME LOAN BANK		03/28/2017	15,000,000.00	14,793,075.00	15,032,085.60	1.875	1.768	AA+	Aaa	01/28/2021
3130A8QS5	17464	FEDERAL HOME LOAN BANK		04/06/2017	20,000,000.00	19,315,280.00	19,668,453.61	1.125	1.807	AA+	Aaa	07/14/2021
3130AB3M6	17465	FEDERAL HOME LOAN BANK		04/10/2017	5,000,000.00	4,924,530.00	5,002,661.51	1.875	1.853	AA+	Aaa	06/30/2021
313379RB7	17466	FEDERAL HOME LOAN BANK		04/11/2017	15,000,000.00	14,720,985.00	15,010,120.00	1.875	1.846	AA+	Aaa	06/11/2021
313379Q69	17485	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	4,915,305.00	5,038,066.92	2.125	1.892	AA+	Aaa	06/10/2022
313379Q69	17486	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	4,915,305.00	5,038,101.68	2.125	1.892	AA+	Aaa	06/10/2022
313379Q69	17487	FEDERAL HOME LOAN BANK		06/28/2017	3,820,000.00	3,755,293.02	3,849,601.04	2.125	1.888	AA+	Aaa	06/10/2022
313379Q69	17488	FEDERAL HOME LOAN BANK		07/07/2017	13,470,000.00	13,241,831.67	13,523,560.23	2.125	2.003	AA+	Aaa	06/10/2022
3130AC5A8	17494	FEDERAL HOME LOAN BANK		09/19/2017	10,000,000.00	9,738,780.00	9,983,947.36	1.850	1.896	AA+	Aaa	08/15/2022
3130AC5A8	17496	FEDERAL HOME LOAN BANK		09/27/2017	9,280,000.00	9,037,587.84	9,255,742.69	1.850	1.926	AA+	Aaa	08/15/2022
313379Q69	17498	FEDERAL HOME LOAN BANK		09/27/2017	20,000,000.00	19,661,220.00	20,160,565.03	2.125	1.880	AA+	Aaa	06/10/2022
3130ACKC7	17500	FEDERAL HOME LOAN BANK		10/18/2017	50,000,000.00	48,891,400.00	50,000,000.00	1.950	1.950	AA+	Aaa	07/18/2022
3130ACM27	17502	FEDERAL HOME LOAN BANK		10/12/2017	15,000,000.00	14,669,430.00	14,988,630.19	1.950	1.973	AA+	Aaa	07/11/2022
3130ACM27	17509	FEDERAL HOME LOAN BANK		10/19/2017	4,455,000.00	4,356,820.71	4,446,855.62	1.950	2.005	AA+	Aaa	07/11/2022
3130ACUV4	17512	FEDERAL HOME LOAN BANK		11/30/2017	50,000,000.00	49,084,400.00	50,000,000.00	2.070	2.070	AA+	Aaa	07/29/2022
3130ACUZ5	17513	FEDERAL HOME LOAN BANK		11/24/2017	23,000,000.00	22,603,296.00	22,983,678.23	2.060	2.082	AA+	Aaa	05/24/2022
3130ACYP3	17515	FEDERAL HOME LOAN BANK		12/05/2017	20,000,000.00	19,654,740.00	19,986,032.44	2.100	2.121	AA+	Aaa	07/27/2022
313379Q69	17516	FEDERAL HOME LOAN BANK		12/01/2017	2,000,000.00	1,966,122.00	1,999,473.67	2.125	2.133	AA+	Aaa	06/10/2022
3130ACUV4	17517	FEDERAL HOME LOAN BANK		12/06/2017	8,890,000.00	8,727,206.32	8,861,610.32	2.070	2.165	AA+	Aaa	07/29/2022
313379Q69	17527	FEDERAL HOME LOAN BANK		12/20/2017	1,900,000.00	1,867,815.90	1,893,636.62	2.125	2.228	AA+	Aaa	06/10/2022
3130A5P45	17528	FEDERAL HOME LOAN BANK		12/20/2017	1,925,000.00	1,908,943.58	1,934,233.65	2.375	2.228	AA+	Aaa	06/10/2022

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Federal Agency Coupons												
3130ACXH2	17567	FEDERAL HOME LOAN BANK		12/04/2017	25,000,000.00	24,535,875.00	24,936,121.79	2.020	2.099	AA+	Aaa	05/25/2022
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,231,279.45	21,035,551.32	2.760	2.893	AA+	Aaa	05/30/2023
3130AEAP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	50,429,900.00	49,977,533.31	2.875	2.886	AA+	Aaa	05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	12,747,450.00	12,746,839.03	3.125	2.774	AA+	Aaa	07/25/2023
3137EADK2	17275	FEDERAL HOME MORTGAGE CO		12/11/2014	15,000,000.00	14,875,170.00	14,966,926.89	1.250	1.644	AA+	Aaa	08/01/2019
3137EADK2	17276	FEDERAL HOME MORTGAGE CO		12/11/2014	20,000,000.00	19,833,560.00	19,956,340.12	1.250	1.640	AA+	Aaa	08/01/2019
3137EADM8	17280	FEDERAL HOME MORTGAGE CO		12/19/2014	20,000,000.00	19,793,340.00	19,928,058.39	1.250	1.750	AA+	Aaa	10/02/2019
3137EADM8	17281	FEDERAL HOME MORTGAGE CO		12/19/2014	20,000,000.00	19,793,340.00	19,928,341.50	1.250	1.748	AA+	Aaa	10/02/2019
3137EADM8	17282	FEDERAL HOME MORTGAGE CO		12/19/2014	10,000,000.00	9,896,670.00	9,964,170.75	1.250	1.748	AA+	Aaa	10/02/2019
3137EADR7	17303	FEDERAL HOME MORTGAGE CO		05/06/2015	10,000,000.00	9,845,570.00	9,967,188.86	1.375	1.632	AA+	Aaa	05/01/2020
3137EADR7	17309	FEDERAL HOME MORTGAGE CO		05/08/2015	10,000,000.00	9,845,570.00	9,965,315.78	1.375	1.647	AA+	Aaa	05/01/2020
3134G44G0	17328	FEDERAL HOME MORTGAGE CO		10/29/2015	5,000,000.00	4,928,735.00	4,998,387.84	1.500	1.524	AA+	Aaa	05/22/2020
3137EAEB1	17391	FEDERAL HOME MORTGAGE CO		08/11/2016	10,000,000.00	9,904,610.00	9,996,743.67	0.875	0.935	AA+	Aaa	07/19/2019
3137EAEC9	17393	FEDERAL HOME MORTGAGE CO		08/17/2016	10,000,000.00	9,658,070.00	9,950,197.77	1.125	1.322	AA+	Aaa	08/12/2021
3134G9M79	17463	FEDERAL HOME MORTGAGE CO		04/06/2017	4,410,000.00	4,338,240.48	4,409,214.07	1.875	1.882	AA+	Aaa	07/26/2021
3134G9N86	17476	FEDERAL HOME MORTGAGE CO		05/11/2017	6,170,000.00	6,069,521.55	6,166,231.25	1.875	1.900	AA+	Aaa	07/27/2021
3135G0ZA4	17222	FEDERAL NATIONAL MORTGAGE		02/25/2014	10,000,000.00	9,992,220.00	10,001,856.86	1.875	1.729	AA+	Aaa	02/19/2019
3135G0ZA4	17223	FEDERAL NATIONAL MORTGAGE		03/03/2014	25,000,000.00	24,980,550.00	25,006,497.20	1.875	1.671	AA+	Aaa	02/19/2019
3135G0ZA4	17224	FEDERAL NATIONAL MORTGAGE		03/03/2014	10,000,000.00	9,992,220.00	10,002,631.13	1.875	1.669	AA+	Aaa	02/19/2019
3135G0ZA4	17235	FEDERAL NATIONAL MORTGAGE		03/20/2014	600,000.00	599,533.20	600,015.78	1.875	1.854	AA+	Aaa	02/19/2019
3135G0ZE6	17251	FEDERAL NATIONAL MORTGAGE		06/18/2014	5,000,000.00	4,981,770.00	4,997,636.63	1.750	1.856	AA+	Aaa	06/20/2019
3135G0ZA4	17268	FEDERAL NATIONAL MORTGAGE		10/01/2014	5,000,000.00	4,996,110.00	5,000,868.44	1.875	1.739	AA+	Aaa	02/19/2019
3135G0ZE6	17269	FEDERAL NATIONAL MORTGAGE		10/01/2014	30,000,000.00	29,890,620.00	29,986,959.45	1.750	1.847	AA+	Aaa	06/20/2019
3136FTZZ5	17274	FEDERAL NATIONAL MORTGAGE		12/09/2014	10,000,000.00	9,994,560.00	10,001,233.13	1.750	1.591	AA+	Aaa	01/30/2019
3135G0ZE6	17277	FEDERAL NATIONAL MORTGAGE		12/11/2014	10,000,000.00	9,963,540.00	10,006,764.15	1.750	1.600	AA+	Aaa	06/20/2019
3135G0ZE6	17278	FEDERAL NATIONAL MORTGAGE		12/19/2014	26,000,000.00	25,905,204.00	26,010,541.81	1.750	1.660	AA+	Aaa	06/20/2019
3135G0A78	17299	FEDERAL NATIONAL MORTGAGE		03/04/2015	20,000,000.00	19,800,940.00	19,984,428.00	1.625	1.702	AA+	Aaa	01/21/2020
3135G0A78	17307	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	9,900,470.00	10,000,269.34	1.625	1.622	AA+	Aaa	01/21/2020
3135G0A78	17308	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	9,900,470.00	10,000,487.06	1.625	1.620	AA+	Aaa	01/21/2020
3135G0A78	17312	FEDERAL NATIONAL MORTGAGE		06/03/2015	15,000,000.00	14,850,705.00	14,998,458.81	1.625	1.635	AA+	Aaa	01/21/2020
3135G0D75	17327	FEDERAL NATIONAL MORTGAGE		10/29/2015	20,000,000.00	19,707,420.00	19,990,033.83	1.500	1.535	AA+	Aaa	06/22/2020
3135G0A78	17329	FEDERAL NATIONAL MORTGAGE		10/29/2015	10,000,000.00	9,900,470.00	10,018,650.46	1.625	1.442	AA+	Aaa	01/21/2020
3135G0RM7	17330	FEDERAL NATIONAL MORTGAGE		10/30/2015	10,060,000.00	9,889,050.42	10,069,502.34	1.630	1.576	AA+	Aaa	10/30/2020
3135G0D75	17331	FEDERAL NATIONAL MORTGAGE		10/30/2015	5,950,000.00	5,862,957.45	5,944,161.06	1.500	1.569	AA+	Aaa	06/22/2020
3135G0A78	17332	FEDERAL NATIONAL MORTGAGE		11/04/2015	10,000,000.00	9,900,470.00	10,010,270.27	1.625	1.524	AA+	Aaa	01/21/2020
3135G0D75	17333	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,926,855.00	4,991,070.41	1.500	1.626	AA+	Aaa	06/22/2020

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Federal Agency Coupons												
3135G0D75	17334	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,926,855.00	4,991,006.74	1.500	1.627	AA+	Aaa	06/22/2020
3135G0A78	17335	FEDERAL NATIONAL MORTGAGE		11/06/2015	10,000,000.00	9,900,470.00	10,003,641.98	1.625	1.589	AA+	Aaa	01/21/2020
3135G0D75	17336	FEDERAL NATIONAL MORTGAGE		11/06/2015	5,000,000.00	4,926,855.00	4,987,362.45	1.500	1.679	AA+	Aaa	06/22/2020
3135G0D75	17338	FEDERAL NATIONAL MORTGAGE		12/17/2015	30,000,000.00	29,561,130.00	29,883,960.98	1.500	1.774	AA+	Aaa	06/22/2020
3135G0D75	17339	FEDERAL NATIONAL MORTGAGE		12/17/2015	20,000,000.00	19,707,420.00	19,917,281.64	1.500	1.793	AA+	Aaa	06/22/2020
3135G0D75	17340	FEDERAL NATIONAL MORTGAGE		12/22/2015	10,000,000.00	9,853,710.00	9,971,430.89	1.500	1.702	AA+	Aaa	06/22/2020
3135G0A78	17341	FEDERAL NATIONAL MORTGAGE		12/22/2015	20,000,000.00	19,800,940.00	20,002,214.30	1.625	1.614	AA+	Aaa	01/21/2020
3135G0A78	17342	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,900,470.00	10,000,698.91	1.625	1.618	AA+	Aaa	01/21/2020
3135G0D75	17343	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,853,710.00	9,969,169.86	1.500	1.718	AA+	Aaa	06/22/2020
3135G0A78	17344	FEDERAL NATIONAL MORTGAGE		12/23/2015	20,000,000.00	19,800,940.00	20,000,994.01	1.625	1.620	AA+	Aaa	01/21/2020
3135G0H55	17374	FEDERAL NATIONAL MORTGAGE		05/20/2016	10,000,000.00	9,871,980.00	10,087,977.37	1.875	1.417	AA+	Aaa	12/28/2020
3135G0K69	17380	FEDERAL NATIONAL MORTGAGE		05/25/2016	10,000,000.00	9,710,290.00	9,938,496.72	1.250	1.523	AA+	Aaa	05/06/2021
3135G0J53	17390	FEDERAL NATIONAL MORTGAGE		08/11/2016	26,561,000.00	26,501,822.09	26,565,965.31	1.000	0.876	AA+	Aaa	02/26/2019
3135G0N82	17396	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,683,760.00	9,988,942.17	1.250	1.294	AA+	Aaa	08/17/2021
3135G0N82	17397	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,683,760.00	9,977,831.43	1.250	1.337	AA+	Aaa	08/17/2021
3135G0N82	17398	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,683,760.00	9,972,699.33	1.250	1.358	AA+	Aaa	08/17/2021
3135G0K69	17402	FEDERAL NATIONAL MORTGAGE		09/28/2016	25,000,000.00	24,275,725.00	25,008,495.74	1.250	1.235	AA+	Aaa	05/06/2021
3135G0Q89	17406	FEDERAL NATIONAL MORTGAGE		10/07/2016	20,000,000.00	19,398,740.00	19,981,850.67	1.375	1.409	AA+	Aaa	10/07/2021
3135G0Q89	17407	FEDERAL NATIONAL MORTGAGE		10/13/2016	10,000,000.00	9,699,370.00	9,967,244.15	1.375	1.498	AA+	Aaa	10/07/2021
3135G0Q89	17409	FEDERAL NATIONAL MORTGAGE		10/27/2016	5,000,000.00	4,849,685.00	4,989,760.22	1.375	1.452	AA+	Aaa	10/07/2021
3135G0K69	17412	FEDERAL NATIONAL MORTGAGE		11/02/2016	10,000,000.00	9,710,290.00	9,970,508.25	1.250	1.380	AA+	Aaa	05/06/2021
3135G0K69	17413	FEDERAL NATIONAL MORTGAGE		11/14/2016	8,000,000.00	7,768,232.00	7,950,054.84	1.250	1.526	AA+	Aaa	05/06/2021
3135G0K69	17421	FEDERAL NATIONAL MORTGAGE		12/02/2016	25,000,000.00	24,275,725.00	24,629,722.09	1.250	1.911	AA+	Aaa	05/06/2021
3135G0S38	17440	FEDERAL NATIONAL MORTGAGE		01/09/2017	20,000,000.00	19,704,060.00	19,972,658.57	2.000	2.048	AA+	Aaa	01/05/2022
3135G0S38	17441	FEDERAL NATIONAL MORTGAGE		01/09/2017	10,000,000.00	9,852,030.00	9,985,764.35	2.000	2.050	AA+	Aaa	01/05/2022
3135G0S38	17459	FEDERAL NATIONAL MORTGAGE		03/28/2017	10,000,000.00	9,852,030.00	10,004,229.94	2.000	1.985	AA+	Aaa	01/05/2022
3136G2CS4	17461	FEDERAL NATIONAL MORTGAGE		03/28/2017	5,000,000.00	4,914,510.00	5,002,151.64	2.000	1.985	AA+	Aaa	01/27/2022
3135G0S38	17480	FEDERAL NATIONAL MORTGAGE		06/02/2017	5,000,000.00	4,926,015.00	5,024,131.66	2.000	1.832	AA+	Aaa	01/05/2022
3135G0S38	17481	FEDERAL NATIONAL MORTGAGE		06/12/2017	5,000,000.00	4,926,015.00	5,023,998.56	2.000	1.833	AA+	Aaa	01/05/2022
3135G0T78	17501	FEDERAL NATIONAL MORTGAGE		10/10/2017	20,000,000.00	19,621,920.00	19,983,525.70	2.000	2.023	AA+	Aaa	10/05/2022
3135G0T78	17503	FEDERAL NATIONAL MORTGAGE		10/12/2017	15,000,000.00	14,716,440.00	14,986,067.32	2.000	2.026	AA+	Aaa	10/05/2022
3135G0T78	17531	FEDERAL NATIONAL MORTGAGE		01/11/2018	5,000,000.00	4,905,480.00	4,932,911.84	2.000	2.379	AA+	Aaa	10/05/2022
3135G0T94	17533	FEDERAL NATIONAL MORTGAGE		01/23/2018	50,000,000.00	49,625,800.00	49,757,879.45	2.375	2.503	AA+	Aaa	01/19/2023
		Subtotal and Average	**1,857,512,033.43**		**1,918,520,000.00**	**1,894,932,716.09**	**1,917,531,080.84**		**1.905**			

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Medium Term Notes												
037833BD1	17348	APPLE INC		12/28/2015	10,000,000.00	9,905,370.00	9,998,824.62	2.000	2.009	AA+	Aa1	05/06/2020
037833CC2	17425	APPLE INC		12/13/2016	5,000,000.00	4,847,970.00	4,917,196.95	1.550	2.226	AA+	Aa1	08/04/2021
037833BS8	17443	APPLE INC		01/19/2017	10,000,000.00	9,882,840.00	10,000,000.00	2.250	2.250	AA+	Aa1	02/23/2021
037833CM0	17448	APPLE INC		02/21/2017	15,000,000.00	14,763,375.00	14,976,927.18	2.500	2.553	AA+	Aa1	02/09/2022
037833AY6	17470	APPLE INC		04/18/2017	10,000,000.00	9,749,980.00	9,986,716.21	2.150	2.195	AA+	Aa1	02/09/2022
037833CQ1	17475	APPLE INC		05/11/2017	20,000,000.00	19,518,600.00	19,967,733.33	2.300	2.351	AA+	Aa1	05/11/2022
037833BU3	17540	APPLE INC		03/01/2018	10,000,000.00	9,877,410.00	9,918,406.25	2.850	3.064	AA+	Aa1	02/23/2023
037833DE7	17541	APPLE INC		03/01/2018	2,500,000.00	2,426,025.00	2,438,472.33	2.400	3.060	AA+	Aa1	01/13/2023
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	4,834,655.00	4,825,403.11	2.400	3.279	AA+	Aa1	05/03/2023
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	4,834,655.00	4,825,229.56	2.400	3.280	AA+	Aa1	05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	9,669,310.00	9,662,800.69	2.400	3.246	AA+	Aa1	05/03/2023
084670BL1	17264	BERKSHIRE HATHAWAY		10/01/2014	10,000,000.00	9,951,720.00	9,995,598.52	2.100	2.175	AA	Aa2	08/14/2019
084670BF4	17520	BERKSHIRE HATHAWAY		12/14/2017	15,000,000.00	15,198,330.00	15,457,294.58	3.400	2.355	AA	Aa2	01/31/2022
06406HCU1	17261	BANK OF NEW YORK		09/16/2014	2,500,000.00	2,494,212.50	2,499,838.39	2.200	2.218	A	A1	05/15/2019
06406HCU1	17262	BANK OF NEW YORK		09/16/2014	5,000,000.00	4,988,425.00	4,999,904.23	2.200	2.205	A	A1	05/15/2019
06406HCW7	17266	BANK OF NEW YORK		10/01/2014	8,501,000.00	8,456,811.80	8,494,791.40	2.300	2.412	A	A1	09/11/2019
06406HCZ0	17297	BANK OF NEW YORK		03/04/2015	3,000,000.00	2,973,714.00	3,002,083.46	2.150	2.086	A	A1	02/24/2020
06406HDD8	17347	BANK OF NEW YORK		12/28/2015	5,000,000.00	4,967,105.00	5,013,605.45	2.600	2.422	A	A1	08/17/2020
06406HBP3	17350	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,083,445.00	5,114,429.37	4.600	2.281	A	A1	01/15/2020
06406HCR8	17373	BANK OF NEW YORK		05/19/2016	30,000,000.00	29,964,840.00	30,034,565.37	2.200	1.525	A	A1	03/04/2019
06406RAA5	17469	BANK OF NEW YORK		04/18/2017	10,000,000.00	9,822,990.00	10,051,423.78	2.600	2.423	A	A1	02/07/2022
06406FAB9	17490	BANK OF NEW YORK		07/18/2017	7,500,000.00	7,320,187.50	7,459,658.02	2.050	2.291	A	A1	05/03/2021
14912L6J5	17360	CATERPILLAR		03/04/2016	8,278,000.00	8,179,094.46	8,270,086.35	2.000	2.085	A	A3	03/05/2020
14912L6U0	17401	CATERPILLAR		09/16/2016	15,294,000.00	14,680,634.13	15,204,979.72	1.700	1.935	A	A3	08/09/2021
166764AY6	17346	CHEVRON CORP		12/28/2015	10,000,000.00	9,907,970.00	9,990,815.01	2.419	2.471	AA	Aa2	11/17/2020
166764BH2	17378	CHEVRON CORP		05/25/2016	20,000,000.00	19,892,000.00	19,992,487.39	1.561	1.664	AA	Aa2	05/16/2019
166764BH2	17381	CHEVRON CORP		05/27/2016	10,000,000.00	9,946,000.00	9,996,249.30	1.561	1.664	AA	Aa2	05/16/2019
166764BG4	17471	CHEVRON CORP		04/25/2017	20,000,000.00	19,613,920.00	19,994,498.97	2.100	2.112	AA	Aa2	05/16/2021
166764BK5	17571	CHEVRON CORP		06/08/2018	10,000,000.00	9,738,770.00	9,700,882.87	2.566	3.313	AA	Aa2	05/16/2023
166764BK5	17579	CHEVRON CORP		06/22/2018	5,000,000.00	4,869,385.00	4,860,191.96	2.566	3.262	AA	Aa2	05/16/2023
166764BK5	17585	CHEVRON CORP		07/25/2018	6,288,000.00	6,123,738.58	6,106,519.82	2.566	3.284	AA	Aa2	05/16/2023
36962G7M0	17296	G.E. CAPITAL		03/04/2015	10,350,000.00	10,199,283.30	10,372,656.36	2.200	1.974	BBB+	Baa1	01/09/2020
36962G5J9	17511	G.E. CAPITAL		11/16/2017	10,000,000.00	10,029,990.00	10,586,060.95	4.650	2.438	BBB+	Baa1	10/17/2021
24422ESK6	17226	JOHN DEERE		03/05/2014	10,000,000.00	9,980,360.00	10,000,381.71	1.950	1.927	A	A2	03/04/2019
24422ERY7	17349	JOHN DEERE		12/28/2015	9,000,000.00	8,882,568.00	8,948,620.56	1.700	2.278	A	A2	01/15/2020
24422ETF6	17362	JOHN DEERE		03/04/2016	5,000,000.00	4,954,820.00	5,038,132.07	2.550	2.150	A	A2	01/08/2021

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Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Medium Term Notes												
24422ERH4	17427	JOHN DEERE		12/13/2016	8,707,000.00	8,719,868.95	8,872,552.76	3.150	2.423	A	A2	10/15/2021
46625HJR2	17217	JP MORGAN		01/28/2014	5,000,000.00	4,997,530.00	4,999,968.50	2.350	2.359	A-	A2	01/28/2019
46625HJR2	17225	JP MORGAN		03/05/2014	10,000,000.00	9,995,060.00	10,000,938.80	2.350	2.217	A-	A2	01/28/2019
46625HHL7	17252	JP MORGAN		07/23/2014	6,740,000.00	6,805,890.24	6,818,941.47	6.300	2.303	A-	A2	04/23/2019
46625HJR2	17263	JP MORGAN		09/16/2014	5,000,000.00	4,997,530.00	5,000,418.23	2.350	2.232	A-	A2	01/28/2019
46625HKA7	17295	JP MORGAN		03/04/2015	10,000,000.00	9,900,400.00	9,990,401.14	2.250	2.346	A-	A2	01/23/2020
46625HNX4	17361	JP MORGAN		03/04/2016	6,181,000.00	6,112,285.82	6,183,282.43	2.550	2.528	A-	A2	10/29/2020
46625HJH4	17559	JP MORGAN		04/26/2018	10,000,000.00	9,854,310.00	9,868,334.23	3.200	3.554	A-	A2	01/25/2023
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	28,848,000.00	30,000,000.00	3.450	3.450	A+	Aa2	07/14/2023
594918BP8	17394	MICROSOFT		08/22/2016	15,000,000.00	14,572,005.00	14,994,727.41	1.550	1.564	AAA	Aaa	08/08/2021
594918BP8	17424	MICROSOFT		12/13/2016	5,000,000.00	4,857,335.00	4,921,683.58	1.550	2.186	AAA	Aaa	08/08/2021
594918BW3	17449	MICROSOFT		02/21/2017	6,725,000.00	6,647,521.28	6,721,462.95	2.400	2.418	AAA	Aaa	02/06/2022
594918BA1	17450	MICROSOFT		02/21/2017	6,450,000.00	6,371,851.80	6,441,893.50	2.375	2.418	AAA	Aaa	02/12/2022
594918BW3	17525	MICROSOFT		12/21/2017	17,375,000.00	17,174,822.63	17,375,000.00	2.400	2.400	AAA	Aaa	02/06/2022
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	9,785,890.00	9,685,841.51	2.375	3.162	AAA	Aaa	05/01/2023
89236TBP9	17265	TOYOTA MOTOR CREDIT		10/01/2014	10,000,000.00	9,946,200.00	9,996,201.45	2.125	2.198	AA-	Aa3	07/18/2019
89233P7F7	17538	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	4,867,660.00	4,920,309.14	2.625	3.054	AA-	Aa3	01/10/2023
89236TEL5	17539	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	4,856,590.00	4,934,194.86	2.700	3.054	AA-	Aa3	01/11/2023
89236TEL5	17542	TOYOTA MOTOR CREDIT		04/02/2018	20,000,000.00	19,426,360.00	19,677,271.67	2.700	3.134	AA-	Aa3	01/11/2023
91159HHL7	17395	US BANK NA		08/22/2016	5,000,000.00	4,926,160.00	5,066,690.03	2.350	1.681	A+	A1	01/29/2021
91159HHL7	17426	US BANK NA		12/13/2016	4,634,000.00	4,565,565.09	4,645,126.46	2.350	2.228	A+	A1	01/29/2021
91159HHL7	17431	US BANK NA		12/22/2016	5,000,000.00	4,926,160.00	4,993,773.42	2.350	2.413	A+	A1	01/29/2021
91159HHL7	17432	US BANK NA		12/22/2016	7,522,000.00	7,410,915.10	7,513,390.80	2.350	2.408	A+	A1	01/29/2021
91159HHL7	17458	US BANK NA		03/22/2017	10,000,000.00	9,852,320.00	10,004,799.71	2.350	2.325	A+	A1	01/29/2021
91159HHL7	17482	US BANK NA		06/27/2017	4,803,000.00	4,732,069.30	4,830,887.48	2.350	2.058	A+	A1	01/29/2021
91159HHP8	17483	US BANK NA		06/27/2017	20,000,000.00	19,696,100.00	20,206,402.31	2.625	2.268	A+	A1	01/24/2022
91159JAA4	17529	US BANK NA		12/21/2017	10,004,000.00	9,867,875.57	10,116,101.03	2.950	2.606	A-	A1	07/15/2022
90331HNL3	17534	US BANK NA		01/24/2018	10,000,000.00	9,829,330.00	9,984,965.54	2.850	2.890	AA-	A1	01/23/2023
90331HNL3	17537	US BANK NA		03/01/2018	5,000,000.00	4,914,665.00	4,946,913.30	2.850	3.134	AA-	A1	01/23/2023
90331HNL3	17556	US BANK NA		04/20/2018	10,000,000.00	9,829,330.00	9,882,229.20	2.850	3.164	AA-	A1	01/23/2023
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	9,979,470.00	9,989,254.39	3.400	3.428	AA-	A1	07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,496,920.50	1,497,394.96	3.400	3.444	AA-	A1	07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,247,433.75	1,248,291.49	3.400	3.435	AA-	A1	07/24/2023
931142EK5	17604	Wal-Mart Stores		11/13/2018	10,000,000.00	10,103,050.00	9,953,773.90	3.400	3.512	AA	Aa2	06/26/2023
94974BFQ8	17207	WELLS FARGO		01/15/2014	15,000,000.00	14,995,650.00	14,999,577.67	2.150	2.227	A-	A2	01/15/2019
949746SA0	17445	WELLS FARGO		01/25/2017	10,000,000.00	9,687,790.00	9,826,698.03	2.100	2.823	A-	A2	07/26/2021

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Medium Term Notes												
949746SA0	17467	WELLS FARGO		04/17/2017	5,000,000.00	4,843,895.00	4,955,282.65	2.100	2.469	A-	A2	07/26/2021
949746SA0	17477	WELLS FARGO		05/15/2017	13,232,000.00	12,818,883.73	13,111,467.08	2.100	2.475	A-	A2	07/26/2021
949746SA0	17491	WELLS FARGO		07/18/2017	12,275,000.00	11,891,762.23	12,178,315.30	2.100	2.424	A-	A2	07/26/2021
95000U2B8	17508	WELLS FARGO		10/20/2017	5,000,000.00	4,821,305.00	4,998,279.03	2.625	2.635	A-	A2	07/22/2022
94988J5R4	17591	WELLS FARGO		08/14/2018	10,000,000.00	9,957,720.00	9,984,940.61	3.550	3.586	A+	Aa2	08/14/2023
94988J5R4	17602	WELLS FARGO		11/13/2018	10,000,000.00	9,957,720.00	9,970,168.12	3.550	3.830	A+	Aa2	08/14/2023
		Subtotal and Average	**746,861,714.72**		**740,609,000.00**	**729,619,705.26**	**739,011,611.98**		**2.497**			
Treasury Notes												
912828C24	17245	US TREASURY NOTE		03/31/2014	1,000,000.00	998,569.00	999,657.95	1.500	1.725	AA+	Aaa	02/28/2019
912828ND8	17345	US TREASURY NOTE		12/23/2015	40,000,000.00	40,498,440.00	40,980,821.65	3.500	1.637	AA+	Aaa	05/15/2020
912828XE5	17416	US TREASURY NOTE		11/15/2016	15,000,000.00	14,779,680.00	15,019,174.16	1.500	1.407	AA+	Aaa	05/31/2020
912828XE5	17428	US TREASURY NOTE		12/13/2016	40,000,000.00	39,412,480.00	39,952,835.97	1.500	1.586	AA+	Aaa	05/31/2020
912828N48	17429	US TREASURY NOTE		12/16/2016	40,000,000.00	39,429,680.00	39,870,172.76	1.750	1.919	AA+	Aaa	12/31/2020
912828XM7	17433	US TREASURY NOTE		12/22/2016	40,000,000.00	39,432,800.00	39,927,436.88	1.625	1.744	AA+	Aaa	07/31/2020
912828WN6	17434	US TREASURY NOTE		12/28/2016	40,000,000.00	39,556,240.00	40,004,261.80	2.000	1.995	AA+	Aaa	05/31/2021
912828XM7	17435	US TREASURY NOTE		12/28/2016	40,000,000.00	39,432,800.00	39,914,726.35	1.625	1.765	AA+	Aaa	07/31/2020
912828L65	17436	US TREASURY NOTE		12/28/2016	30,000,000.00	29,410,560.00	29,775,485.15	1.375	1.820	AA+	Aaa	09/30/2020
912828XR6	17497	US TREASURY NOTE		09/27/2017	20,000,000.00	19,525,000.00	19,940,692.74	1.750	1.841	AA+	Aaa	05/31/2022
912828L24	17510	US TREASURY NOTE		10/23/2017	20,000,000.00	19,571,880.00	19,904,489.21	1.875	2.012	AA+	Aaa	08/31/2022
		Subtotal and Average	**326,933,506.90**		**326,000,000.00**	**322,048,129.00**	**326,289,754.62**		**1.780**			
Discount Commercial Paper												
30229BNA1	17609	EXXON MOBIL		12/20/2018	50,000,000.00	49,972,000.00	49,969,875.07	2.410	2.447	A-1+	P-1	01/10/2019
89233HP73	17605	TOYOTA MOTOR CREDIT		12/19/2018	50,000,000.00	49,862,000.00	49,869,472.22	2.540	2.584	A-1+	P-1	02/07/2019
		Subtotal and Average	**40,240,179.26**		**100,000,000.00**	**99,834,000.00**	**99,839,347.29**		**2.516**			
Mutual Funds												
09248U718	9267	BLACKROCK PROVIDENT TFUND		07/01/2018	0.00	0.00	0.00	1.720	1.720	AAA	Aaa	
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2018	0.00	0.00	0.00	1.730	1.730	AAA	Aaa	
SYS02642	02642	FIDELITY 2642			310,000,000.00	310,000,000.00	310,000,000.00	2.380	2.380	AAA	Aaa	
SYS05831	05831	FIDELITY 057		07/01/2018	0.00	0.00	0.00	0.070	0.070	AAA	Aaa	
SYS15497	15497	FIDELITY 2644		07/01/2018	0.00	0.00	0.00	2.290	2.290	AAA	Aaa	
		Subtotal and Average	**214,677,419.35**		**310,000,000.00**	**310,000,000.00**	**310,000,000.00**		**2.380**			

County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Local Agency Investment Funds												
SYS05291	05291	LAIF			65,000,000.00	65,000,000.00	65,000,000.00	2.291	2.291			
		Subtotal and Average	**65,000,000.00**		**65,000,000.00**	**65,000,000.00**	**65,000,000.00**		**2.291**			
Federal Agency Discounts												
		Subtotal and Average	**28,220,302.42**									
Bank Money Market Accounts												
SYS16800	16800	BANK OF THE WEST MM			10,035,945.94	10,035,945.94	10,035,945.94	1.600	1.600			
SYS16500	16500	UNION BANK MM		09/24/2018	200,354,138.64	200,354,138.64	200,354,138.64	2.200	2.200			
		Subtotal and Average	**213,573,032.48**		**210,390,084.58**	**210,390,084.58**	**210,390,084.58**		**2.171**			
Municipal Bonds												
13063CKL3	17249	STATE OF CALIFORNIA		06/12/2014	10,000,000.00	9,982,900.00	10,003,642.98	2.250	2.134	AA-	Aa3	05/01/2019
13063DAD0	17472	STATE OF CALIFORNIA		04/27/2017	5,000,000.00	4,926,950.00	5,000,000.00	2.367	2.367	AA-	Aa3	04/01/2022
13063DAD0	17473	STATE OF CALIFORNIA		04/27/2017	10,500,000.00	10,346,595.00	10,537,810.65	2.367	2.249	AA-	Aa3	04/01/2022
13063DAD0	17474	STATE OF CALIFORNIA		05/03/2017	8,000,000.00	7,883,120.00	8,019,747.06	2.367	2.286	AA-	Aa3	04/01/2022
13063DDF2	17504	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	9,894,100.00	10,105,946.48	2.500	2.200	AA-	Aa3	10/01/2022
13063DDF2	17505	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	9,894,100.00	10,105,946.48	2.500	2.200	AA-	Aa3	10/01/2022
13063DDE5	17518	STATE OF CALIFORNIA		12/11/2017	25,000,000.00	24,795,500.00	25,105,103.96	2.300	2.051	AA-	Aa3	10/01/2020
13063DDF2	17519	STATE OF CALIFORNIA		12/14/2017	20,000,000.00	19,788,200.00	20,048,778.23	2.500	2.430	AA-	Aa3	10/01/2022
13063DDF2	17532	STATE OF CALIFORNIA		01/16/2018	5,000,000.00	4,947,050.00	4,986,898.23	2.500	2.574	AA-	Aa3	10/01/2022
		Subtotal and Average	**103,919,904.70**		**103,500,000.00**	**102,458,515.00**	**103,913,874.07**		**2.240**			
		Total and Average	**3,633,769,049.85**		**3,810,724,704.35**	**3,770,988,769.70**	**3,808,681,373.15**		**2.080**			

County of Fresno
Portfolio Management
Portfolio Details - Cash
December 31, 2018

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's
		Average Balance	0.00							
	Total Cash and Investments		3,633,769,049.85		3,810,724,704.35	3,770,988,769.70	3,808,681,373.15		2.080	

County of Fresno
Inventory by Maturity Report
December 31, 2018

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
30229BNA1	17609	TREAS	ACP	EXXON MOBIL	12/20/2018	49,969,875.07	2.410	01/10/2019	50,000,000.00	21	50,000,000.00	2.413	2.447	9
94974BFQ8	17207	TREAS	MTN	WELLS FARGO	01/15/2014	14,999,577.67	2.150	01/15/2019	15,161,250.00	1,826	15,000,000.00	2.196	2.227	14
46625HJR2	17217	TREAS	MTN	JP MORGAN	01/28/2014	4,999,968.50	2.350	01/28/2019	5,000,000.00	1,826	5,000,000.00	2.327	2.359	27
46625HJR2	17225	TREAS	MTN	JP MORGAN	03/05/2014	10,000,938.80	2.350	01/28/2019	10,000,000.00	1,790	10,000,000.00	2.187	2.217	27
46625HJR2	17263	TREAS	MTN	JP MORGAN	09/16/2014	5,000,418.23	2.350	01/28/2019	5,000,000.00	1,595	5,000,000.00	2.201	2.232	27
3136FTZZ5	17274	TREAS	FAC	FEDERAL NATIONAL	12/09/2014	10,001,233.13	1.750	01/30/2019	10,000,000.00	1,513	10,000,000.00	1.569	1.591	29
89233HP73	17605	TREAS	ACP	TOYOTA MOTOR CREDIT	12/19/2018	49,869,472.22	2.540	02/07/2019	50,000,000.00	50	50,000,000.00	2.549	2.584	37
3135G0ZA4	17222	TREAS	FAC	FEDERAL NATIONAL	02/25/2014	10,001,856.86	1.875	02/19/2019	10,000,000.00	1,820	10,000,000.00	1.705	1.729	49
3135G0ZA4	17223	TREAS	FAC	FEDERAL NATIONAL	03/03/2014	25,006,497.20	1.875	02/19/2019	25,000,000.00	1,814	25,000,000.00	1.648	1.671	49
3135G0ZA4	17224	TREAS	FAC	FEDERAL NATIONAL	03/03/2014	10,002,631.13	1.875	02/19/2019	10,000,000.00	1,814	10,000,000.00	1.646	1.669	49
3135G0ZA4	17235	TREAS	FAC	FEDERAL NATIONAL	03/20/2014	600,015.78	1.875	02/19/2019	600,000.00	1,797	600,000.00	1.829	1.854	49
3135G0ZA4	17268	TREAS	FAC	FEDERAL NATIONAL	10/01/2014	5,000,868.44	1.875	02/19/2019	5,000,000.00	1,602	5,000,000.00	1.715	1.739	49
3133EGBR5	17384	TREAS	FAC	FEDERAL FARM CREDIT	06/09/2016	4,999,867.49	0.950	02/25/2019	5,000,000.00	991	5,000,000.00	0.955	0.968	55
3135G0J53	17390	TREAS	FAC	FEDERAL NATIONAL	08/11/2016	26,565,965.31	1.000	02/26/2019	26,561,000.00	929	26,561,000.00	0.864	0.876	56
912828C24	17245	TREAS	TRC	US TREASURY NOTE	03/31/2014	999,657.95	1.500	02/28/2019	1,000,000.00	1,795	1,000,000.00	1.702	1.725	58
24422ESK6	17226	TREAS	MTN	JOHN DEERE	03/05/2014	10,000,381.71	1.950	03/04/2019	10,000,000.00	1,825	10,000,000.00	1.901	1.927	62
06406HCR8	17373	TREAS	MTN	BANK OF NEW YORK	05/19/2016	30,034,565.37	2.200	03/04/2019	30,000,000.00	1,019	30,000,000.00	1.504	1.525	62
46625HHL7	17252	TREAS	MTN	JP MORGAN	07/23/2014	6,818,941.47	6.300	04/23/2019	6,740,000.00	1,735	6,740,000.00	2.271	2.303	112
13063CKL3	17249	TREAS	MUN	STATE OF CALIFORNIA	06/12/2014	10,003,642.98	2.250	05/01/2019	10,000,000.00	1,784	10,000,000.00	2.105	2.134	120
3133EDLR1	17248	TREAS	FAC	FEDERAL FARM CREDIT	05/27/2014	5,000,584.56	1.650	05/15/2019	5,000,000.00	1,814	5,000,000.00	1.595	1.617	134
06406HCU1	17261	TREAS	MTN	BANK OF NEW YORK	09/16/2014	2,499,838.39	2.200	05/15/2019	2,500,000.00	1,702	2,500,000.00	2.188	2.218	134
06406HCU1	17262	TREAS	MTN	BANK OF NEW YORK	09/16/2014	4,999,904.23	2.200	05/15/2019	5,000,000.00	1,702	5,000,000.00	2.175	2.205	134
3133X72S2	17272	TREAS	FAC	FEDERAL HOME LOAN	12/09/2014	10,130,977.44	5.375	05/15/2019	10,000,000.00	1,618	10,000,000.00	1.683	1.706	134
3133X72S2	17279	TREAS	FAC	FEDERAL HOME LOAN	12/19/2014	20,771,041.95	5.375	05/15/2019	20,500,000.00	1,608	20,500,000.00	1.652	1.675	134
166764BH2	17378	TREAS	MTN	CHEVRON CORP	05/25/2016	19,992,487.39	1.561	05/16/2019	20,000,000.00	1,086	20,000,000.00	1.641	1.664	135
166764BH2	17381	TREAS	MTN	CHEVRON CORP	05/27/2016	9,996,249.30	1.561	05/16/2019	10,000,000.00	1,084	10,000,000.00	1.641	1.664	135
313379EE5	17250	TREAS	FAC	FEDERAL HOME LOAN	06/18/2014	4,994,981.12	1.625	06/14/2019	5,000,000.00	1,822	5,000,000.00	1.833	1.858	164
3130A2FH4	17256	TREAS	FAC	FEDERAL HOME LOAN	09/02/2014	20,000,757.26	1.750	06/14/2019	20,000,000.00	1,746	20,000,000.00	1.717	1.741	164
313379EE5	17259	TREAS	FAC	FEDERAL HOME LOAN	09/10/2014	9,990,366.45	1.625	06/14/2019	10,000,000.00	1,738	10,000,000.00	1.823	1.848	164
3130A2FH4	17260	TREAS	FAC	FEDERAL HOME LOAN	09/10/2014	9,995,805.18	1.750	06/14/2019	10,000,000.00	1,738	10,000,000.00	1.822	1.847	164
3135G0ZE6	17251	TREAS	FAC	FEDERAL NATIONAL	06/18/2014	4,997,636.63	1.750	06/20/2019	5,000,000.00	1,828	5,000,000.00	1.830	1.856	170
3135G0ZE6	17269	TREAS	FAC	FEDERAL NATIONAL	10/01/2014	29,986,959.45	1.750	06/20/2019	30,000,000.00	1,723	30,000,000.00	1.822	1.847	170
3135G0ZE6	17277	TREAS	FAC	FEDERAL NATIONAL	12/11/2014	10,006,764.15	1.750	06/20/2019	10,000,000.00	1,652	10,000,000.00	1.578	1.600	170
3135G0ZE6	17278	TREAS	FAC	FEDERAL NATIONAL	12/19/2014	26,010,541.81	1.750	06/20/2019	26,000,000.00	1,644	26,000,000.00	1.637	1.660	170
3133EFW52	17383	TREAS	FAC	FEDERAL FARM CREDIT	06/09/2016	2,061,000.69	1.150	07/01/2019	2,060,000.00	1,117	2,060,000.00	1.037	1.051	181

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
89236TBP9	17265	TREAS	MTN	TOYOTA MOTOR CREDIT	10/01/2014	9,996,201.45	2.125	07/18/2019	10,000,000.00	1,751	10,000,000.00	2.168	2.198	198
3137EAEB1	17391	TREAS	FAC	FEDERAL HOME	08/11/2016	9,996,743.67	0.875	07/19/2019	10,000,000.00	1,072	10,000,000.00	0.922	0.935	199
3137EADK2	17275	TREAS	FAC	FEDERAL HOME	12/11/2014	14,966,926.89	1.250	08/01/2019	15,000,000.00	1,694	15,000,000.00	1.621	1.644	212
3137EADK2	17276	TREAS	FAC	FEDERAL HOME	12/11/2014	19,956,340.12	1.250	08/01/2019	20,000,000.00	1,694	20,000,000.00	1.618	1.640	212
084670BL1	17264	TREAS	MTN	BERKSHIRE HATHAWAY	10/01/2014	9,995,598.52	2.100	08/14/2019	10,000,000.00	1,778	10,000,000.00	2.145	2.175	225
06406HCW7	17266	TREAS	MTN	BANK OF NEW YORK	10/01/2014	8,494,791.40	2.300	09/11/2019	8,501,000.00	1,806	8,501,000.00	2.379	2.412	253
3137EADM8	17280	TREAS	FAC	FEDERAL HOME	12/19/2014	19,928,058.39	1.250	10/02/2019	20,000,000.00	1,748	20,000,000.00	1.726	1.750	274
3137EADM8	17281	TREAS	FAC	FEDERAL HOME	12/19/2014	19,928,341.50	1.250	10/02/2019	20,000,000.00	1,748	20,000,000.00	1.724	1.748	274
3137EADM8	17282	TREAS	FAC	FEDERAL HOME	12/19/2014	9,964,170.75	1.250	10/02/2019	10,000,000.00	1,748	10,000,000.00	1.724	1.748	274
36962G7M0	17296	TREAS	MTN	G.E. CAPITAL	03/04/2015	10,372,656.36	2.200	01/09/2020	10,350,000.00	1,772	10,350,000.00	1.947	1.974	373
24422ERY7	17349	TREAS	MTN	JOHN DEERE	12/28/2015	8,948,620.56	1.700	01/15/2020	9,000,000.00	1,479	9,000,000.00	2.247	2.278	379
06406HBP3	17350	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,114,429.37	4.600	01/15/2020	5,000,000.00	1,479	5,000,000.00	2.250	2.281	379
3135G0A78	17299	TREAS	FAC	FEDERAL NATIONAL	03/04/2015	19,984,428.00	1.625	01/21/2020	20,000,000.00	1,784	20,000,000.00	1.679	1.702	385
3135G0A78	17307	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,269.34	1.625	01/21/2020	10,000,000.00	1,719	10,000,000.00	1.600	1.622	385
3135G0A78	17308	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,487.06	1.625	01/21/2020	10,000,000.00	1,719	10,000,000.00	1.598	1.620	385
3135G0A78	17312	TREAS	FAC	FEDERAL NATIONAL	06/03/2015	14,998,458.81	1.625	01/21/2020	15,000,000.00	1,693	15,000,000.00	1.613	1.635	385
3135G0A78	17329	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	10,018,650.46	1.625	01/21/2020	10,000,000.00	1,545	10,000,000.00	1.422	1.442	385
3135G0A78	17332	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	10,010,270.27	1.625	01/21/2020	10,000,000.00	1,539	10,000,000.00	1.503	1.524	385
3135G0A78	17335	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	10,003,641.98	1.625	01/21/2020	10,000,000.00	1,537	10,000,000.00	1.567	1.589	385
3135G0A78	17341	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	20,002,214.30	1.625	01/21/2020	20,000,000.00	1,491	20,000,000.00	1.592	1.614	385
3135G0A78	17342	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	10,000,698.91	1.625	01/21/2020	10,000,000.00	1,490	10,000,000.00	1.596	1.618	385
3135G0A78	17344	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	20,000,994.01	1.625	01/21/2020	20,000,000.00	1,490	20,000,000.00	1.598	1.620	385
46625HKA7	17295	TREAS	MTN	JP MORGAN	03/04/2015	9,990,401.14	2.250	01/23/2020	10,000,000.00	1,786	10,000,000.00	2.314	2.346	387
06406HCZ0	17297	TREAS	MTN	BANK OF NEW YORK	03/04/2015	3,002,083.46	2.150	02/24/2020	3,000,000.00	1,818	3,000,000.00	2.057	2.086	419
14912L6J5	17360	TREAS	MTN	CATERPILLAR	03/04/2016	8,270,086.35	2.000	03/05/2020	8,278,000.00	1,462	8,278,000.00	2.056	2.085	429
3137EADR7	17303	TREAS	FAC	FEDERAL HOME	05/06/2015	9,967,188.86	1.375	05/01/2020	10,000,000.00	1,822	10,000,000.00	1.610	1.632	486
3137EADR7	17309	TREAS	FAC	FEDERAL HOME	05/08/2015	9,965,315.78	1.375	05/01/2020	10,000,000.00	1,820	10,000,000.00	1.624	1.647	486
037833BD1	17348	TREAS	MTN	APPLE INC	12/28/2015	9,998,824.62	2.000	05/06/2020	10,000,000.00	1,591	10,000,000.00	1.981	2.009	491
912828ND8	17345	TREAS	TRC	US TREASURY NOTE	12/23/2015	40,980,821.65	3.500	05/15/2020	40,000,000.00	1,605	40,000,000.00	1.614	1.637	500
3134G44G0	17328	TREAS	FAC	FEDERAL HOME	10/29/2015	4,998,387.84	1.500	05/22/2020	5,000,000.00	1,667	5,000,000.00	1.503	1.524	507
912828XE5	17416	TREAS	TRC	US TREASURY NOTE	11/15/2016	15,019,174.16	1.500	05/31/2020	15,000,000.00	1,293	15,000,000.00	1.388	1.407	516
912828XE5	17428	TREAS	TRC	US TREASURY NOTE	12/13/2016	39,952,835.97	1.500	05/31/2020	40,000,000.00	1,265	40,000,000.00	1.564	1.586	516
313383HU8	17315	TREAS	FAC	FEDERAL HOME LOAN	06/12/2015	19,999,722.13	1.750	06/12/2020	20,000,000.00	1,827	20,000,000.00	1.727	1.751	528
313383HU8	17317	TREAS	FAC	FEDERAL HOME LOAN	06/26/2015	12,601,781.57	1.750	06/12/2020	12,615,000.00	1,813	12,615,000.00	1.801	1.826	528
3133EEW55	17316	TREAS	FAC	FEDERAL FARM CREDIT	06/15/2015	9,987,968.38	1.800	06/15/2020	10,000,000.00	1,827	10,000,000.00	1.861	1.887	531
3135G0D75	17327	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	19,990,033.83	1.500	06/22/2020	20,000,000.00	1,698	20,000,000.00	1.514	1.535	538
3135G0D75	17331	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	5,944,161.06	1.500	06/22/2020	5,950,000.00	1,697	5,950,000.00	1.548	1.569	538
3135G0D75	17333	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,991,070.41	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.604	1.626	538
3135G0D75	17334	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,991,006.74	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.605	1.627	538
3135G0D75	17336	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	4,987,362.45	1.500	06/22/2020	5,000,000.00	1,690	5,000,000.00	1.656	1.679	538

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3135G0D75	17338	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	29,883,960.98	1.500	06/22/2020	30,000,000.00	1,649	30,000,000.00	1.750	1.774	538
3135G0D75	17339	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	19,917,281.64	1.500	06/22/2020	20,000,000.00	1,649	20,000,000.00	1.769	1.793	538
3135G0D75	17340	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	9,971,430.89	1.500	06/22/2020	10,000,000.00	1,644	10,000,000.00	1.679	1.702	538
3135G0D75	17343	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	9,969,169.86	1.500	06/22/2020	10,000,000.00	1,643	10,000,000.00	1.695	1.718	538
912828XM7	17433	TREAS	TRC	US TREASURY NOTE	12/22/2016	39,927,436.88	1.625	07/31/2020	40,000,000.00	1,317	40,000,000.00	1.720	1.744	577
912828XM7	17435	TREAS	TRC	US TREASURY NOTE	12/28/2016	39,914,726.35	1.625	07/31/2020	40,000,000.00	1,311	40,000,000.00	1.740	1.765	577
06406HDD8	17347	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,013,605.45	2.600	08/17/2020	5,000,000.00	1,694	5,000,000.00	2.389	2.422	594
912828L65	17436	TREAS	TRC	US TREASURY NOTE	12/28/2016	29,775,485.15	1.375	09/30/2020	30,000,000.00	1,372	30,000,000.00	1.795	1.820	638
13063DDE5	17518	TREAS	MUN	STATE OF CALIFORNIA	12/11/2017	25,105,103.96	2.300	10/01/2020	25,000,000.00	1,025	25,000,000.00	2.023	2.051	639
46625HNX4	17361	TREAS	MTN	JP MORGAN	03/04/2016	6,183,282.43	2.550	10/29/2020	6,181,000.00	1,700	6,181,000.00	2.493	2.528	667
3135G0RM7	17330	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	10,069,502.34	1.630	10/30/2020	10,060,000.00	1,827	10,060,000.00	1.555	1.576	668
166764AY6	17346	TREAS	MTN	CHEVRON CORP	12/28/2015	9,990,815.01	2.419	11/17/2020	10,000,000.00	1,786	10,000,000.00	2.437	2.471	686
313381CA1	17372	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	5,000,553.29	1.375	12/11/2020	5,000,000.00	1,695	5,000,000.00	1.350	1.369	710
3135G0H55	17374	TREAS	FAC	FEDERAL NATIONAL	05/20/2016	10,087,977.37	1.875	12/28/2020	10,000,000.00	1,683	10,000,000.00	1.398	1.417	727
912828N48	17429	TREAS	TRC	US TREASURY NOTE	12/16/2016	39,870,172.76	1.750	12/31/2020	40,000,000.00	1,476	40,000,000.00	1.893	1.919	730
24422ETF6	17362	TREAS	MTN	JOHN DEERE	03/04/2016	5,038,132.07	2.550	01/08/2021	5,000,000.00	1,771	5,000,000.00	2.121	2.150	738
3130AAX45	17460	TREAS	FAC	FEDERAL HOME LOAN	03/28/2017	15,032,085.60	1.875	01/28/2021	15,000,000.00	1,402	15,000,000.00	1.744	1.768	758
91159HHL7	17395	TREAS	MTN	US BANK NA	08/22/2016	5,066,690.03	2.350	01/29/2021	5,000,000.00	1,621	5,000,000.00	1.658	1.681	759
91159HHL7	17426	TREAS	MTN	US BANK NA	12/13/2016	4,645,126.46	2.350	01/29/2021	4,634,000.00	1,508	4,634,000.00	2.198	2.228	759
91159HHL7	17431	TREAS	MTN	US BANK NA	12/22/2016	4,993,773.42	2.350	01/29/2021	5,000,000.00	1,499	5,000,000.00	2.380	2.413	759
91159HHL7	17432	TREAS	MTN	US BANK NA	12/22/2016	7,513,390.80	2.350	01/29/2021	7,522,000.00	1,499	7,522,000.00	2.375	2.408	759
91159HHL7	17458	TREAS	MTN	US BANK NA	03/22/2017	10,004,799.71	2.350	01/29/2021	10,000,000.00	1,409	10,000,000.00	2.293	2.325	759
91159HHL7	17482	TREAS	MTN	US BANK NA	06/27/2017	4,830,887.48	2.350	01/29/2021	4,803,000.00	1,312	4,803,000.00	2.030	2.058	759
313376XN0	17364	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	829,022.59	2.100	02/08/2021	820,000.00	1,803	820,000.00	1.533	1.554	769
3133EFYZ4	17359	TREAS	FAC	FEDERAL FARM CREDIT	02/29/2016	17,777,955.84	1.375	02/10/2021	17,800,000.00	1,808	17,800,000.00	1.416	1.436	771
3130A7CV5	17363	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	4,984,559.02	1.375	02/18/2021	5,000,000.00	1,813	5,000,000.00	1.505	1.526	779
3130A7CV5	17371	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	9,994,215.49	1.375	02/18/2021	10,000,000.00	1,764	10,000,000.00	1.384	1.403	779
3130A7CV5	17376	TREAS	FAC	FEDERAL HOME LOAN	05/20/2016	4,990,547.22	1.375	02/18/2021	5,000,000.00	1,735	5,000,000.00	1.447	1.467	779
3130A7CV5	17379	TREAS	FAC	FEDERAL HOME LOAN	05/25/2016	9,976,192.82	1.375	02/18/2021	10,000,000.00	1,730	10,000,000.00	1.471	1.491	779
3130A7CV5	17388	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	10,041,577.99	1.375	02/18/2021	10,000,000.00	1,655	10,000,000.00	1.158	1.174	779
3130A7CV5	17457	TREAS	FAC	FEDERAL HOME LOAN	03/20/2017	19,799,882.73	1.375	02/18/2021	20,000,000.00	1,431	20,000,000.00	1.838	1.864	779
037833BS8	17443	TREAS	MTN	APPLE INC	01/19/2017	10,000,000.00	2.250	02/23/2021	10,000,000.00	1,496	10,000,000.00	2.219	2.250	784
06406FAB9	17490	TREAS	MTN	BANK OF NEW YORK	07/18/2017	7,459,658.02	2.050	05/03/2021	7,500,000.00	1,385	7,500,000.00	2.260	2.291	853
3135G0K69	17380	TREAS	FAC	FEDERAL NATIONAL	05/25/2016	9,938,496.72	1.250	05/06/2021	10,000,000.00	1,807	10,000,000.00	1.502	1.523	856
3135G0K69	17402	TREAS	FAC	FEDERAL NATIONAL	09/28/2016	25,008,495.74	1.250	05/06/2021	25,000,000.00	1,681	25,000,000.00	1.218	1.235	856
3135G0K69	17412	TREAS	FAC	FEDERAL NATIONAL	11/02/2016	9,970,508.25	1.250	05/06/2021	10,000,000.00	1,646	10,000,000.00	1.361	1.380	856
3135G0K69	17413	TREAS	FAC	FEDERAL NATIONAL	11/14/2016	7,950,054.84	1.250	05/06/2021	8,000,000.00	1,634	8,000,000.00	1.505	1.526	856
3135G0K69	17421	TREAS	FAC	FEDERAL NATIONAL	12/02/2016	24,629,722.09	1.250	05/06/2021	25,000,000.00	1,616	25,000,000.00	1.885	1.911	856
166764BG4	17471	TREAS	MTN	CHEVRON CORP	04/25/2017	19,994,498.97	2.100	05/16/2021	20,000,000.00	1,482	20,000,000.00	2.083	2.112	866
912828WN6	17434	TREAS	TRC	US TREASURY NOTE	12/28/2016	40,004,261.80	2.000	05/31/2021	40,000,000.00	1,615	40,000,000.00	1.968	1.995	881

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3130A1W95	17386	TREAS	FAC	FEDERAL HOME LOAN	07/15/2016	30,709,062.74	2.250	06/11/2021	30,000,000.00	1,792	30,000,000.00	1.233	1.250	892
313379RB7	17392	TREAS	FAC	FEDERAL HOME LOAN	08/17/2016	10,134,104.08	1.875	06/11/2021	10,000,000.00	1,759	10,000,000.00	1.289	1.307	892
3130A1W95	17420	TREAS	FAC	FEDERAL HOME LOAN	11/29/2016	18,647,176.19	2.250	06/11/2021	18,470,000.00	1,655	18,470,000.00	1.814	1.839	892
313379RB7	17466	TREAS	FAC	FEDERAL HOME LOAN	04/11/2017	15,010,120.00	1.875	06/11/2021	15,000,000.00	1,522	15,000,000.00	1.821	1.846	892
3130AB3M6	17465	TREAS	FAC	FEDERAL HOME LOAN	04/10/2017	5,002,661.51	1.875	06/30/2021	5,000,000.00	1,542	5,000,000.00	1.828	1.853	911
3130A8QS5	17389	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	14,956,200.68	1.125	07/14/2021	15,000,000.00	1,801	15,000,000.00	1.227	1.244	925
3130A8QS5	17399	TREAS	FAC	FEDERAL HOME LOAN	08/29/2016	3,936,235.59	1.125	07/14/2021	3,955,000.00	1,780	3,955,000.00	1.301	1.319	925
3130A8QS5	17400	TREAS	FAC	FEDERAL HOME LOAN	09/13/2016	14,924,311.72	1.125	07/14/2021	15,000,000.00	1,765	15,000,000.00	1.313	1.331	925
3130A8QS5	17403	TREAS	FAC	FEDERAL HOME LOAN	09/28/2016	9,971,747.36	1.125	07/14/2021	10,000,000.00	1,750	10,000,000.00	1.223	1.240	925
3130A8QS5	17408	TREAS	FAC	FEDERAL HOME LOAN	10/13/2016	9,927,797.76	1.125	07/14/2021	10,000,000.00	1,735	10,000,000.00	1.401	1.420	925
3130A8QS5	17414	TREAS	FAC	FEDERAL HOME LOAN	11/14/2016	9,901,205.79	1.125	07/14/2021	10,000,000.00	1,703	10,000,000.00	1.509	1.530	925
3130A8QS5	17464	TREAS	FAC	FEDERAL HOME LOAN	04/06/2017	19,668,453.61	1.125	07/14/2021	20,000,000.00	1,560	20,000,000.00	1.782	1.807	925
949746SA0	17445	TREAS	MTN	WELLS FARGO	01/25/2017	9,826,698.03	2.100	07/26/2021	10,000,000.00	1,643	10,000,000.00	2.784	2.823	937
3134G9M79	17463	TREAS	FAC	FEDERAL HOME	04/06/2017	4,409,214.07	1.875	07/26/2021	4,410,000.00	1,572	4,410,000.00	1.856	1.882	937
949746SA0	17467	TREAS	MTN	WELLS FARGO	04/17/2017	4,955,282.65	2.100	07/26/2021	5,000,000.00	1,561	5,000,000.00	2.435	2.469	937
949746SA0	17477	TREAS	MTN	WELLS FARGO	05/15/2017	13,111,467.08	2.100	07/26/2021	13,232,000.00	1,533	13,232,000.00	2.441	2.475	937
949746SA0	17491	TREAS	MTN	WELLS FARGO	07/18/2017	12,178,315.30	2.100	07/26/2021	12,275,000.00	1,469	12,275,000.00	2.390	2.424	937
3134G9N86	17476	TREAS	FAC	FEDERAL HOME	05/11/2017	6,166,231.25	1.875	07/27/2021	6,170,000.00	1,538	6,170,000.00	1.874	1.900	938
3133752P1	17405	TREAS	FAC	FEDERAL HOME LOAN	10/05/2016	6,006,028.07	3.500	07/29/2021	5,700,000.00	1,758	5,700,000.00	1.324	1.342	940
037833CC2	17425	TREAS	MTN	APPLE INC	12/13/2016	4,917,196.95	1.550	08/04/2021	5,000,000.00	1,695	5,000,000.00	2.195	2.226	946
594918BP8	17394	TREAS	MTN	MICROSOFT	08/22/2016	14,994,727.41	1.550	08/08/2021	15,000,000.00	1,812	15,000,000.00	1.543	1.564	950
594918BP8	17424	TREAS	MTN	MICROSOFT	12/13/2016	4,921,683.58	1.550	08/08/2021	5,000,000.00	1,699	5,000,000.00	2.156	2.186	950
14912L6U0	17401	TREAS	MTN	CATERPILLAR	09/16/2016	15,204,979.72	1.700	08/09/2021	15,294,000.00	1,788	15,294,000.00	1.909	1.935	951
3137EAEC9	17393	TREAS	FAC	FEDERAL HOME	08/17/2016	9,950,197.77	1.125	08/12/2021	10,000,000.00	1,821	10,000,000.00	1.304	1.322	954
3135G0N82	17396	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,988,942.17	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.276	1.294	959
3135G0N82	17397	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,977,831.43	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.319	1.337	959
3135G0N82	17398	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,972,699.33	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.339	1.358	959
3135G0Q89	17406	TREAS	FAC	FEDERAL NATIONAL	10/07/2016	19,981,850.67	1.375	10/07/2021	20,000,000.00	1,826	20,000,000.00	1.390	1.409	1,010
3135G0Q89	17407	TREAS	FAC	FEDERAL NATIONAL	10/13/2016	9,967,244.15	1.375	10/07/2021	10,000,000.00	1,820	10,000,000.00	1.478	1.498	1,010
3135G0Q89	17409	TREAS	FAC	FEDERAL NATIONAL	10/27/2016	4,989,760.22	1.375	10/07/2021	5,000,000.00	1,806	5,000,000.00	1.432	1.452	1,010
3133EGYQ2	17410	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,984,722.07	1.400	10/14/2021	10,000,000.00	1,813	10,000,000.00	1.437	1.457	1,017
24422ERH4	17427	TREAS	MTN	JOHN DEERE	12/13/2016	8,872,552.76	3.150	10/15/2021	8,707,000.00	1,767	8,707,000.00	2.390	2.423	1,018
36962G5J9	17511	TREAS	MTN	G.E. CAPITAL	11/16/2017	10,586,060.95	4.650	10/17/2021	10,000,000.00	1,431	10,000,000.00	2.404	2.438	1,020
3133EGZJ7	17411	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,977,796.90	1.375	10/25/2021	10,000,000.00	1,824	10,000,000.00	1.437	1.457	1,028
3135G0S38	17440	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	19,972,658.57	2.000	01/05/2022	20,000,000.00	1,822	20,000,000.00	2.020	2.048	1,100
3135G0S38	17441	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	9,985,764.35	2.000	01/05/2022	10,000,000.00	1,822	10,000,000.00	2.022	2.050	1,100
3135G0S38	17459	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	10,004,229.94	2.000	01/05/2022	10,000,000.00	1,744	10,000,000.00	1.958	1.985	1,100
3135G0S38	17480	TREAS	FAC	FEDERAL NATIONAL	06/02/2017	5,024,131.66	2.000	01/05/2022	5,000,000.00	1,678	5,000,000.00	1.807	1.832	1,100
3135G0S38	17481	TREAS	FAC	FEDERAL NATIONAL	06/12/2017	5,023,998.56	2.000	01/05/2022	5,000,000.00	1,668	5,000,000.00	1.808	1.833	1,100
91159HHP8	17483	TREAS	MTN	US BANK NA	06/27/2017	20,206,402.31	2.625	01/24/2022	20,000,000.00	1,672	20,000,000.00	2.237	2.268	1,119

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
3133EG5D3	17447	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2017	50,000,000.00	2.030	01/27/2022	50,000,000.00	1,826	50,000,000.00	2.002	2.030	1,122
3136G2CS4	17461	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	5,002,151.64	2.000	01/27/2022	5,000,000.00	1,766	5,000,000.00	1.958	1.985	1,122
084670BF4	17520	TREAS	MTN	BERKSHIRE HATHAWAY	12/14/2017	15,457,294.58	3.400	01/31/2022	15,000,000.00	1,509	15,000,000.00	2.323	2.355	1,126
594918BW3	17449	TREAS	MTN	MICROSOFT	02/21/2017	6,721,462.95	2.400	02/06/2022	6,725,000.00	1,811	6,725,000.00	2.385	2.418	1,132
594918BW3	17525	TREAS	MTN	MICROSOFT	12/21/2017	17,375,000.00	2.400	02/06/2022	17,375,000.00	1,508	17,375,000.00	2.367	2.400	1,132
06406RAA5	17469	TREAS	MTN	BANK OF NEW YORK	04/18/2017	10,051,423.78	2.600	02/07/2022	10,000,000.00	1,756	10,000,000.00	2.390	2.423	1,133
037833CM0	17448	TREAS	MTN	APPLE INC	02/21/2017	14,976,927.18	2.500	02/09/2022	15,000,000.00	1,814	15,000,000.00	2.518	2.553	1,135
037833AY6	17470	TREAS	MTN	APPLE INC	04/18/2017	9,986,716.21	2.150	02/09/2022	10,000,000.00	1,758	10,000,000.00	2.165	2.195	1,135
594918BA1	17450	TREAS	MTN	MICROSOFT	02/21/2017	6,441,893.50	2.375	02/12/2022	6,450,000.00	1,817	6,450,000.00	2.385	2.418	1,138
13063DAD0	17472	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	5,000,000.00	2.367	04/01/2022	5,000,000.00	1,800	5,000,000.00	2.335	2.367	1,186
13063DAD0	17473	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	10,537,810.65	2.367	04/01/2022	10,500,000.00	1,800	10,500,000.00	2.219	2.249	1,186
13063DAD0	17474	TREAS	MUN	STATE OF CALIFORNIA	05/03/2017	8,019,747.06	2.367	04/01/2022	8,000,000.00	1,794	8,000,000.00	2.255	2.286	1,186
037833CQ1	17475	TREAS	MTN	APPLE INC	05/11/2017	19,967,733.33	2.300	05/11/2022	20,000,000.00	1,826	20,000,000.00	2.319	2.351	1,226
3133EHJT1	17479	TREAS	FAC	FEDERAL FARM CREDIT	05/18/2017	4,996,146.17	2.000	05/18/2022	5,000,000.00	1,826	5,000,000.00	1.996	2.024	1,233
3130ACUZ5	17513	TREAS	FAC	FEDERAL HOME LOAN	11/24/2017	22,983,678.23	2.060	05/24/2022	23,000,000.00	1,642	23,000,000.00	2.053	2.082	1,239
3130ACXH2	17567	TREAS	FAC	FEDERAL HOME LOAN	12/04/2017	24,936,121.79	2.020	05/25/2022	25,000,000.00	1,633	25,000,000.00	2.070	2.099	1,240
912828XR6	17497	TREAS	TRC	US TREASURY NOTE	09/27/2017	19,940,692.74	1.750	05/31/2022	20,000,000.00	1,707	20,000,000.00	1.816	1.841	1,246
313379Q69	17485	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,038,066.92	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	1,256
313379Q69	17486	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,038,101.68	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	1,256
313379Q69	17487	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	3,849,601.04	2.125	06/10/2022	3,820,000.00	1,808	3,820,000.00	1.862	1.888	1,256
313379Q69	17488	TREAS	FAC	FEDERAL HOME LOAN	07/07/2017	13,523,560.23	2.125	06/10/2022	13,470,000.00	1,799	13,470,000.00	1.976	2.003	1,256
313379Q69	17498	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	20,160,565.03	2.125	06/10/2022	20,000,000.00	1,717	20,000,000.00	1.854	1.880	1,256
313379Q69	17516	TREAS	FAC	FEDERAL HOME LOAN	12/01/2017	1,999,473.67	2.125	06/10/2022	2,000,000.00	1,652	2,000,000.00	2.104	2.133	1,256
313379Q69	17527	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,893,636.62	2.125	06/10/2022	1,900,000.00	1,633	1,900,000.00	2.197	2.228	1,256
3130A5P45	17528	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,934,233.65	2.375	06/10/2022	1,925,000.00	1,633	1,925,000.00	2.197	2.228	1,256
3133EEY20	17495	TREAS	FAC	FEDERAL FARM CREDIT	09/21/2017	10,155,421.34	2.400	06/17/2022	10,000,000.00	1,730	10,000,000.00	1.901	1.928	1,263
3130ACM27	17502	TREAS	FAC	FEDERAL HOME LOAN	10/12/2017	14,988,630.19	1.950	07/11/2022	15,000,000.00	1,733	15,000,000.00	1.946	1.973	1,287
3130ACM27	17509	TREAS	FAC	FEDERAL HOME LOAN	10/19/2017	4,446,855.62	1.950	07/11/2022	4,455,000.00	1,726	4,455,000.00	1.977	2.005	1,287
91159JAA4	17529	TREAS	MTN	US BANK NA	12/21/2017	10,116,101.03	2.950	07/15/2022	10,004,000.00	1,667	10,004,000.00	2.570	2.606	1,291
3130ACKC7	17500	TREAS	FAC	FEDERAL HOME LOAN	10/18/2017	50,000,000.00	1.950	07/18/2022	50,000,000.00	1,734	50,000,000.00	1.924	1.950	1,294
95000U2B8	17508	TREAS	MTN	WELLS FARGO	10/20/2017	4,998,279.03	2.625	07/22/2022	5,000,000.00	1,736	5,000,000.00	2.599	2.635	1,298
3130ACYP3	17515	TREAS	FAC	FEDERAL HOME LOAN	12/05/2017	19,986,032.44	2.100	07/27/2022	20,000,000.00	1,695	20,000,000.00	2.092	2.121	1,303
3130ACUV4	17512	TREAS	FAC	FEDERAL HOME LOAN	11/30/2017	50,000,000.00	2.070	07/29/2022	50,000,000.00	1,702	50,000,000.00	2.042	2.070	1,305
3130ACUV4	17517	TREAS	FAC	FEDERAL HOME LOAN	12/06/2017	8,861,610.32	2.070	07/29/2022	8,890,000.00	1,696	8,890,000.00	2.135	2.165	1,305
3130AC5A8	17494	TREAS	FAC	FEDERAL HOME LOAN	09/19/2017	9,983,947.36	1.850	08/15/2022	10,000,000.00	1,791	10,000,000.00	1.870	1.896	1,322
3130AC5A8	17496	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	9,255,742.69	1.850	08/15/2022	9,280,000.00	1,783	9,280,000.00	1.899	1.926	1,322
3133EHVS9	17499	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2017	5,474,856.43	1.840	08/23/2022	5,500,000.00	1,790	5,500,000.00	1.945	1.972	1,330
912828L24	17510	TREAS	TRC	US TREASURY NOTE	10/23/2017	19,904,489.21	1.875	08/31/2022	20,000,000.00	1,773	20,000,000.00	1.985	2.012	1,338
13063DDF2	17504	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,105,946.48	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,369
13063DDF2	17505	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,105,946.48	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,369

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
13063DDF2	17519	TREAS	MUN	STATE OF CALIFORNIA	12/14/2017	20,048,778.23	2.500	10/01/2022	20,000,000.00	1,752	20,000,000.00	2.397	2.430	1,369
13063DDF2	17532	TREAS	MUN	STATE OF CALIFORNIA	01/16/2018	4,986,898.23	2.500	10/01/2022	5,000,000.00	1,719	5,000,000.00	2.539	2.574	1,369
3135G0T78	17501	TREAS	FAC	FEDERAL NATIONAL	10/10/2017	19,983,525.70	2.000	10/05/2022	20,000,000.00	1,821	20,000,000.00	1.995	2.023	1,373
3135G0T78	17503	TREAS	FAC	FEDERAL NATIONAL	10/12/2017	14,986,067.32	2.000	10/05/2022	15,000,000.00	1,819	15,000,000.00	1.998	2.026	1,373
3135G0T78	17531	TREAS	FAC	FEDERAL NATIONAL	01/11/2018	4,932,911.84	2.000	10/05/2022	5,000,000.00	1,728	5,000,000.00	2.346	2.379	1,373
89233P7F7	17538	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,920,309.14	2.625	01/10/2023	5,000,000.00	1,776	5,000,000.00	3.012	3.054	1,470
89236TEL5	17539	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,934,194.86	2.700	01/11/2023	5,000,000.00	1,777	5,000,000.00	3.012	3.054	1,471
89236TEL5	17542	TREAS	MTN	TOYOTA MOTOR CREDIT	04/02/2018	19,677,271.67	2.700	01/11/2023	20,000,000.00	1,745	20,000,000.00	3.091	3.134	1,471
037833DE7	17541	TREAS	MTN	APPLE INC	03/01/2018	2,438,472.33	2.400	01/13/2023	2,500,000.00	1,779	2,500,000.00	3.018	3.060	1,473
3133EH7F4	17557	TREAS	FAC	FEDERAL FARM CREDIT	04/19/2018	19,534,433.40	2.350	01/17/2023	19,869,000.00	1,734	19,869,000.00	2.759	2.797	1,477
3135G0T94	17533	TREAS	FAC	FEDERAL NATIONAL	01/23/2018	49,757,879.45	2.375	01/19/2023	50,000,000.00	1,822	50,000,000.00	2.469	2.503	1,479
90331HNL3	17534	TREAS	MTN	US BANK NA	01/24/2018	9,984,965.54	2.850	01/23/2023	10,000,000.00	1,825	10,000,000.00	2.850	2.890	1,483
90331HNL3	17537	TREAS	MTN	US BANK NA	03/01/2018	4,946,913.30	2.850	01/23/2023	5,000,000.00	1,789	5,000,000.00	3.091	3.134	1,483
90331HNL3	17556	TREAS	MTN	US BANK NA	04/20/2018	9,882,229.20	2.850	01/23/2023	10,000,000.00	1,739	10,000,000.00	3.121	3.164	1,483
46625HJH4	17559	TREAS	MTN	JP MORGAN	04/26/2018	9,868,334.23	3.200	01/25/2023	10,000,000.00	1,735	10,000,000.00	3.505	3.554	1,485
3133EJBP3	17535	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2018	9,964,704.19	2.500	02/02/2023	10,000,000.00	1,821	10,000,000.00	2.557	2.593	1,493
3133EJBP3	17536	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2018	50,670,399.30	2.500	02/02/2023	51,180,000.00	1,800	51,180,000.00	2.724	2.762	1,493
037833BU3	17540	TREAS	MTN	APPLE INC	03/01/2018	9,918,406.25	2.850	02/23/2023	10,000,000.00	1,820	10,000,000.00	3.022	3.064	1,514
594918AT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,685,841.51	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	1,581
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,825,403.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	1,583
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,825,229.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	1,583
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,662,800.69	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	1,583
166764BK5	17571	TREAS	MTN	CHEVRON CORP	06/08/2018	9,700,882.87	2.566	05/16/2023	10,000,000.00	1,803	10,000,000.00	3.267	3.313	1,596
166764BK5	17579	TREAS	MTN	CHEVRON CORP	06/22/2018	4,860,191.96	2.566	05/16/2023	5,000,000.00	1,789	5,000,000.00	3.217	3.262	1,596
166764BK5	17585	TREAS	MTN	CHEVRON CORP	07/25/2018	6,106,519.82	2.566	05/16/2023	6,288,000.00	1,756	6,288,000.00	3.239	3.284	1,596
3130AEEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,035,551.32	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	1,610
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,977,533.31	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	1,610
931142EK5	17604	TREAS	MTN	Wal-Mart Stores	11/13/2018	9,953,773.90	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	1,637
46632FPH2	17590	TREAS	MTN	JP MORGAN	08/14/2018	30,000,000.00	3.450	07/14/2023	30,000,000.00	1,795	30,000,000.00	3.403	3.450	1,655
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,997,636.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	1,658
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,931,249.93	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	1,658
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,984,582.20	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	1,658
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,958,032.24	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	1,658
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,989,254.39	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	1,665
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,497,394.96	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	1,665
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,248,291.49	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	1,665
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,302,178.09	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	1,665
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,746,839.03	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	1,666
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,952,506.51	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	1,669
94988J5R4	17591	TREAS	MTN	WELLS FARGO	08/14/2018	9,984,940.61	3.550	08/14/2023	10,000,000.00	1,826	10,000,000.00	3.537	3.586	1,686

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM 360	YTM 365	Days to Maturity
94988J5R4	17602	TREAS	MTN	WELLS FARGO	11/13/2018	9,970,168.12	3.550	08/14/2023	10,000,000.00	1,735	10,000,000.00	3.778	3.830	1,686
					Subtotal and Average	**3,186,585,668.80**			**3,188,790,250.00**		**3,188,629,000.00**	**2.032**	**2.060**	**861**
					Net Maturities and Average	**3,186,585,668.80**			**3,188,790,250.00**		**3,188,629,000.00**	**2.032**	**2.060**	**861**

FTN FINANCIAL
MAIN STREET ADVISORS
A Subsidiary of First Tennessee Bank National Association

Quarterly Economic and Market Update

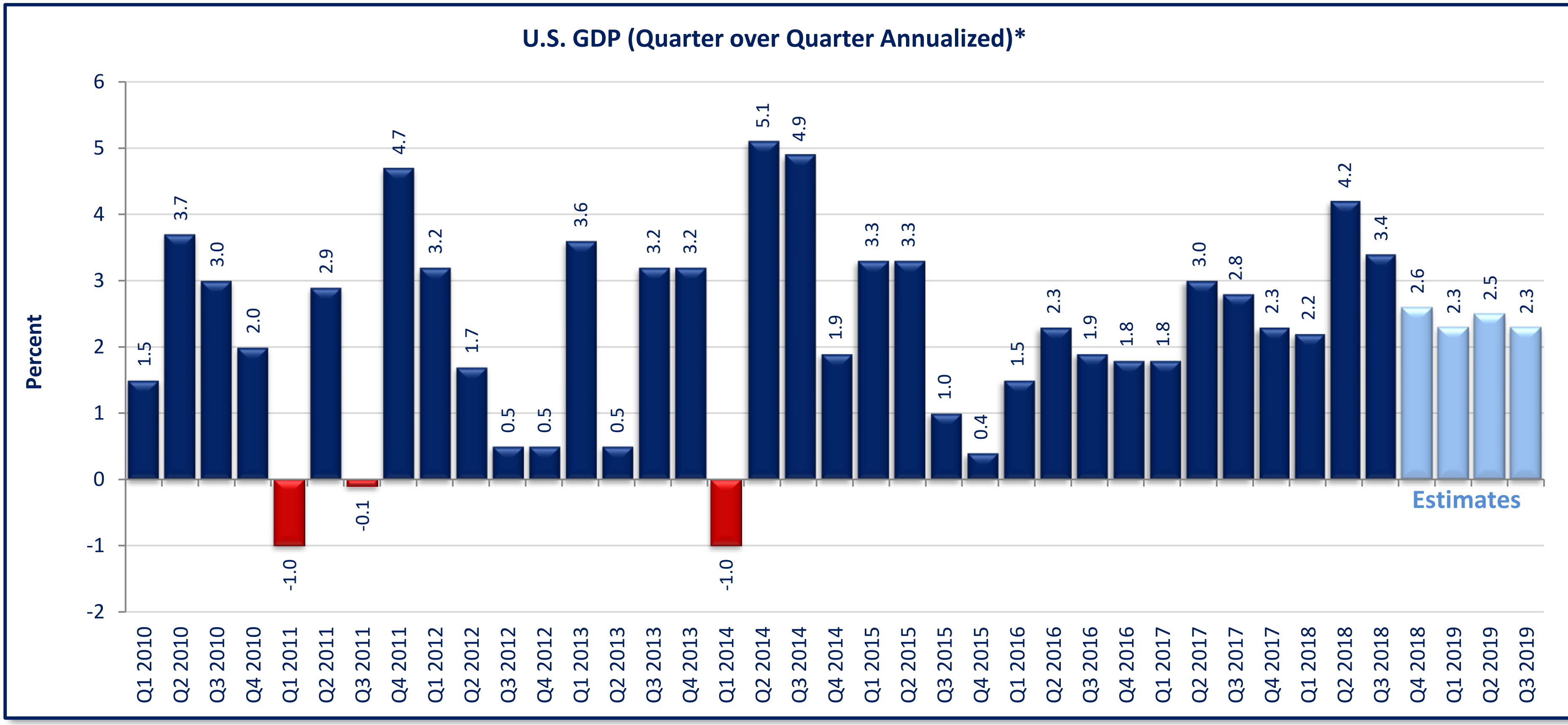
December 2018

Economic and Market Update
12/31/18

Item	12/31/18	9/30/18	Change
U.S. Payrolls Monthly Change	312,000	119,000	193,000
Unemployment Rate	3.9%	3.7%	0.2%
Labor Force Participation	63.1%	62.7%	0.4%
Effective Fed Funds Rate	2.40%	2.18%	0.22%
3 Month T-Bill	2.36%	2.20%	0.16%
2 Year T-Note	2.49%	2.82%	-0.33%
3 Year T-Note	2.46%	2.88%	-0.43%
5 Year T-Note	2.51%	2.95%	-0.44%
10 Year T-Note	2.69%	3.06%	-0.38%
U.S. Fed Debt Avg Yield*	2.42%	2.37%	0.05%
30 Year Mortgage Rate	4.51%	4.57%	-0.06%
1-5 Yr Agency Spread	0.05%	0.06%	-0.01%
1-5 Yr A-AAA Corporate Spread	0.75%	0.45%	0.30%
Dow Jones	23,327	26,458	-11.8%
S&P 500	2,507	2,914	-14.0%
Consumer Price Index YOY*	2.1%	2.3%	-0.2%
U.S. Avg Regular Unleaded	$2.26	$2.88	-$0.62
Retail Sales YOY*	4.2%	4.0%	0.2%
Case-Shiller Home Prices YOY*	5.0%	5.6%	-0.5%
Gold (per ounce)	$1,282.49	$1,190.88	$91.61
Dollar Index	96.17	95.13	1.04
Consumer Confidence	1.28	135.30	-134.02

*Estimates for the current quarter/month, some data are lagged

Sources: FTN Main Street and Bloomberg

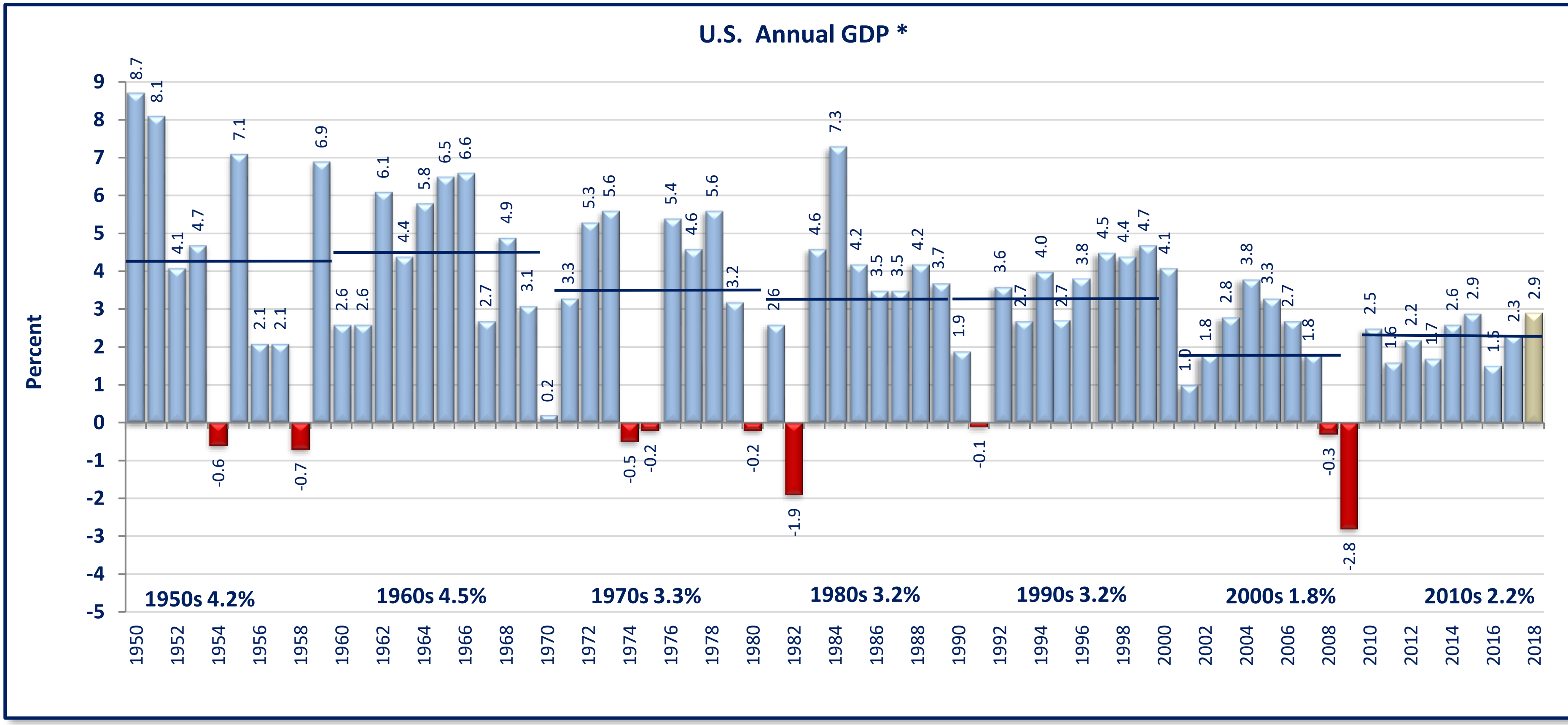


* Real Rate (Inflation Adjusted)

Estimate: Bloomberg's Survey of Economists

Source: Bureau of Economic Analysis

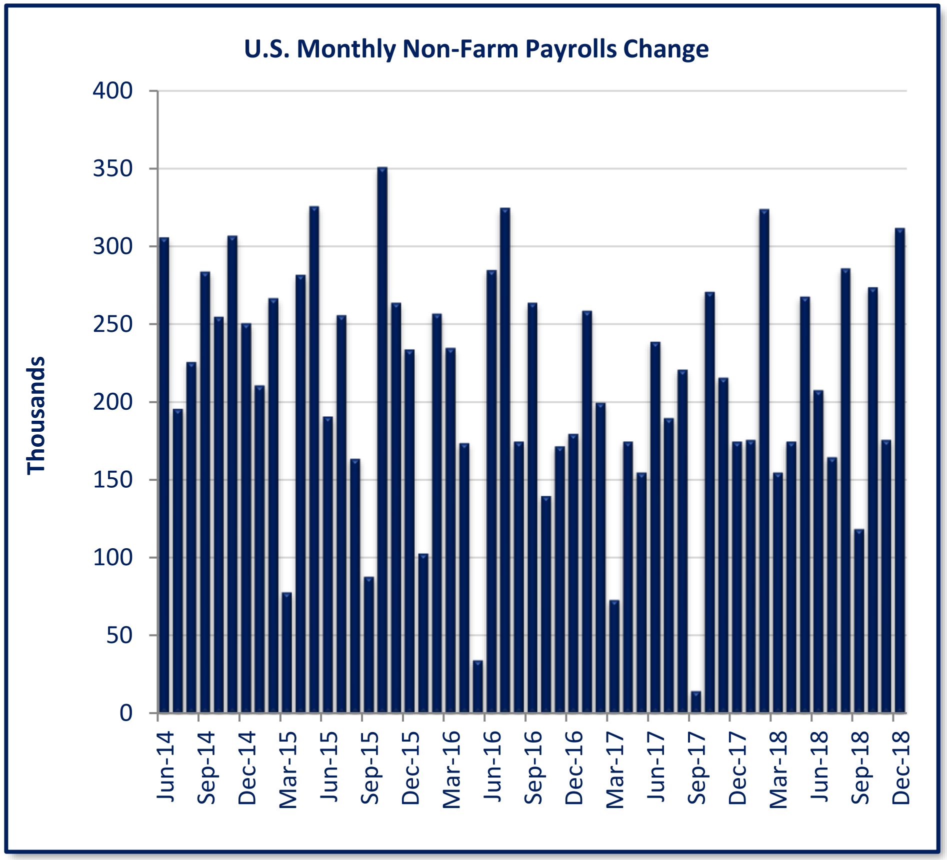
As of: 12/31/18

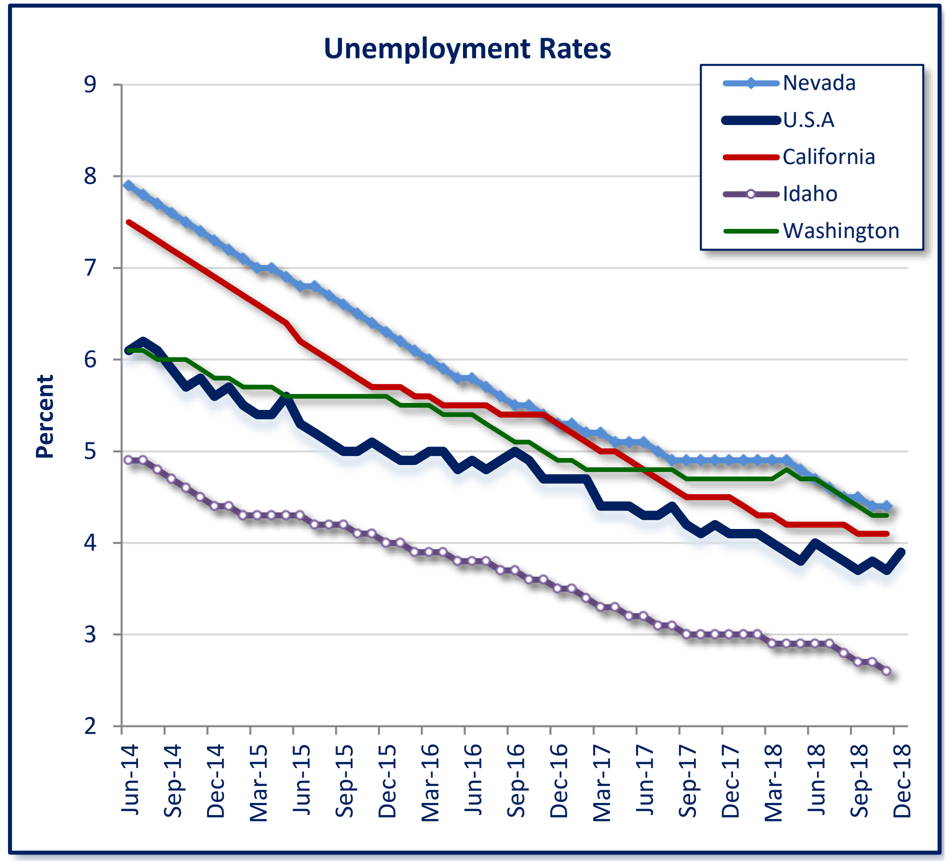


* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

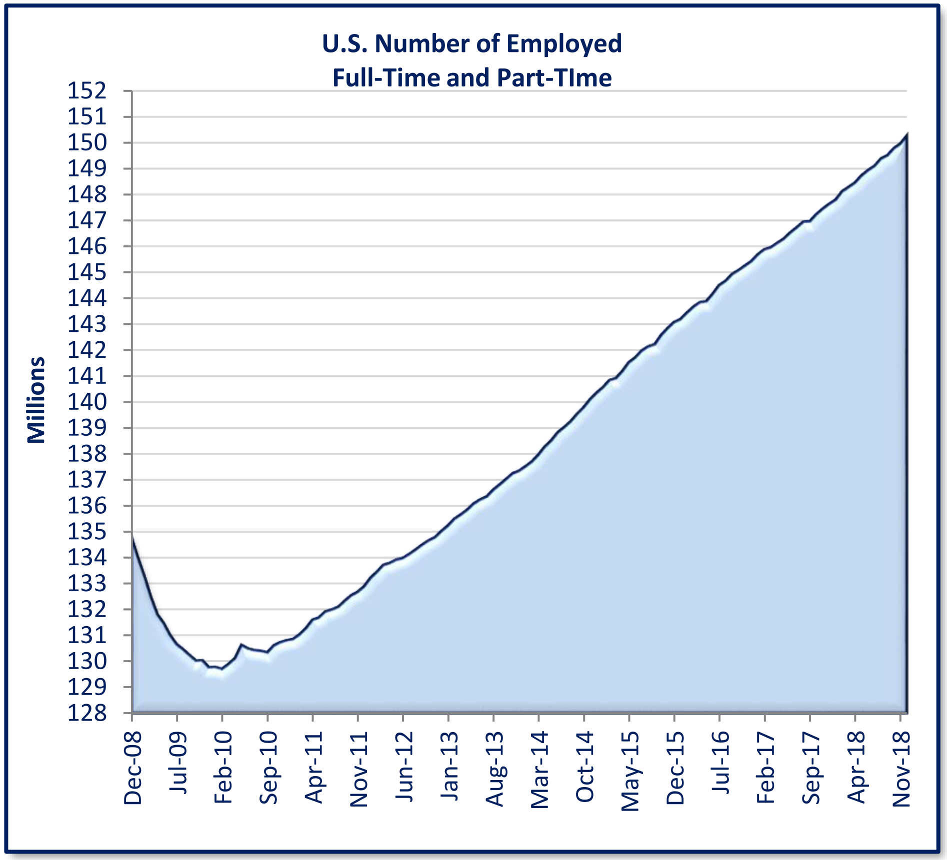
Estimate: Bloomberg's Survey of Economists
As of: 12/31/18

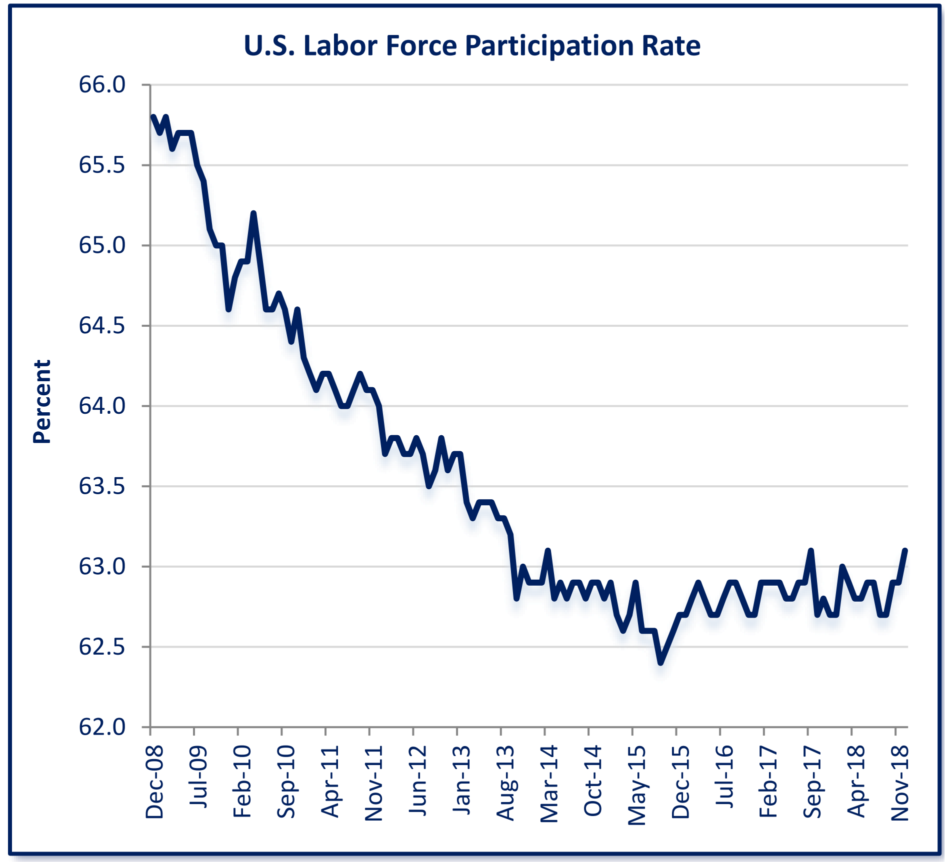




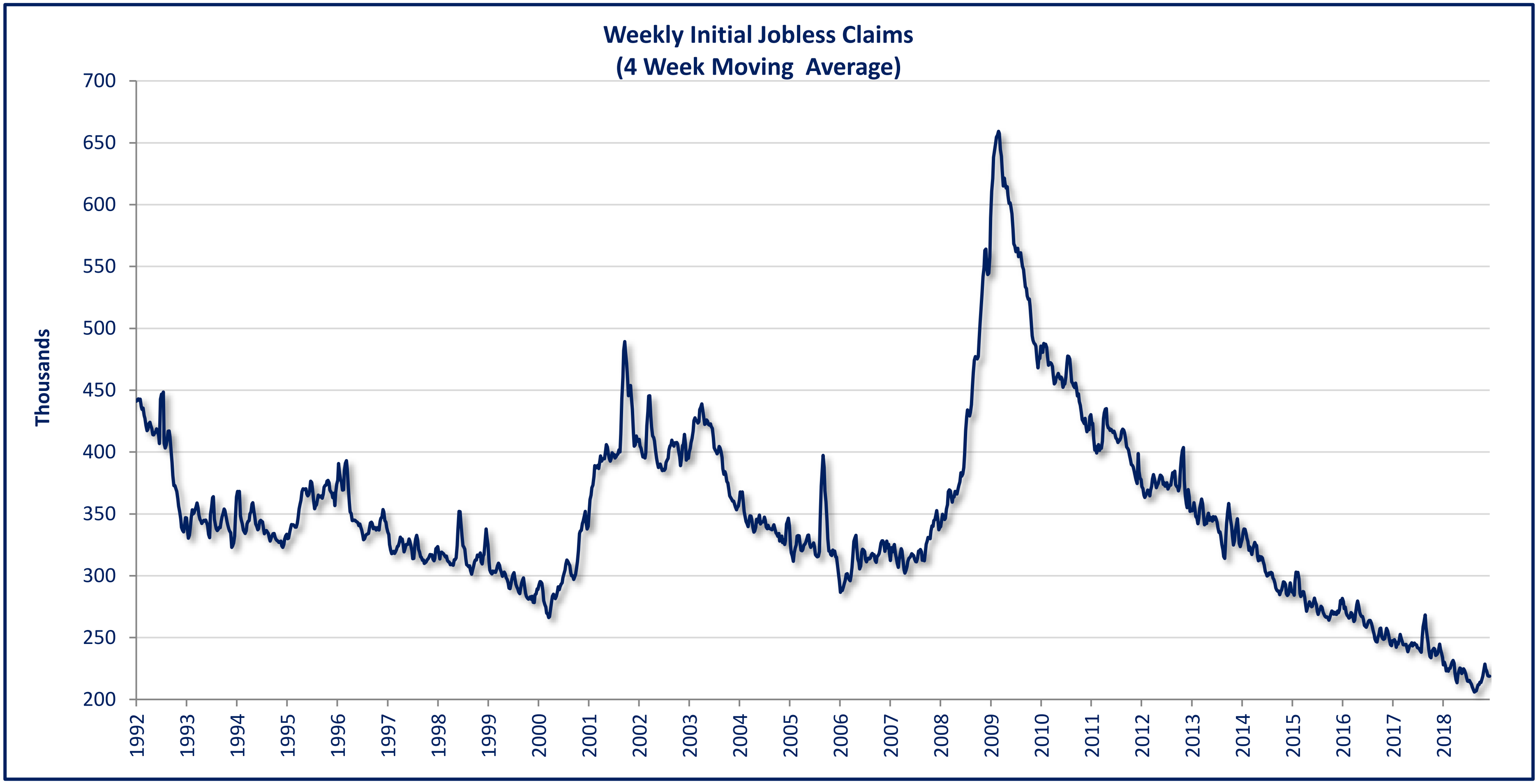
12 Month Average Job Change	**219,833**

Source: Bureau of Labor Statistics



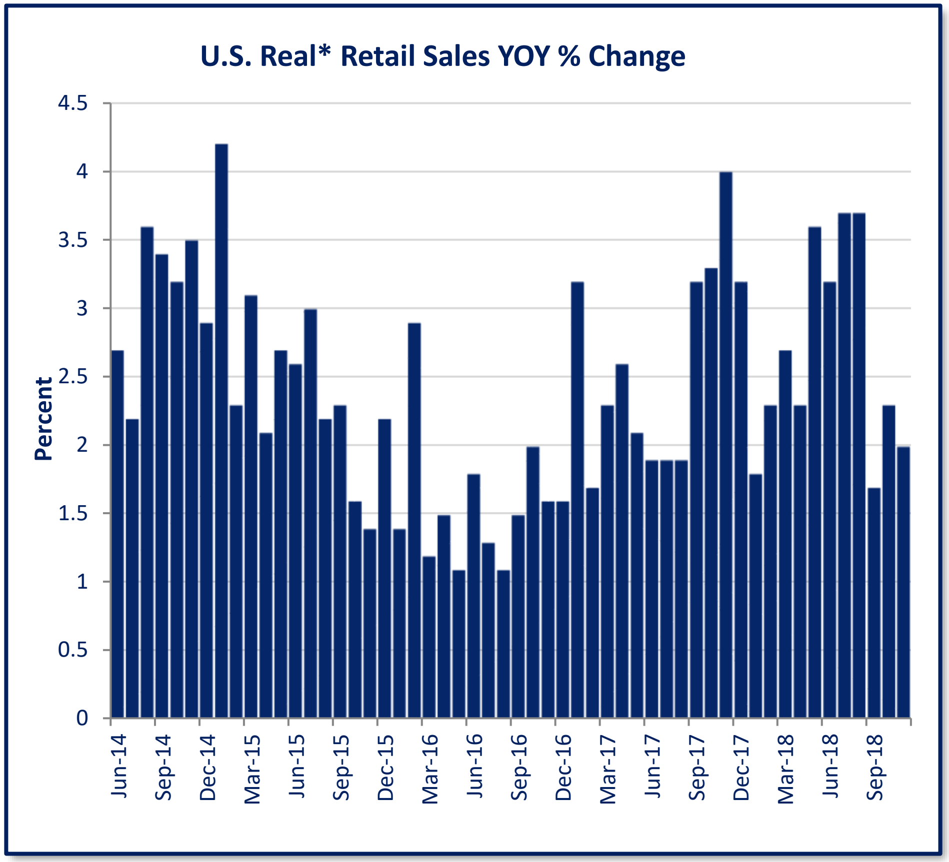


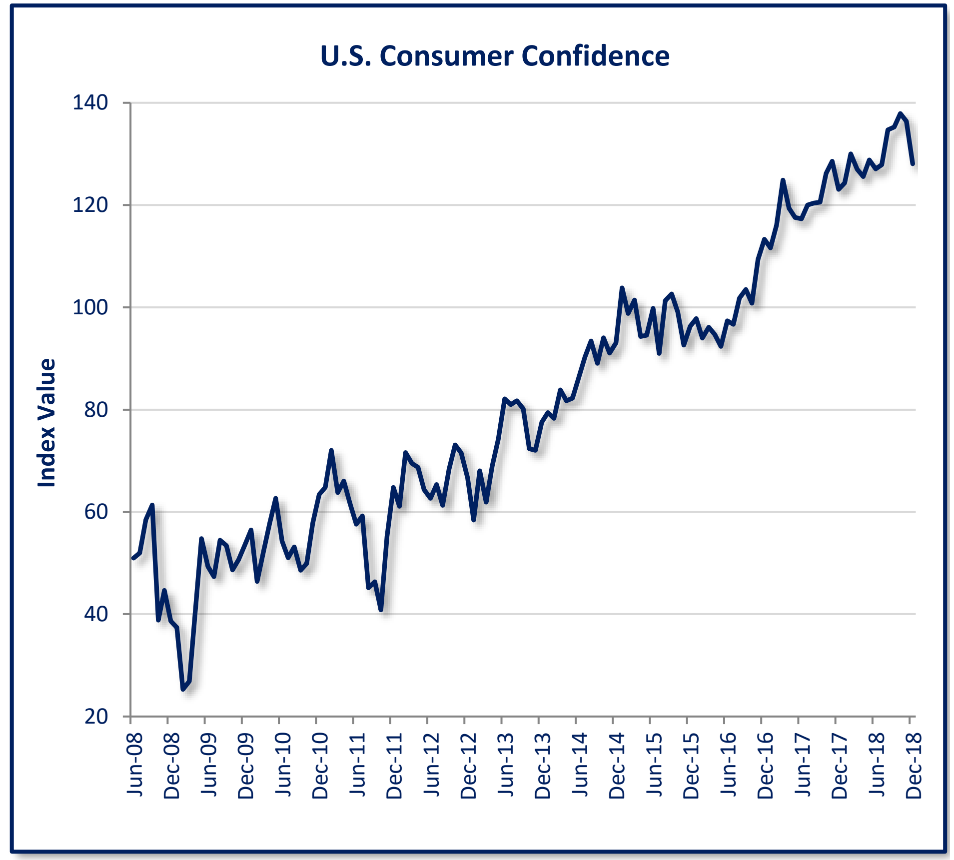
Source: Bureau of Labor Statistics



Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

Source: Department of Labor and Bloomberg

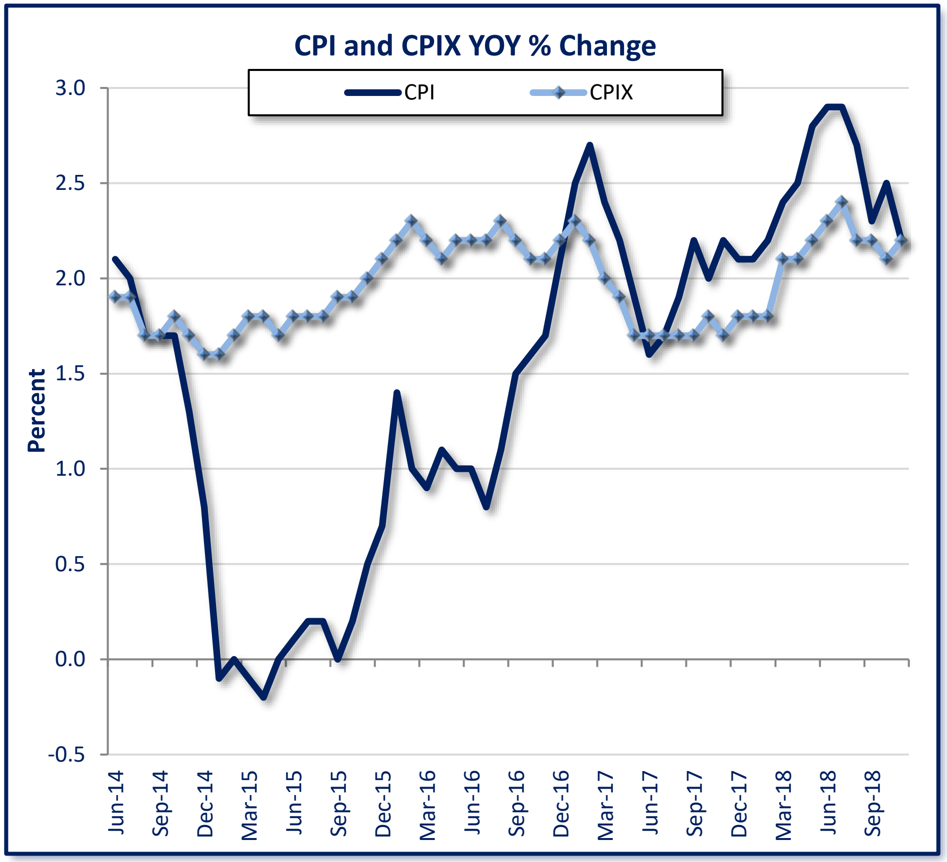


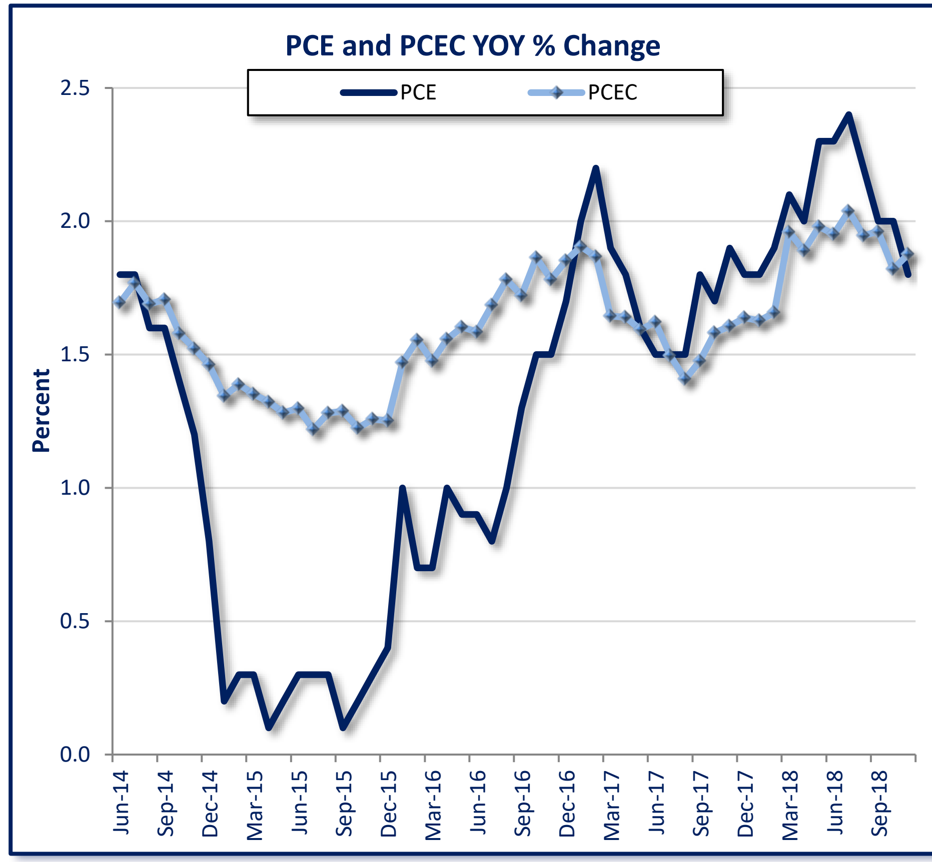


*Real: Inflation Adjusted

Source: U.S. Census Bureau

Source: Conference Board

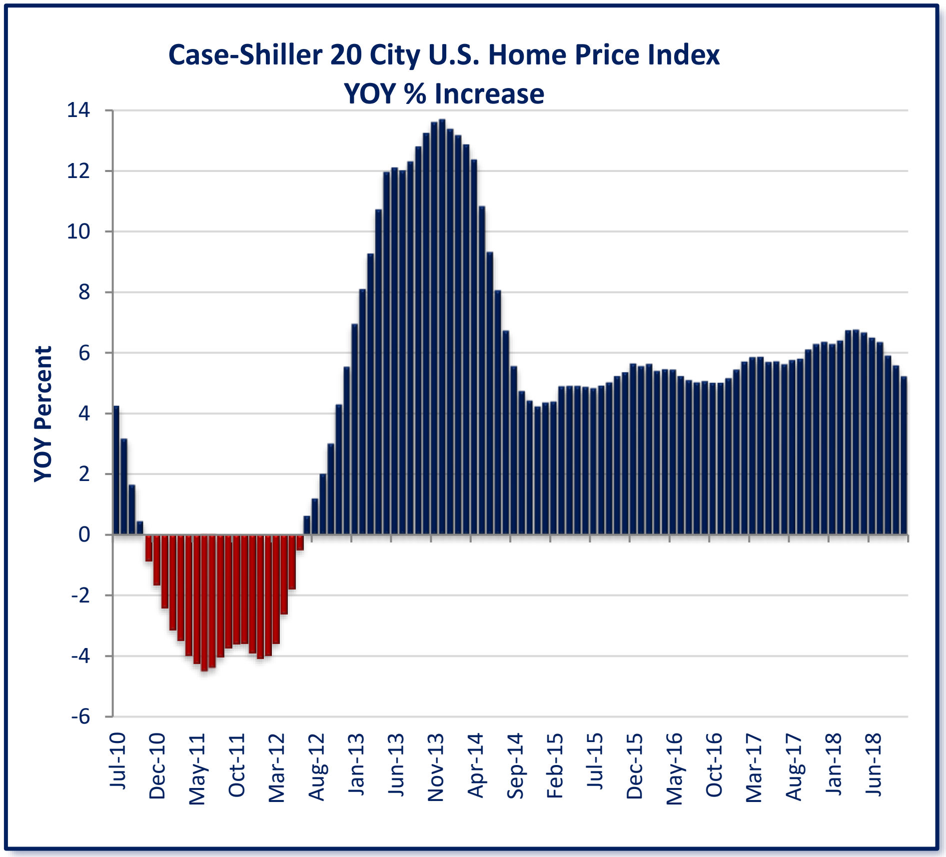




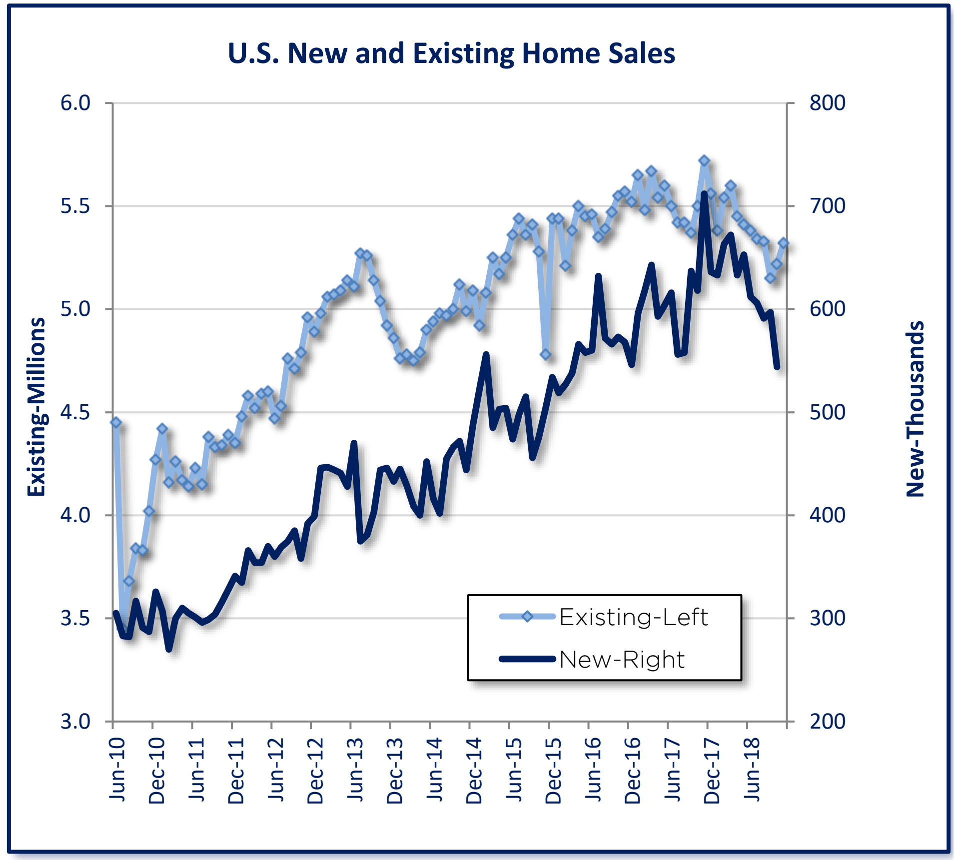
CPIX: Consumer Price Index, excluding food and energy

PCEC: Personal Consumption Expenditure Core

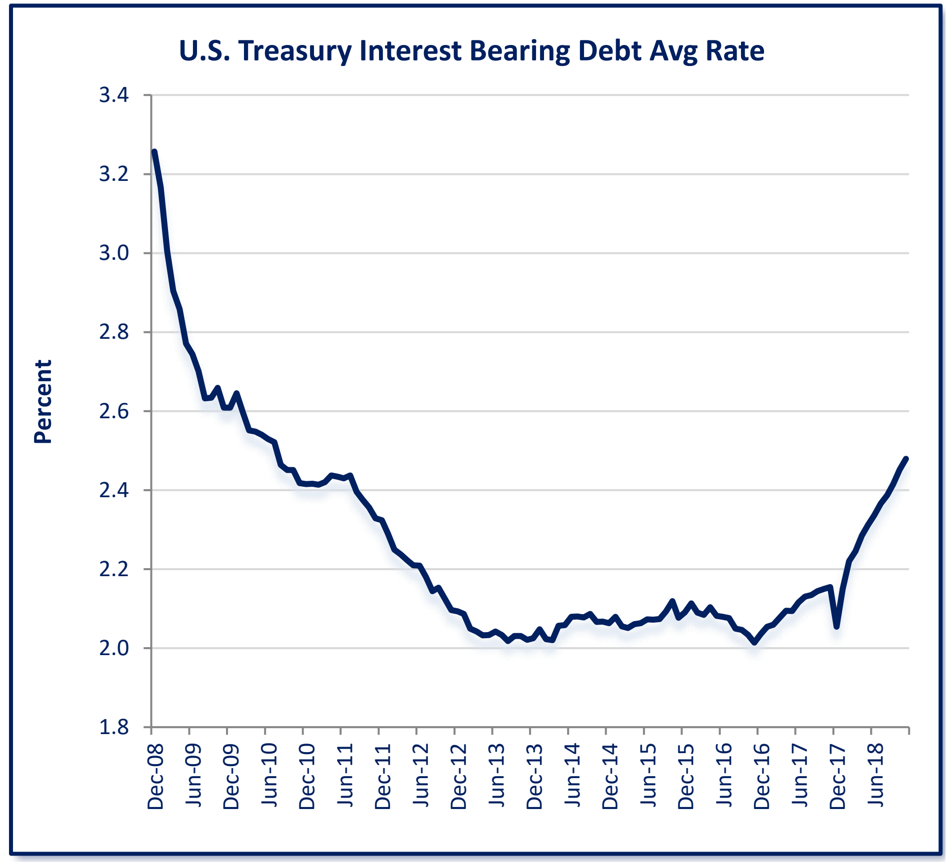
Source: Bureau of Labor Statistics and Bureau of Economic Analysis



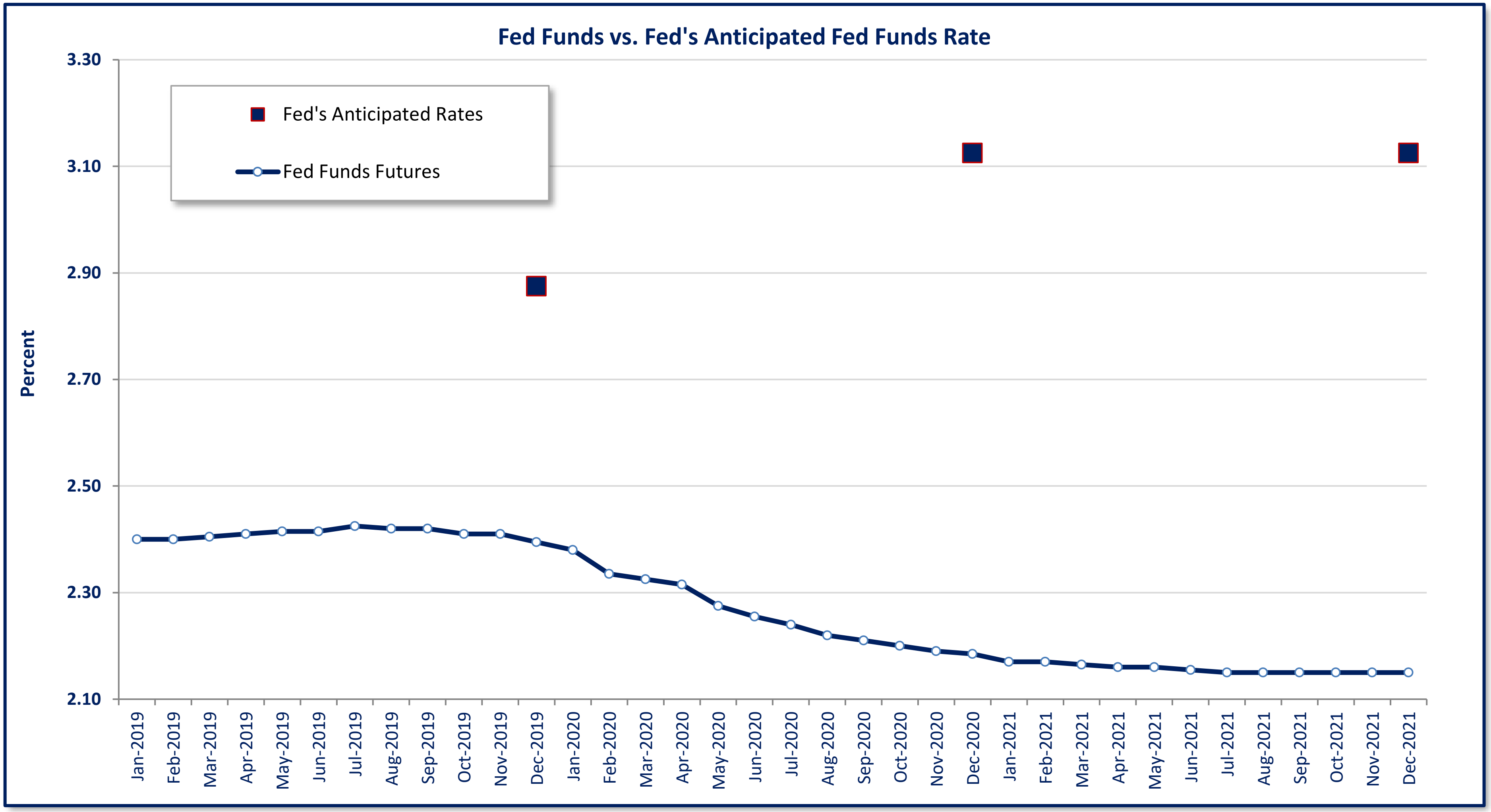
Source: Case-Shiller



Sources: New (U.S. Census Bureau),Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate

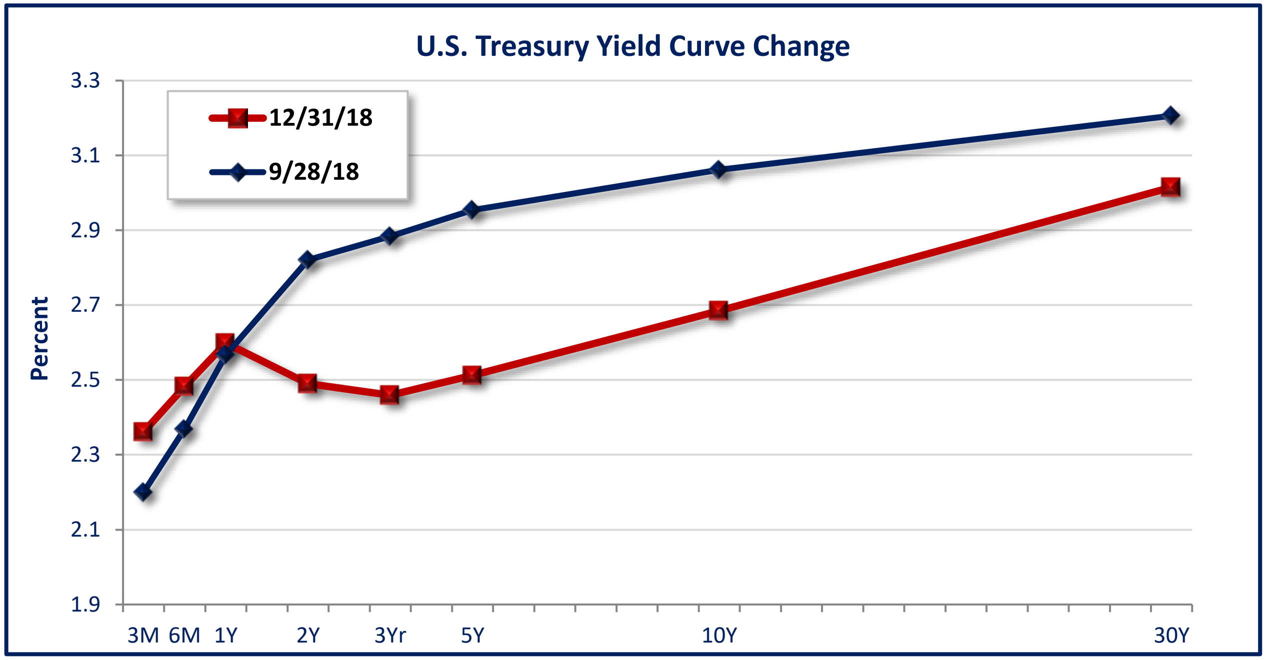


Source: U.S. Treasury

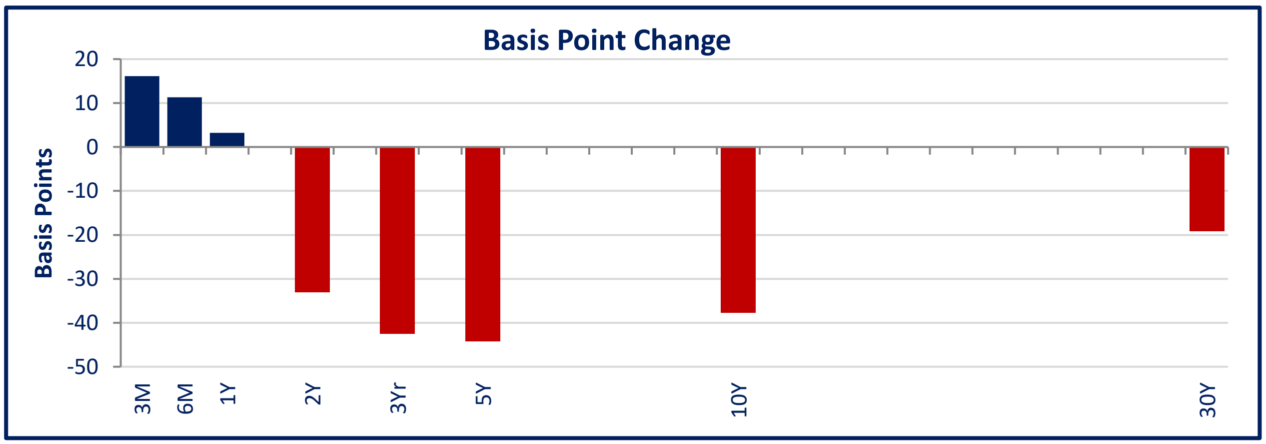


Fed Funds Anticipated Rate from the December 19, 2018 FOMC Meeting

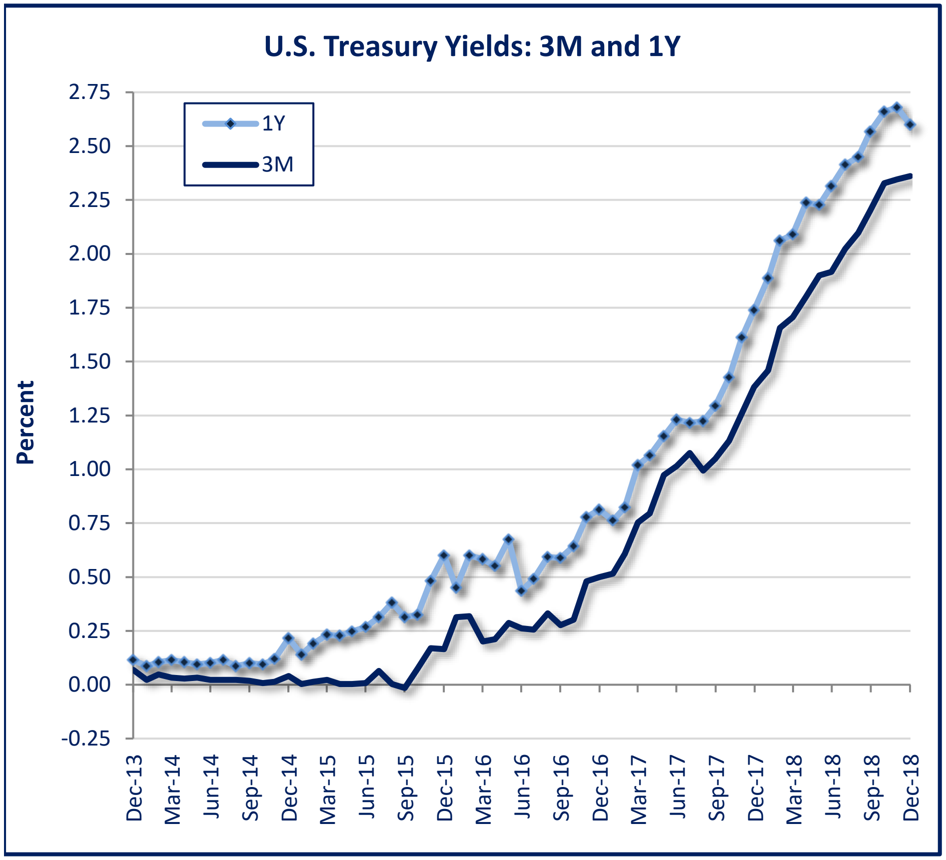
Source: Bloomberg

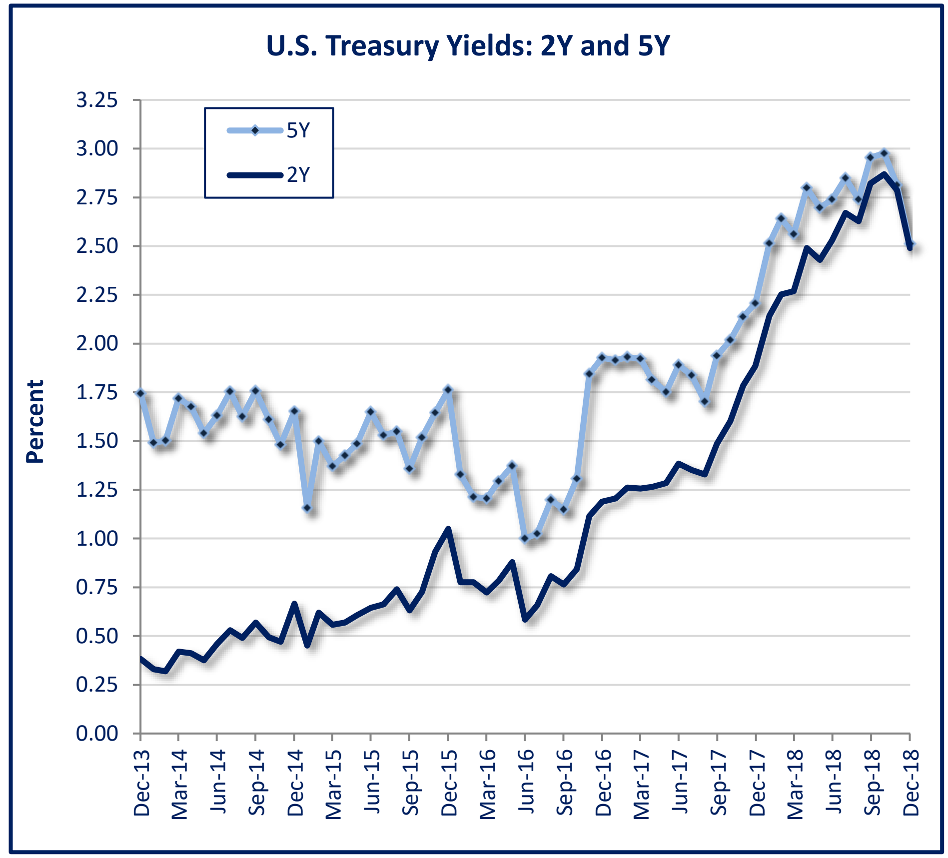


Maturity	9/28/18	12/31/18	Change
3M	2.20	2.36	0.16
6M	2.37	2.48	0.11
1Y	2.57	2.60	0.03
2Y	2.82	2.49	-0.33
3Y	2.88	2.46	-0.43
5Y	2.95	2.51	-0.44
10Y	3.06	2.69	-0.38
30Y	3.21	3.02	-0.19

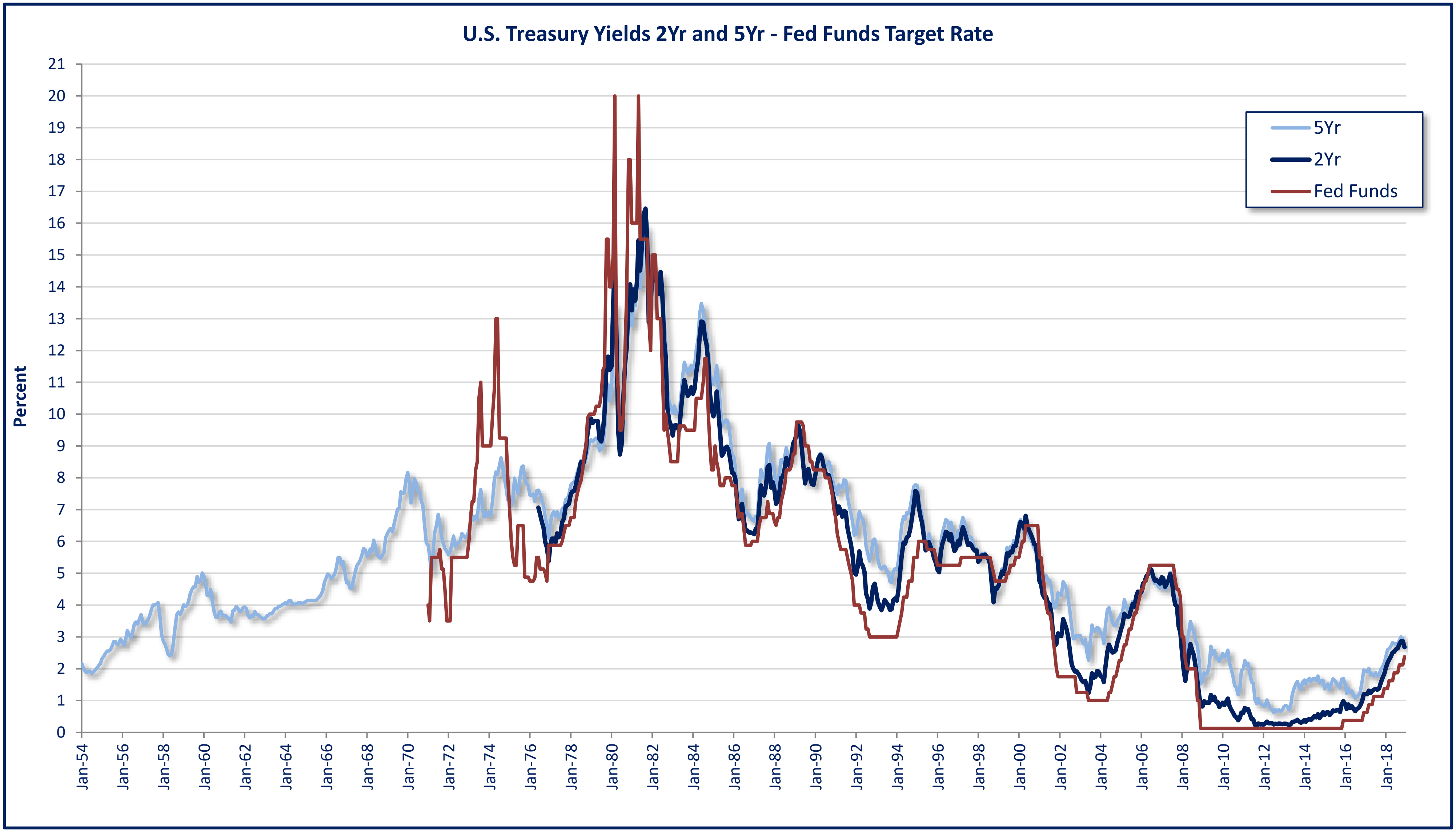


Source: Bloomberg
Figures may not total due to rounding



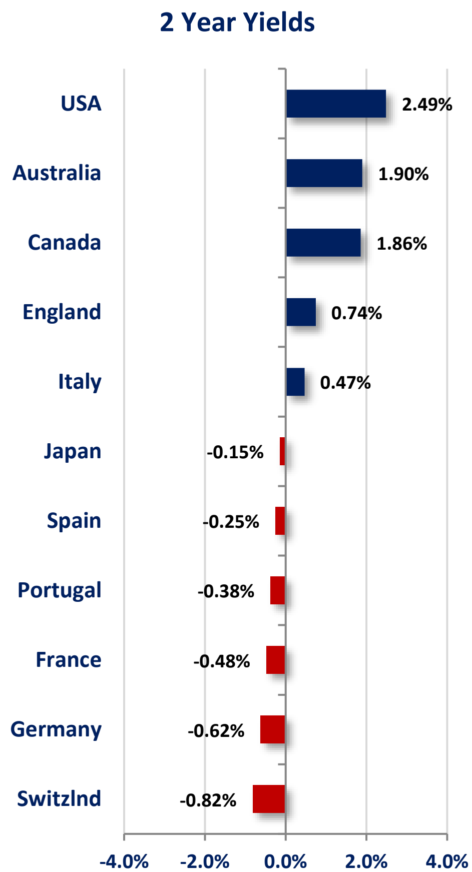


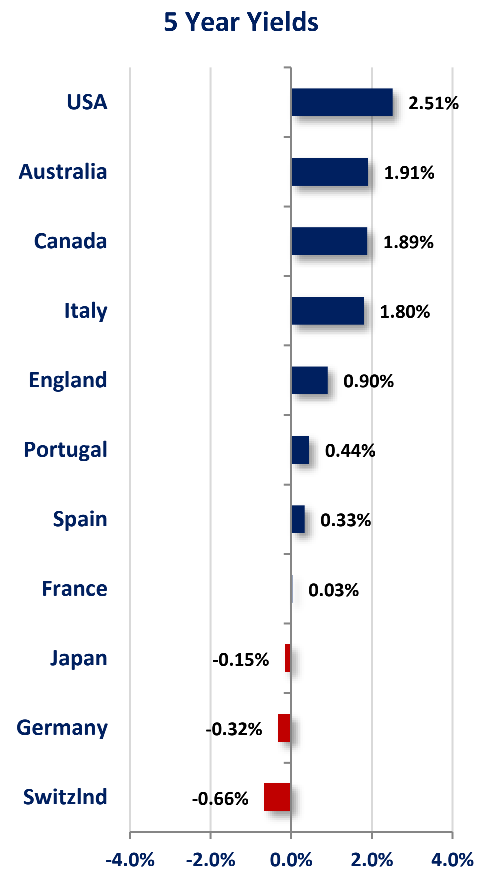
Source: Bloomberg

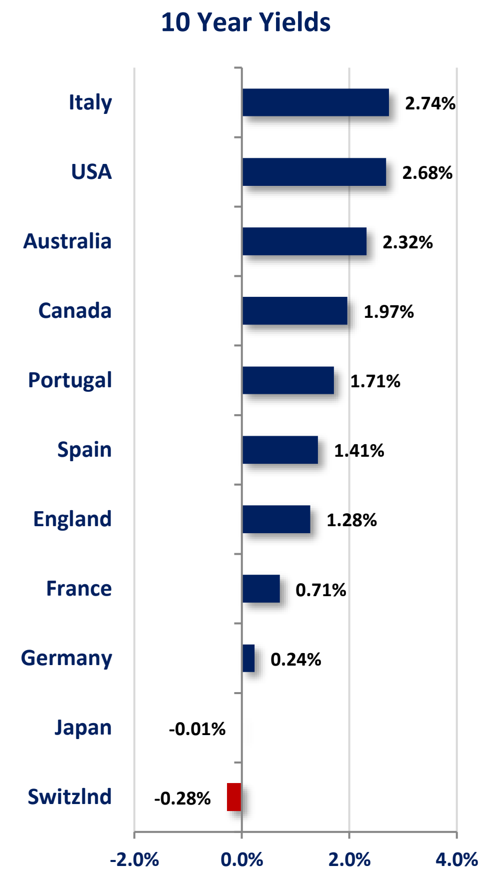


Source: Bloomberg

Global Treasury Rates







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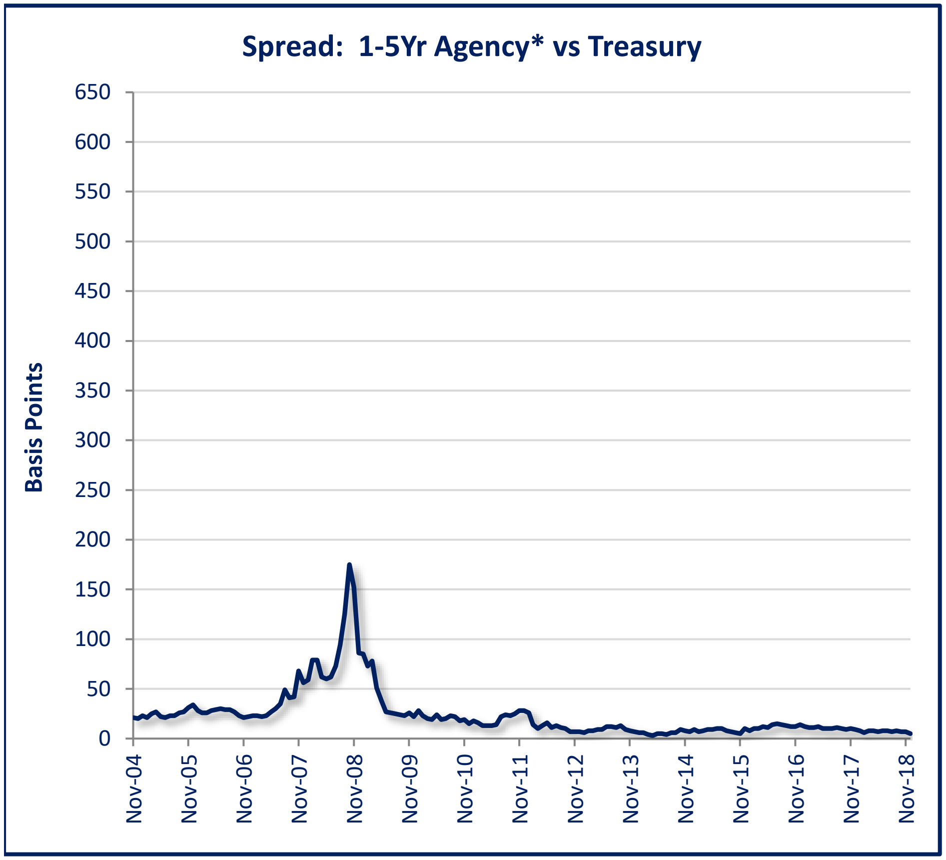
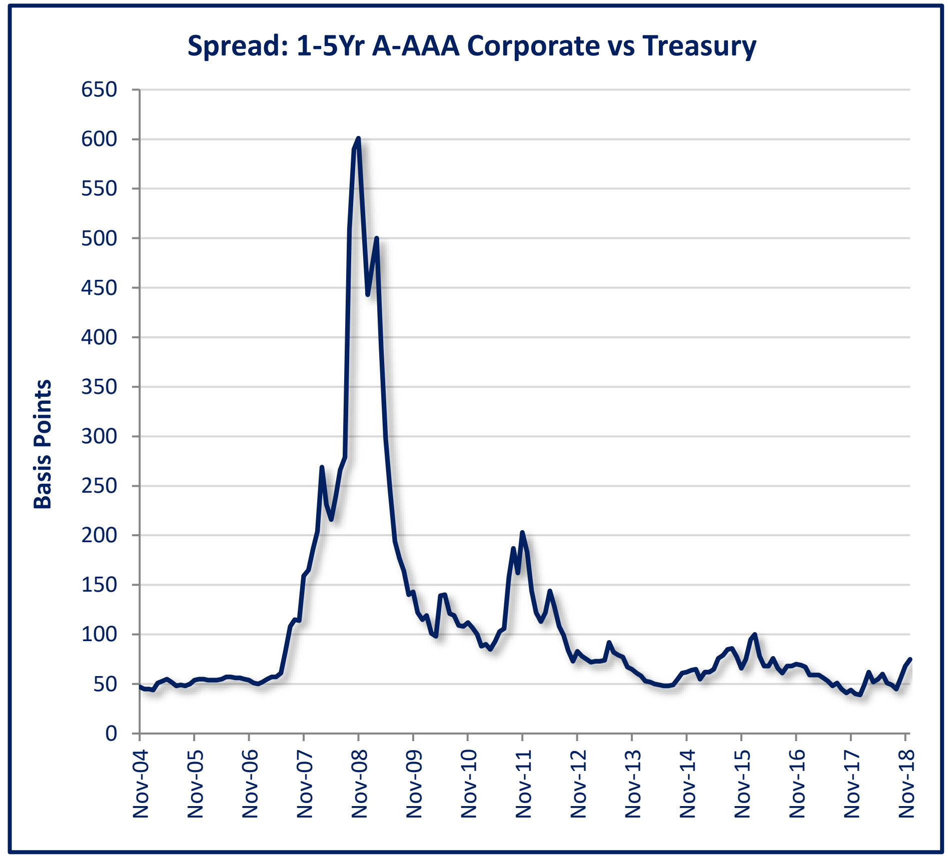


Current Spread is 5



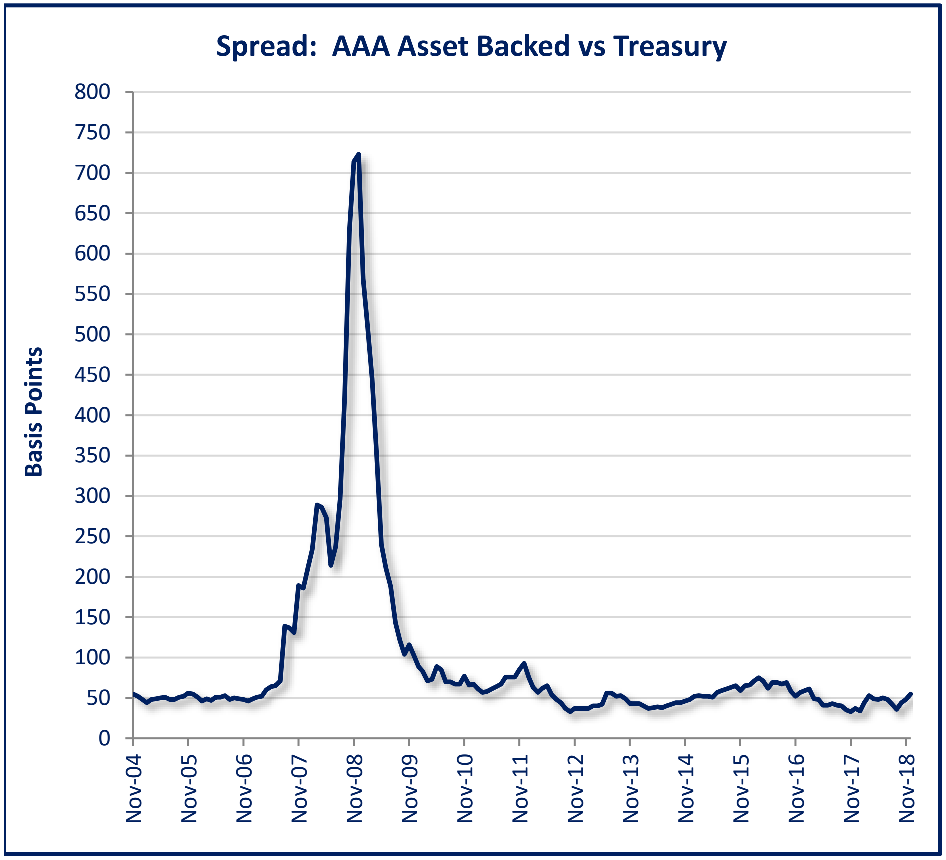
Current Spread is 75

*ICE BofAML Index (option adjusted spread vs. Treasury)
Agency (GVP0)

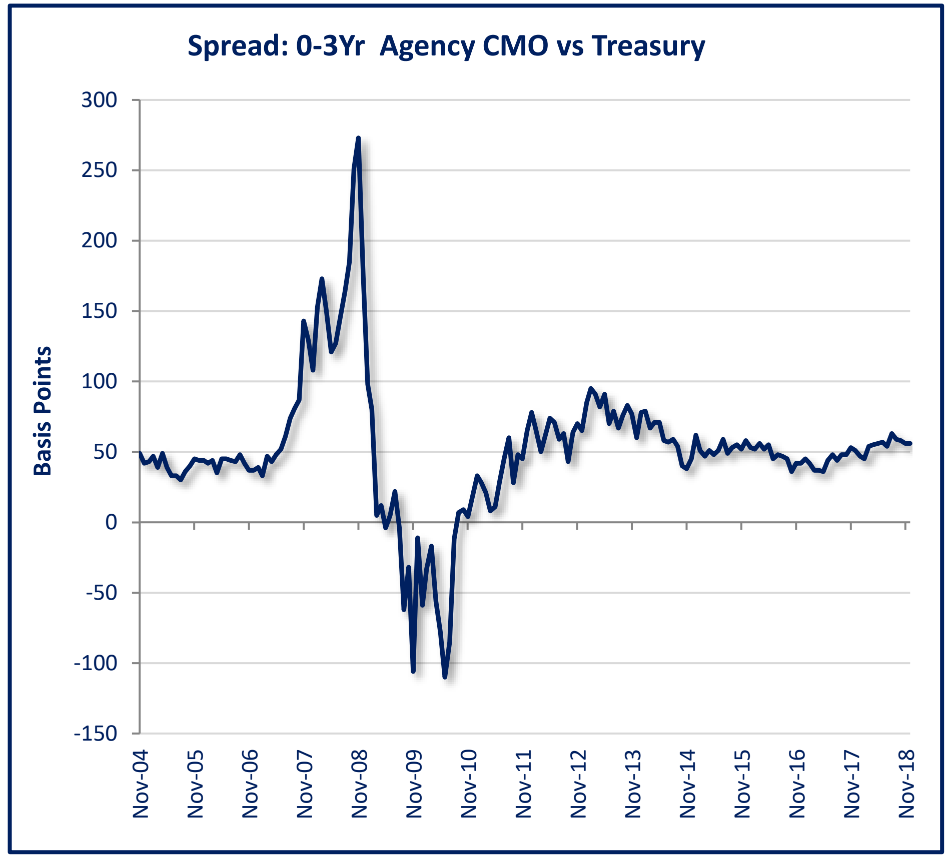
*ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices

Economic and Market Update
12/31/18



Current Spread is 55

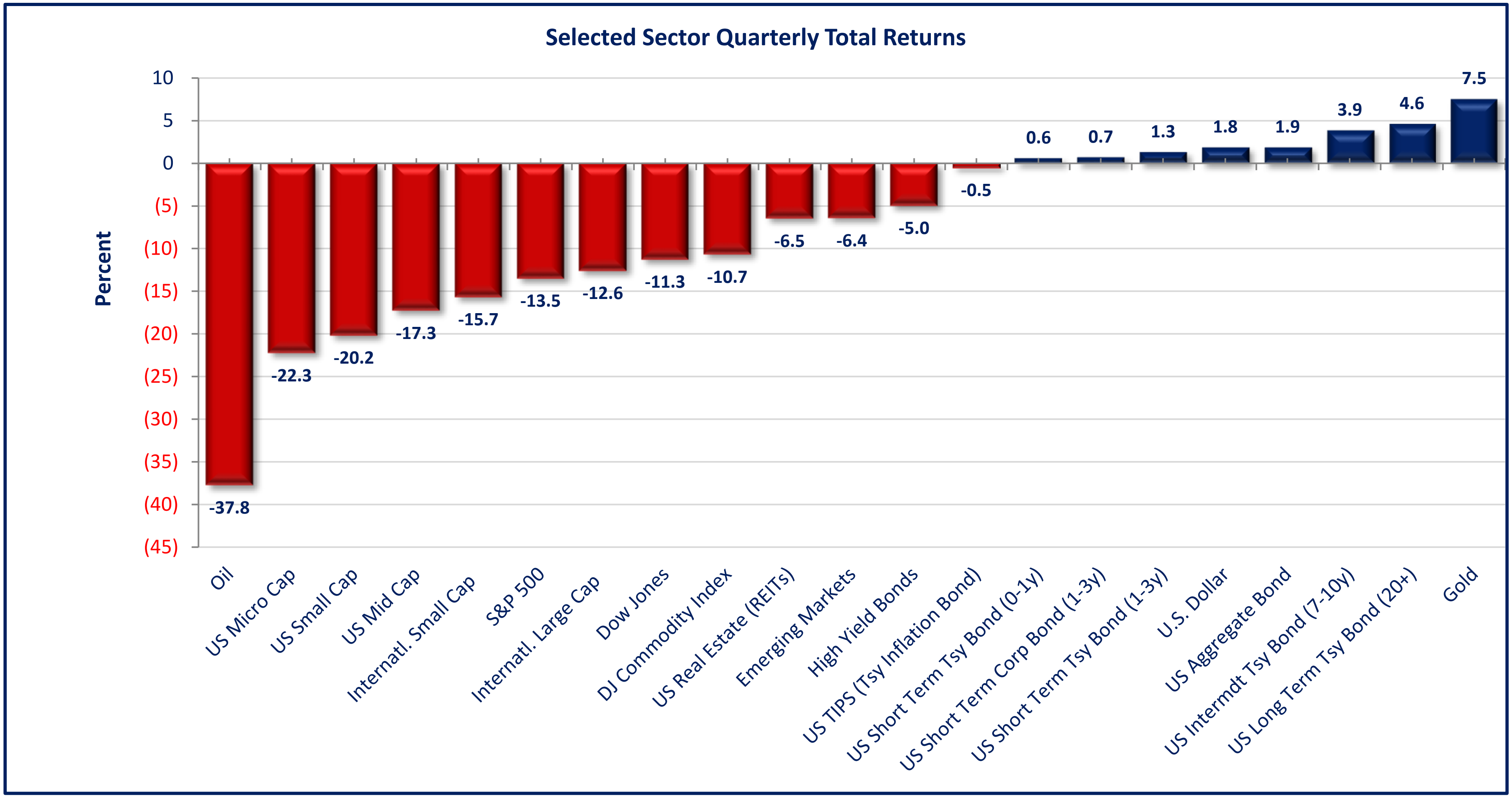


Current Spread is 56

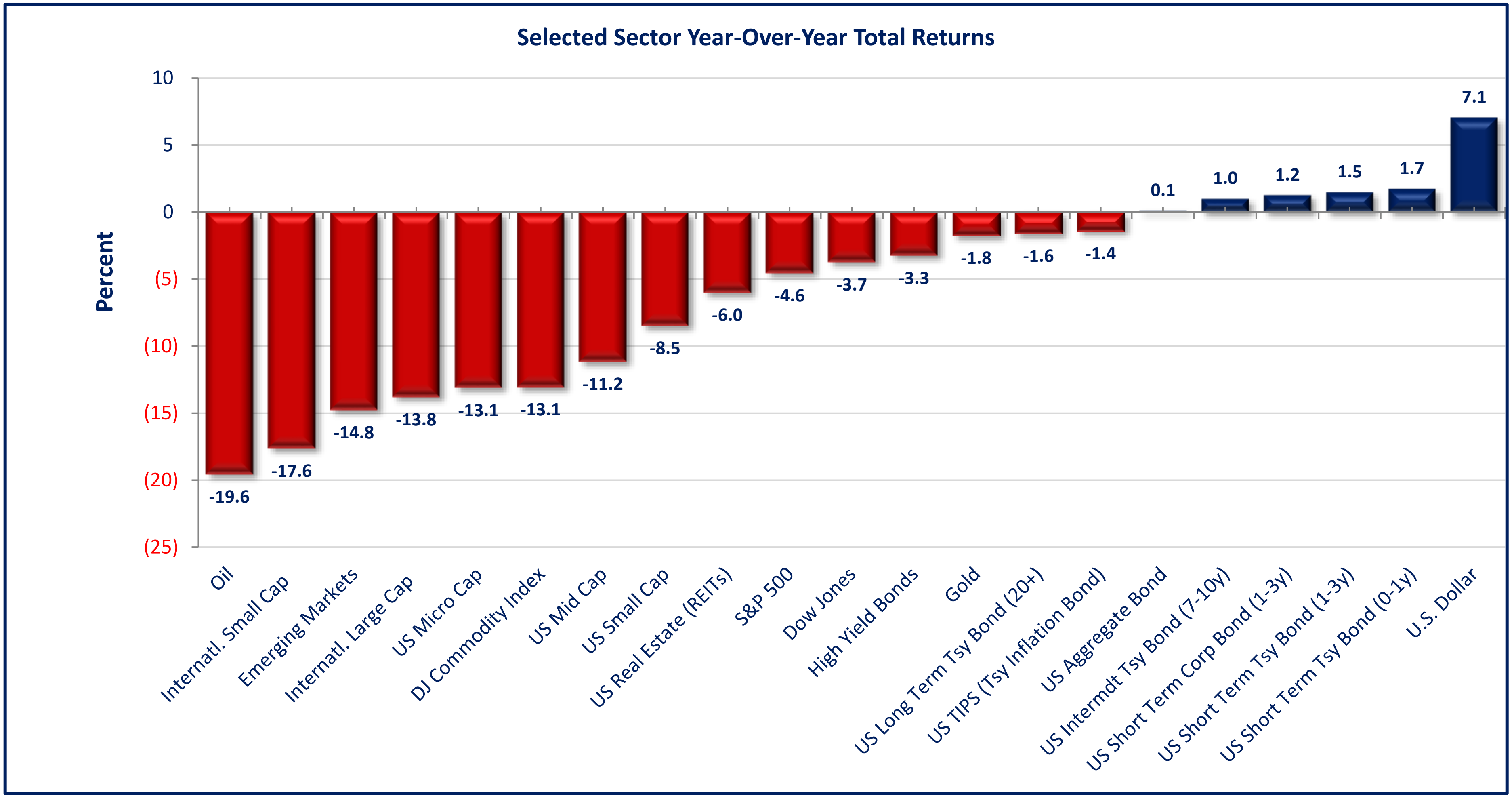
*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (R0A1)

*ICE BofAML Index (option adjusted spread vs. Treasury)
CMO Agency 0-3Yr PAC (CM1P)

Source: ICE BofAML Indices



Source: Bloomberg



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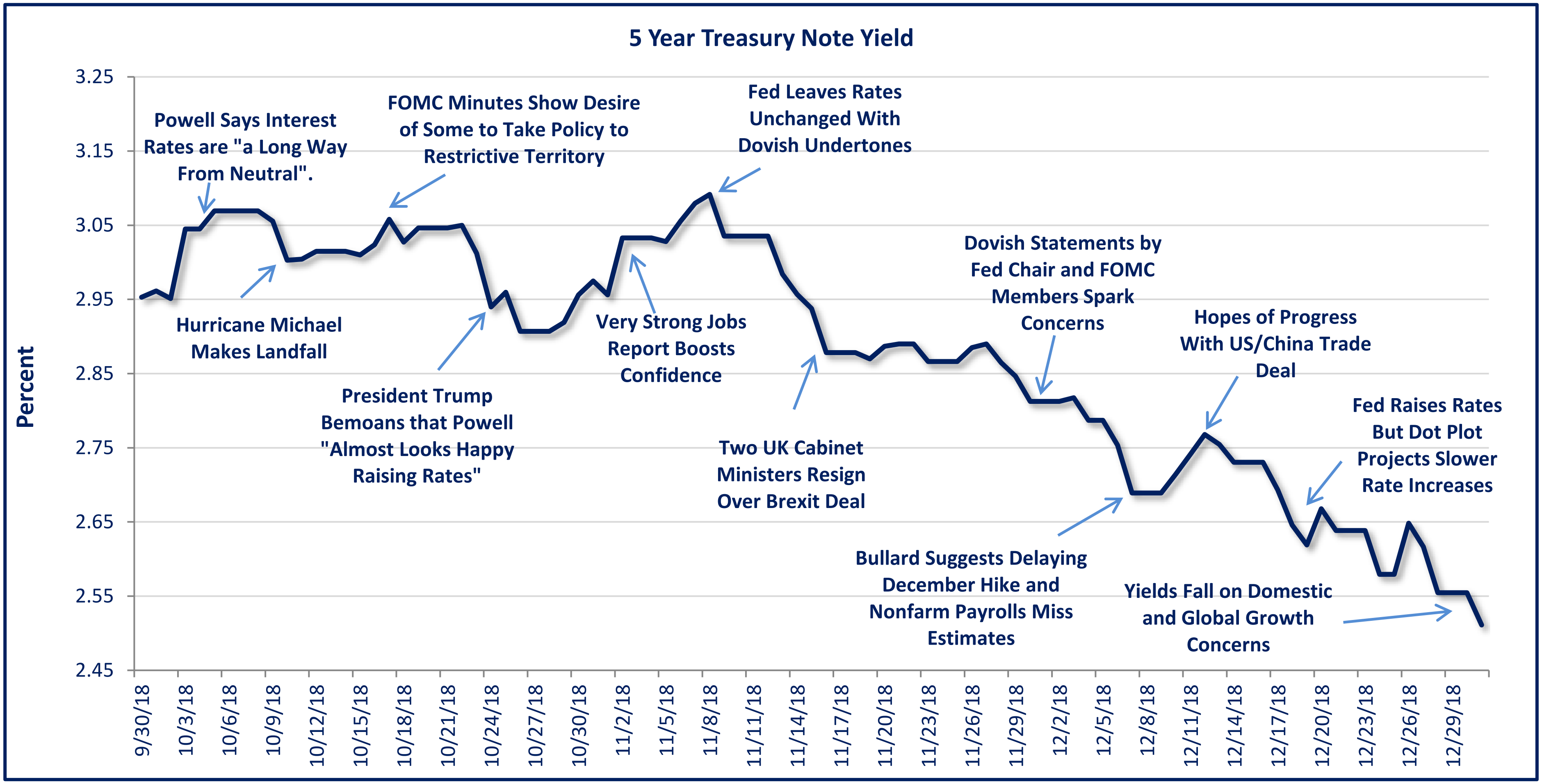
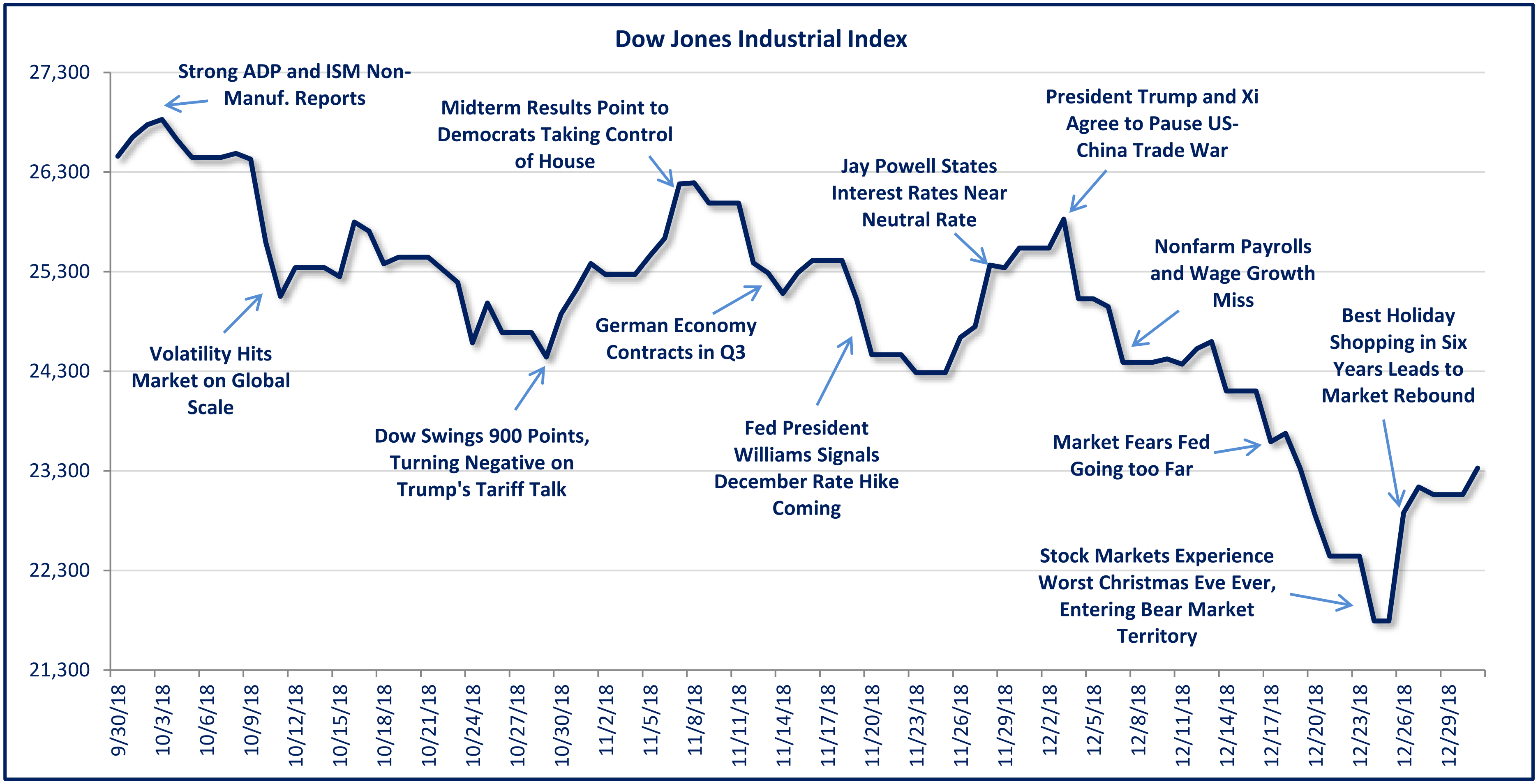


Sources: Bloomberg, FTN Main Street



Sources: Bloomberg, FTN Main Street

Disclosure

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL ASSURANCE CORP.

AN ASSURED GUARANTY COMPANY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

MUNICIPAL ASSURANCE CORP. ("MAC"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of MAC, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which MAC shall have received Notice of Nonpayment, MAC will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by MAC, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in MAC. 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 MAC is incomplete, it shall be deemed not to have been received by MAC for purposes of the preceding sentence and MAC shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, MAC shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by MAC hereunder. Payment by MAC to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of MAC under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless MAC shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to MAC which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

MAC may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to MAC pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to MAC and shall not be deemed received until received by both and (b) all payments required to be made by MAC under this Policy may be made directly by MAC or by the Insurer's Fiscal Agent on behalf of MAC. The Insurer's Fiscal Agent is the agent of MAC only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of MAC to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, MAC 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 MAC to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of MAC, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, MUNICIPAL ASSURANCE CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

MUNICIPAL ASSURANCE CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Ltd.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100