

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 23, 2019

NEW ISSUE – FULL BOOK-ENTRY

RATING: Standard & Poor's: "AA"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, under existing law, the interest on the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, under existing law, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$64,000,000*
CLOVIS UNIFIED SCHOOL DISTRICT
(Fresno County, California)
2019 Refunding General Obligation Bonds
(Federally Taxable)

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Authority. The Clovis Unified School District 2019 Refunding General Obligation Bonds (Federally Taxable) (the "Bonds"), in the aggregate principal amount of \$64,000,000*, are being issued by the Clovis Unified School District (the "District") pursuant to certain provisions of the California Government Code, a resolution of the Board of Trustees of the District adopted on September 11, 2019 (the "Bond Resolution") and a Paying Agent Agreement dated as of October 1, 2019 (the "Paying Agent Agreement"), between the District and MUFG Union Bank, N.A., San Francisco, California, as paying agent for the Bonds (the "Paying Agent").

Purpose. The Bonds are being issued to refund certain outstanding maturities of the District's General Obligation Bonds, Election of 2012, Series A, General Obligation Bonds, Election of 2012, Series B and General Obligation Bonds, Election of 2012, Series D, and to pay costs of issuance. See "THE BONDS – Authority for Issuance" and "THE REFINANCING PLAN."

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

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

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

Payments. The Bonds are dated the date of delivery and are being issued as Current Interest Bonds and Capital Appreciation Bonds (both as defined herein). The Current Interest Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing February 1, 2020. The Capital Appreciation Bonds accrete interest at the accretion rates set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2020 until payment of the accreted value thereof at maturity or upon earlier redemption. Payments of principal and accreted value of and interest on the Bonds will be paid by the Paying Agent, to The Depository Trust Company ("DTC") for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS."

MATURITY SCHEDULE
(see inside front cover)

This cover page contains information for general reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential in 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. Kutak Rock LLP, Denver, Colorado is serving as Underwriter's Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about November 26, 2019.*

STIFEL

The date of this Official Statement is _____, 2019.

**Preliminary; subject to change.*

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

MATURITY SCHEDULE*

Base CUSIP†: 189342

CLOVIS UNIFIED SCHOOL DISTRICT
(Fresno County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

\$_____ Principal Amount Serial Current Interest Bonds

<u>Maturity Date</u> (August 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
------------------------------------	-----------------------------------	--------------------------------	--------------	---------------

\$_____ - _____% Term Current Interest Bonds maturing August 1, 20__; Yield: _____%; CUSIP†: _____

\$_____ Denominational Amount
(\$_____ Maturity Value)
Capital Appreciation Bonds

<u>Maturity Date</u> (August 1)	<u>Denominational</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Yield to</u> <u>Maturity</u>	<u>Maturity</u> <u>Value</u>	<u>CUSIP†</u>
------------------------------------	--	---------------------------------	------------------------------------	---------------------------------	---------------

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

**CLOVIS UNIFIED SCHOOL DISTRICT
FRESNO COUNTY
STATE OF CALIFORNIA**

DISTRICT BOARD OF TRUSTEES

Christopher Casado, *Acting President*
Steven G. Fogg, M.D., *Clerk*
Susan K. Hatmaker, *Member*
Ginny L. Hovsepian, *Member*
Elizabeth "Betsy" Sandoval, *Member*
Tiffany Stoker Madsen, *Member*
[Vacancy]*, *Member*

DISTRICT ADMINISTRATION

Eimear O'Farrell, Ed.D., *Superintendent*
Don Ulrich, Ed.D., *Deputy Superintendent*
Michael Johnston, *Associate Superintendent, Administrative Services*
Susan Rutledge, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

FINANCIAL ADVISOR

Keygent LLC
El Segundo, California

**PAYING AGENT, TRANSFER AGENT, BOND REGISTRAR
AND ESCROW AGENT**

MUFG Union Bank, N.A.
San Francisco, California

ESCROW VERIFICATION

Causey Demgen & Moore P.C.
Denver, Colorado

*There is currently a vacancy on the Board of Trustees. At the Board meeting on October 23, 2019, the Board is expected to appoint a person to fill the vacancy.

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 Projections. 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, 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.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws 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. In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of such Bonds at levels above those that might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	PROPERTY TAXATION	19
THE REFINANCING PLAN.....	4	Property Tax Collection Procedures	19
Refinancing Plan Generally.....	4	Taxation of State-Assessed Utility Property	19
Identification of Refunded Bonds	4	Assessed Valuations	20
Identification of Unrefunded Bonds	6	Typical Tax Rates	24
Escrow Fund	7	Reassessments and Appeals of Assessed	
THE BONDS	8	Value	24
Authority for Issuance	8	Property Tax Collections	26
Description of the Bonds.....	8	Largest Secured Property Taxpayers in	
Paying Agent.....	10	District.....	28
Optional Redemption	10	Direct and Overlapping Debt Obligations	29
Mandatory Sinking Fund Redemption	10	TAX MATTERS.....	30
Notice of Redemption	11	CERTAIN LEGAL MATTERS.....	30
Partial Redemption of Bonds	12	CONTINUING DISCLOSURE	30
Selection of Bonds for Redemption	12	VERIFICATION OF MATHEMATICAL	
Right to Rescind Notice of Redemption.....	12	ACCURACY.....	31
Defeasance	12	RATING.....	31
Book-Entry Only System.....	13	UNDERWRITING	32
Registration, Transfer and Exchange of		FINANCIAL ADVISOR.....	32
Bonds.....	14	ADDITIONAL INFORMATION.....	32
DEBT SERVICE SCHEDULES.....	15	EXECUTION.....	33
SOURCES AND USES OF FUNDS.....	16		
SECURITY FOR THE BONDS	17		
<i>Ad Valorem</i> Taxes	17		
Debt Service Fund.....	18		
Not a County Obligation.....	18		
APPENDIX A - Audited Financial Statements of the District for			
Fiscal Year Ending June 30, 2018			A-1
APPENDIX B - General and Financial Information About the District			B-1
APPENDIX C - General Information About the City of Clovis and County of Fresno			C-1
APPENDIX D - Form of Opinion of Bond Counsel			D-1
APPENDIX E - Form of Continuing Disclosure Certificate			E-1
APPENDIX F - DTC and the Book-Entry System			F-1
APPENDIX G - Fresno County Investment Policy and Investment Report			G-1
APPENDIX H - Table of Accreted Value			H-1

-Page Intentionally Left Blank-

OFFICIAL STATEMENT

\$64,000,000*

CLOVIS UNIFIED SCHOOL DISTRICT
(Fresno County, California)
2019 Refunding General Obligation Bonds
(Federally Taxable)

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale and delivery by the Clovis Unified School District (the “**District**”) of the Clovis Unified School District (Fresno County, California) 2019 Refunding General Obligation Bonds (Federally Taxable), in the principal amount of \$64,000,000* (the “**Bonds**”).

INTRODUCTION

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

The District. The boundaries of the District encompass an area of approximately 198 square miles within the central portion of Fresno County (the “**County**”). The territory of the District includes most of the City of Clovis (the “**City**”), a portion of the City of Fresno, and adjacent unincorporated areas of the County. The District was formed in 1960. The District is a unified school district providing education for students in grades K-12. The District currently operates 33 elementary schools, five intermediate schools, five high schools, two alternative education sites, two community day schools, the Clovis Online Charter School, one adult school, and, with the Fresno Unified School District, a Joint Powers Agency high school. The District's total projected enrollment is 43,569 students for fiscal year 2019-20. The District's total assessed value for fiscal year 2019-20 is \$26,740,590,836.

For more information regarding the District and its finances generally, see APPENDIX A and APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other information regarding the City and County.

Purpose. The Bonds are being issued by the District to refinance certain outstanding maturities of the District's General Obligation Bonds, Election of 2012, Series A (the “**2012A Bonds**”), General Obligation Bonds, Election of 2012, Series B (the “**2012B Bonds**”), General Obligation Bonds, Election of 2012, Series D (the “**2012D Bonds**”), and to pay costs of issuance. See “THE REFINANCING PLAN.”

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to certain provisions of the Government Code of the State, commencing with Section 53550 thereof (the “**Refunding Bond Law**”), pursuant to a resolution adopted by the Board of Trustees of the District on September 11, 2019 (the “**Bond Resolution**”), and pursuant to a Paying Agent Agreement dated as of October 1, 2019 (the “**Paying Agent Agreement**”), between the District and MUFG Union Bank, N.A., as paying agent (the “**Paying Agent**”). See “THE BONDS - Authority for Issuance.”

*Preliminary; subject to change.

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

The District currently has other series of general obligation bonds that are payable from *ad valorem* taxes levied on taxable property in the District. For the remaining debt service of the District’s outstanding general obligation bonds, see “DEBT SERVICE SCHEDULES.” See also “APPENDIX B – GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT-DISTRICT FINANCIAL INFORMATION - General Obligation Bonds.”

Form of Bonds. The Bonds are being issued as current interest bonds (the “**Current Interest Bonds**”) and capital appreciation bonds (the “**Capital Appreciation Bonds**”). The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be dated their date of original issuance and delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 principal amount or Maturity Value (as defined herein), as applicable, or any integral multiple of \$5,000, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“**DTC**”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described below. Purchasers will not receive physical certificates representing their interest in the Bonds. See “THE BONDS – General Description of the Bonds” and “– Book-Entry Only System,” below and “APPENDIX F – DTC and the Book-Entry System.”

Payments. The Current Interest Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing February 1, 2020. The Capital Appreciation Bonds accrete interest at the accretion rates set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2020 until payment of the accreted value thereof at maturity or upon earlier redemption. Payments of principal and accreted value 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 BONDS” and “APPENDIX F – DTC and the Book-Entry System.”

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

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

Tax Matters. In the opinion of Bond Counsel, under existing law, interest on the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from California personal income

taxes. See "TAX MATTERS" and APPENDIX D for the forms of opinion of Bond Counsel to be delivered concurrently with the Bonds.

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 herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from the Superintendent of the District, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

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

END OF INTRODUCTION

THE REFINANCING PLAN

Refinancing Plan Generally

As described herein, the proceeds of the Bonds will be used to refund certain maturities of the 2012A, 2012B and 2012D Bonds (collectively, the “**Prior Bonds**”), and to pay related costs of issuance. The Prior Bonds are described more particularly as follows:

- **2012A Bonds.** The 2012A Bonds were authorized at an election of the registered voters of the District held on June 5, 2012, which authorized the issuance of \$298,000,000 principal amount of general obligation bonds (the “**2012 Authorization**”) for the purpose of financing voter-approved improvements to school facilities. The 2012A Bonds were issued as current interest bonds in the aggregate principal amount of \$43,150,000 and as capital appreciation bonds in the aggregate denominational amount of \$18,001,801.20.
- **2012B Bonds.** The 2012B Bonds were authorized pursuant to the 2012 Authorization. The 2012B Bonds were issued as current interest bonds in the aggregate principal amount of \$2,755,000 and capital appreciation bonds in the aggregate denominational amount of \$9,071,578.75.
- **2012D Bonds.** The 2012D Bonds were authorized pursuant to the 2012 Authorization. The 2012D Bonds were issued as current interest bonds in the aggregate principal amount of \$21,100,000 and capital appreciation bonds in the aggregate denominational amount of \$13,382,033.60.

Identification of Refunded Bonds*

The following tables identify the Prior Bonds to be refunded with the proceeds of the Bonds (the “**Refunded Bonds**”).

CLOVIS UNIFIED SCHOOL DISTRICT Identification of 2012A Refunded Bonds*

Maturities Payable from Escrow	CUSIP [†]	Principal Amount*	Redemption Date	Redemption Price
08/01/2037-T	189342 XW3	\$18,845,000	08/01/2022	100.0%
Total	--	\$18,845,000	--	

* Preliminary, subject to change.

T: Term bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

*Preliminary; subject to change.

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of 2012B Refunded Bonds***

Maturities Payable from Escrow	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
08/01/2038-T	189342 G44	\$9,830,000	08/01/2023	100.0%
Total		\$9,830,000	--	--

* Preliminary, subject to change.

T: Term bond; originally maturing August 1, 2038. Previously partially redeemed. Amount redeemed represents remaining outstanding sinking fund payments due August 1, 2035 and August 1, 2036.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of 2012D Refunded Bonds*
(Current Interest Bonds)**

Maturities Payable from Escrow	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
08/01/2029	189342 B23	\$3,090,000.00	08/01/2025	100.0%
08/01/2037-T	189342 B31	7,050,000.00	08/01/2025	100.0
Total	--	\$10,140,000.00	--	--

* Preliminary, subject to change.

T: Term bond.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of 2012D Refunded Bonds*
(Capital Appreciation Bonds)**

Maturities Payable from Escrow	CUSIP†	Denominational Amount to be Refunded*	Value Upon Redemption	Redemption Date	Redemption Price
08/01/2030	189342 B56	\$1,828,820.00	\$2,816,870.00	08/01/2025	100.0%
08/01/2031	189342 B64	1,865,697.60	2,893,324.20	08/01/2025	100.0
08/01/2032	189342 B72	1,893,302.70	2,956,207.35	08/01/2025	100.0
08/01/2033	189342 B80	2,175,484.85	3,410,052.80	08/01/2025	100.0
08/01/2034	189342 B98	2,203,173.50	3,466,892.00	08/01/2025	100.0
08/01/2035	189342 C22	1,974,715.60	3,119,511.20	08/01/2025	100.0
08/01/2036	189342 C30	1,440,839.35	2,284,978.60	08/01/2025	100.0
Total	--	\$13,382,033.60	\$20,947,836.15	--	--

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

Identification of Unrefunded Bonds

The following tables identify the outstanding maturities of the Prior Bonds which will remain outstanding following the issuance of the Bonds.

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of Unrefunded 2012A Bonds***

Maturity Date	CUSIP†	Principal Amount
08/01/2021	189342 XS2	\$3,165,000
08/01/2022	189342 XT0	3,515,000
08/01/2030	189342 XR4	3,000,000
08/01/2031	189342 XU7	5,260,000
Total	--	\$14,940,000

** Preliminary, subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.*

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of Unrefunded 2012B Bonds***

Maturity Date	CUSIP†	Original Denominational Amount	Value at Maturity
08/01/2020	189342 YP7	\$1,242,015.25	\$1,855,000.00
08/01/2021	189342 YQ5	610,024.75	965,000.00
08/01/2022	189342 YR3	668,472.00	1,120,000.00
08/01/2023	189342 YS1	710,035.20	1,260,000.00
Total	--	\$3,230,547.20	\$5,200,000.00

** Preliminary, subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.*

**CLOVIS UNIFIED SCHOOL DISTRICT
Identification of Unrefunded 2012D Bonds***

Maturity Date	CUSIP†	Principal Amount
08/01/2020	189342 ZZ4	\$1,575,000
08/01/2021	189342 A24	1,030,000
08/01/2022	189342 A32	1,325,000
08/01/2023	189342 A40	1,590,000
08/01/2024	189342 A57	280,000
08/01/2025	189342 A65	280,000
08/01/2026	189342 A73	205,000
08/01/2028	189342 A99	2,590,000
08/01/2040-T	189342 B49	61,475,000
Total	--	\$70,350,000

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

Escrow Fund

The District will deliver the net proceeds of the Bonds to MUFG Union Bank, N.A., San Francisco, California, as escrow bank (the “**Escrow Agent**”), for deposit in an escrow fund (the “**Escrow Fund**”) established under an Escrow Agreement (the “**Escrow Agreement**”), between the District and the Escrow Agent. The Escrow Agent will invest such funds in certain federal securities (“**Escrow Fund Securities**”), and will apply such funds, together with interest earnings (if any) on the investment of such funds in Escrow Fund Securities, to pay the principal of (or, in the case of capital appreciation bonds, the accreted value of) and interest on the Refunded Bonds, including the redemption price of the Refunded Bonds (as applicable), as set forth above, together with accrued interest to the redemption date identified above.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”). See “**VERIFICATION OF MATHEMATICAL ACCURACY**” herein. As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds, and will not be available for the payment of debt service with respect to the Bonds.

THE BONDS

Authority for Issuance

The Bonds will be issued pursuant to the Refunding Bond Law, the Bond Resolution, and the Paying Agent Agreement.

The District has other prior issues of general obligation bonds and refunding general obligation bonds outstanding as of this date, which are similarly secured by *ad valorem* property taxes and are payable by the District on a parity basis with the Bonds. See “DEBT SERVICE SCHEDULES” below, and APPENDIX B under the heading “DISTRICT FINANCIAL INFORMATION – General Obligation Bonds” for additional information.

Description of the Bonds

Form of Bonds. The Bonds are being issued as Current Interest Bonds and Capital Appreciation Bonds, both as described below. 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 of The Depository Trust Company (“DTC”). See “Book-Entry Form” below and “APPENDIX F – DTC and the Book-Entry Only System.”

Current Interest Bonds

The Current Interest Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Current Interest Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2020 (each, an “Interest Payment Date”). Each Current Interest 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 fifteenth (15th) day of the month preceding the Interest Payment Date (each, a “Record Date”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2020, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Current Interest Bond is in default at the time of authentication thereof, such Current Interest 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 Current Interest 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 Current Interest Bonds.

Capital Appreciation Bonds

The following terms used herein are defined in the Bond Resolution to have the following meanings with respect to the Capital Appreciation Bonds:

“**Accreted Value**” means, with respect to any Capital Appreciation Bond, the total amount of principal thereof and interest payable thereon as of any Compounding Date determined solely by reference to the Table of Accreted Values set forth on such Capital Appreciation Bond, which is attached to this Official Statement as Appendix H. The Accreted Value of any Capital Appreciation Bond as of any date

other than a Compounding Date will be the sum of (a) the Accreted Value as of the Compounding Date immediately preceding the date as of which the calculation is being made plus (b) interest on the Accreted Value determined under the preceding clause (a), computed to the date as of which the calculation is being made at the Accretion Rate set forth on such Capital Appreciation Bond (computed on the basis of a 360-day year of twelve 30-day months).

“Accretion Rate” means the rate which, when applied to the principal amount of any Capital Appreciation Bond and compounded semiannually on each Compounding Date, produces the Maturity Value of such Capital Appreciation Bond on the maturity date thereof.

“Capital Appreciation Bonds” means bonds the interest on which is compounded semiannually on each Compounding Date and is payable in full at maturity as shown in the table of Accreted Value for the Capital Appreciation Bonds and attached to this Official Statement as Appendix H.

“Closing Date” means the date upon which there is a delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Underwriter (as defined herein).

“Compounding Date” means, with respect to any Capital Appreciation Bond, each February 1 and August 1, commencing February 1, 2020, to and including the date of maturity or redemption of such Capital Appreciation Bond.

“Denominational Amount” means, with respect to any Capital Appreciation Bond, the original amount of such Capital Appreciation Bond as of the Closing Date.

“Maturity Value” means, with respect to any Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond to be paid at maturity.

As provided in the Bond Resolution and the Paying Agent Agreement, references therein and in this Official Statement to the payment of the principal of and interest on the Bonds includes payment of the Accreted Value and Maturity Value of the Capital Appreciation Bonds, unless otherwise required by the context or by the express provisions of such reference. Further, whenever in the Bond Resolution, the Paying Agent Agreement or in this Official Statement, any reference is made to the rights of the owners of the Bonds as measured by the principal amount of such Bonds, the principal amount of the Capital Appreciation Bonds is deemed to be the Accreted Value thereof as of the date of exercise of such rights.

The Capital Appreciation Bonds are dated the date of delivery, and accrete interest from such date. The Denominational Amount of each maturity of the Capital Appreciation Bonds shall be as shown on the inside cover page hereof. The Capital Appreciation Bonds are issued in denominations such that the Maturity Value thereof shall equal \$5,000 or an integral multiple thereof. The Capital Appreciation Bonds are payable only at maturity, in the years and amounts set forth on the inside cover page hereof.

Interest on the Capital Appreciation Bonds is compounded on February 1 and August 1 of each year, commencing February 1, 2020. Each Capital Appreciation Bond accretes in value daily over the term to its maturity, from its Denominational Amount on the Closing Date to its

Accreted Value on its maturity date. The Accreted Value payable on any date shall be determined solely by reference to the Table of Accreted Values attached to such Capital Appreciation Bond. See “APPENDIX H – Table of Accreted Values.”

The interest portion of the Accreted Value of any Capital Appreciation Bond that is payable on the date of maturity shall represent interest accreted and coming due on such date. The Accreted Value of any Capital Appreciation Bond at maturity shall be payable by check or draft mailed by first-class mail, in lawful money of the United State of America upon presentation and surrender of such Bond at the Office of the Paying Agent. See “APPENDIX F- DTC and the Book-Entry Only System.”

Paying Agent

MUFG Union Bank, N.A., San Francisco, California, will act as the registrar, transfer agent, and paying agent for the Bonds (the “**Paying Agent**”). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption 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 redemption of the Bonds called for redemption or of any other action covered by such notice.

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

Optional Redemption*

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

Capital Appreciation Bonds. The Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Capital Appreciation Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the Accreted Value thereof as of the date of redemption, without premium.

Mandatory Sinking Fund Redemption*

The Bonds which are Current Interest Bonds maturing on August 1, 20__ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each of the years in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking

* Preliminary; subject to change.

fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium. If any Term Bonds are redeemed under the foregoing optional redemption provisions, the total amount of all future sinking payments with respect to such Term Bonds will be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
---------------------------------------	------------------------------------

Neither failure to receive nor failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their addresses appearing on the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds (the “**Registration Books**”). Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to such mailing to the Bond Owners.

Such notice may be conditional and 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 (and premium, if any) 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 and Paying Agent Agreement, 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 Paying Agent shall execute and deliver to the owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations (or of like Accreted Value in the case of the Capital Appreciation Bonds) equal in transfer amounts to the unredeemed portion of the Bonds surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Selection of Bonds for Redemption

Whenever less than all of the outstanding maturities of the Bonds are designated for redemption, the Paying Agent shall select the maturities to be redeemed as directed by the District. Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of \$5,000 denominations each (or in the case of Capital Appreciation Bonds, \$5,000 Maturity Value) which may be separately redeemed.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall 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 Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Paying Agent Agreement.

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 (or the Maturity Value or Accreted Value thereof, in the case of Capital Appreciation 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 Paying Agent Agreement) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Paying Agent Agreement 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 Paying Agent Agreement 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 Paying Agent Agreement 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 Paying Agent Agreement 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 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), then all liability of the County and 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 used in the foregoing defeasance provision, the term “**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

Book-Entry Only System

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

Registration, Transfer and Exchange of Bonds

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

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. 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 Paying Agent Agreement, 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) 15 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.

DEBT SERVICE SCHEDULES

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

CLOVIS UNIFIED SCHOOL DISTRICT Annual Debt Service Schedule 2019 Refunding General Obligation Bonds

Date (August 1)	Current Interest Bonds		Capital Appreciation Bonds		Total
	Principal	Interest	Denominational Amount	Accreted Interest	
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
Total					

For a table showing the combined debt service schedule with respect to the District's outstanding general obligation bonds and the Bonds, each assuming no optional redemptions, see APPENDIX B under the heading "DISTRICT FINANCIAL INFORMATION – General Obligation Bonds."

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

[Net] Original Issue Premium/Discount _____

Total Sources

Uses of Funds

Escrow Fund

Costs of Issuance⁽¹⁾ _____

Total Uses

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

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

Other Bonds Payable from Ad Valorem Property Taxes. The District has previously issued other general obligation bonds, which are payable from *ad valorem* taxes on a parity basis. 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 – Direct and Overlapping Debt” below.

Levy and Collection. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the Auditor-Controller/Treasurer-Tax Collector of the County of Fresno (the “**Treasurer**”), and which is irrevocably pledged for the payment of principal and accreted value 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. See “PROPERTY TAXATION -Teeter Plan” below.

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

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

Economic and other factors beyond the District’s control, such as economic recession, deflation of 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, earthquake, flood, fire, drought 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 Treasurer 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 Fresno County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Bonds will be transferred to and deposited in the Debt Service Fund promptly upon receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The District will direct the Treasurer to transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal and accreted value of and interest and premium (if any) on the Bonds as the same become due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the District shall transfer such amounts to other debt service funds of the District with respect to outstanding general obligation bonds of the District, if any, and if none, then to its general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal and accreted value 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 of the County.

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 (1) state assessed public utilities’ property and (2) property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the applicable 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, Senate Bill 813 (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, Senate Bill 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

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

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary

property,” a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the County based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuations

Assessed Valuation Generally. The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see APPENDIX B under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

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

[Remainder of page intentionally left blank]

Assessed Valuation History. Shown in the following table are the assessed valuations for the District since fiscal year 2000-01.

CLOVIS UNIFIED SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2000-01 to 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2000-01	\$8,014,104,383	\$282,893	\$288,466,423	\$8,302,853,699	-- %
2001-02	8,620,220,240	1,601,735	302,993,845	8,924,815,820	7.5
2002-03	9,309,309,122	814,480	341,298,074	9,651,421,676	8.1
2003-04	10,347,073,838	371,202	379,660,347	10,727,105,387	11.1
2004-05	11,801,284,745	394,906	400,082,838	12,201,762,489	13.7
2005-06	13,615,549,205	1,934,684	392,529,847	14,010,013,736	14.8
2006-07	15,893,692,827	1,915,948	435,011,506	16,330,620,281	16.6
2007-08	18,005,851,118	1,717,426	513,581,412	18,521,149,956	13.4
2008-09	18,324,722,414	1,717,426	497,448,409	18,823,888,249	1.6
2009-10	17,382,168,739	1,717,426	611,407,665	17,995,293,830	(4.4)
2010-11	17,295,870,441	1,717,426	585,929,544	17,883,517,411	(0.6)
2011-12	17,232,189,005	1,726,421	546,348,861	17,780,264,287	(0.6)
2012-13	17,038,147,300	1,726,421	540,861,545	17,580,735,266	(1.1)
2013-14	18,170,575,699	1,726,421	530,476,415	18,702,778,535	6.4
2014-15	19,611,151,031	1,726,421	520,352,772	20,133,230,224	7.6
2015-16	20,753,193,377	1,855,562	567,555,719	21,322,604,658	5.9
2016-17	21,737,864,863	1,855,562	533,579,721	22,273,300,146	4.5
2017-18	23,192,368,568	1,855,562	567,300,639	23,761,524,769	6.7
2018-19	24,511,995,046	1,841,262	573,876,230	25,087,712,538	5.6
2019-20	26,131,865,672	1,456,110	607,269,054	26,740,590,836	6.6

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, wildfires, 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 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 sets forth assessed valuation in the District by jurisdiction.

**CLOVIS UNIFIED SCHOOL DISTRICT
Assessed Valuations by Jurisdiction
Fiscal Year 2019-20**

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Clovis	\$11,114,467,624	41.56%	\$11,615,311,841	95.69%
City of Fresno	13,014,399,585	48.67	\$38,558,581,315	33.75%
Unincorporated Fresno County	<u>2,611,723,627</u>	<u>9.77</u>	\$24,439,326,851	10.69%
Total District	\$26,740,590,836	100.00%		
Fresno County	\$26,740,590,836	100.00%	\$83,009,660,879	32.21%

Source: California Municipal Statistics, Inc.

Parcels by Land Use. Residential property in the District accounts for approximately 76% of the total secured assessed value in 2019-20 and for approximately 93% of all taxable parcels in the District. The following table summarizes secured assessed valuation and parcels by land use in the District for the 2019-20 fiscal year.

**CLOVIS UNIFIED SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-20**

	2019-20 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	\$ 272,671,426	1.04%	937	1.27%	917	1.28%
Commercial	4,094,181,265	15.67	1,689	2.30	1,658	2.31
Vacant Commercial	265,069,892	1.01	610	0.83	594	0.83
Professional/Office	231,574,997	0.89	155	0.21	155	0.22
Industrial	979,487,238	3.75	722	0.98	670	0.93
Vacant Industrial	33,447,867	0.13	174	0.24	171	0.24
Recreational	76,226,538	0.29	119	0.16	113	0.16
Government/Social/Institutional	100,976,240	0.39	433	0.59	270	0.38
Miscellaneous/Utility	<u>94,827,887</u>	<u>0.36</u>	<u>694</u>	<u>0.94</u>	<u>633</u>	<u>0.88</u>
Subtotal Non-Residential	\$6,148,463,350	23.53%	5,533	7.52%	5,18	17.21%
Residential:						
Single Family Residence	\$17,250,935,089	66.01%	56,682	77.05%	56,371	78.46%
Condominium	680,022,729	2.60	1,103	1.50	1,092	1.52
Mobile Home	40,106,632	0.15	999	1.36	990	1.38
Mobile Home Park	49,238,260	0.19	11	0.01	11	0.02
2-4 Residential Units	238,086,796	0.91	738	1.00	730	1.02
5+ Residential Units/Apartments	995,500,579	3.81	320	0.43	310	0.43
Misc. Residential Improvements	4,348,813	0.02	34	0.05	34	0.05
Vacant Residential	<u>725,163,424</u>	<u>2.78</u>	<u>8,145</u>	<u>11.07</u>	<u>7,131</u>	<u>9.92</u>
Subtotal Residential	\$19,983,402,322	76.47%	68,032	92.48%	66,6699	2.79%
Total	\$26,131,865,672	100.00%	73,565	100.00%	71,850	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels. Shown below is the assessed valuation of single-family homes in the District for fiscal year 2019-20, in \$25,000 increments, and the median and average assessed value per parcel.

**CLOVIS UNIFIED SCHOOL DISTRICT
Per Parcel 2019-20 Assessed Valuation of Single-Family Homes**

Single Family Residential	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
	56,371	\$17,250,935,089	\$306,025	\$281,714

2019-20 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	114	0.202%	0.202%	\$ 1,948,182	0.011%	0.011%
\$25,000 - \$49,999	434	0.770	0.972	17,362,463	0.101	0.112
\$50,000 - \$74,999	841	1.492	2.464	52,982,699	0.307	0.419
\$75,000 - \$99,999	1,213	2.152	4.616	107,378,823	0.622	1.042
\$100,000 - \$124,999	1,608	2.853	7.468	181,823,013	1.054	2.096
\$125,000 - \$149,999	2,348	4.165	11.634	324,325,298	1.880	3.976
\$150,000 - \$174,999	3,226	5.723	17.356	525,948,982	3.049	7.024
\$175,000 - \$199,999	3,762	6.674	24.030	706,293,020	4.094	11.119
\$200,000 - \$224,999	3,950	7.007	31.037	840,065,612	4.870	15.988
\$225,000 - \$249,999	4,454	7.901	38.938	1,059,177,183	6.140	22.128
\$250,000 - \$274,999	4,790	8.497	47.436	1,257,162,992	7.288	29.416
\$275,000 - \$299,999	4,757	8.439	55.874	1,365,681,466	7.917	37.332
\$300,000 - \$324,999	4,384	7.777	63.652	1,365,548,425	7.916	45.248
\$325,000 - \$349,999	3,652	6.479	70.130	1,230,637,488	7.134	52.382
\$350,000 - \$374,999	3,068	5.443	75.573	1,110,050,751	6.435	58.816
\$375,000 - \$399,999	2,509	4.451	80.023	970,950,676	5.628	64.445
\$400,000 - \$424,999	2,266	4.020	84.043	933,727,761	5.413	69.857
\$425,000 - \$449,999	1,797	3.188	87.231	784,317,162	4.547	74.404
\$450,000 - \$474,999	1,285	2.280	89.511	593,324,105	3.439	77.843
\$475,000 - \$499,999	1,059	1.879	91.389	515,496,789	2.988	80.832
\$500,000 and greater	<u>4,854</u>	<u>8.611</u>	100.000	<u>3,306,732,199</u>	<u>19.168</u>	100.000
Total	56,371	100.000%		\$17,250,935,089	100.000%	

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

Typical Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in three representative tax rate areas ("TRA") during fiscal years 2015-16 through 2019-20.

**CLOVIS UNIFIED SCHOOL DISTRICT
Typical Tax Rates
(TRA 1-003, TRA 5-154 and TRA 76-045)⁽¹⁾
Dollars per \$100 of Assessed Valuation
Fiscal Years 2013-14 through 2019-20**

	2015-16	2016-17	2017-18	2018-19	2019-20
<u>City of Clovis - TRA 1-003</u>					
General	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
State Center CCD	.008064	.008480	.025934	.022966	.025786
Clovis Unified School District	.155350	.155350	.155350	.155350	.155352
Total	\$1.163414	\$1.163830	\$1.181284	1.178316	\$1.181138
<u>City of Fresno - TRA 5-154</u>					
General	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
State Center Community College District	.008064	.008480	.025934	.022966	.025786
Clovis Unified School District	.155350	.155350	.155350	.155350	.155352
City of Fresno Pension	.032438	.032438	.032438	.032438	.032438
Total	\$1.195852	\$1.196268	\$1.213722	\$1.210754	\$1.213576
<u>Unincorp. Fresno County - TRA 76-045</u>					
General	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
State Center Community College District	.008064	.008480	.025934	.022966	.025786
Clovis Unified School District	.155350	.155350	.155350	.155350	.155352
Total	\$1.163414	\$1.163830	\$1.181284	\$1.178316	\$1.181138

(1) TRA 1-003 represents 4.44% of total District 2019-20 assessed value. TRA 5-154 represents 7.40% of total District 2019-20 assessed value. TRA 76-045 represents 2.90% of total District 2019-20 assessed value.

Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

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

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

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

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

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

[Remainder of page intentionally left blank]

Property Tax Collections

Historical secured tax levy collections and delinquencies in the District are summarized in the following table. Figures for fiscal year 2018-19 are not yet available.

**CLOVIS UNIFIED SCHOOL DISTRICT
1996-97 through 2017-18
Secured Tax Charges and Delinquency Rates**

<u>Fiscal Year</u>	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
1996-97	\$76,777,997	\$1,759,431	2.29%
1997-98	79,027,998	1,630,205	2.06
1998-99	80,529,421	1,569,726	1.95
1999-00	86,653,909	1,417,738	1.64
2000-01	93,624,239	1,592,194	1.70
2001-02	100,330,898	1,471,415	1.47
2002-03	110,434,356	2,072,118	1.88
2003-04	125,408,858	1,930,239	1.54
2004-05	142,553,685	2,395,521	1.68
2005-06	164,687,218	3,123,578	1.90
2006-07	192,840,771	5,835,019	3.03
2007-08	218,816,218	8,638,651	3.95
2008-09	220,089,417	7,042,754	3.20
2009-10	209,676,474	4,881,949	2.33
2010-11	207,347,975	3,398,776	1.64
2011-12	200,353,079	2,779,824	1.39
2012-13	198,698,676	2,065,904	1.04
2013-14	221,913,183	1,947,469	0.88
2014-15	239,393,010	2,054,865	0.86
2015-16	254,009,031	2,209,728	0.87
2016-17	267,765,339	2,183,002	0.82
2017-18	288,431,989	2,250,405	0.78

(1) All taxes collected by the County on secured property in the District.
Source: California Municipal Statistics, Inc.

The District’s total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District’s designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of taxpayers within the tax areas of the District. In addition, the District’s total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

Notwithstanding the delinquency information set forth above, the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due, including the District. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met. The tax levied for repaying the District’s general obligation bonds is covered by the Teeter Plan.

Because of this method of tax collection, the school districts and community college districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments.

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

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. The District is not aware of any plans by the County to discontinue the Teeter Plan.

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

[Remainder of page intentionally left blank]

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2019-20.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater the amount of tax collections that are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

**CLOVIS UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2019-20**

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2019-20 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.River Park Properties	Shopping Center	\$ 178,639,334	0.68%
2.E & J Gallo Winery	Winery	171,492,759	0.66
3.Gap Inc.	Distribution Center	87,211,500	0.33
4.Wal-Mart Real Estate Business Trust	Commercial	67,046,863	0.26
5.De Wayne & Sandra Zinkin	Office Building	58,435,504	0.22
6.Villagio Shopping Center LLC	Shopping Center	56,995,662	0.22
7.Cedar & Shepherd LP	Apartments	55,925,916	0.21
8.Fresno Supreme Inc.	Apartments	53,646,883	0.21
9.GSF Jackson Park Place Investors LP	Apartments	52,354,130	0.20
10.Dennis Prindiville, Trustee	Shopping Center	50,104,186	0.19
11.Lennar Homes of California Inc.	Residential Development	49,867,624	0.19
12.NMSBPCSLDHB	Office Building	46,767,647	0.18
13.RLO LLC	Shopping Center	45,011,000	0.17
14.Tremonte Properties LLC	Commercial	42,143,904	0.16
15.R & B Properties	Apartments	41,067,543	0.16
16.Clovis-Herndon Center II LLC	Shopping Center	40,237,915	0.15
17.Fresn LLC	Convalescent Hospital	39,050,800	0.15
18.LTC West Inc.	Convalescent Hospital	37,953,000	0.15
19.CCRP	Commercial	36,929,273	0.14
20.Save Mart Supermarkets	Supermarket	<u>32,908,103</u>	<u>0.13</u>
		\$1,243,789,546	4.76%

*(1) 2019-20 local secured assessed valuation: \$26,131,865,672.
Source: California Municipal Statistics, Inc.*

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. with respect to debt dated as of September 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.

**CLOVIS UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of September 1, 2019**

2019-20 Assessed Valuation: \$26,740,590,836

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/19</u>
State Center Community College District	29.335% ⁽¹⁾	\$ 45,665,795
Clovis Unified School District	100.000	345,533,326⁽²⁾
California Statewide Communities Development Authority CFD No. 2012-01	100.000	4,125,000
City of Fresno Community Facilities Districts	100.000	<u>2,275,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$397,599,121
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund Obligations	32.214%	\$ 11,397,313
Fresno County Pension Obligation Bonds	32.214	73,455,248
Clovis Unified School District Certificates of Participation	100.000	4,665,000
City of Clovis Certificates of Participation	95.688	8,609,846
City of Fresno General Fund Obligations	33.752	56,963,356
City of Fresno Pension Obligation Bonds	33.752	39,206,323
Clovis Veterans Memorial District General Fund Obligations	98.288	<u>3,410,594</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$197,707,680
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$12,065,000
COMBINED TOTAL DEBT		\$607,371,801 ⁽³⁾

Ratios to 2019-20 Assessed Valuation:

DIRECT DEBT (\$345,533,326)	1.29%
Total Direct and Overlapping Tax and Assessment Debt	1.49%
COMBINED DIRECT DEBT (\$350,198,326)	1.31%
Combined Total Debt	2.27%

Ratios to Redevelopment Incremental Valuation (\$987,439,751):

Total Overlapping Tax Increment Debt.....	1.22%
---	-------

(1) 2018-19 ratio. The 2019-20 assessed valuation is not yet available for State Center Community College District.
 (2) Excludes the Bonds described herein but includes the Refunded Bonds.
 (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
 Source: California Municipal Statistics, Inc.

TAX MATTERS

In the opinion of Bond Counsel, under existing law, interest on the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from California personal income taxes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CERTAIN LEGAL MATTERS

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 may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. In the opinion of the District, there currently are no claims or actions pending which could have a material adverse effect on the financial position or operations of the District. The District cannot predict what types of claims may arise in the future.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine (9) months following the end of the District's fiscal year (which currently would be by April 1 each year based upon the June 30 end of the District's fiscal year), commencing April 1, 2020, with the report for the 2018-19 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and any event notices will be filed by the District with the Municipal Securities Rulemaking Board (the "**MSRB**"). The specific nature of the information to be contained in an Annual Report or other notices is set forth below under the caption "APPENDIX E – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "**Rule**").

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District's outstanding general obligation bonds and other indebtedness (see information in APPENDIX B under the heading "DISTRICT FINANCIAL INFORMATION – General Obligation Bonds" and "– Certificates of Participation"). A review of

the District's undertakings and filings in the previous five years has been undertaken. No instances of material non-compliance have been identified.

The District will continue to analyze and evaluate its compliance with prior disclosure obligations to provide any required additional filings to the MSRB. The District has been serving as its own dissemination agent in connection with prior undertakings, and plans to continue to do so with respect to the undertaking in connection with the Bonds.

The County does not have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Bonds and other funds available to pay upon prior redemption, principal and accreted value of and premium, if any, on the Refunded Bonds upon their redemption, and interest requirements thereon to and including the applicable redemption date, of the Refunded Bonds described under the heading "THE REFINANCING PLAN."

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business ("**S&P**") has assigned a rating of "AA" to the Bonds. Such rating reflects only the view of S&P, and an explanation of the significance of such a rating may be obtained only from S&P. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds were sold to Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”), pursuant to a bond purchase agreement for the Bonds. The purchase agreement 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 has agreed to purchase the Bonds at a price of \$_____, which is equal to the initial principal amount of the Bonds, [plus/less] [net] original issue premium/discount of \$_____, less Underwriter’s discount of \$_____.

The Underwriter may offer and sell Bonds to certain securities 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.

FINANCIAL ADVISOR

The District has retained Keygent LLC, El Segundo, California, as its Financial Advisor (the “**Financial Advisor**”) in connection with the authorization and delivery of the Bonds. The payment of the Financial Advisor’s fees for services rendered with respect to the sale of the Bonds is contingent upon the authorization and delivery of the Bonds. The Financial Advisor assumes no responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

ADDITIONAL INFORMATION

The reference herein to the Bond Resolution, the Paying Agent Agreement, the Escrow Agreement, 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 said documents. Copies of the documents mentioned under this heading are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in San Francisco, 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, and the District reserves the right to charge a reasonable fee for reproduction and delivery of any requested copies of such documents.

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.

CLOVIS UNIFIED SCHOOL DISTRICT

By: _____
Associate Superintendent,
Administrative Services

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2018**

[THIS PAGE INTENTIONALLY LEFT BLANK]

CLOVIS UNIFIED SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

CLOVIS UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2018

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds - Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21
Proprietary Funds - Statement of Net Position	23
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position	24
Proprietary Funds - Statement of Cash Flows	25
Fiduciary Funds - Statement of Net Position	26
Notes to Financial Statements	27

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	78
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	79
Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program	80
Schedule of the District's Proportionate Share of the Net Pension Liability	81
Schedule of District Contributions	82
Note to Required Supplementary Information	83

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards	86
Local Education Agency Organization Structure	88
Schedule of Average Daily Attendance	89
Schedule of Instructional Time	90
Reconciliation of Annual Financial and Budget Report With Audited Financial Statements	91
Schedule of Financial Trends and Analysis	92
Schedule of Charter Schools	93
Combining Statements - Non-Major Governmental Funds	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	96
Combining Statements - Agency Funds	
Combining Balance Sheet	98
Combining Statement of Assets and Liabilities - Student Body Funds	99
Combining Statement of Changes in Assets and Liabilities for High School and Intermediate School Student Body Funds	100
Combining Statement of Changes in Assets and Liabilities - Student Body Funds High Schools	101

CLOVIS UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2018

SUPPLEMENTARY INFORMATION, Continued

Combining Statements - Agency Funds, Continued	
Combining Statement of Changes in Assets and Liabilities - Student Body Funds Intermediate Schools	104
Combining Statement of Changes in Assets and Liabilities - Student Body Funds Elementary Schools	106
Note to Supplementary Information	107

INDEPENDENT AUDITOR'S REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	110
Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	112
Report on State Compliance	114

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results	118
Financial Statement Findings	119
Federal Awards Findings and Questioned Costs	120
State Awards Findings and Questioned Costs	121
Summary Schedule of Prior Audit Findings	122

FINANCIAL SECTION



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT

Governing Board
Clovis Unified School District
Clovis, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 and Note 16 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, budgetary comparison schedule on page 78, schedule of changes in the District's total OPEB liability and related ratios on page 79, schedule of the District's proportionate share of the OPEB liability - MPP program on page 80, schedule of the District's proportionate share of the net pension liability on page 81, and the schedule of District contributions on page 82, 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 Clovis Unified School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018, on our consideration of the Clovis Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clovis Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clovis Unified School District's internal control over financial reporting and compliance.

Vannink, Trine, Day & Co., LLP

Fresno, California
December 6, 2018



**CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2018**

This section of Clovis Unified School District's (the District) annual financial report presents the management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018, with comparative information for the fiscal year ending June 30, 2017.

FINANCIAL HIGHLIGHTS

The District continued its long history of implementing conservative budgets and proactively addressing the volatility of the State of California's revenues resulting in the District maintaining reserve levels well above the State's minimum amount of two percent.

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 government-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 government-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 funds 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.

Governing Board
Sandra Bengel Budd
Christopher Casado
Steven G. Fogg, M.D.
Brian D. Heryford
Ginny L. Hovseplan
Elizabeth J. Sandoval
Jim Van Volkinburg, D.D.S.

Administration
Eimear O'Farrell, Ed.D.
Superintendent
Don Ulrich, Ed.D.
Deputy Superintendent
Norm Anderson
Associate Superintendent
Barry S. Jager, Jr.
Associate Superintendent
Michael Johnston
Associate Superintendent

CLOVIS UNIFIED SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Figure A-1. Organization of Clovis Unified's Annual Financial Report

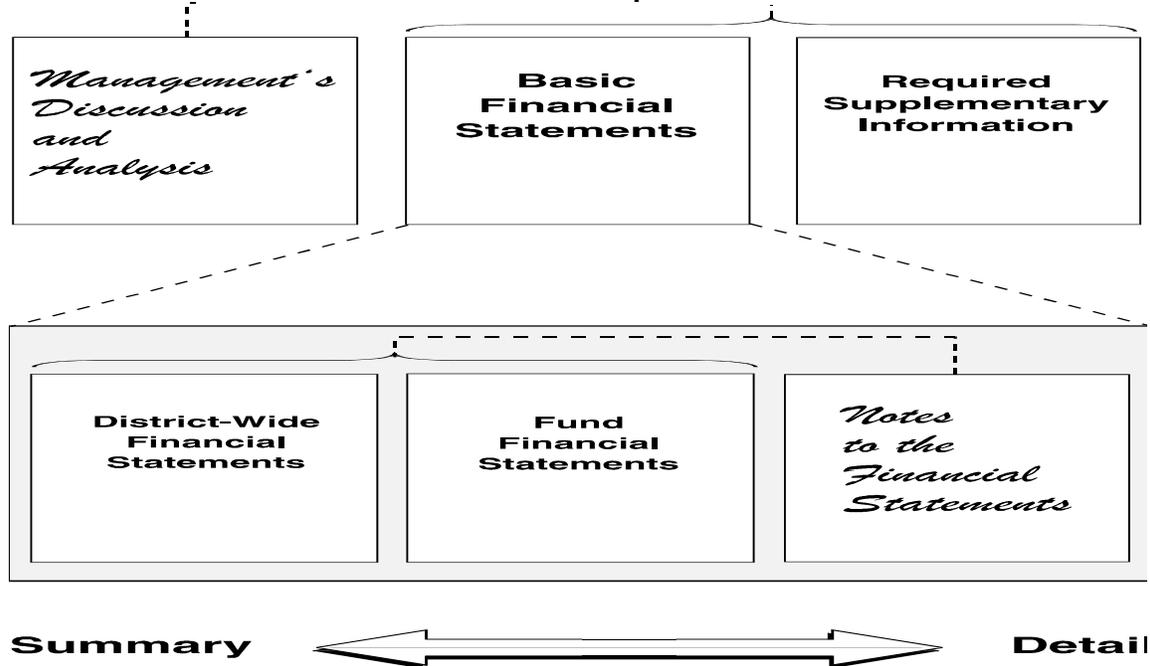


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

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

<i>Type of Statements</i>	Fund Statements		
	Government-wide	Governmental Funds	Fiduciary Funds
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student body activities.
Required financial statements	<ul style="list-style-type: none"> •Statement of net position •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures & changes in fund balances •Reconciliation to government-wide financial statements 	<ul style="list-style-type: none"> •Statement of fiduciary net position •Statement of changes in fiduciary net position
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; standard 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

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the 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.

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

- Over time, increases or decreases in the District's net position are 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 government-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, adult education and administration. Property taxes, state formula aid, categorical funding 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. The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Proprietary funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities 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 and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position: The District's combined net position was \$(3.6) million on June 30, 2018, decreasing by \$31.7 million (113 percent). (See Table A-1.)

Table A-1

(Amounts in millions)	Governmental Activities		Percentage Change
	2018	2017, as Restated	
Assets			
Current and Other Assets	\$ 277.8	\$ 288.5	-3.71%
Capital Assets	933.6	928.1	0.59%
Total Assets	<u>1,211.4</u>	<u>1,216.6</u>	<u>-0.43%</u>
Deferred Outflows of Resources	<u>141.5</u>	<u>92.9</u>	<u>52.31%</u>
Liabilities			
Current Liabilities	71.3	71.3	0.00%
Long-Term Obligations	818.6	812.1	0.80%
Net Pension Liability	443.0	377.9	17.23%
Total Liabilities	<u>1,332.9</u>	<u>1,261.3</u>	<u>5.68%</u>
Deferred Inflows of Resources	<u>23.6</u>	<u>20.1</u>	<u>17.41%</u>
Net Position			
Net investment in capital assets	447.1	441.4	1.29%
Restricted	64.6	57.4	12.54%
Unrestricted	(515.3)	(470.7)	-9.48%
Total Net Position	<u><u>\$ (3.6)</u></u>	<u><u>\$ 28.1</u></u>	<u><u>-112.81%</u></u>

Changes in Net Position: The District's total governmental revenues were \$550 million (see Table A-2). Property taxes and state aid formula accounted for most of the District's revenue, with federal and state aid contributing about \$292 million and property taxes contributing about \$116 million. Another \$88.6 million came from categorical programs, and the remainder came from fees charged for services of \$10.5 million and miscellaneous sources of \$43 million including \$17 million in developer fees.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

The total cost of all governmental programs and services was \$581.7 million (see Table A-2). The District's expenses are predominantly related to educating and caring for students (79 percent). The purely administrative activities of the District accounted for just 4 percent of total costs. Plant services was \$56.8 million, accounting for ten percent of the District's expenses. Expenses surpassed revenues, decreasing net position by \$31.7 million over last year predominately due to the other post-employment expenses recognized from the change in obligations balance from the prior year and changes in the net pension obligation.

Table A-2

(Amounts in millions)	Governmental Activities		Percentage Change
	2018	2017	
Revenues			
General revenues:			
Federal and state aid not restricted	\$ 291.6	\$ 287.3	1.50%
Property taxes	115.9	108.3	7.02%
Other	43.4	47.9	-9.39%
Program Revenues:			
Charges for services	10.5	7.5	40.00%
Operating grants and contributions	88.6	79.7	11.17%
Total Revenues	550.0	530.7	3.64%
Expenses			
Instruction	389.1	337.1	15.43%
Pupil services	70.2	62.2	12.86%
Administration	24.8	22.2	11.71%
Plant services	56.8	50.5	12.48%
All other services	40.8	38.9	4.88%
Total Expenses	581.7	510.9	13.86%
Change in Net Position	\$ (31.7)	\$ 19.8	-260.10%

GOVERNMENTAL ACTIVITIES

The continued good health of the District's finances can be credited to:

- Staffing formulas that maintain equality
- Maintaining an awareness of the changing fiscal issues and active participation from the Employee Compensation Committee and Employee Benefit Committee

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

Table A-3 presents the cost of six major District activities: instruction, student transportation services, all other pupil services, food services, administration, and plant services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$ 389.1	\$ 337.1	\$ 326.4	\$ 277.0
Student transportation	11.7	10.2	11.7	10.2
All other pupil services	43.1	37.8	36.0	30.8
Food services	15.4	14.2	0.6	1.2
Administration	24.8	22.2	19.1	20.5
Plant services	56.8	50.5	54.9	49.4
All other services	40.8	38.9	34.0	34.6
Total	\$ 581.7	\$ 510.9	\$ 482.7	\$ 423.7

- The cost of governmental activities this year was \$581.7 million.
- Some of the costs were paid by the users of the District's programs (\$10.5 million).
- The federal and state governments subsidized certain programs with operating grants and contributions (\$88.6 million).
- Most of the District's costs, \$407.5 million, however, were paid for by District taxpayers and the taxpayers of California, in general.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$185.9 million which is an increase of \$0.1 million from last year (Table A-4).

Table A-4

(Amounts in millions)	Balance		
	June 30, 2018	June 30, 2017	Variance
General	\$ 94.4	\$ 91.7	\$ 2.7
Charter School	3.8	3.0	0.8
Adult Education	4.8	3.9	0.9
Child Development	2.4	1.6	0.8
Cafeteria	7.7	7.6	0.1
Deferred Maintenance	0.3	1.3	(1.0)
Building	12.1	20.8	(8.7)
Capital Facilities	17.3	11.2	6.1
County School Facilities	1.5	1.5	-
Special Reserve Capital Outlay	4.3	8.3	(4.0)
Bond Interest and Redemption	36.3	33.9	2.4
Central Valley School Districts Financing Corporation	1.0	1.0	-
Total	\$ 185.9	\$ 185.8	\$ 0.1

The primary reasons for the changes are:

- The fund balance in the General Fund increased \$2.7 million to \$94.4 million. The net increase is due to an overall increase in revenues; one-time and ongoing.
- The special revenue funds reported a net increase of \$1.6 million with minimal changes across all funds.
- The capital projects funds showed a decrease of \$6.4 million. This overall decrease is due to ongoing construction/modernization projects. The majority of these costs were paid for utilizing bond proceeds held and spent within the Building Fund.
- The Bond Interest and Redemption Fund reported an increase of \$2.4 million due to property tax collections in excess of bond principal and interest payments.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District revised the annual operating budget several times due to updated projections and actual costs. Following are highlights of the largest changes:

- Net increases in both revenue and expense for federal, state and local grant awards.
- Posting of deferred categorical revenue.
- One-time funds to pay down the mandate claim reimbursements owed to the District.
- GASB Statement No. 68 requires the District to recognize the State's share of the District's unfunded CalSTRS liability. This resulted in a revenue and expenditure adjustment of \$4.0 million.
- The Board approved a one and a half percent salary increase for all District employees.
- The Adopted Budget's revenues over expenditures resulted in the District anticipating a deficit of \$2.0 million. The Adopted Budget was structured in such a way that the District could manage any changes from the State. The LCFF gap closure percentage increased from 43.97 percent at Adopted and ended the year with an actual gap closure of 42.97 percent. The projected ADA growth decreased from 438 at Adopted Budget to an actual P-2 ADA growth of 277. The LCFF Entitlement ended with a decrease of \$762 thousand less than the anticipated increase at Adopted. Actual revenues to expenditures resulted in a surplus of \$2.7 million, however \$2.1 million of the fund balance is non-spendable, \$267 thousand is restricted for restricted programs and \$12.1 million is assigned for local carryover, site and department carryover, student computer refresh, and LCAP Supplemental programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2018, the District had invested \$933.6 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio visual equipment, and administrative offices. (See Table A-5.) This amount represents a net increase of \$5.5 million or 0.6 percent over last year. Total depreciation expense for the year was \$29.6 million.

Table A-5

	Governmental Activities		Percentage Change
	2018	2017	
Land	\$ 90.6	\$ 90.6	0.00%
Land improvements	47.8	49.6	-3.63%
Buildings and improvements	724.0	702.1	3.12%
Equipment	37.2	36.3	2.48%
Construction in progress	34.0	49.5	-31.31%
Total	\$ 933.6	\$ 928.1	0.59%

The District has work in progress related to modernization projects at three district sites. In 2018-19, the District projects spending another \$4.8 million on above mentioned work in progress projects.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Projects planned for 2018-2019 have been put on hold until the State releases Proposition 51 dollars. The District is planning to commence construction on Career Tech and Education facility modernizations during 2018-2019. Construction for a new elementary school is planned to begin in January 2019. The new site will be funded with Developer Fee revenues and is projected to cost \$38.6 million in its entirety.

Long-Term Obligations

At year-end the District had \$818.6 million in long-term obligations outstanding discussed below. This is an increase of 0.81 percent from last year, as shown in Table A-6.

Table A-6

	Governmental Activities		Percentage Change
	2018	2017, as Restated	
General obligation bonds	\$ 491.9	\$ 499.1	-1.44%
Certificates of participation	4.6	6.0	-23.33%
Child development portables	0.4	0.6	-33.33%
Compensated absences	2.7	2.1	28.57%
Capital leases	1.6	1.9	-15.79%
Other postemployment benefits	317.4	302.3	5.00%
Total	\$ 818.6	\$ 812.0	0.81%

The District's S&P bond rating as of the most recent bond issuance was "AA". In addition, the District's certificates of participation S&P rating at the time of their last issuance was "AA".

Net Pension Liability

As of June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*, which required the District to recognize its proportionate share of the unfunded pension obligation for CalSTRS and CalPERS. As of June 30, 2018, the District reported Deferred Outflows from pension activities \$140.1 million, Deferred Inflows from pension activities of \$23.6 million, and a Net Pension Liability of \$443 million.

CLOVIS UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The State's Local Control Funding Formula (LCFF) accounts for 78% of the District's General Fund revenues. An economic downturn for the State could have a dramatic impact to the District's financial stability. As a safeguard, the District's Board increased the minimum reserve levels from 6% to 10% during the 2017-2018 fiscal year.
- The LCFF attempts to fund students based on their needs related to household income, English language learner, homeless or foster youth. This portion of a district's student population is referred to as the unduplicated pupil percentage (UPP). Clovis Unified's UPP averages 42-44 percent, making the District eligible for the LCFF Base and Supplemental Grants only; the District is not eligible for the Concentration Grant. The District receives the least amount of funding per ADA in Fresno County due to its low UPP.
- Since the inception of the LCFF, the State has been closing the funding gap of the formula to achieve full implementation of the LCFF, or the "target" funding. This has resulted in a significant amount of "new" revenues over the previous five years. The LCFF is projected to be fully implemented in the 2018-2019 fiscal year. Unless new legislation is passed to increase the base grant of the LCFF, the District can only count on COLA beyond the 2018-2019 fiscal year. COLA only will not provide enough new revenues to cover step/column, CalSTRS/CalPERS increases, minimum wage, and increasing health care costs.
- Enrollment growth and student attendance is key to the District's financial projections. The District has consistently seen growth over the years and anticipates this trend to continue
- The State continues to allocate one-time discretionary funds to the District. Fiscal year 2018-2019 will be the fourth consecutive year of one-time funds allocated by the State. This method of allocating funds makes it difficult for the District to make ongoing decisions.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611.

CLOVIS UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2018

	Governmental Activities
ASSETS	
Deposits and investments	\$ 259,480,965
Receivables	15,562,350
Prepaid expenses	601,400
Stores inventories	2,217,640
Nondepreciable capital assets	124,623,234
Capital assets being depreciated	1,172,651,578
Accumulated depreciation	<u>(363,714,219)</u>
Total Assets	<u><u>1,211,422,948</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	1,331,045
Deferred outflows of resources related to pensions	<u>140,138,400</u>
Total Deferred Outflows of Resources	<u><u>141,469,445</u></u>
LIABILITIES	
Accounts payable	38,989,931
Unearned revenue	2,870,193
Claims liability, workers compensation, disability, and health and welfare	29,397,539
Long-term obligations:	
Current portion of long-term obligations	29,742,480
Noncurrent portion of long-term obligations	<u>788,848,277</u>
Total Long-Term Obligations	<u><u>818,590,757</u></u>
Aggregate net pension liability	<u>443,017,340</u>
Total Liabilities	<u><u>1,332,865,760</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>23,639,452</u>
NET POSITION	
Net investment in capital assets	447,121,479
Restricted for:	
Debt service	37,344,297
Capital projects	18,822,555
Educational programs	740,807
Other activities	7,659,275
Unrestricted	<u>(515,301,232)</u>
Total Net Position	<u><u>\$ (3,612,819)</u></u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 322,378,540	\$ 25,619	\$ 53,242,061	\$ (269,110,860)
Instruction-related activities:				
Supervision of instruction	25,221,166	7,480	8,108,517	(17,105,169)
Instructional library, media, and technology	8,327,187	-	120,437	(8,206,750)
School site administration	33,149,394	-	1,195,228	(31,954,166)
Pupil services:				
Home-to-school transportation	11,704,220	-	-	(11,704,220)
Food services	15,388,225	3,955,585	10,830,685	(601,955)
All other pupil services	43,150,008	14,814	7,122,392	(36,012,802)
Administration:				
Data processing	4,222,135	-	16,159	(4,205,976)
All other administration	20,549,522	152,583	1,333,659	(19,063,280)
Plant services	56,758,037	1,620,758	211,543	(54,925,736)
Ancillary services	11,917,080	-	42,292	(11,874,788)
Community services	787,591	-	-	(787,591)
Interest on long-term obligations	28,431,047	-	-	(28,431,047)
Other outgo	(220,275)	4,763,532	6,337,752	11,321,559
Total Governmental Activities	\$ 581,763,877	\$ 10,540,371	\$ 88,560,725	(482,662,781)
General revenues and subventions:				
				77,023,049
				38,619,814
				228,368
				291,596,943
				3,042,531
				1,276,268
				1,137,929
				37,986,611
				450,911,513
				(31,751,268)
				28,138,449
				\$ (3,612,819)

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
ASSETS			
Deposits and investments	\$ 122,590,652	\$ 36,269,002	\$ 52,391,562
Receivables	10,980,530	-	3,791,198
Due from other funds	-	-	3,180,341
Prepaid expenditures	250,000	-	351,400
Stores inventories	1,710,126	-	507,514
Total Assets	\$ 135,531,308	\$ 36,269,002	\$ 60,222,015
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 32,604,712	\$ -	\$ 4,672,724
Due to other funds	5,690,892	-	323,059
Unearned revenue	2,870,193	-	-
Total Liabilities	41,165,797	-	4,995,783
Fund Balances:			
Nonspendable	2,104,126	-	862,414
Restricted	260,698	36,269,002	39,654,700
Committed	-	-	4,931,803
Assigned	5,574,788	-	9,777,315
Unassigned	86,425,899	-	-
Total Fund Balances	94,365,511	36,269,002	55,226,232
Total Liabilities and Fund Balances	\$ 135,531,308	\$ 36,269,002	\$ 60,222,015

The accompanying notes are an integral part of these financial statements.

**Total
Governmental
Funds**

\$	211,251,216
	14,771,728
	3,180,341
	601,400
	2,217,640
	<u>232,022,325</u>

\$	37,277,436
	6,013,951
	2,870,193
	<u>46,161,580</u>
	2,966,540
	76,184,400
	4,931,803
	15,352,103
	86,425,899
	<u>185,860,745</u>
\$	<u>232,022,325</u>

CLOVIS UNIFIED SCHOOL DISTRICT

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

Total Fund Balance - Governmental Funds **\$ 185,860,745**
**Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is	\$ 1,297,274,812	
Accumulated depreciation is	<u>(363,714,219)</u>	
Net Capital Assets		933,560,593

Deferred charges on refunding (the difference between the reacquisition price and net carrying amount of refunded debt) are capitalized and amortized over the remaining life of the new or old debt (whichever is greater) and are included with governmental activities. 1,331,045

Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:

Pension contributions subsequent to measurement date	38,721,360	
Net change in proportionate share of net pension liability	14,098,843	
Difference between projected and actual earnings on pension plan investments	4,531,662	
Differences between expected and actual experience in the measurement of the total pension liability.	5,847,022	
Changes of assumptions	<u>76,939,513</u>	
Total Deferred Outflows of Resources Related to Pensions		140,138,400

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:

Net change in proportionate share of net pension liability	(8,345,076)	
Difference between projected and actual earnings on pension plan investments	(8,309,922)	
Differences between expected and actual experience in the measurement of the total pension liability.	(5,442,105)	
Changes of assumptions	<u>(1,542,349)</u>	
Total Deferred Inflows of Resources Related to Pensions		(23,639,452)

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

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

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		\$ (443,017,340)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
General obligation bonds, including premiums	\$ 491,909,516	
Certificates of participation	4,553,005	
Compensated absences	2,719,413	
Capital leases	1,626,065	
Child development portables	441,000	
Net other postemployment benefits, excluding Self Insurance Fund portion	<u>296,597,811</u>	
Total Long-Term Obligations		<u>(797,846,810)</u>
Total Net Position - Governmental Activities		<u><u>\$ (3,612,819)</u></u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	General Fund	Bond Interest and Redemption Fund
REVENUES		
Local Control Funding Formula	\$ 349,769,504	\$ -
Federal sources	16,920,841	-
Other State sources	61,391,192	348,962
Other local sources	18,880,148	37,561,950
Total Revenues	446,961,685	37,910,912
EXPENDITURES		
Current		
Instruction	258,281,492	-
Instruction-related activities:		
Supervision of instruction	20,880,417	-
Instructional library, media and technology	7,619,401	-
School site administration	26,348,258	-
Pupil services:		
Home-to-school transportation	11,053,313	-
Food services	-	-
All other pupil services	34,247,623	-
Administration:		
Data processing	3,861,427	-
All other administration	16,925,431	-
Plant services	47,025,280	-
Ancillary services	8,739,717	-
Other outgo	917,654	-
Facility acquisition and construction	925,061	-
Debt service		
Principal	1,611,104	63,755,761
Interest and other	25,698	19,054,763
Total Expenditures	438,461,876	82,810,524
Excess (Deficiency) of Revenues Over Expenditures	8,499,809	(44,899,612)
Other Financing Sources		
Transfers in	1,125,483	-
Other sources	1,750,000	47,258,568
Transfers out	(8,737,534)	-
Net Other Financing Sources	(5,862,051)	47,258,568
NET CHANGE IN FUND BALANCES	2,637,758	2,358,956
Fund Balance - Beginning	91,727,753	33,910,046
Fund Balance - Ending	\$ 94,365,511	\$ 36,269,002

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,362,734	\$ 353,132,238
11,665,624	28,586,465
14,652,568	76,392,722
31,889,510	88,331,608
<u>61,570,436</u>	<u>546,443,033</u>
14,125,658	272,407,150
2,271,769	23,152,186
145,242	7,764,643
1,743,554	28,091,812
-	11,053,313
14,734,936	14,734,936
726,972	34,974,595
-	3,861,427
1,162,084	18,087,515
6,315,091	53,340,371
-	8,739,717
-	917,654
31,906,628	32,831,689
-	
1,967,237	67,334,102
133,749	19,214,210
<u>75,232,920</u>	<u>596,505,320</u>
<u>(13,662,484)</u>	<u>(50,062,287)</u>
29,630,189	30,755,672
-	49,008,568
<u>(20,880,209)</u>	<u>(29,617,743)</u>
<u>8,749,980</u>	<u>50,146,497</u>
<u>(4,912,504)</u>	<u>84,210</u>
<u>60,138,736</u>	<u>185,776,535</u>
<u>\$ 55,226,232</u>	<u>\$ 185,860,745</u>

CLOVIS UNIFIED SCHOOL DISTRICT

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

Total Net Change in Fund Balances - Governmental Funds **\$ 84,210**
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

This is the amount by which capital outlays exceed depreciation in the period.

Capital outlays	\$ 35,049,795	
Depreciation expense	(29,634,312)	
Net Expense Adjustment		5,415,483

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term obligations in the Statement of Net Position. (1,750,000)

Deferred amounts on refunding (the difference between the reacquisition price of the net carrying amount of the refunded debt) are capitalized and amortized over the remaining life of the new or old debt, whichever is shorter. 114,219

In the Statement of Activities, compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation earned was more than the amounts paid by \$600,735. (600,735)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (20,165,749)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows and net OPEB liability during the year. (24,396,393)

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

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

Proceeds received from the sale of bonds is a revenue in the governmental funds, but it increases long-term obligations in the Statement of Net Position and does not affect the Statement of Activities.	\$ (47,258,566)
In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred and premiums are recognized as revenues. In the government-wide statements, these items are amortized over the life of the debt.	
Amortization of debt premium	898,848
Payment of principal on long-term obligations is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:	
General obligation bonds	64,020,160
Certificates of participation	1,420,000
Capital lease obligations	2,032,341
Child development portables	126,000
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities includes additional accumulated interest that was accreted on the District's capital appreciation general obligation bonds.	(10,494,304)
An internal service fund is used by the District's management to charge the costs of the insurance programs (health and welfare) to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	(1,196,782)
Change in Net Position of Governmental Activities	<u>\$ (31,751,268)</u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Internal Service Self Insurance Fund</u>
ASSETS	
Current Assets	
Deposits and investments	\$ 48,229,749
Receivables	790,622
Due from other funds	2,833,610
Total Current Assets	<u>51,853,981</u>
LIABILITIES	
Current Liabilities	
Accounts payable	1,712,495
Claim liabilities-Workers Compensation, Disability and Health and Welfare	29,397,539
Other postemployment benefits obligation	20,743,947
Total Current Liabilities	<u>51,853,981</u>
Total Net Position	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Internal Service Self Insurance Fund
OPERATING REVENUES	
Charges to other funds and miscellaneous revenues	\$ 65,586,320
OPERATING EXPENSES	
Payroll costs	288,161
Professional and contract services	65,237,923
Supplies and materials	119,089
Total Operating Expenses	65,645,173
Operating Loss	(58,853)
Other Financing Uses:	
Transfers out	(1,137,929)
Change in Net Position	(1,196,782)
Total Net Position - Beginning	1,196,782
Total Net Position - Ending	\$ -

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Governmental Activities Internal Service Funds
	Internal Service Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating funds	\$ 77,983,549
Fair market value adjustment on investments	(705,942)
Cash paid for contracted services	(64,199,230)
Cash payments for other operating expenses	(407,250)
Net Cash Provided by Operating Activities	<u>12,671,127</u>
 CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers out	(1,137,929)
Net Increase in Cash and Cash Equivalents	<u>11,533,198</u>
 Cash and Cash Equivalents - Beginning	36,696,551
Cash and Cash Equivalents - Ending	<u>\$ 48,229,749</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (58,853)
Changes in assets and liabilities:	
Receivables	3,931,432
Due from other funds	7,759,855
Accounts payable, claims liability, and other postemployment benefits obligation	1,038,693
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 12,671,127</u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Agency Funds
	<u> </u>
ASSETS	
Deposits and investments	\$ 2,364,161
Receivables	161,962
Total Assets	<u><u>\$ 2,526,123</u></u>
LIABILITIES	
Accounts payable	\$ 29,234
Due to student groups	2,182,411
Due to other agencies - Warrant/Pass-Through Fund	314,478
Total Liabilities	<u><u>\$ 2,526,123</u></u>

The accompanying notes are an integral part of these financial statements.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Clovis Unified School District (the District) was established in 1960 under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates thirty-three elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District.

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

Component Units

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

The Central Valley School Districts Financing Corporation's financial activity is presented in the financial statements as the Central Valley School Districts Financing Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

Charter School The District has approved a charter for Clovis Online Charter School pursuant to *Education Code* Section 47605. The Clovis Online Charter School is operated by the District, and its financial activities are presented in the Charter School Fund.

Basis of Presentation - Fund Accounting

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

Major Governmental Funds

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

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

Non-Major Governmental Funds

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

Charter Schools Fund The Charter Schools Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

Adult Education Fund The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

Child Development Fund The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Deferred Maintenance Fund The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51), authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

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

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

Central Valley School Districts Financing Corporation Fund The Central Valley School Districts Financing Corporation Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of participation issued by the Central Valley School Districts Financing Corporation.

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

Internal Service Fund Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self Insurance Fund that is accounted for in an internal service fund that accounts for the costs associated with retiree benefits.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB) and the Warrant/Pass-Through Fund which is used to account for payroll transactions.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

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

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

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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.

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 60 days. Principal and interest on long-term obligations, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2018, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county investment pool are determined by the program sponsor.

Prepaid Expenditures (Expenses)

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. 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 expenditures during the benefiting period.

Stores Inventories

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

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$25,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 5 to 15 years.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position, except for the net residual amounts due between governmental and business-type activities which are presented as internal balances.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term obligations.

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

Accounts Payable and Long-Term Obligations

Accounts payable and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Deferred Outflows/Inflows of Resources

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2018, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Spending Order Policy

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

Minimum Fund Balance Policy

In fiscal year 2010-2011, the governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than ten percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$64,566,934 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are premiums charged to the operating funds to support the health and welfare and workers' compensation coverage. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Estimates

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

Property Tax

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

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. 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 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

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

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

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

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

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

New Accounting Pronouncements

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

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

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

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

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

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

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

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

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

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

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

Governmental activities	\$ 259,480,965
Fiduciary funds	2,364,161
Total Deposits and Investments	<u>\$ 261,845,126</u>

Deposits and investments as of June 30, 2018, consist of the following:

Cash awaiting deposit	\$ 3,698,167
Cash on hand and in banks	8,859,198
Cash in revolving	147,500
Cash with fiscal agent	1,789,444
Investments with county treasury	247,350,817
Total Deposits and Investments	<u>\$ 261,845,126</u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Policies and Practices

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

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

General Authorizations

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	13 - 36 Months	37 - 60 Months	More Than 60 Months
County Pool	\$ 245,569,556	\$ -	\$ 245,569,556	\$ -	\$ -

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, \$14,426,916 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

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

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

NOTE 4 - RECEIVABLES

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities	Warrant/ Pass-Through Fund
Federal Government						
Categorical aid	\$ 4,603,940	\$ 1,849,900	\$ 6,453,840	\$ -	\$ 6,453,840	\$ -
State Government						
State grants and entitlements	2,582,371	1,081,876	3,664,247	-	3,664,247	-
Local Sources	3,794,219	859,422	4,653,641	790,622	5,444,263	161,962
Total	<u>\$10,980,530</u>	<u>\$ 3,791,198</u>	<u>\$ 14,771,728</u>	<u>\$ 790,622</u>	<u>15,562,350</u>	<u>\$ 161,962</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 - CAPITAL ASSETS

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

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 90,600,927	\$ -	\$ -	\$ 90,600,927
Construction in progress	49,504,108	33,068,698	48,550,499	34,022,307
Total Capital Assets Not Being Depreciated	<u>140,105,035</u>	<u>33,068,698</u>	<u>48,550,499</u>	<u>124,623,234</u>
Capital Assets being depreciated				
Land improvements	124,428,475	2,945,933	-	127,374,408
Buildings and improvements	930,109,917	42,311,390	-	972,421,307
Furniture and equipment	73,255,159	5,274,273	5,673,569	72,855,863
Total Capital Assets Being Depreciated	<u>1,127,793,551</u>	<u>50,531,596</u>	<u>5,673,569</u>	<u>1,172,651,578</u>
Less Accumulated Depreciation				
Land improvements	74,845,964	4,835,228	-	79,681,192
Buildings and improvements	228,011,964	20,349,566	-	248,361,530
Furniture and equipment	36,895,548	4,449,518	5,673,569	35,671,497
Total Accumulated Depreciation	<u>339,753,476</u>	<u>29,634,312</u>	<u>5,673,569</u>	<u>363,714,219</u>
Governmental Activities Capital Assets, Net	<u>\$ 928,145,110</u>	<u>\$ 53,965,982</u>	<u>\$ 48,550,499</u>	<u>\$ 933,560,593</u>

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 17,638,613
School site administration	1,781,679
All other pupil services	4,117,173
Ancillary services	2,991,896
Community services	787,591
All other general administration	1,061,339
Plant services	1,256,021
Total Depreciation Expenses Governmental Activities	<u>\$ 29,634,312</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Fund		
General	\$ -	\$ 5,690,892
Non-Major Governmental Funds		
Charter School	677,500	-
Adult Education	158,498	-
Child Development	-	215,641
Cafeteria	-	105,168
Building	-	2,250
Capital Facilities	1,918,315	-
County School Facilities	134,389	-
Special Reserve Capital Outlay	291,639	-
Total Non-Major Governmental Funds	<u>3,180,341</u>	<u>323,059</u>
Subtotal All Governmental Funds	<u>3,180,341</u>	<u>6,013,951</u>
Self Insurance Fund	2,833,610	-
Total Governmental Activities	<u>\$ 6,013,951</u>	<u>\$ 6,013,951</u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2018, consisted of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future repairs and maintenance projects.	\$ 2,800,000
The General Fund transferred to the Building Fund for the COPs debt service payments.	1,731,200
The General Fund transferred to the Capital Facilities Non-Major Governmental Fund from LCAP carryover to support portable building expenditures.	900,000
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for district-wide furniture refresh.	492,099
The General Fund transferred to the Adult Education Non-Major Governmental Fund for the District's Adult Education contribution.	846,880
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for co-curricular facility updates.	267,355
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for mandated safety standards costs.	1,700,000
The Deferred Maintenance Non-Major Governmental Fund transferred to the Building Fund for various modernization projects which included deferred maintenance components.	3,182,000
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund for the three percent administrative fee.	325,483
The Capital Facilities Non-Major Governmental Fund transferred to the Building Fund for developer fees to help fund Boris Elementary construction.	7,000,000
The Capital Facilities Non-Major Governmental Fund transferred to the County School Facilities Non-Major Governmental Fund for developer fees for the Shields and Locan site funding.	1,679,681
The Special Reserve Capital Outlay Non-Major Governmental Fund transferred to the Building Fund for Proposition 39 projects.	5,800,164
The Special Reserve Capital Outlay Non-Major Governmental Fund transferred to the General Fund the solar rebates to offset utility costs.	800,000
The Special Reserve Capital Outlay Non-Major Governmental Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future repairs and maintenance projects.	1,300,000
The Self-Insurance Non-Major Governmental Fund transferred to the Special Reserve Capital Outlay Fund for Health Center costs.	1,137,929
The County Schools Facilities Fund transferred to the Building Fund for repayment of bond funds used to temporarily cover project costs.	792,881
Total	<u>\$ 30,755,672</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 - PREPAID EXPENDITURES (EXPENSES)

Prepaid expenditures (expenses) at June 30, 2018, consist of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Electronic Student Curriculum Database Subscription	\$ 250,000	\$ 351,400	\$ 601,400

NOTE 8 - ACCOUNTS PAYABLE

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

	General Fund	Non-Major Governmental Funds	Governmental Funds Total	Internal Service Fund ¹	Total Governmental Activities	Warrant/ Pass-Through Fund
Vendor payables	\$ 4,013,664	\$ 4,672,096	\$ 8,685,760	\$ 1,712,495	\$ 10,398,255	\$ 29,234
Local control funding formula	1,915,500	-	1,915,500	-	1,915,500	-
Deferred payroll	26,165,572	628	26,166,200	-	26,166,200	-
Accrued payroll	509,976	-	509,976	-	509,976	-
Total	<u>\$ 32,604,712</u>	<u>\$ 4,672,724</u>	<u>\$ 37,277,436</u>	<u>\$ 1,712,495</u>	<u>38,989,931</u>	<u>29,234</u>

¹ Other post-employment benefits are reflected in the Long-Term Obligations balance.

NOTE 9 - UNEARNED REVENUE

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

	General Fund
Federal financial assistance	\$ 18,964
State categorical aid	2,844,416
Local sources	6,813
Total	<u>\$ 2,870,193</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

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

	Balance July 1, 2017, as Restated	Additions	Deductions	Balance June 30, 2018	Due in One Year
General Obligation Bonds	\$ 492,172,801	\$ 53,615,979	\$ 64,020,160	\$ 481,768,620	\$ 27,095,000
Bond premium	6,902,853	4,136,891	898,848	10,140,896	-
Certificates of Participation	5,973,005	-	1,420,000	4,553,005	1,480,000
Compensated absences - net	2,118,678	600,735	-	2,719,413	-
Capital leases	1,908,406	1,750,000	2,032,341	1,626,065	1,041,480
Child development portables	567,000	-	126,000	441,000	126,000
Other postemployment benefits-not recognized in Self Insurance Fund	269,402,407	24,625,635		294,028,042	-
Other postemployment benefits-recognized in Self Insurance Fund	30,166,477	-	9,422,530	20,743,947	-
Other postemployment benefits-Medicare Premium Payment Program (MPP)	2,799,011	-	229,242	2,569,769	-
Total	<u>\$ 812,010,638</u>	<u>\$ 84,729,240</u>	<u>\$ 78,149,121</u>	<u>\$ 818,590,757</u>	<u>\$ 29,742,480</u>

The General Obligation Bonds are paid by the Bond Interest and Redemption Fund with local tax revenue. The Certificates of Participation are paid by the Building Fund and Central Valley School Districts Financing Corporation Fund. Payments on the capital leases and child development portables are made from General Fund, Building Fund and Child Development Fund. Payments on compensated absences and other postemployment benefits are made from the fund which the related employee worked.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2017	Interest Accreted/ Issued	Redeemed	Bonds Outstanding June 30, 2018	Due in One Year
10/1/01	01A	2019	9.0%	\$ 49,996,471	\$ 12,584,079	\$ 330,921	\$ 6,270,000	\$ 6,645,000	\$ 6,645,000
10/1/02	01B	2028	3.6-5.23%	29,000,256	33,329,583	1,598,281	2,880,000	32,047,864	2,955,000
12/1/04	04A	2030	3.8-6.15%	119,998,286	107,652,157	5,291,312	10,435,000	102,508,469	-
3/1/06	04B	2031	4.0-5.0%	48,001,060	23,774,765	1,150,533	-	24,925,298	-
5/31/12	12R	2022	2.0-5.0%	17,935,000	17,570,000	-	-	17,570,000	8,895,000
8/15/12	12A	2038	1.0-5.5%	79,996,801	58,323,066	161,660	20,459,726	38,025,000	1,625,000
7/25/13	12B	2039	2.0-6.12%	49,996,579	49,506,202	325,127	19,595,434	30,235,895	-
8/19/14	12C	2040	3.19-4.52%	64,995,505	60,068,606	520,442	1,200,000	59,389,048	1,180,000
8/6/15	12D	2041	3.37-5.0%	103,007,034	98,854,343	673,407	1,520,000	98,007,750	1,190,000
12/1/16	16R	2022	2.0-5.0%	30,510,000	30,510,000	-	1,660,000	28,850,000	1,740,000
10/17/17	17R	2036	3.18-5.0%	43,121,677	-	43,564,296	-	43,564,296	2,865,000
Total				\$ 636,558,669	\$ 492,172,801	\$ 53,615,979	\$ 64,020,160	\$ 481,768,620	\$ 27,095,000

Debt Service Requirements to Maturity

The annual requirement to amortize the Election of 2001, Series A general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Fiscal Year	Accreted Obligation	Unaccreted Interest	Final Maturity
2019	\$ 6,645,000	\$ -	\$ 6,645,000

The annual requirement to amortize the Election of 2001, Series B general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Fiscal Year	Accreted Obligation	Unaccreted Interest	Final Maturity
2019	\$ 2,955,000	\$ -	\$ 2,955,000
2020	2,884,035	140,965	3,025,000
2021	2,812,940	287,060	3,100,000
2022	2,736,850	438,150	3,175,000
2023	2,664,724	595,276	3,260,000
2024-2028	17,994,315	8,680,685	26,675,000
Total	\$ 32,047,864	\$ 10,142,136	\$ 42,190,000

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The annual requirement to amortize the Election of 2004, Series A general obligation bonds payable, outstanding at June 30, 2018, is as follows:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2021	\$ 11,261,580	\$ 1,168,420	\$ 12,430,000
2022	-	-	-
2023	11,398,233	2,566,767	13,965,000
2024-2028	57,523,144	25,921,856	83,445,000
2029-2030	22,325,512	18,489,488	40,815,000
Total	<u>\$ 102,508,469</u>	<u>\$ 48,146,531</u>	<u>\$ 150,655,000</u>

The annual requirement to amortize the Election of 2004, Series B general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2027	\$ 3,364,320	\$ 1,525,680	\$ 4,890,000
2028	3,394,972	1,785,028	5,180,000
2029	3,423,385	2,071,615	5,495,000
2030	3,450,621	2,364,379	5,815,000
2031	11,292,000	8,708,000	20,000,000
Total	<u>\$ 24,925,298</u>	<u>\$ 16,454,702</u>	<u>\$ 41,380,000</u>

The annual requirement to amortize the 2012 Refunding general obligation bonds payable, outstanding at June 30, 2018, is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 8,895,000	\$ 563,650	\$ 9,458,650
2020	4,120,000	290,350	4,410,350
2021	-	202,950	202,950
2022	4,555,000	101,475	4,656,475
Total	<u>\$ 17,570,000</u>	<u>\$ 1,158,425</u>	<u>\$ 18,728,425</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The annual requirement to amortize the 2012 Series A general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Current Interest Bond portion:

Fiscal Year	Principal	Interest to Maturity	Total
2019	\$ 1,625,000	\$ 1,447,200	\$ 3,072,200
2020	2,615,000	1,362,400	3,977,400
2021	-	1,310,100	1,310,100
2022	3,165,000	1,246,800	4,411,800
2023	3,515,000	1,113,200	4,628,200
2024-2028	-	5,214,500	5,214,500
2029-2033	8,260,000	4,675,850	12,935,850
2034-2038	18,845,000	3,030,500	21,875,500
Total	\$ 38,025,000	\$ 19,400,550	\$ 57,425,550

The annual requirement to amortize the 2012 Series B general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Current Interest Bond portion:

Fiscal Year	Principal	Interest to Maturity	Total
2019	\$ -	\$ 1,296,750	\$ 1,296,750
2020	-	1,296,750	1,296,750
2021	-	1,296,750	1,296,750
2022	-	1,296,750	1,296,750
2023	-	1,296,750	1,296,750
2024-2028	-	6,483,750	6,483,750
2029-2033	-	6,483,750	6,483,750
2034-2038	15,625,000	5,370,875	20,995,875
2039	10,310,000	257,750	10,567,750
Total	\$ 25,935,000	\$ 25,079,875	\$ 51,014,875

Capital Appreciation Bond portion:

Fiscal Year	Accreted Obligation	Unaccrued Interest	Final Maturity
2021	\$ 1,653,547	\$ 201,453	\$ 1,855,000
2022-2024	2,647,348	697,652	3,345,000
Total	\$ 4,300,895	\$ 899,105	\$ 5,200,000

Total 2012, Series B obligation:

\$ 30,235,895

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The annual requirement to amortize the 2012 Series C general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 1,180,000	\$ 1,843,875	\$ 3,023,875
2020	1,115,000	1,784,875	2,899,875
2021	-	1,729,125	1,729,125
2022	1,125,000	1,729,125	2,854,125
2023	1,305,000	1,672,875	2,977,875
2024-2028	-	8,038,125	8,038,125
2029-2033	-	8,038,125	8,038,125
2034-2038	20,295,000	6,647,025	26,942,025
2039-2040	20,830,000	1,354,200	22,184,200
Total	<u>\$ 45,850,000</u>	<u>\$ 32,837,350</u>	<u>\$ 78,687,350</u>

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2024-2027	\$ 5,809,650	\$ 1,500,350	\$ 7,310,000
2028-2032	6,130,346	3,894,654	10,025,000
2033	1,599,052	1,390,948	2,990,000
Total	<u>\$ 13,539,048</u>	<u>\$ 6,785,952</u>	<u>\$ 20,325,000</u>

Total 2012, Series C obligation:

\$ 59,389,048

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The annual requirement to amortize the 2012 Series D general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 1,190,000	\$ 3,521,500	\$ 4,711,500
2020	1,045,000	3,462,000	4,507,000
2021	1,575,000	3,409,750	4,984,750
2022	1,030,000	3,331,000	4,361,000
2023	1,325,000	3,279,500	4,604,500
2024-2028	2,355,000	15,668,000	18,023,000
2029-2033	5,680,000	14,496,000	20,176,000
2034-2038	7,050,000	13,986,500	21,036,500
2039-2041	61,475,000	5,832,200	67,307,200
Total	<u>\$ 82,725,000</u>	<u>\$ 66,986,450</u>	<u>\$ 149,711,450</u>

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2031	\$ 2,078,300	\$ 1,421,700	\$ 3,500,000
2032-2036	11,552,319	11,322,681	22,875,000
2037	1,652,131	2,152,869	3,805,000
Total	<u>\$ 15,282,750</u>	<u>\$ 14,897,250</u>	<u>\$ 30,180,000</u>

Total 2012, Series D obligation: \$ 98,007,750

The annual requirement to amortize the 2016 Refunding general obligation bonds payable, outstanding at June 30, 2018, is as follows:

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 1,740,000	\$ 1,236,550	\$ 2,976,550
2020	14,505,000	920,350	15,425,350
2021	10,055,000	378,875	10,433,875
2022	2,550,000	63,750	2,613,750
Total	<u>\$ 28,850,000</u>	<u>\$ 2,599,525</u>	<u>\$ 31,449,525</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

2017 Refunding General Obligation Bonds

Current Interest Bond portion:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 2,865,000	\$ 1,159,750	\$ 4,024,750
2020	545,000	1,088,825	1,633,825
2021	640,000	1,059,200	1,699,200
2022	255,000	1,036,825	1,291,825
2023	-	1,030,450	1,030,450
2024-2028	4,640,000	4,648,000	9,288,000
2029-2033	13,550,000	2,513,599	16,063,599
2034-2035	4,955,000	152,475	5,107,475
Total	<u>\$ 27,450,000</u>	<u>\$ 12,689,124</u>	<u>\$ 40,139,124</u>

Capital Appreciation Bond portion:

<u>Fiscal Year</u>	<u>Accreted Obligation</u>	<u>Unaccreted Interest</u>	<u>Final Maturity</u>
2033	\$ 4,093,708	\$ 2,496,292	\$ 6,590,000
2034	4,064,292	2,805,708	6,870,000
2035	4,071,936	3,158,064	7,230,000
2036	3,884,360	3,335,640	7,220,000
Total	<u>\$ 16,114,296</u>	<u>\$ 11,795,704</u>	<u>\$ 27,910,000</u>

Total 2012, Series D obligation:

\$ 43,564,296

Savings Results:

Prior Debt Service	\$ 77,703,175
Refunding Debt Service	68,390,717
Savings	<u>\$ 9,312,458</u>
Present Value of Savings at 3.03%	<u>\$ 4,887,623</u>

Certificates of Participation

2010 Certificates of Participation

In June 2010, the Central Valley Support Services JPA issued 2010 Certificates of Participation on behalf of the District in the amount of \$9,365,000 with interest rates ranging from 2.00 to 4.00 percent. As of June 30, 2018, the principal balance outstanding was \$2,745,057.

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The certificates, in their entirety, mature through November 2021. The District's liability is as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,205,000	\$ 108,100	\$ 1,313,100
2020	1,250,000	59,000	1,309,000
2021	290,058	25,700	315,758
Total	<u>\$ 2,745,058</u>	<u>\$ 192,800</u>	<u>\$ 2,937,858</u>

2011 Certificates of Participation

In January 2011, the Central Valley Support Services JPA issued 2011 Certificates of Participation on behalf of the District in the amount of \$4,450,000 with interest rates ranging from 2.00 to 4.50 percent. As of June 30, 2018, the principal balance outstanding was \$1,807,947.

The certificates, in their entirety, mature through November 2025. The District's liability is as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 275,000	\$ 144,356	\$ 419,356
2020	285,000	132,100	417,100
2021	295,000	118,313	413,313
2022	310,000	103,188	413,188
2023	330,000	155,831	485,831
2024	312,947	-	312,947
Total	<u>\$ 1,807,947</u>	<u>\$ 653,788</u>	<u>\$ 2,461,735</u>

Compensated Absences

The long-term portion of compensated absences for the District at June 30, 2018, amounted to \$2,719,413.

Capital Leases

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

Balance, July 1, 2017	\$ 1,908,406
Additions	1,750,000
Payments	2,032,341
Balance, June 30, 2018	<u>\$ 1,626,065</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2019	\$ 1,069,804
2020	595,382
Total	<u>1,665,186</u>
Less: Amount Representing Interest	39,121
Present Value of Minimum Lease Payments	<u><u>\$ 1,626,065</u></u>

Child Development Portables

The District financed the purchase of Child Development Portables through the California Department of Education's (CDE) Child Care Facilities Revolving Fund. The agreement with the CDE includes a zero percent interest rate for the portable classrooms. During the term of the repayment, the title to the facilities shall be in the name of the State of California. Title shall pass to the District after repayment of all funds. The District bears all responsibility of maintaining the facilities and keeping the facilities free and clear of any levies, liens and encumbrances.

The loan matures in 2020 and the payments are as follows:

Year Ending June 30,	Payment
2019	\$ 126,000
2020	126,000
2021	126,000
2022	63,000
Total	<u><u>\$ 441,000</u></u>

Net Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Net OPEB Liability	OPEB Expense
District Plan	\$ 314,771,989	\$ 15,203,105
Medicare Premium Payment (MPP) Program	2,569,769	(229,242)
Total	<u><u>\$ 317,341,758</u></u>	<u><u>\$ 14,973,863</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The plans assets are maintained in the Self Insured Schools of California (SISC) postemployment benefits trust and financial information can be found on their website at <http://www.sisc.kern.org>.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	1,136
Active employees	3,545
Total	<u><u>4,681</u></u>

Benefits Provided

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

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For fiscal year 2017-2018, the District paid \$5,725,349 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$314,771,989 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Actuarial Assumptions

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

Salary increases	3 percent, average, including inflation
Investment rate of return	4 percent, net of OPEB plan investment expense, including inflation

Healthcare Cost Trends:	<u>Medical/RX</u>	<u>Dental</u>	<u>Vision</u>
2018	6.0	4.0	3.0
2019	5.7	4.0	3.0
2020	5.4	4.0	3.0
2021	5.1	4.0	3.0
2022+	4.9	4.0	3.0

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

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

The actual assumptions used in the June 30, 2018 valuation were based on the results of an actual experience study for the period July 1, 2017 to June 30, 2018.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 299,568,884
Service cost	10,186,768
Interest	10,741,686
Benefit payments	<u>(5,725,349)</u>
Net change in total OPEB liability	<u>15,203,105</u>
Balance at June 30, 2018	<u><u>\$ 314,771,989</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% decrease (3%)	\$ 377,528,215
Current discount rate (4%)	314,771,989
1% increase (5%)	265,554,612

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

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

<u>Healthcare Cost Trend Rates</u>	<u>Total OPEB Liability</u>
1% decrease (4.9% decreasing to 3.90%)	\$ 260,977,777
Current healthcare cost trend rate (4.9%)	314,771,989
1% increase (4.9% increasing to 5.9%)	385,232,315

OPEB Expense related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$15,203,105.

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Benefits Provided

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

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

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

OPEB Liabilities and OPEB Expense Related to the OPEB

At June 30, 2018, the District reported a liability of \$2,569,769 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, respectively, was 0.6108 percent and 0.5981 percent, resulting in a net increase in the proportionate share of 0.0128 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of \$(229,242).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2016, was determined based on a financial reporting actuarial valuation that used the June 30, 2016 assumptions presented in the table below. The June 30, 2017 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total OPEB liability to June 30, 2017, using the assumptions listed in the following table:

Measurement Date	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.58%	2.85%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

For the valuation as of June 30, 2016, CalSTRS used custom mortality tables based on RP2000 Series tables issued by the Society of Actuaries, adjusted to fit CalSTRS specific experience through June 30, 2015. For the valuation as of June 30, 2017, CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS now uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among the members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 571 or an average of 0.32 percent of the potentially eligible population (177,763).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2017 and 2016, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 3.58 percent and 2.85 percent, respectively. The MPP Program is funded on a pay-as-you-go basis as described in Note 1, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.58 percent and 2.85 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2017 and 2016, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.58%)	\$ 2,844,914
Current discount rate (3.58%)	2,569,769
1% increase (4.58%)	2,302,133

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

<u>Medicare Costs Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.7% Part A and 3.1% Part B)	\$ 2,322,180
Current medicare costs trend rate (3.7% Part A and 4.1% Part B)	2,569,769
1% increase (4.7% Part A and 5.1% Part B)	2,814,886

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 144,000	\$ -	\$ 3,500	\$ 147,500
Stores inventories	1,710,126	-	507,514	2,217,640
Prepaid expenditures	250,000	-	351,400	601,400
Total Nonspendable	<u>2,104,126</u>	<u>-</u>	<u>862,414</u>	<u>2,966,540</u>
Restricted				
Legally restricted programs	260,698	-	55,718	316,416
Food service programs	-	-	7,186,269	7,186,269
Capital projects	-	-	30,913,027	30,913,027
Debt service	-	36,269,002	1,075,295	37,344,297
Child development programs	-	-	424,391	424,391
Total Restricted	<u>260,698</u>	<u>36,269,002</u>	<u>39,654,700</u>	<u>76,184,400</u>
Committed				
Deferred maintenance projects	-	-	260,507	260,507
Adult education program	-	-	4,671,296	4,671,296
Total Committed	<u>-</u>	<u>-</u>	<u>4,931,803</u>	<u>4,931,803</u>
Assigned				
Student computer refresh	4,600,000	-	-	4,600,000
Portable classrooms for growth	974,788	-	-	974,788
Charter school future program growth	-	-	3,494,114	3,494,114
Child development future program growth	-	-	1,994,726	1,994,726
Capital projects	-	-	4,288,475	4,288,475
Total Assigned	<u>5,574,788</u>	<u>-</u>	<u>9,777,315</u>	<u>15,352,103</u>
Unassigned	<u>86,425,899</u>	<u>-</u>	<u>-</u>	<u>86,425,899</u>
Total	<u><u>\$ 94,365,511</u></u>	<u><u>\$ 36,269,002</u></u>	<u><u>\$ 55,226,232</u></u>	<u><u>\$ 185,860,745</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 12 - RISK MANAGEMENT

Workers' Compensation, Short-Term Disability, and Employee Medical Benefits

The District is self-insured for workers' compensation, short-term disability, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the Self Insurance Fund. The District provides coverage for up to a maximum of \$275,000 for each workers' compensation claim and up to \$450,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and Self Insurance Fund and for all other risks of loss.

All funds of the District, which reflect salary costs, participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$30,103,481 reported in the Self Insurance Fund at June 30, 2018, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount also consists of a reserved for health and welfare claims based on an actuary study of estimated losses.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2018, the District contracted with the Schools Excess Liability Fund (SELF) and the Alliance of Schools for Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Unpaid Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2016 to June 30, 2018:

	Workers' Compensation/ Health and Welfare
Liability Balance, July 1, 2016	\$ 19,762,488
Claims and changes in estimates	69,548,331
Claims payments	69,031,284
Liability Balance, June 30, 2017	<u>20,279,535</u>
Claims and changes in estimates	73,319,973
Claims payments - workers compensation	2,097,100
Claims payments - health and welfare	62,104,869
Liability Balance, June 30, 2018	<u><u>\$ 29,397,539</u></u>
Health and welfare claims liability and reserve	\$ 15,828,626
Workers' compensation claims liability and reserve	<u>13,568,913</u>
Total Liability Balance, June 30, 2018	<u><u>\$ 29,397,539</u></u>

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2018, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 312,018,523	\$ 96,991,717	\$ 21,356,214	\$ 33,034,396
CalPERS	130,998,817	43,146,683	2,283,238	25,852,713
Total	<u><u>\$ 443,017,340</u></u>	<u><u>\$ 140,138,400</u></u>	<u><u>\$ 23,639,452</u></u>	<u><u>\$ 58,887,109</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above and the District's total contributions were \$27,195,966.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 312,018,523
State's proportionate share of the net pension liability associated with the District	184,587,522
Total	<u><u>\$ 496,606,045</u></u>

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, respectively was 0.3374 percent and 0.3363 percent, resulting in a net increase in the proportionate share of 0.0011 percent.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

For the year ended June 30, 2018, the District recognized pension expense of \$33,034,596. In addition, the District recognized pension expense and revenue of \$18,580,507 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Combined Deferred Outflows of Resources	Combined Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 27,195,966	\$ -
Net change in proportionate share of net pension liability	10,836,801	7,604,187
Difference between projected and actual earnings on pension plan investments	-	8,309,922
Differences between expected and actual experience in the measurement of the total pension liability	1,153,875	5,442,105
Changes of assumptions	57,805,075	-
Total	\$ 96,991,717	\$ 21,356,214

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

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

Year Ended June 30,	Deferred Inflows of Resources
2019	\$ (6,908,347)
2020	5,227,581
2021	753,785
2022	(7,382,941)
Total	\$ (8,309,922)

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

Year Ended June 30,	Deferred Outflows of Resources
2019	\$ 9,739,089
2020	9,739,089
2021	9,739,089
2022	9,739,092
2023	7,844,967
Thereafter	9,948,133
Total	<u>\$ 56,749,459</u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 458,142,249
Current discount rate (7.10%)	312,018,523
1% increase (8.10%)	193,429,216

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	6.50%
Required employer contribution rate	15.531%	15.531%

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Contributions

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. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018, are presented above and the total District contributions were \$11,525,394.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$130,998,817. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, respectively was 0.5487 percent and 0.5366 percent, resulting in a net increase in the proportionate share of 0.0121 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$25,852,713. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Combined Deferred Outflows of Resources	Combined Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,525,394	\$ -
Net change in proportionate share of net pension liability	3,262,042	740,889
Difference between projected and actual earnings on pension plan investments	4,531,662	-
Differences between expected and actual experience in the measurement of the total pension liability	4,693,147	-
Changes of assumptions	19,134,438	1,542,349
Total	<u>\$ 43,146,683</u>	<u>\$ 2,283,238</u>

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

CLOVIS UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Year Ended June 30,	Deferred Outflows of Resources
2019	\$ (122,793)
2020	5,228,556
2021	1,907,436
2022	(2,481,537)
Total	<u>\$ 4,531,662</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 9,709,536
2020	8,019,471
2021	7,077,382
Total	<u>\$ 24,806,389</u>

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.15%)	\$ 192,741,238
Current discount rate (7.15%)	130,998,817
1% increase (8.15%)	79,778,308

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Accumulation Program for Part-Time and Limited-Service Employees Plan (APPLE)

Plan Description

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Accumulation Program for Part-time and Limited-service Employees (APPLE) Plan as its alternative plan.

The APPLE program applies to all part-time employees working less than 20 hours per week and are not eligible for CalPERS or CalSTRS retirement programs. This includes all part-time classified and certificated employees working less than 20 hours, as well as substitute employees.

Employees are eligible for plan benefits upon termination with the District and have the option of rolling over their benefit into an individual retirement account or receiving a direct payment. Those with account balances of less than \$3,500 and who do not indicate which alternative they choose will receive a direct distribution from the plan.

Funding Policy

Participants in APPLE are required to contribute 3.75 percent of gross salary to APPLE. The District is required to contribute 3.75 percent of gross salary expenditures to APPLE. The District's contributions to APPLE for the fiscal year ending June 30, 2018, 2017, 2016 were \$758,111, \$763,990, and \$765,028, respectively.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$15,010,932 (9.328 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2018.

Operating Leases

The District has entered into various operating leases for equipment with lease terms in excess of one year. All of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

Construction Commitments

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

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Kastner 2018 modernization	\$ 1,972,881	December 2018
Clovis West 2018 modernization	2,162,628	December 2018
Mickey Cox 2018 modernization	690,258	September 2018
Total	<u>\$ 4,825,767</u>	

NOTE 15 - PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of the Schools Excess Liability Fund (SELF), Alliance of Schools for Cooperative Insurance Programs (ASCIP), Central Valley Support Services (CVSS), and the Center for Advanced Research & Technology (CART) joint powers authorities (JPAs). The District pays an annual premium to ASCIP for its property liability coverage. Payments for services received from JPAs are paid to CVSS and CART. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

One designee for each district votes for a 16 member Board of Directors for SELF.

During the year ended June 30, 2018, the District made a payment of \$256,748 to SELF for liability insurance coverage.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Eleven voting members of the ASCIP Executive Committee appointed by the member districts.

During the year ended June 30, 2018, the District made payments of \$2,219,180 to ASCIP for property and liability insurance coverage.

The Governing Board of CVSS shall consist of a District representative appointed by the Superintendent and a member of the operations staff of each educational agency holding membership in CVSS selected by that agency, and the Treasurer of CVSS.

The Governing Board of CART is comprised of representatives from the member public educational agencies and related associations.

During the year ended June 30, 2018, the District made payments of \$907,951 to CART for the financing and operation of a joint technical center for high school age students.

NOTE 16 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Government-Wide Financial Statements

Net Position - Beginning	\$ 70,978,453
Inclusion of net OPEB liability from the adoption of GASB Statement No. 75	<u>(42,840,004)</u>
Net Position - Beginning as Restated	<u><u>\$ 28,138,449</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Budgeted Amounts			Variances -
	Original	Final	Actual	Favorable
				(Unfavorable)
				Final
				to Actual
REVENUES				
Local Control Funding Formula	\$ 351,050,663	\$ 349,769,504	\$ 349,769,504	\$ -
Federal sources	14,321,878	16,742,715	16,920,841	178,126
Other State sources	49,115,257	61,394,192	61,391,192	(3,000)
Other local sources	13,908,773	19,056,573	18,880,148	(176,425)
Total Revenues	428,396,571	446,962,984	446,961,685	(1,299)
EXPENDITURES				
Current				
Certificated salaries	183,837,249	184,316,025	184,316,030	(5)
Classified salaries	73,002,034	75,563,688	75,563,688	-
Employee benefits	112,378,568	119,539,910	119,576,922	(37,012)
Books and supplies	27,959,108	25,308,354	25,308,354	-
Services and operating expenditures	26,477,830	29,494,011	29,494,011	-
Other outgo	-	(244,430)	(244,430)	-
Capital outlay	713,451	2,750,706	2,810,499	(59,793)
Debt service - principal	1,611,103	1,610,878	1,611,104	(226)
Debt service - interest	25,890	25,924	25,698	226
Total Expenditures	426,005,233	438,365,066	438,461,876	(96,810)
Excess of Revenues Over Expenditures	2,391,338	8,597,918	8,499,809	(98,109)
Other Financing Sources/(Uses)				
Transfers in	1,292,726	1,125,483	1,125,483	-
Other sources	1,750,000	1,751,698	1,750,000	(1,698)
Transfers out	(7,882,559)	(8,737,534)	(8,737,534)	-
Net Financing Sources/(Uses)	(4,839,833)	(5,860,353)	(5,862,051)	(1,698)
NET CHANGE IN FUND BALANCES	(2,448,495)	2,737,565	2,637,758	(99,807)
Fund Balance -Beginning	91,727,753	91,727,753	91,727,753	-
Fund Balance - Ending	\$ 89,279,258	\$ 94,465,318	\$ 94,365,511	\$ (99,807)

See accompanying note to required supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 10,186,768
Interest	10,741,686
Benefit payments	<u>(5,725,349)</u>
Net change in total OPEB liability	15,203,105
Total OPEB liability - beginning	<u>299,568,884</u>
Total OPEB liability - ending	<u><u>\$ 314,771,989</u></u>
Covered payroll	<u>N/A¹</u>
District's total OPEB liability as a percentage of covered payroll	<u>N/A¹</u>

¹ The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

See accompanying note to required supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018**

Year ended June 30,	<u>2018</u>
District's proportion of the net OPEB liability	<u>0.6108%</u>
District's proportionate share of the net OPEB liability	<u>\$ 2,569,769</u>
District's covered-employee payroll	<u>N/A ¹</u>
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	<u>N/A ¹</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.01%</u>

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

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

See accompanying note to required supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
CalSTRS		
District's proportion of the net pension liability (asset)	<u>0.0337%</u>	<u>0.3363%</u>
District's proportionate share of the net pension liability	\$ 312,018,523	\$ 271,983,817
State's proportionate share of the net pension liability + associated with the District	<u>184,587,522</u>	<u>154,835,535</u>
Total	<u>\$ 496,606,045</u>	<u>\$ 426,819,352</u>
District's covered - employee payroll	<u>\$ 182,374,682</u>	<u>\$ 171,698,993</u>
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	<u>171.09%</u>	<u>158.41%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69%</u>	<u>70%</u>
CalPERS		
District's proportion of the net pension liability	<u>0.5487%</u>	<u>0.5366%</u>
District's proportionate share of the net pension liability	<u>\$ 130,998,817</u>	<u>\$ 105,981,422</u>
District's covered - employee payroll	<u>\$ 70,034,469</u>	<u>\$ 64,365,730</u>
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	<u>187.05%</u>	<u>164.66%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72%</u>	<u>74%</u>

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

See accompanying note to required supplementary information.

<u>2016</u>	<u>2015</u>
<u>0.3507%</u>	<u>0.3264%</u>
\$ 236,088,495	\$ 190,731,688
<u>124,864,788</u>	<u>115,172,028</u>
<u>\$ 360,953,283</u>	<u>\$ 305,903,716</u>
<u>\$ 163,040,743</u>	<u>\$ 150,043,685</u>
<u>144.80%</u>	<u>127.12%</u>
<u>74%</u>	<u>77%</u>
<u>0.5465%</u>	<u>0.5259%</u>
<u>\$ 80,561,650</u>	<u>\$ 59,703,034</u>
<u>\$ 60,511,656</u>	<u>\$ 55,215,032</u>
<u>133.13%</u>	<u>108.13%</u>
<u>79%</u>	<u>83%</u>

CLOVIS UNIFIED SCHOOL DISTRICT

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

	<u>2018</u>	<u>2017</u>
CalSTRS		
Contractually required contribution	\$ 27,195,966	\$ 22,942,735
Contributions in relation to the contractually required contribution	<u>27,195,966</u>	<u>22,942,735</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered - employee payroll	 <u>\$ 188,468,233</u>	 <u>\$ 182,374,682</u>
 Contributions as a percentage of covered - employee payroll	 <u>14.43%</u>	 <u>12.58%</u>
 CalPERS		
Contractually required contribution	\$ 11,525,394	\$ 9,726,387
Contributions in relation to the contractually required contribution	<u>11,525,394</u>	<u>9,726,387</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered - employee payroll	 <u>\$ 74,208,963</u>	 <u>\$ 70,034,469</u>
 Contributions as a percentage of covered - employee payroll	 <u>15.531%</u>	 <u>13.888%</u>

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

See accompanying note to required supplementary information.

<u>2016</u>	<u>2015</u>
\$ 18,423,302	\$ 14,478,017
<u>18,423,302</u>	<u>14,478,017</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 171,698,993</u>	<u>\$ 163,040,743</u>
<u>10.73%</u>	<u>8.88%</u>
\$ 7,625,408	\$ 7,122,827
<u>7,625,408</u>	<u>7,122,827</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 64,365,730</u>	<u>\$ 60,511,656</u>
<u>11.847%</u>	<u>11.771%</u>

CLOVIS UNIFIED SCHOOL DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the OPEB liability, including beginning and ending balances, and the OPEB liability. In the future, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefits Terms - There were no changes in the benefits terms since the previous valuation.

Changes of Assumptions - The plan rate of investment return assumption was changed from 2.85 percent to 3.58 percent since the previous valuation.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2018

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

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

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

CLOVIS UNIFIED SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program	Federal Catalog Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Indian Education	84.060	N/A	\$ 108,972
Pell Grant	84.063	N/A	569,689
Passed Through California Department of Education:			
Adult Education			
Basic	84.002A	14508	191,058
Secondary Education	84.002	13978	240,041
English Literacy and Civics Education	84.002A	14109	56,358
Title I, Part A, Basic	84.010	14329	6,507,886
Title I, Part C, Migrant	84.011	14326	51,634
Title I, Part G, Advanced Placement Fee Program	84.330B	14831	9,070
Title II, Part A, Supporting Effective Instruction	84.367	14341	777,537
Title III, English Language Acquisition - Limited English Proficient	84.365	14346	251,667
Title III, English Language Acquisition - Immigrant Education	84.365	15146	41,117
Title IV, Part B, 21st Century Community Learning Centers Program	84.186	14347	126,492
Special Education Cluster			
Special Education, Part B Basic Local Assistance	84.027	13379	5,656,528
Special Education, Part B, Preschool Local Entitlement	84.027A	13682	954,565
Special Education, Part B, Preschool Grants	84.173	13430	108,484
Special Education, Part B, Alternative Dispute Resolution	84.173A	13007	36,920
Special Education, Part B, Mental Health Allocation	84.027A	14468	474,575
Special Education, Part B, Preschool Staff Development	84.173A	13431	1,950
Subtotal Special Education Cluster			<u>7,233,022</u>
Special Education, Part C, Early Intervention	84.181	24314	81,623
Carl D. Perkins Career and Technical Education, Secondary 131	84.048	14894	223,875
Perkins Career and Technical Education Improvement Act of 2006 Rural Community Equipment Grants	84.048	15295	87,934
Workability II, Transitions Partnership	84.126	10006	156,608
Subtotal U.S. Department of Education			<u>16,714,583</u>

N/A - Not applicable

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program	Federal Catalog Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through California Department of Education:			
Child Nutrition Cluster			
National School Lunch	10.555	13391	\$ 7,394,993
Basic Breakfast	10.553	13525	44,255
Especially Needy Breakfast	10.553	13526	1,824,577
Meals Supplements - Snack	10.555	13391	172,020
Summer Food Program	10.559	13004	147,802
Food Distribution - Commodities	10.555	13391	936,897
Subtotal Child Nutrition Cluster			<u>10,520,544</u>
Subtotal U.S. Department of Agriculture			<u>10,520,544</u>
U.S. DEPARTMENT OF DEFENSE			
Air Force Junior ROTC	12.357	N/A	<u>54,281</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through California Department of Health Care Services:			
Medi-Cal Administrative Activities	93.778	10060	746,886
Medi-Cal Billing Option	93.778	10013	550,171
Subtotal U.S. Department of Health and Human Services			<u>1,297,057</u>
Total Federal Programs			<u><u>\$ 28,586,465</u></u>

N/A - Not applicable

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2018

ORGANIZATION

The Clovis Unified School District was established in 1960 and consists of an area comprising approximately 198 square miles. The District operates thirty-three elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Jim Van Volkinburg D.D.S.	President	2018
Elizabeth J. Sandoval	Vice-President	2018
Ginny L. Hovsepian	Clerk	2020
Sandra A. Bergel-Budd	Member	2018
Christopher Casado	Member	2020
Steven G. Fogg, M.D.	Member	2020
Brian D. Heryford	Member	2020

ADMINISTRATION

Eimear O'Farrell, Ed.D.	Superintendent
Don Ulrich, Ed. D.	Deputy Superintendent
Michael Johnston	Associate Superintendent, Administrative Services
Barry Jager	Associate Superintendent, Human Resources & Employee Relations
Norm Anderson	Associate Superintendent, School Leadership
Susan Rutledge	Assistant Superintendent, Business Services
Denise Cariaga	Director of Budget & Finance

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Second Period Report	Annual Report
CLOVIS UNIFIED SCHOOL DISTRICT		
Regular ADA		
Transitional kindergarten through third	12,541.80	12,545.22
Fourth through sixth	9,438.40	9,434.81
Seventh and eighth	6,623.54	6,608.27
Ninth through twelfth	12,282.92	12,148.39
Total Regular ADA	<u>40,886.66</u>	<u>40,736.69</u>
Extended Year Special Education		
Transitional kindergarten through third	12.82	12.82
Fourth through sixth	6.95	6.95
Seventh and eighth	3.95	3.95
Ninth through twelfth	10.61	10.61
Total Extended Year Special Education	<u>34.33</u>	<u>34.33</u>
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.92	0.92
Fourth through sixth	3.37	3.46
Seventh and eighth	4.45	4.64
Ninth through twelfth	9.73	9.54
Total Special Education, Nonpublic, Nonsectarian Schools	<u>18.47</u>	<u>18.56</u>
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	<u>1.03</u>	<u>1.03</u>
Community Day School		
Fourth through sixth	9.53	10.13
Seventh and eighth	16.33	17.08
Ninth through twelfth	38.73	39.07
Total Community Day School	<u>64.59</u>	<u>66.28</u>
Total ADA	<u>41,005.08</u>	<u>40,856.89</u>
CLOVIS ONLINE CHARTER SCHOOL		
Regular ADA		
Seventh and eighth	41.38	46.04
Ninth through twelfth	352.90	361.60
Total ADA (Non-Classroom Based)	<u>394.28</u>	<u>407.64</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

<u>Grade Level</u>	<u>1986-1987 Minutes Requirement</u>	<u>2017-2018 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	36,045	180	Complied
Grades 1 - 3	50,400			
Grade 1		56,475	180	Complied
Grade 2		56,475	180	Complied
Grade 3		56,475	180	Complied
Grades 4 - 8	54,000			
Grade 4		56,655	180	Complied
Grade 5		56,655	180	Complied
Grade 6		56,655	180	Complied
Grade 7		62,895	181	Complied
Grade 8		62,895	181	Complied
Grades 9 - 12	64,800			
Grade 9		65,217	181	Complied
Grade 10		65,217	181	Complied
Grade 11		65,217	181	Complied
Grade 12		65,217	181	Complied

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

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

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

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

	(Budget) 2019 ¹	2018	2017	2016
GENERAL FUND				
Revenues	\$ 472,647,139	\$ 446,961,685	\$ 436,410,534	\$ 421,029,907
Other sources and transfers in	2,806,000	2,875,483	3,301,979	3,627,455
Total Revenues	<u>475,453,139</u>	<u>449,837,168</u>	<u>439,712,513</u>	<u>424,657,362</u>
Expenditures	453,533,385	438,461,876	418,089,356	379,205,921
Other uses and transfers out	7,854,336	8,737,534	11,537,347	16,068,448
Total Expenditures and Other Uses	<u>461,387,721</u>	<u>447,199,410</u>	<u>429,626,703</u>	<u>395,274,369</u>
INCREASE/(DECREASE) IN FUND BALANCE	<u>\$ 14,065,418</u>	<u>\$ 2,637,758</u>	<u>\$ 10,085,810</u>	<u>\$ 29,382,993</u>
ENDING FUND BALANCE	<u>\$ 108,430,929</u>	<u>\$ 94,365,511</u>	<u>\$ 91,727,753</u>	<u>\$ 81,641,943</u>
AVAILABLE RESERVES ²	<u>\$ 102,595,441</u>	<u>\$ 86,425,899</u>	<u>\$ 75,872,392</u>	<u>\$ 60,413,137</u>
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	<u>22.2%</u>	<u>19.3%</u>	<u>17.7%</u>	<u>15.3%</u>
LONG-TERM OBLIGATIONS ³	<u>Not Available</u>	<u>\$ 818,590,757</u>	<u>\$ 812,010,638</u>	<u>\$ 781,542,615</u>
AVERAGE DAILY ATTENDANCE AT P-2	<u>41,309</u>	<u>41,005</u>	<u>40,723</u>	<u>40,027</u>

The General Fund balance has increased by \$12,723,568 over the past two years. The fiscal year 2018-2019 budget projects a further increase of \$14,065,418 (14.91 percent). For a district this size, the State recommends available reserves of at least 2.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surplus in all of the past three years and anticipates incurring an operating surplus during the 2018-2019 fiscal year. Total long-term obligations have increased by \$37,048,142 over the past two years due to the issuance of bonds for facilities additions and improvements and increases in the District's other post-employment benefits obligations.

Average daily attendance has increased by 978 over the past two years. Additional growth of 304 ADA is anticipated during fiscal year 2018-2019.

¹ Budget 2019 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

³ Long-term obligations as of June 30, 2017, were restated due to the implementation of GASB Statement No. 75.

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Name of Charter School</u>	<u>Included in Audit Report</u>
Clovis Online School (Charter School Number 1006)	Yes

See accompanying note to supplementary information.

[THIS PAGE INTENTIONALLY LEFT BLANK]

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Charter School Fund	Adult Education Fund	Child Development Fund
ASSETS			
Deposits and investments	\$ 2,822,067	\$ 3,779,768	\$ 1,927,716
Receivables	53,219	758,165	724,299
Due from other funds	677,500	158,498	-
Prepaid expenses	296,400	55,000	-
Stores inventories	-	34,508	-
Total Assets	\$ 3,849,186	\$ 4,785,939	\$ 2,652,015
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,954	\$ 21,635	\$ 17,257
Due to other funds	-	-	215,641
Total Liabilities	2,954	21,635	232,898
Fund Balances:			
Nonspendable	296,400	93,008	-
Restricted	55,718	-	424,391
Committed	-	4,671,296	-
Assigned	3,494,114	-	1,994,726
Total Fund Balances	3,846,232	4,764,304	2,419,117
Total Liabilities and Fund Balances	\$ 3,849,186	\$ 4,785,939	\$ 2,652,015

See accompanying note to supplementary information.

Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund
\$ 6,114,652	\$ 944,490	\$ 14,182,400	\$ 15,584,856	\$ 1,902,678
1,610,536	5,540	299,322	41,900	8,101
-	-	-	1,918,315	134,389
-	-	-	-	-
473,006	-	-	-	-
<u>\$ 8,198,194</u>	<u>\$ 950,030</u>	<u>\$ 14,481,722</u>	<u>\$ 17,545,071</u>	<u>\$ 2,045,168</u>
\$ 433,751	\$ 689,523	\$ 2,389,000	\$ 210,224	\$ 557,460
105,168	-	2,250	-	-
<u>538,919</u>	<u>689,523</u>	<u>2,391,250</u>	<u>210,224</u>	<u>557,460</u>
473,006	-	-	-	-
7,186,269	-	12,090,472	17,334,847	1,487,708
-	260,507	-	-	-
-	-	-	-	-
<u>7,659,275</u>	<u>260,507</u>	<u>12,090,472</u>	<u>17,334,847</u>	<u>1,487,708</u>
<u>\$ 8,198,194</u>	<u>\$ 950,030</u>	<u>\$ 14,481,722</u>	<u>\$ 17,545,071</u>	<u>\$ 2,045,168</u>

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Special Reserve Capital Outlay Fund	Central Valley School Districts Financing Corporation Fund	Total Non-Major Governmental Funds
ASSETS			
Deposits and investments	\$ 4,062,290	\$ 1,070,645	\$ 52,391,562
Receivables	285,466	4,650	3,791,198
Due from other funds	291,639	-	3,180,341
Prepaid expenses	-	-	351,400
Stores inventories	-	-	507,514
Total Assets	\$ 4,639,395	\$ 1,075,295	\$ 60,222,015
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 350,920	\$ -	\$ 4,672,724
Due to other funds	-	-	323,059
Total Liabilities	350,920	-	4,995,783
Fund Balances:			
Nonspendable	-	-	862,414
Restricted	-	1,075,295	39,654,700
Committed	-	-	4,931,803
Assigned	4,288,475	-	9,777,315
Total Fund Balances	4,288,475	1,075,295	55,226,232
Total Liabilities and Fund Balances	\$ 4,639,395	\$ 1,075,295	\$ 60,222,015

See accompanying note to supplementary information.

[THIS PAGE INTENTIONALLY LEFT BLANK]

CLOVIS UNIFIED SCHOOL DISTRICT

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

	Charter School Fund	Adult Education Fund
REVENUES		
Local Control Funding Formula	\$ 3,362,734	\$ -
Federal sources	-	1,145,080
Other State sources	154,031	2,470,387
Other local sources	10,868	2,241,012
Total Revenues	3,527,633	5,856,479
EXPENDITURES		
Current		
Instruction	1,802,008	3,174,849
Instruction-related activities:		
Supervision of instruction	16,584	662,119
Instructional library, media, and technology	68,735	76,507
School site administration	424,441	1,319,113
Pupil services:		
Food services	-	-
All other pupil services	285,054	311,994
Administration:		
All other administration	44,567	100,318
Plant services	32,440	228,656
Facility acquisition and construction	-	-
Debt service		
Principal	-	-
Interest and other	-	-
Total Expenditures	2,673,829	5,873,556
Excess (Deficiency) of Revenues Over Expenditures	853,804	(17,077)
Other Financing Sources and Uses		
Transfers in	-	846,880
Transfers out	-	-
Net Other Financing Sources and Uses	-	846,880
NET CHANGE IN FUND BALANCES	853,804	829,803
Fund Balance - Beginning	2,992,428	3,934,501
Fund Balance - Ending	\$ 3,846,232	\$ 4,764,304

See accompanying note to supplementary information.

Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	10,520,544	-	-	-
4,631,804	722,170	-	-	-
7,875,570	4,157,457	21,418	(106,893)	17,004,549
<u>12,507,374</u>	<u>15,400,171</u>	<u>21,418</u>	<u>(106,893)</u>	<u>17,004,549</u>
9,148,801	-	-	-	-
1,593,066	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	14,734,936	-	-	-
129,924	-	-	-	-
450,129	567,070	-	-	-
191,348	-	1,412,215	302,647	1,921,981
-	44,699	587,595	24,824,638	792,855
126,000	-	-	1,841,237	-
-	-	-	133,749	-
<u>11,639,268</u>	<u>15,346,705</u>	<u>1,999,810</u>	<u>27,102,271</u>	<u>2,714,836</u>
<u>868,106</u>	<u>53,466</u>	<u>(1,978,392)</u>	<u>(27,209,164)</u>	<u>14,289,713</u>
-	-	4,100,000	18,506,245	900,000
-	-	(3,182,000)	-	(9,005,164)
-	-	918,000	18,506,245	(8,105,164)
868,106	53,466	(1,060,392)	(8,702,919)	6,184,549
1,551,011	7,605,809	1,320,899	20,793,391	11,150,298
<u>\$ 2,419,117</u>	<u>\$ 7,659,275</u>	<u>\$ 260,507</u>	<u>\$ 12,090,472</u>	<u>\$ 17,334,847</u>

CLOVIS UNIFIED SCHOOL DISTRICT

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

	County School Facilities Fund	Special Reserve Capital Outlay Fund
REVENUES		
Local Control Funding Formula	\$ -	\$ -
Federal sources	-	-
Other State sources	792,881	5,881,295
Other local sources	34,579	629,747
Total Revenues	827,460	6,511,042
EXPENDITURES		
Current		
Instruction	-	-
Instruction-related activities:		
Supervision of instruction	-	-
Instructional library, media, and technology	-	-
School site administration	-	-
Pupil services:		
Food services	-	-
All other pupil services	-	-
Administration:		
All other administration	-	-
Plant services	-	2,225,804
Facility acquisition and construction	1,686,593	3,970,248
Debt service		
Principal	-	-
Interest and other	-	-
Total Expenditures	1,686,593	6,196,052
Excess (Deficiency) of Revenues Over Expenditures	(859,133)	314,990
Other Financing Sources and Uses		
Transfers in	1,679,681	3,597,383
Transfers out	(792,881)	(7,900,164)
Net Other Financing Sources and Uses	886,800	(4,302,781)
NET CHANGE IN FUND BALANCES	27,667	(3,987,791)
Fund Balance - Beginning	1,460,041	8,276,266
Fund Balance - Ending	\$ 1,487,708	\$ 4,288,475

See accompanying note to supplementary information.

Central Valley School Districts Financing Corporation Fund	Total Non-Major Governmental Funds
\$ -	\$ 3,362,734
-	11,665,624
-	14,652,568
21,203	31,889,510
<u>21,203</u>	<u>61,570,436</u>
-	14,125,658
-	2,271,769
-	145,242
-	1,743,554
-	14,734,936
-	726,972
-	1,162,084
-	6,315,091
-	31,906,628
-	1,967,237
-	133,749
-	75,232,920
<u>21,203</u>	<u>(13,662,484)</u>
-	29,630,189
-	(20,880,209)
-	8,749,980
21,203	(4,912,504)
1,054,092	60,138,736
<u>\$ 1,075,295</u>	<u>\$ 55,226,232</u>

CLOVIS UNIFIED SCHOOL DISTRICT

**AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	<u>Warrant/ Pass-Through Fund</u>	<u>Associated Student Body Funds</u>	<u>Total</u>
ASSETS			
Cash in county treasury	\$ 181,750	\$ 2,182,411	\$ 2,364,161
Accounts receivable	161,962	-	161,962
Total Assets	<u>\$ 343,712</u>	<u>\$ 2,182,411</u>	<u>\$ 2,526,123</u>
LIABILITIES			
Accounts payable	\$ 29,234	\$ -	\$ 29,234
Due to student groups/other agencies	314,478	2,182,411	2,496,889
Total Liabilities	<u>\$ 343,712</u>	<u>\$ 2,182,411</u>	<u>\$ 2,526,123</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS
JUNE 30, 2018**

	<u>High Schools</u>	<u>Intermediate Schools</u>	<u>Elementary Schools</u>	<u>Total</u>
ASSETS				
Cash on hand and in banks	\$ 1,201,979	\$ 298,374	\$ 682,058	\$ 2,182,411
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to student groups				
Club accounts	\$ 588,848	\$ 75,585	\$ -	\$ 664,433
General ASB accounts	613,131	222,789	682,058	1,517,978
Total due to student groups	\$ 1,201,979	\$ 298,374	\$ 682,058	\$ 2,182,411
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR
HIGH SCHOOL AND INTERMEDIATE SCHOOL STUDENT BODY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
HIGH SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 1,112,402	\$ 4,213,482	\$ 4,123,905	\$ 1,201,979
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 556,420	\$ 1,107,464	\$ 1,075,036	\$ 588,848
General ASB Accounts	555,982	3,106,018	3,048,869	613,131
Total Due to Student Groups	<u>\$ 1,112,402</u>	<u>\$ 4,213,482</u>	<u>\$ 4,123,905</u>	<u>\$ 1,201,979</u>
INTERMEDIATE SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 294,431	\$ 747,537	\$ 743,594	\$ 298,374
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 94,552	\$ 206,416	\$ 225,383	\$ 75,585
General ASB Accounts	199,879	550,114	527,204	222,789
Total Due to Student Groups	<u>\$ 294,431</u>	<u>\$ 756,530</u>	<u>\$ 752,587</u>	<u>\$ 298,374</u>
TOTALS				
ASSETS				
Cash on Hand and in Banks	<u>\$ 1,406,833</u>	<u>\$ 4,961,019</u>	<u>\$ 4,867,499</u>	<u>\$ 1,500,353</u>
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 650,972	\$ 1,313,880	\$ 1,300,419	\$ 664,433
General ASB Accounts	755,861	3,656,132	3,576,073	835,920
Total Due to Student Groups	<u>\$ 1,406,833</u>	<u>\$ 4,970,012</u>	<u>\$ 4,876,492</u>	<u>\$ 1,500,353</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Buchanan High School				
ASSETS				
Cash on Hand and in Banks	\$ 233,691	\$ 889,301	\$ 835,447	\$ 287,545
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 126,798	\$ 138,662	\$ 149,342	\$ 116,118
General ASB Accounts	106,893	750,639	686,105	171,427
Total Due to Student Groups	<u>\$ 233,691</u>	<u>\$ 889,301</u>	<u>\$ 835,447</u>	<u>\$ 287,545</u>
Clovis High School				
ASSETS				
Cash on Hand and in Banks	\$ 299,954	\$ 734,236	\$ 721,507	\$ 312,683
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 134,309	\$ 153,670	\$ 149,177	\$ 138,802
General ASB Accounts	165,645	580,566	572,330	173,881
Total Due to Student Groups	<u>\$ 299,954</u>	<u>\$ 734,236</u>	<u>\$ 721,507</u>	<u>\$ 312,683</u>
Clovis East High School				
ASSETS				
Cash on Hand and in Banks	\$ 148,951	\$ 518,403	\$ 470,716	\$ 196,638
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 81,259	\$ 193,638	\$ 184,825	\$ 90,072
General ASB Accounts	67,692	324,765	285,891	106,566
Total Due to Student Groups	<u>\$ 148,951</u>	<u>\$ 518,403</u>	<u>\$ 470,716</u>	<u>\$ 196,638</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS, Continued
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Clovis North High School				
ASSETS				
Cash on Hand and in Banks	\$ 265,018	\$ 1,352,456	\$ 1,320,850	\$ 296,624
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 107,783	\$ 455,332	\$ 427,100	\$ 136,015
General ASB Accounts	157,235	897,124	893,750	160,609
Total Due to Student Groups	<u>\$ 265,018</u>	<u>\$ 1,352,456</u>	<u>\$ 1,320,850</u>	<u>\$ 296,624</u>
Clovis West High School				
ASSETS				
Cash on Hand and in Banks	\$ 146,419	\$ 706,719	\$ 764,114	\$ 89,024
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 106,271	\$ 166,162	\$ 164,592	\$ 107,841
General ASB Accounts	40,148	540,557	599,522	(18,817)
Total Due to Student Groups	<u>\$ 146,419</u>	<u>\$ 706,719</u>	<u>\$ 764,114</u>	<u>\$ 89,024</u>
Gateway Continuation School				
ASSETS				
Cash on Hand and in Banks	\$ 18,369	\$ 12,367	\$ 11,271	\$ 19,465
LIABILITIES				
Due to Student Groups				
General ASB Accounts	<u>\$ 18,369</u>	<u>\$ 12,367</u>	<u>\$ 11,271</u>	<u>\$ 19,465</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS, Continued
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Totals				
ASSETS				
Cash on Hand and in Banks	\$ 1,112,402	\$ 4,213,482	\$ 4,123,905	\$ 1,201,979
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 556,420	\$ 1,107,464	\$ 1,075,036	\$ 588,848
General ASB Accounts	555,982	3,106,018	3,048,869	613,131
Total Due to Student Groups	<u>\$ 1,112,402</u>	<u>\$ 4,213,482</u>	<u>\$ 4,123,905</u>	<u>\$ 1,201,979</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Alta Sierra Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 60,545	\$ 259,225	\$ 238,647	\$ 81,123
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 13,882	\$ 48,518	\$ 39,604	\$ 22,796
General ASB Accounts	46,663	219,700	208,036	58,327
Total Due to Student Groups	<u>\$ 60,545</u>	<u>\$ 268,218</u>	<u>\$ 247,640</u>	<u>\$ 81,123</u>
C. Todd Clark Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 80,934	\$ 198,602	\$ 226,483	\$ 53,053
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 16,261	\$ 66,943	\$ 84,903	\$ (1,699)
General ASB Accounts	64,673	131,659	141,580	54,752
Total Due to Student Groups	<u>\$ 80,934</u>	<u>\$ 198,602</u>	<u>\$ 226,483</u>	<u>\$ 53,053</u>
Kastner Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 84,966	\$ 154,806	\$ 150,658	\$ 89,114
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 39,573	\$ 75,653	\$ 86,619	\$ 28,607
General ASB Accounts	45,393	79,153	64,039	60,507
Total Due to Student Groups	<u>\$ 84,966</u>	<u>\$ 154,806</u>	<u>\$ 150,658</u>	<u>\$ 89,114</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS, Continued
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Reyburn Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 67,986	\$ 134,904	\$ 127,806	\$ 75,084
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 24,747	\$ 15,302	\$ 14,257	\$ 25,792
General ASB Accounts	43,239	119,602	113,549	49,292
Total Due to Student Groups	<u>\$ 67,986</u>	<u>\$ 134,904</u>	<u>\$ 127,806</u>	<u>\$ 75,084</u>
Totals				
ASSETS				
Cash on Hand and in Banks	\$ 294,431	\$ 747,537	\$ 743,594	\$ 298,374
LIABILITIES				
Due to Student Groups				
Club Accounts	\$ 94,552	\$ 206,416	\$ 225,383	\$ 75,585
General ASB Accounts	199,879	550,114	527,204	222,789
Total Due to Student Groups	<u>\$ 294,431</u>	<u>\$ 756,530</u>	<u>\$ 752,587</u>	<u>\$ 298,374</u>

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT BODY FUNDS
ELEMENTARY SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018**

ELEMENTARY SCHOOL	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Boris	\$ 621	\$ 89,595	\$ 84,001	\$ 6,215
Bud Rank	11,802	93,165	95,166	9,801
Cedarwood	11,037	106,713	96,274	21,476
Century	22,294	88,946	94,798	16,442
Clovis Elementary	28,706	107,061	111,630	24,137
Cole	15,351	96,139	90,375	21,115
Copper Hills	22,131	78,168	83,300	16,999
Cox	10,102	73,806	68,000	15,908
Dry Creek	3,163	128,766	125,109	6,820
Fancher Creek	55,535	92,965	119,305	29,195
Fort Washington	8,843	76,757	80,662	4,938
Freedom	34,499	127,900	135,208	27,191
Fugman	58,296	165,183	159,048	64,431
Garfield	9,180	109,623	109,563	9,240
Gettysburg	22,279	103,602	94,188	31,693
Jefferson	8,360	81,268	74,780	14,848
Liberty	5,438	82,430	77,281	10,587
Lincoln	16,548	77,199	75,263	18,484
Maple Creek	18,822	42,914	36,850	24,886
Miramonte	25,156	70,327	79,457	16,026
Mountain View	28,538	121,702	110,431	39,809
Nelson	11,228	85,595	85,963	10,860
Oraze	37,344	100,907	96,553	41,698
Pinedale	1,828	51,555	51,276	2,107
Reagan	17,317	84,134	97,391	4,060
Red Bank	48,565	133,881	129,121	53,325
Riverview	39,590	113,384	118,276	34,698
Sierra Vista	10,971	31,757	33,448	9,280
Tarpey	12,807	92,282	87,983	17,106
Temperance-Kutner	29,201	80,577	79,188	30,590
Valley Oak	21,697	57,814	66,481	13,030
Weldon	12,999	95,784	95,256	13,527
Woods	28,420	116,399	123,283	21,536
Total	\$ 688,668	\$ 3,058,298	\$ 3,064,908	\$ 682,058

See accompanying note to supplementary information.

CLOVIS UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-1987 requirements as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

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

CLOVIS UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2018

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

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Agency Funds - Combining Balance Sheet and Statement of Changes in Assets and Liabilities

For each school site with an Associated Student Body (ASB), this schedule discloses the school site's individual ASB account balance. The total reported reconciles to the amount reported on the Fiduciary Funds - Statement of Net Position.

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board
Clovis Unified School District
Clovis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clovis Unified School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Clovis Unified School District's basic financial statements, and have issued our report thereon dated December 6, 2018.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 and Note 16 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Vannink, Trine, Day & Co, LLP

Fresno, California
December 6, 2018



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

Governing Board
Clovis Unified School District
Clovis, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Varrink, Trine, Day & Co., LLP

Fresno, California
December 6, 2018



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Clovis Unified School District
Clovis, California

Report on State Compliance

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

Management's Responsibility

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

Auditor's Responsibility

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

Unmodified Opinion

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

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

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

We did not perform procedures for Independent Study because the independent study ADA was under the level that requires testing.

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

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

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

The District does not offer the Apprenticeship: Related and Supplemental Instruction program; therefore, we did not perform any of the procedures related to the Apprenticeship: Related and Supplemental Instruction program.

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

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

We did not perform procedures for the Charter Schools Mode of Instruction or Annual Instruction Minutes Classroom-Based because the District's charter school is entirely non-classroom based.

Additionally, we did not perform procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

Vannink, Trini, Day & Co, LLP

Fresno, California
December 6, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CLOVIS UNIFIED SCHOOL DISTRICT

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

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A, Basic</u>
<u>93.778</u>	<u>Medi-Cal Programs</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 857,594</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Type of auditor's report issued on compliance for programs:	<u>Unmodified</u>
---	-------------------

CLOVIS UNIFIED SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

None reported.

CLOVIS UNIFIED SCHOOL DISTRICT

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

None reported.

CLOVIS UNIFIED SCHOOL DISTRICT

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

None reported.

CLOVIS UNIFIED SCHOOL DISTRICT

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

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

APPENDIX 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 and accreted value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable by the District solely from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" herein.

GENERAL DISTRICT INFORMATION

General Information

The boundaries of the District encompass an area of approximately 198 square miles within the central portion of the County. The territory of the District includes most of the City of Clovis, a portion of the City of Fresno, and adjacent unincorporated areas of the County. The District was formed in 1960.

The District is a unified school district providing education for students in grades K-12. The District currently operates 33 elementary schools, five intermediate schools, five high schools, two alternative education sites, two community day schools, the Clovis Online Charter School, one adult school, and, with the Fresno Unified School District, a Joint Powers Agency high school. The District's total projected enrollment is 43,569 students for fiscal year 2019-20.

On May 18, 2008, the District granted and approved the Clovis Online Charter School. The Clovis Online Charter School has a term of five years, ending on August 31, 2019. The Clovis Online Charter School's term can be renewed or extended by the District. The District accounts for the charter school within the Charter School Fund. The charter was extended through February 2020.

Administration

Board Trustees. The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board of Trustees, together with their office and the date their term expires, are listed below:

**BOARD OF TRUSTEES
Clovis Unified School District**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Christopher Casado	Acting President	November 2020
Steven G. Fogg, M.D.	Clerk	November 2020
Susan K. Hatmaker	Member	November 2022
Ginny L. Hovsepian	Member	November 2020
Elizabeth "Betsy" Sandoval	Member	November 2022
Tiffany Stoker Madsen	Member	November 2022
[Vacancy]*	Member	November 2020

There is currently a vacancy on the Board of Trustees. At the Board meeting on October 23, 2019, the Board is expected to appoint a person to fill the vacancy.

Superintendent and Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. The following is information regarding certain District officials.

Eimear O’Farrell, Ed.D., Superintendent. Eimear O’Farrell, Ed.D., has served as Superintendent of the District since June 2017. Dr. O’Farrell has 35 years of experience in the field of education, first in Dublin, Ireland, and then as an elementary teacher for Our Lady of Victory Elementary in Fresno, before joining the District in 1996 as a third grade teacher at Maple Creek Elementary. She has served at both the elementary and secondary level as a teacher, a Guidance Instructional Specialist, a Learning Director, an Elementary Principal and a Deputy Principal before assuming the position of Principal at Clovis West High School in 2012. In 2014, she was appointed Area Superintendent of the Clovis West Area. A firm believer in modeling the habits of a life-long learner, Eimear earned her doctoral degree in 2010.

Don Ulrich, Ed.D., Deputy Superintendent. Don Ulrich, Ed.D., has served as Deputy Superintendent of the District since June 2017. Dr. Ulrich has been in education for 36 years, 32 years of which have been in the District. He started as a teacher/coach at Hughson High School, Hughson, CA, then moved to Washington Union High School in Fresno, CA, to teach and become head baseball coach. He served nine years as Assistant Superintendent, Facility Services for the District after serving 3 years as principal at Buchanan High School and 4 years as principal at Alta Sierra Intermediate. He also currently serves as the Chair of the Board of Directors of the California Coalition of Adequate School Housing (“CASH”), a statewide organization advocating for funding for K-12 school facilities. He received his Ed. D. from California Coast University in 2015. He is an avid supporter of all students and believes educating the youth of America is the most important and noble profession a person can be committed to.

Michael Johnston, Associate Superintendent, Administrative Services. Michael Johnston joined the District in September 2002. Prior to that he worked for Dos Palos-Oro Loma Unified School District from 1998 to 2002. He received his Bachelor of Arts Degree in Business Administration from California State

University, Fresno, in 1991 and his Master of Arts degree in Education Administration from California State University, Fresno, in 2005.

Susan Rutledge, Assistant Superintendent, Business Services. Susan Rutledge joined the District in April 2012. Prior to that she worked for Madera Unified School District. She received her Bachelor's Degree in Marketing from California State University, Fresno, in 2001 and her Master of Science degree in Accountancy from the University of Phoenix in 2010.

Recent Enrollment Trends

The following table shows recent enrollment history for the District with estimates for fiscal year 2019-20. As shown in the following table, enrollment in the District has steadily increased since fiscal year 2008-09.

ANNUAL ENROLLMENT Fiscal Years 2003-04 through 2019-20*† Clovis Unified School District

<u>Fiscal Year</u>	<u>Student Enrollment†</u>	<u>Annual Change</u>	<u>Annual Percent Change</u>
2003-04	34,663	--	--
2004-05	35,344	681	2.0%
2005-06	36,378	1,034	2.9
2006-07	37,101	723	2.0
2007-08	36,810	(291)	(0.8)
2008-09	37,461	651	1.8
2009-10	38,004	543	1.4
2010-11	38,495	491	1.3
2011-12	39,040	545	1.4
2012-13	39,894	854	2.2
2013-14	40,783	889	2.2
2014-15	41,169	386	0.9
2015-16	41,883	714	1.7
2016-17	42,746	863	2.1
2017-18	43,106	360	0.8
2018-19	43,231	125	0.3
2019-20*	43,569	338	0.8

*Projection.

† Includes enrollment of the one dependent charter school operating within the District.

Source: California Department of Education for 2003-04 through 2017-18; Clovis Unified School District thereafter.

Charter School

Pursuant to Education Code Section 47605 and following, the District has sponsored a dependent charter for Clovis Online School, which serves students in grades seven through twelve. The District maintains a Charter School Fund to account for revenues and expenditures of the Clovis Online School.

Employee Relations

The District projects its staffing to consist of approximately 4,471 full time equivalent employees (“FTEs”) in fiscal year 2019-20. The employees of the District are both unrepresented and represented, as follows:

**SUMMARY OF EMPLOYEE GROUPS
Clovis Unified School District**

Employee Group	Representation
Teachers	At the present time, teachers are not represented by an exclusive bargaining agent. Salaries and fringe benefits are determined through an informal process of “meet and confer” with a group of teachers selected by their peers. This group includes approximately 1,944 FTE employees in fiscal year 2019-20.
Business Services/Confidential	The group includes all secretarial, clerical and paraprofessional personnel. As is the case with the teachers, this group is not represented by an exclusive bargaining agent. An informal “meet and confer” process is also used to determine salaries and fringe benefits. This group includes approximately 601 FTE employees in fiscal year 2019-20.
Operation Support Unit	This group includes maintenance, transportation, custodial, grounds, and cafeteria personnel and is represented by California School Employees Association (“CSEA”). Negotiations with CSEA are settled for fiscal year 2019-20. This group includes approximately 537 FTE employees in fiscal year 2019-20.
Management	This group of employees is not represented by an exclusive representative and includes all certificated and classified management personnel. The group includes approximately 661 employees in fiscal year 2019-20.
Non-Represented	This group of employees includes primarily teacher aides and other “casual labor” personnel. This group includes approximately 783 FTE employees in fiscal year 2019-20.
Security Personnel	The District presently has a security staff of 17 FTE employees in fiscal year 2019-20 who are not represented by an exclusive bargaining representative.

Insurance

The District is self-insured for workers’ compensation, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the self insurance and general fund. The District provides coverage for up to a maximum of \$275,000 for each workers’ compensation claim and \$350,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the general fund and for all other risks of loss.

Insurance – Joint Powers Agreements

The District participates under four joint powers agreements (“JPA”) units, as allowed by the California Government Code, as follows:

Schools Excess Liability Fund (SELF)

Purpose: To provide liability insurance coverage in excess of \$1,000,000 (up to \$25,000,000).

Participants: Other school districts in California.

Governing Board: One designee for each district votes for a 16-member Board of Directors.

Payments: During fiscal year 2017-18, the District made a payment of \$256,748 to SELF for liability insurance coverage.

Alliance of Schools for Cooperative Insurance Programs (ASCIP)

Purpose: Arrange for and provide property and liability insurance for its members.

Participants: Other governmental agencies.

Governing Board: Eleven voting members of the ASCIP Executive Committee appointed by the member districts.

Payments: During fiscal year 2017-18, the District made payments of \$2,219,180 to ASCIP for property and liability insurance coverage.

Central Valley Support Services (CVSS)

Purpose: To provide maintenance, operations, food service, transportation, printing, and warehouse/delivery services or any other support services approved by the Governing Board to its members.

Participants: Clovis Unified School District, Golden Valley Unified School District, and Fresno Unified School District.

Governing Board: The Governing Board shall consist of a District representative appointed by the Superintendent and a member of the operations staff of each educational agency holding membership in CVSS selected by that agency, and the Treasurer of CVSS.

Payments: During fiscal year 2017-18, the District made no payments to CVSS.

Center for Advanced Research & Technology (CART)

Purpose: To provide for the financing and operation of a joint technical center for high school age students.

Participants: Clovis Unified School District and Fresno Unified School District.

Governing Board: Representatives from the member public educational agencies and related associations.

Payments: During fiscal year 2017-18, the District made payments of \$907,951 to CART for the financing and operation of a joint technical center for high school age students.

Educational Technology

Purpose: The Education Technology Joint Powers Authority (Ed Tech JPA) aims to streamline procurement, provide competitive pricing, and secure favorable technology contracts for educational agencies and other eligible entities.

Participants: Clovis Unified School District, Irvine Unified School District, Capistrano Unified School District, Fullerton School District and El Dorado County Office of Education

Governing Board: One representative from each founding member district.

Payments: Each founding member contributed a one time payment for the start up of the JPA.

See “APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2018 – Note 15.”

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.

The fiscal year 2013-14 State budget 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 was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap. Full implementation occurred in fiscal year 2018-19.

Funding levels used in the LCFF "Target Entitlement" calculations for fiscal year 2019-20 are set forth in the following table.

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

Grade Span	2018-19 Base Grant Per ADA	2019-20 COLA (3.26%)	Grade Span Adjustments (K-3: 10.4%; 9-12: 2.6%)	2019-20 Base Grant/Adjusted Base Grant Per ADA
K-3	\$7,459	\$243	\$801	\$8,503
4-6	7,571	247	n/a	7,818
7-8	7,796	254	n/a	8,050
9-12	9,043	295	243	9,572

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

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

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2018 Audited Financial Statements were prepared by Vavrinek, Trine, Day & Co., LLP, 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 Assistant Superintendent, Business Services of the District, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611, telephone (559) 327-9127. 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.

[Remainder of page intentionally left blank]

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

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

<u>Revenues</u>	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18
LCFF Sources ⁽¹⁾	\$248,825,253	\$279,504,214	\$317,072,679	\$339,166,659	\$349,769,504
Federal Revenues	15,036,105	15,806,558	16,956,331	17,883,624	16,920,841
Other State Revenues	39,397,945	43,317,617	70,168,138	60,947,481	61,391,192
Other Local Revenues	15,441,337	18,327,886	16,832,759	18,414,399	18,880,148
Total Revenues	318,700,640	356,956,275	421,029,907	436,412,163	446,961,685
 <u>Expenditures</u>					
Instruction	178,758,550	210,060,423	227,244,669	247,449,414	258,281,492
Instruction-Related Activities:					
Supervision of Instruction	20,486,938	16,620,266	18,158,342	21,058,272	20,880,417
Instructional Library, Media, Tech	4,321,379	4,331,126	4,866,573	6,440,753	7,619,401
School Site Administration	20,802,060	22,427,897	23,754,523	25,407,789	26,348,258
Pupil Services:					
Home-to-School Transport	8,319,607	8,989,019	9,542,013	12,803,574	11,053,313
Food Services	29,072	16,365	--	59,999	--
All Other Pupil Services	20,328,111	24,390,294	27,529,076	32,450,002	34,247,623
General Administration:					
Data Proc.	2,213,071	2,548,729	2,821,281	3,561,884	3,861,427
All Other General Administration	13,821,054	15,225,655	14,632,636	16,060,038	16,925,431
Plant Services	36,291,828	39,799,529	39,991,585	43,190,238	47,025,280
Facility Acquisition and Construction	476,112	497,762	303,135	634,903	8,739,717
Ancillary Services	6,321,406	7,530,155	8,198,877	8,972,490	917,654
Other Outgo	680,914	760,869	772,950	859,913	925,061
Debt Service: Principal	951,696	1,126,317	1,369,760	1,523,372	1,611,104
Debt Service: Interest	21,626	18,383	20,501	25,493	25,698
Total Expenditures	313,823,424	354,342,789	379,205,921	420,498,134	438,461,876
 Excess of Revenues Over/(Under) Expenditures	 4,877,216	 2,613,486	 41,823,986	 15,914,029	 8,499,809
 <u>Other Financing Sources (Uses)</u>					
Operating Transfers in ⁽²⁾	1,690,470	1,519,170	1,951,543	1,900,350	1,125,483
Proceeds from Capital Leases	930,000	1,500,000	1,675,912	1,400,000	1,750,000
Operating Transfers out ⁽³⁾	(11,127,883)	(6,126,886)	(16,068,448)	(9,128,569)	(8,737,534)
Total Other Financing Sources (Uses)	(8,507,413)	(3,107,716)	(12,440,993)	(5,828,219)	(5,862,051)
 Net Change in Fund Balance	 (3,630,197)	 (494,230)	 29,382,993	 10,085,810	 2,637,758
 Fund Balance, July 1	 56,383,377	 52,753,180	 52,258,950	 81,641,943	 91,727,753
Fund Balance, June 30	\$52,753,180	\$52,258,950	\$81,641,943	\$91,727,753	\$94,365,511

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

(2) Transfers-in generally consist of amounts transferred in from the Facilities Fund (for example, for solar rebates, amounts to reimburse the General Fund for facilities projects, and 3% administrative fee on developer fee revenues).

(3) Transfers-out generally consist of amounts to the Deferred Maintenance Fund, Special Reserve Capital Outlay Fund and Adult Fund related to facilities projects and funding of the adult school.

Source: Clovis Unified School District Audit Reports for fiscal years 2013-14 through 2017-18.

District Budget and Interim Financial Reporting

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

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

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 is not a department of the County. 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 the 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 the subsequent fiscal year.
- **Qualified certification** - the school district may not meet its financial obligations for the current fiscal year or the 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. The District has not received any qualified or negative certifications of its financial reports in the past five years, nor have any of its budgets been disapproved by the County Superintendent.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at 1450 Herndon Avenue, Clovis, California 93611, Phone: (559) 327-9000. The District may impose charges for copying, mailing and handling.

[Remainder of page intentionally left blank]

General Fund 2018-19 (Unaudited Actuals) and 2019-20 (Budgeted). The following table shows a summary of the District’s general fund for Fiscal Year 2018-19 Unaudited Actuals as well as Fiscal Year 2019-20 Budgeted Figures.

**CLOVIS UNIFIED SCHOOL DISTRICT
General Fund - Revenues, Expenses and Changes in Fund Balance
Fiscal Year 2018-19 (Unaudited Actuals)
Fiscal Year 2019-20 (Budgeted)**

<u>Revenues</u>	<u>Unaudited Actuals 2018-19</u>	<u>Budgeted 2019-20</u>
LCFF	\$377,019,505	\$392,329,252
Federal Revenues	20,104,086	16,813,782
Other State Revenues	68,120,374	57,094,914
Other Local Revenues	20,205,234	14,377,799
Total Revenues	485,449,199	480,615,747
<u>Expenditures</u>		
Certificated Salaries	192,766,578	196,798,382
Classified Salaries	80,290,309	81,392,199
Employee Benefits	129,441,672	134,12,597
Books and Supplies	22,555,496	32,377,780
Contract Services & Operating Exp.	30,519,913	32,443,966
Capital Outlay	3,486,662	371,668
Other Outgo (excluding indirect costs)	2,540,055	2,543,875
Other Outgo – Transfers of Indirect Costs	(1,335,586)	(1,476,213)
Total Expenditures	460,265,099	478,575,254
Excess of Revenues Over/(Under) Expenditures	25,184,100	2,040,492
<u>Other Financing Sources (Uses)</u>		
Operating transfers in	2,229,339	531,000
Operating transfers out(1)	(7,854,336)	(7,847,980)
Other sources/uses	1,500,000	1,200,000
Total Other Financing Sources (Uses)	(4,124,997)	(6,116,980)
Net change in fund balance	21,059,103	(4,076,488)
Fund Balance, July 1⁽²⁾	94,365,510	115,424,613
Fund Balance, June 30	\$115,424,613	\$111,348,125

(1) Transfers out due to deferred maintenance projects.
(2) Fund balance not directly comparable to audited financial statements because budgets and interim reports account for special reserves outside of the general fund. Balances as set forth in the District’s Fiscal Year 2019-20 Adopted Budget.
Source: Clovis Unified School District.

District Reserves. The District’s ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State’s minimum required reserve of 2% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District maintains an unrestricted reserve that meets or exceeds the State’s minimum requirements, with a Board-approved reserve policy of maintaining reserves of at least 10%, which is the maximum authorized by SB 751, as described below.

In connection with legislation adopted in connection with the State’s fiscal year 2014-15 budget (“**SB 858**”), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district’s proposed budget includes a local reserve above the minimum

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

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 adopted State Budget for fiscal year 2019-20 provides for an initial deposit into the Public School System Stabilization Account of the State of approximately \$376.5 million. This amount is not sufficient to trigger the reserve cap provided for by SB 858, as amended by SB 751.

The District cannot predict when or how any additional changes to legal provisions governing the reserve cap would impact its reserves and future spending. See "-2019-20 State Budget."

[Remainder of page intentionally left blank]

Attendance - Revenue Limit and LCFF Funding

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 funding, concentration grants and funding based on an economic recovery target. The following table sets forth LCFF funding for the District for fiscal years 2013-14 through 2019-20 (Budgeted).

**AVERAGE DAILY ATTENDANCE AND LCFF
Fiscal Years 2013-14 through 2019-20 (Budgeted)
Clovis Unified School District**

Fiscal Year	ADA ⁽¹⁾	LCFF Phase In Entitlement Per ADA ⁽²⁾	% Targeted Students Under LCFF
2013-14	38,950	\$6,449	43.41%
2014-15	39,379	7,080	38.53
2015-16	40,027	7,910	45.14
2016-17	40,723	8,324	42.07
2017-18	41,005	8,534	43.85
2018-19	41,166	9,146	45.07
2019-20*	41,489	9,456	45.07

*Projection
 (1) P-2 for Fiscal Year 2013-14 through 2018-19; Projected for Fiscal Year 2019-20.
 (2) District is entitled to supplemental grant funding under LCFF which is included in the entitlement per ADA.
 Source: Clovis Unified School District.

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.

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

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 funding entitlement under the LCFF and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

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

For additional discussion of State aid to school districts, see “– Education Funding Generally.”

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

District Retirement Systems

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.

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. Commencing with fiscal year ended June 30, 2016, the District has implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to their audited financial statements. See "APPENDIX A - Audited Financial Statements of the District for Fiscal Year Ended June 30, 2018."

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
Clovis Unified School District
Fiscal Years 2013-14 through 2019-20 (Projected)**

Fiscal Year	Amount*
2013-14	\$12,378,604
2014-15	14,478,018
2015-16	18,423,302
2016-17	22,942,735
2017-18	27,195,966
2018-19†	47,220,615
2019-20†	48,527,323

*Increases in fiscal years 2015-16 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.

†Unaudited Actuals/Budgeted.

Source: Clovis Unified School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$107.2 billion as of June 30, 2018 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("**AB 1469**"), which represents a legislative effort to fund the unfunded actuarial obligation with respect to service credited members of the STRS Defined Benefit Program before July 1, 2014, within 32 years. 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 ⁽²⁾	17.10%
2020-21 ⁽²⁾	18.40
2021-22	18.60
2022-23	18.10

(1) Expressed as a percentage of covered payroll. Rates may change based on actual experience and other factors.

(2). Fiscal year 2019-20 and 2020-21 employer contribution rates have been reduced as of adoption of the fiscal year 2019-20 State Budget. See the following paragraph.

Source: AB 1469.

The State’s fiscal year 2019-20 budget includes certain pension relief provisions in the form of contributions by the State to STRS and PERS to relieve and reduce the employer contribution rates in the next two years. The STRS employer contribution rate for fiscal year 2019-20 is expected to be 17.1% (reduced from 18.13%) and for fiscal year 2020-21 is expected to be 18.4% (reduced from 19.10%).

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
Clovis Unified School District
Fiscal Years 2013-14 through 2019-20 (Projected)**

Fiscal Year	Amount
2013-14	\$6,317,704
2014-15	7,122,827
2015-16	7,625,393
2016-17	9,726,387
2017-18	11,525,394
2018-19†	12,527,862
2019-20†	14,613,732

†Unaudited Actuals/Projected.

Source: Clovis Unified School District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$27.2 billion as of June 30, 2018 (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 subsequent 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, was implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

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

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

Fiscal Year	Employer Contribution Rate ⁽²⁾
2019-20	19.721%
2020-21	22.700
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. Rates for 2019-20 and 2020-21 have been reduced following adoption of the fiscal year 2019-20 State Budget. See the following paragraph

Source: PERS

The State’s fiscal year 2019-20 budget includes certain pension relief provisions in the form of contributions by the State to STRS and PERS to relieve and reduce the employer contribution rates in the next two years. As a result of the State contributions, the employer contribution rates were reduced by approximately 1% less than previously identified by 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 the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Benefits

Plan Description. The Post-Employment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 1,136 retirees and beneficiaries currently receiving benefits and 3,545 active Plan members.

Contribution Information. The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For fiscal year 2017-2018, the District paid \$5,725,349 in benefits.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability of \$314,771,989 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: salary increases 3.0%, average, including inflation, investment rate of return 4.0%, net of OPEB plan investment expense, including inflation, and healthcare cost trend rates 6.0% for 2018 for medical/RX, decreasing to 4.9% for Medical/RX for 2022 and later, 4.0% for 2018 through 2022 and later for dental, and 3.0% for 2018 through 2022 and later for vision. The discount rate was based on the Bond Buyer 20-Bond General Obligation Index. Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males and Females, as appropriate, without projection.

The actual assumptions used in the June 30, 2018 valuation were based on the results of an actual experience study for the period July 1, 2017 to June 30, 2018.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2018, is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY Clovis Unified School District	
	Total OPEB Liability
Balance at June 30, 2017	\$299,568,884
Service Cost	10,186,768
Interest	10,741,686
Benefit payments	<u>(5,725,349)</u>
Net changes	15,203,349
Balance at June 30, 2018	\$314,771,989

Source: Clovis Unified District Audit Report.

OPEB Expense. For the year ended June 30, 2018, the District recognized an OPEB expense of \$15,203,105.

General Obligation Bonds

The District currently has outstanding general obligation bond and refunding bond indebtedness which has been issued pursuant to the authority of bond elections held within District boundaries on March 6, 2001, March 2, 2004 and June 5, 2012, respectively. The following table provides a summary of outstanding general obligation bond indebtedness, followed by a more detailed description of the bond authorizations.

**GENERAL OBLIGATION BOND INDEBTEDNESS
Clovis Unified School District**

Issue Date	Name of General Obligation Bond Issue	Original Principal Amount	Bonds Outstanding September 1, 2019
10/22/2002	GO Bonds, Election of 2001, Series B	\$29,000,255.00	\$11,761,365.05
12/15/2004	GO Bonds, Election of 2004, Series A	119,998,286.00	48,946,137.25
03/01/2006	GO Bonds, Election of 2004, Series B	48,001,060.00	13,846,059.55
06/28/2012	2012 General Obligation Refunding Bonds	17,935,000.00	4,555,000.00
08/30/2012	GO Bonds, Election of 2012, Series A*	79,996,801.00	33,785,000.00
08/08/2013	GO Bonds, Election of 2012, Series B*	49,996,579.00	13,060,547.20
09/30/2014	GO Bonds, Election of 2012, Series C	64,995,505.00	55,170,504.55
08/06/2015	GO Bonds, Election of 2012, Series D*	103,007,035.00	93,872,033.60
12/15/2016	2016 General Obligation Refunding Bonds	30,510,000.00	12,605,000.00
10/17/2017	2017 General Obligation Refunding Bonds	43,121,677.00	39,711,676.90
10/31/2018	2018 General Obligation Refunding Bonds	20,710,000.00	18,220,000.00
Total		\$607,272,198.00	\$345,533,324.10

*Certain maturities expected to be refunded with proceeds of the Bonds described herein.
Source: *The District.*

The Combined Debt Service Schedule set forth below identifies the future debt service (assuming no optional redemptions) due on the District’s outstanding general obligation bonds and refunding bonds.

Combined Debt Service – General Obligation Bonds. The following table sets forth the combined annual debt service due with respect to the District’s outstanding general obligation bond indebtedness, assuming no optional redemptions. Debt service on the District’s general obligation bonds is not payable from the District’s general fund, but is payable from *ad valorem* taxes levied by the County.

COMBINED ANNUAL DEBT SERVICE SCHEDULE
Outstanding General Obligation Bonds
Clovis Unified School District

Year Ending (Aug. 1)	2001 Series B Bonds	2004 Series A Bonds*	2004 Series B Bonds	2012 Refunding Bonds	2012 Series A Bonds*	2012 Series B Bonds*	2012 Series C Bonds	2012 Series D Bonds*	2016 Refunding Bonds	2017 Refunding Bonds	2018 Refunding Bonds	Annual Total Payment
2020	\$3,100,000	\$12,430,000	-	\$202,950	\$1,310,100	\$3,151,750	\$1,729,125	\$4,984,750	\$10,685,250	\$1,715,200	\$1,899,100	\$41,208,225
2021	3,175,000	-	-	4,757,950	4,475,100	2,261,750	2,854,125	4,361,000	2,677,500	1,298,200	1,693,673	27,554,298
2022	3,260,000	13,965,000	-	-	4,698,500	2,416,750	2,977,875	4,604,500	-	1,030,450	662,063	33,615,138
2023	3,355,000	14,805,000	-	-	1,042,900	2,556,750	3,112,625	4,803,250	-	1,030,450	662,063	31,368,038
2024	3,440,000	15,690,000	-	-	1,042,900	1,296,750	3,357,625	3,413,750	-	2,030,450	662,063	30,933,538
2025	3,535,000	16,630,000	-	-	1,042,900	1,296,750	3,532,625	3,399,750	-	2,105,450	662,063	32,204,538
2026	3,640,000	17,630,000	\$4,890,000	-	1,042,900	1,296,750	3,737,625	3,310,750	-	3,439,200	662,063	39,649,288
2027	12,705,000	18,690,000	5,180,000	-	1,042,900	1,296,750	1,607,625	3,095,500	-	798,450	662,063	45,078,288
2028	-	19,810,000	5,495,000	-	1,042,900	1,296,750	3,877,625	5,685,500	-	2,373,450	662,063	40,243,288
2029	-	21,005,000	5,815,000	-	1,042,900	1,296,750	4,007,625	6,056,000	-	2,634,700	662,063	42,520,038
2030	-	-	20,000,000	-	4,042,900	1,296,750	4,187,625	6,311,500	-	4,563,950	662,063	41,064,788
2031	-	-	-	-	6,197,900	1,296,750	4,382,625	6,581,500	-	3,776,950	662,063	22,897,788
2032	-	-	-	-	753,800	1,296,750	4,597,625	6,856,500	-	9,619,450	662,063	23,786,188
2033	-	-	-	-	753,800	1,296,750	5,162,625	7,706,500	-	9,368,650	662,063	24,950,388
2034	-	-	-	-	753,800	1,296,750	5,403,200	8,036,500	-	9,913,150	662,063	26,065,463
2035	-	-	-	-	753,800	5,911,750	5,241,000	7,751,500	-	7,220,000	662,063	27,540,113
2036	-	-	-	-	9,793,800	6,281,000	5,445,200	8,036,500	-	-	662,063	30,218,563
2037	-	-	-	-	10,197,200	6,600,250	5,690,000	8,370,500	-	-	6,457,063	37,315,013
2038	-	-	-	-	-	10,825,500	8,638,200	12,749,000	-	-	10,678,019	42,890,719
2039	-	-	-	-	-	-	13,546,000	20,087,400	-	-	-	33,633,400
2040	-	-	-	-	-	-	-	34,470,800	-	-	-	34,470,800
	\$36,210,000	\$150,655,000	\$41,380,000	\$4,960,900	\$51,031,000	\$54,269,750	\$93,088,600	\$170,672,950	\$13,362,750	\$62,918,150	\$30,658,800	\$709,207,900

*Certain maturities expected to be refunded with proceeds of the Bonds described herein. See "THE REFINANCING PLAN." Table will be updated following the sale of the Bonds to reflect the refinancing and to include debt service on the Bonds.

Source: Clovis Unified School District.

Certificates of Participation

The District has two series of outstanding certificates of participation that have been issued pursuant to lease agreements with the Central Valley Support Services Joint Powers Agency. The annual payments for the outstanding certificates of participation of the District are shown in the following table.

**ANNUAL LEASE PAYMENTS
Certificates of Participation- Annual Payments by Series
Clovis Unified School District**

Year Ending June 30	Series 2010	Series 2011	Total All Series
2018	\$1,310,300	\$420,500	\$1,730,800
2019	1,313,100	419,356	1,732,456
2020	1,309,000	417,100	1,726,100
2021	440,700	413,313	854,013
2022	443,700	413,188	856,888
2023-2026	--	1,890,831	1,890,831
Total	\$4,816,800	\$3,974,288	\$8,791,088

Source: Clovis Unified School District; Underwriter.

State Loan for Portables

The District financed the purchase of portable classroom facilities for its Child Development Program through the California Department of Education’s Child Care Facilities Revolving Fund. The agreement with the California Department of Education includes 0% interest rate for the portable classroom loan. During the term of the repayment, the title to the facilities is in the name of the State, and the title will pass to the District after repayment of the loan. The District bears the responsibility of maintaining the facilities and keeping the facilities free and clear of any levies, liens, and encumbrances. The loan matures in 2022 with the following schedule:

**ANNUAL PAYMENTS
State Loan for Child Care Facilities
Clovis Unified School District**

Fiscal Year Ending June 30	Annual Loan Repayment
2018	\$126,000
2019	126,000
2020	126,000
2022	63,000
Total	\$567,000

Source: Clovis Unified School District.

Capital Leases

The District leases computers and other equipment under capitalized lease agreements. One lease purchase agreement is dated July 1, 2018 and is in the principal amount of \$1,500,000 with an annual interest rate of 2.946%, with payments due annually on August 15 through August 15, 2020. The remaining principal amount due pursuant said agreement is \$501,659.14. A

second lease purchase agreement is dated July 1, 2019 and is in the principal amount of \$1,200,000 with an annual interest rate of 2.59%, with payment due annually on August 15 through August 15, 2021. The remaining principal amount due pursuant said agreement is \$792,229.35.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the office of the Fresno County Auditor-Controller/Treasurer-Tax Collector manages funds deposited with Fresno County by the District. Fresno 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.

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 “—Funding of Education Generally” above). State funds typically make up the majority of a district’s LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

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

The following information concerning the State’s budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the 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

Available Information. Certain information about the State budgeting process and the State budget (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 or the Underwriter and is not incorporated herein by reference.*

- The California Department of Finance’s Internet home page at www.dof.ca.gov, under the heading “California Budget”, includes the text of proposed and adopted State Budgets.
- The State Legislative Analyst’s Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst’s Internet home page at www.lao.ca.gov under the heading “Subject Area – Budget (State)”.

Prior Years’ Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting

goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2019-20 State budget is balanced and projects a balanced budget for the foreseeable future, 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.

2019-20 State Budget

On June 27, 2019, the Governor signed the 2019-20 State budget (the "**2019-20 State Budget**") into law. The 2019-20 State Budget calls for total spending of \$214.8 billion, with \$147.8 billion in general fund spending. The 2019-20 State Budget provides for \$81.1 billion of funding through Proposition 98, the primary source of funding for K-12 school districts and community college districts, an increase of \$2.7 billion, or 3.4%, from the 2018-19 State budget. Of that \$81.1 billion, \$62.9 billion will be distributed to K-12 school districts through the LCFF, which will be fully funded during fiscal year 2019-20, restoring every school district in the State to at least pre-recession funding levels.

The 2019-20 State Budget continues to build State reserves, with the rainy-day fund balance projected to grow to \$16.5 billion by the end of the budget year, its constitutional maximum. Additionally, revenues have been set aside in new savings funds, including a \$900 million reserve for safety net programs. Other significant features of the 2019-20 State Budget include:

- \$1.5 billion anticipated in Proposition 51 bond funds for school facilities and an additional \$1.2 million of ongoing Proposition 51 bond funds;
- \$5 million one-time funding for a long-term strategic plan to provide childcare and preschool for children from birth through age twelve;
- \$300 million one-time funding to construct new or retrofit existing facilities to support full-day kindergarten programs;
- \$645.3 million ongoing funding for special education, including \$152.6 million to provide all Special Education Local Plan Areas with at least the statewide target rate for base special education funding.
- \$147.4 million one-time and ongoing funding to address the shortage of teachers;
- \$918 million in additional funding to identify and implement recommendations and solutions to reduce wildfire risk, bolster the state's emergency preparedness capacity and protect vulnerable communities;

- \$518,000 one-time funding to reimburse cities, counties and special districts for 2018-2019 property tax losses and a corresponding \$530,000 that will be used to backfill property tax revenue losses for K-14 schools in those cities, counties and districts;
- \$460 million one-time general funding to increase the quality and availability of child care, including \$263 million for child care and preschool facilities expansion and \$195 million for childcare and preschool workforce development;
- one-time funding of \$750 million to support local governments in increasing and accelerating housing production; and
- one-time funding of \$650 million to support local governments in addressing homelessness, to be used for emergency shelters and navigation centers, rapid rehousing, permanent supportive housing, job programs and hotel/motel conversions.

Disclaimer Regarding State Budgets

The execution of the foregoing 2019-20 State Budget and future State Budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2019-20 State Budget, or subsequent State Budgets, will have on its own finances and operations.

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 the State Budget information set forth or referred to in this Official Statement or incorporated herein.

Availability of State Budgets

The complete 2019-20 State Budget is available from the California Department of Finance website at www.ebudget.ca.gov. Impartial analyses 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 (as discussed below) 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 and accreted value of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111, 39 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District’s voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the

acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. All of the District's outstanding general obligation bonds were authorized pursuant to clause (iii) above. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

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

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

Article XIII B of the California Constitution

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

for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

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

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

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

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

Unitary Property

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

Articles XIII C and XIII D

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and

property-related assessments, fees and charges.” Among other things, Article XIIC 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 XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

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

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

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

Proposition 98

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

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

Proposition 111

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

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

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

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

calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

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

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

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% 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% 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 imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. 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. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax increases of Proposition 30.

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 provisions 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 XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF CLOVIS AND THE COUNTY OF FRESNO

The following information concerning the City of Clovis (the “City”) and the County of Fresno (the “County”) is included only for the purpose of supplying general information regarding the area of the District. No part of any fund or account of the City or the County is pledged or obligated to the payment of the Bonds. The Bonds are not a debt (or a pledge of the full faith and credit) of the City, the County, the State or any of its political subdivisions (other than the District), and none of the County, the State or any of its political subdivisions (other than the District) is liable therefor. The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for the District’s payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the District’s payment of the principal of and interest on Bonds at the time such payment is due.

General

Of the District’s secured assessed valuation for 2019-20, 41.56% of such assessed valuation is derived from property located in the City, 48.67% is derived from property located in the City of Fresno, and 9.77% is derived from property located in the unincorporated areas of the County.

City of Clovis. The City encompasses 15.58 square miles located in the northeastern corner of the Fresno/Clovis metropolitan area, adjacent to the City of Fresno and approximately ten miles northeast of downtown Fresno. For many years Clovis was a suburban growth area for the City of Fresno, having very little in the way of any independent economic base. However, in recent years the pace of development in both retail sales and light manufacturing has proceeded proportionately faster than the City’s already substantial residential development. Clovis is the most rapidly growing city in the County.

The County. The County is California’s fifth largest county, covering approximately 6,000 square miles. It is located in the geographic center of the State and is the nation’s leading crop-producing county.

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

The County is the trade, financial and commercial center for many surrounding counties in Central California and is a hub of transportation facilities connecting Central California to all parts of the country. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Highways 180 and 145 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

Population

The most recent estimate of the County’s population at January 1, 2019 was 1,018,241 persons according to the State Department of Finance. The City, with an estimated population of 117,003 persons at January 1, 2019, is the largest city in the County. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

**FRESNO COUNTY
Population Estimates
Calendar Years 2015 through 2019
(As of January 1st)**

	2015	2016	2017	2018	2019
Clovis	105,490	108,273	110,704	113,895	117,003
Coalinga	16,626	16,693	17,268	17,120	17,600
Firebaugh	7,946	7,930	8,029	8,078	8,132
Fowler	6,041	6,082	6,362	6,520	6,605
Fresno	519,942	524,826	527,527	531,580	536,683
Huron	6,902	7,019	7,271	7,289	7,308
Kerman	14,494	14,596	14,789	15,096	15,495
Kingsburg	11,874	11,953	12,089	12,253	12,392
Mendota	11,467	11,631	11,910	12,255	12,315
Orange Cove	9,476	9,515	9,752	9,924	9,975
Parlier	15,241	15,549	15,764	15,917	16,151
Reedley	25,815	25,898	26,218	26,556	26,666
Sanger	25,462	25,969	26,183	26,489	27,094
San Joaquin	4,119	4,140	4,190	4,200	4,216
Selma	24,156	24,365	24,776	24,932	25,045
Balance of County	171,102	171,132	173,090	175,148	175,561
Total	976,153	985,571	995,922	1,007,252	1,018,241

Source: State Department of Finance, Demographic Research.

[Remainder of page intentionally left blank]

Employment and Industry

The District is included in the Fresno Metropolitan Statistical Area (“MSA”). The unemployment rate in the Fresno MSA was 7.3% in July 2019, up from a revised 7.0% in June 2019, and below the year-ago estimate of 7.4%. This compares with an unadjusted unemployment rate of 4.4% for California and 4.0% for the nation during the same period.

The table below provides information about employment by industry type for Fresno County for calendar years 2014 through 2018.

**FRESNO COUNTY
Civilian Labor Force, Employment and
Unemployment, Unemployment by Industry
(Annual Averages)**

	2014	2015	2016	2017	2018
Civilian Labor Force ⁽¹⁾	438,300	440,500	445,000	445,300	448,400
Employment	387,500	395,700	402,700	407,400	414,900
Unemployment	50,700	44,900	42,300	37,900	33,400
Unemployment Rate	11.6%	10.2%	9.5%	8.5%	7.5%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	48,800	47,300	46,900	46,100	44,000
Mining and Logging	300	300	300	300	300
Construction	13,900	15,000	16,000	17,400	18,700
Manufacturing	24,000	25,400	25,200	25,600	26,000
Wholesale Trade	13,500	13,500	14,000	14,100	14,300
Retail Trade	36,500	37,600	38,800	38,900	39,200
Trans., Warehousing, Utilities	11,900	12,300	12,800	13,100	14,400
Information	3,900	3,900	3,800	3,600	3,600
Financial and Insurance	8,400	8,500	8,700	9,000	9,200
Professional and Business Services	31,000	31,500	31,900	30,600	31,900
Educational and Health Services	57,000	60,400	64,300	67,700	70,100
Leisure and Hospitality	30,600	31,400	32,800	33,800	34,200
Other Services	11,200	11,500	11,700	11,800	12,000
Federal Government	9,800	9,600	9,800	9,800	10,000
State Government	11,400	11,900	12,100	12,400	12,600
Local Government	45,100	47,200	49,000	50,400	52,000
Total All Industries ⁽³⁾	361,500	371,800	382,800	389,200	397,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
 (2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
 (3) Calculations may not foot due to rounding.
 Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City as of June 30, 2018.

**CITY OF CLOVIS
Principal Employers**

Employer Name	Number of Employees	Percent of Total Employment*
Clovis Unified School District	7,469	14.23%
Clovis Community Hospital	1,923	3.66
Wal-Mart	715	1.36
City of Clovis	674	1.28
Wawona Frozen Foods	537	1.02
Alorica	501	0.95
Target	343	0.65
Anlin Industries	324	0.62
Costco	311	0.59
Lowe's	215	0.41
Total		--

*Total Employment as used above represents the total employment of all employers located within City limits based on a projection for 2018.
Source: City of Clovis Comprehensive Annual Financial Report for fiscal year ended June 30, 2018.

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

**FRESNO COUNTY
Major Employers
(Listed Alphabetically)**

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

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd Edition.

Effective Buying Income

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

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

**FRESNO COUNTY
Median Household Effective Buying Income
2015 through 2019**

	2015	2016	2017	2018	2019
City of Clovis	\$49,815	\$54,513	\$55,465	\$60,560	\$63,931
County of Fresno	38,000	40,819	41,237	44,641	46,028
California	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.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data are available are shown in the following tables.

Total taxable sales reported during the first quarter of calendar year 2018 in the City were \$447,670,558, a 4.35% increase over the total taxable sales of \$429,007,722 million reported during the first quarter of calendar year 2017. Additional figures for 2018 are not yet available.

**CITY OF CLOVIS
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2013	1,374	\$1,365,206	1,983	\$1,509,721
2014	1,446	1,452,582	2,065	1,613,570
2015 ⁽¹⁾	1,548	1,500,019	2,351	1,675,127
2016	1,658	1,555,633	2,485	1,757,621
2017	1,657	1,608,230	2,513	1,815,989

(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: State Board of Equalization. Taxable Sales in California (Sales & Use Tax) for years 2013-2016. State Department of Tax and Fee Administration for year 2017.

Total taxable sales during the first quarter of calendar year 2018 in the County were reported to be \$3,552,773,101 a 5.59% increase over the total taxable sales of \$3,364,822,076 reported during the first quarter of calendar year 2017. Additional figures for 2018 are not yet available.

**FRESNO COUNTY
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2013	12,047	\$8,597,480	18,112	\$12,618,111
2014	12,268	8,998,182	18,304	13,328,511
2015 ⁽¹⁾	7,298	9,247,617	20,242	14,080,800
2016	13,128	9,567,618	20,530	10,073,246
2017	13,166	9,943,017	20,655	14,631,309

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
 Source: State Board of Equalization. Taxable Sales in California (Sales & Use Tax) for years 2013-2016. State Department of Tax and Fee Administration for year 2017.

Construction Activity

Provided below are the building permits and valuations for the City and County for calendar years 2014 through 2018.

**CITY OF CLOVIS
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2014-2018**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Permit Valuation</u>					
New Single-family	\$125,171.2	\$233,592.9	\$294,670.8	\$210,100.5	\$255,316.8
New Multi-family	0.0	6,257.7	0.0	26,027.8	13,758.5
Res. Alterations/Additions	<u>1,330.6</u>	<u>2,204.1</u>	<u>1,790.2</u>	<u>2,551.2</u>	<u>2,468.9</u>
Total Residential	\$126,501.8	\$242,054.7	\$296,461.0	\$238,679.5	271,544.2
New Commercial	\$16,158.2	\$31,577.0	\$20,226.1	\$25,789.9	8,123.8
New Industrial	0.0	0.0	0.0	1,315.5	1,121.9
New Other	12,922.0	11,241.6	24,218.8	12,488.8	28,436.3
Com. Alterations/Additions	<u>13,049.2</u>	<u>10,192.8</u>	<u>9,096.1</u>	<u>14,682.5</u>	<u>21,008.8</u>
Total Nonresidential	\$42,129.4	\$53,011.4	\$53,541.0	\$54,276.7	58,690.8
<u>New Dwelling Units</u>					
Single Family	483	839	1,086	768	896
Multiple Family	<u>0</u>	<u>47</u>	<u>0</u>	<u>210</u>	<u>104</u>
TOTAL	483	886	1,086	978	1,000

Source: Construction Industry Research Board, Building Permit Summary.

**FRESNO COUNTY
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2014 through 2018**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Permit Valuation</u>					
New Single-family	\$388,564.8	\$580,986.1	\$689,016.6	\$512,951.0	\$703,307.1
New Multi-family	43,654.0	34,183.5	52,363.2	131,175.3	67,589.9
Res. Alterations/Additions	<u>35,354.2</u>	<u>31,800.5</u>	<u>30,648.8</u>	<u>29,478.7</u>	<u>47,115.5</u>
Total Residential	\$467,573.0	\$646,970.1	\$772,028.6	\$673,605.0	\$818,012.5
New Commercial	\$98,770.4	\$210,280.3	\$184,408.2	\$201,676.5	\$139,662.0
New Industrial	21,368.5	8,359.4	14,895.8	14,087.9	37,564.8
New Other	49,382.5	121,042.6	147,642.2	68,383.0	90,451.9
Com. Alterations/Additions	<u>70,566.8</u>	<u>88,609.5</u>	<u>80,745.4</u>	<u>69,202.2</u>	<u>229,373.0</u>
Total Nonresidential	\$240,088.2	\$428,291.8	\$427,691.6	\$353,349.6	\$497,051.7
<u>New Dwelling Units</u>					
Single Family	1,140	2,153	2,559	1,886	2,560
Multiple Family	<u>539</u>	<u>343</u>	<u>339</u>	<u>1,135</u>	<u>290</u>
TOTAL	1,949	2,496	2,898	3,021	2,850

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

Two major railroads, a modern system of highways and a growing airport complex have contributed to the industrial, commercial and residential growth of the County. Burlington Northern Santa Fe and Union Pacific provide main line rail freight service to the area. Amtrak has passenger service daily. Fresno Yosemite International Airport in the City of Fresno provides regularly scheduled passenger and freight service to major metropolitan centers in the nation. Fresno-Chandler Executive Airport, also in the City of Fresno, can accommodate approximately 297 general aircraft with approximately 231 currently based at the facility.

State Highway 99 is a north-south artery that passes through the heart of the County and the San Joaquin Valley, connecting many of the Valley's major cities. Interstate Highway 5 runs in a north-south direction through the western part of the County and the San Joaquin Valley. Both State Highway 99 and Interstate Highway 5 are major north-south routes between Los Angeles, San Francisco and Sacramento. State Routes 41,168 and 180 serve the Fresno metropolitan area and connect it to the eastern and western parts of the County. The deepwater Port of Stockton is located 122 miles north of Fresno on Interstate Highway 5.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Trustees
Clovis Unified School District
1450 Herndon Avenue
Clovis, California 93611-0599

OPINION: \$_____ Clovis Unified School District
 (Fresno County, California)
 2019 Refunding General Obligation Bonds (Federally Taxable)

Members of the Board of Trustees:

We have acted as bond counsel to the Clovis Unified School District (the "District") in connection with the issuance by the Board of Trustees of the District (the "Board") of its \$_____ principal amount of Clovis Unified School District (Fresno County, California) 2019 Refunding General Obligation Bonds (Federally Taxable) (the "Bonds"). The Bonds have been authorized to be issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law"), and a resolution of the Board of Trustees of the District (the "Board") adopted on September 11, 2019 (the "Bond Resolution"), and a Paying Agent Agreement dated as of October 1, 2019 (the "Paying Agent Agreement"), between the District and MUFG Union Bank, N.A., as paying agent for the Bonds. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation. Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a unified school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution, the Paying Agent Agreement 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 Paying Agent Agreement has been duly executed and delivered by the District and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Fresno is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

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,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ _____
CLOVIS UNIFIED SCHOOL DISTRICT
(Fresno County, California)
2019 Refunding General Obligation Bonds
(Federally Taxable)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Clovis Unified School District (the “District”) in connection with the issuance of the above-captioned bonds (the “Bonds”). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District (the “Bond Resolution”) and a Paying Agent Agreement dated as of October 1, 2019 (the “Paying Agent Agreement”), between the District and MUFG Union Bank, N.A., as paying agent thereunder. The District covenants and agrees as follows:

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

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

“*Annual Report*” means any Annual Report provided by the District under and as described in Sections 3 and 4.

“*Annual Report Date*” means the date that is nine months after the end of the District’s fiscal year (currently April 1 based on the District’s fiscal year end of June 30).

“*Dissemination Agent*” means initially, the District 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.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds, required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District’s fiscal year (which currently would be April 1), commencing no later than April 1, 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 in a timely manner (or cause the Dissemination Agent to provide in a timely manner) an Annual Report by the Annual Report Date, the District shall provide in a timely manner (or cause the Dissemination Agent to provide in a timely manner) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

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

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information:

- (i) The District's most recently adopted budget, or most recently approved interim report showing budgeted figures and projections;
- (ii) Assessed value of taxable property in the jurisdiction of the District as shown on the most recent equalized assessment roll;
- (iii) Changes, if any, in the operation of Fresno County's Teeter Plan affecting the District;
- (iv) Property tax collection delinquencies for the District for the most recently completed Fiscal Year, if the District is no longer a participant in Fresno County's Teeter Plan;
- (v) The top twenty secured property taxpayers in the District as shown on the most recent equalized assessment roll; and
- (vi) In addition to any of the information expressly required to be provided under paragraphs (i) through (v), 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.

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

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.

- (8) Certificate 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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, the notice of Listed Event described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Bond Resolution.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a certificate call), (a)(10), (a)(13), (a)(14) , and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Lease Payments relating to the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

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

officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(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 such Agent, with or without appointing a successor Dissemination Agent.

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

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

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

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

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

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

Section 10. Additional Information. Nothing in this Disclosure Certificate prevents 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, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution or the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 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: _____, 2019

CLOVIS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Clovis Unified School District
Name of Bond Issue: \$_____ Clovis Unified School District (Fresno County, California) 2019 Refunding General Obligation Bonds (Federally Taxable)
Date of Issuance: _____, 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 _____, 2019. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT

By: _____

Its: _____

APPENDIX F

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. 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. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. 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.

11. 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.

12. 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G
FRESNO COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

**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

TABLE OF CONTENTS

	Page
1.0 PURPOSE	4
2.0 SCOPE	4
3.0 OBJECTIVE	4
3.1 LEGALITY	
3.2 SAFETY	
3.3 LIQUIDITY	
3.4 RETURN ON INVESTMENT	
3.5 LOCAL COMMUNITY REINVESTMENT	
4.0 DELEGATION OF AUTHORITY	5
5.0 ETHICS AND CONFLICT OF INTEREST	6
6.0 PRUDENCE	6
7.0 BORROWING FOR PURPOSES OF MAKING INVESTMENTS	6
8.0 AUTHORIZED INVESTMENTS AND LIMITS	6
8.1 UNITED STATES TREASURY BILLS, NOTES, CERTIFICATES OF INDEBTEDNESS	
8.2 FEDERAL AGENCY SECURITIES	
8.3 BANKERS ACCEPTANCES	
8.4 COMMERCIAL PAPER	
8.5 NEGOTIABLE CERTIFICATES OF DEPOSIT	
8.6 NON-NEGOTIABLE TIME CERTIFICATES OF DEPOSIT	
8.6.1 CERTIFICATES OF DEPOSIT USING A PRIVATE SECTOR ENTITY THAT ASSISTS IN THE PLACEMENT OF CERTIFICATES OF DEPOSIT (PRIVATE PLACEMENT)	
8.7 REPURCHASE AGREEMENTS	
8.8 MEDIUM-TERM NOTES	
8.9 LOCAL AGENCY INVESTMENT FUND	
8.10 MUTUAL FUNDS	

8.11	MORTGAGE-BACKED SECURITIES	
8.12	BOND PROCEEDS	
8.13	EXTERNAL INVESTMENT MANAGERS	
8.14	STATE OF CALIFORNIA DEBT	
9.0	SELECTION OF INVESTMENTS	11
10.0	DIVERSIFICATION	11
11.0	MAXIMUM MATURITIES.....	11
12.0	SELLING SECURITIES PRIOR TO MATURITY	12
13.0	AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS	12
14.0	CONFIRMATION.....	13
15.0	SAFEKEEPING AND CUSTODY	13
16.0	PERFORMANCE STANDARDS	13
16.1	MARKET YIELD BENCHMARK	
17.0	ADMINISTRATIVE COST OF INVESTING.....	13
18.0	CREDIT OF INTEREST EARNINGS	13
19.0	LOCAL AGENCY DEPOSIT OF EXCESS FUNDS.....	14
20.0	WITHDRAWAL OF FUNDS FROM THE TREASURY POOL.....	14
21.0	REPORTING	15
22.0	INTERNAL CONTROL.....	15
23.0	INVESTMENT POLICY REVIEW.....	15
24.0	DISASTER/BUSINESS CONTINUITY PLAN	16
	APPENDIX A.....	17
	APPENDIX B	19
	APPENDIX C	21

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, CPA
Auditor-Controller/Treasurer-Tax Collector

12-4-18
Date

APPENDIX A

<u>Permitted Investments/Deposits</u>	<u>Government Code Limits %</u>	<u>Investment Policy Limits %</u>	<u>Investment Policy Term Limit</u>	<u>Minimum Rating</u>
Securities of the U.S. Government	No Limit	No Limit	5 years	N/A
Securities issued by United States Government Sponsored Enterprises	No Limit	No Limit	5 years	N/A
Bankers Acceptances (1)	40%	40%	180 days	N/A
Commercial Paper	40%	40%	270 days	P-1, A-1
Negotiable Certificates of Deposit (2)	30%	30%	13 months	P-1, or A-1 or 4 Star
Non-negotiable Certificates of Deposit (2)	No Limit	50%	13 months	P-1 or A-1 or 4 Star
Account Registry Service Deposits (2)	30%	15%	13 months	N/A
Repurchase Agreements	No Limit	15%	Overnight/Weekend	N/A
Medium Term Notes	30%	30%	5 years	A
LAIF (3)	No Limit	10%	5 years	N/A
Mutual Funds (4)	20%	20%	5 years	AAA,Aaa
Mortgage-Backed Securities	20%	10%	5 years	AA
State of California Debt	No Limit	10%	5 years	N/A

APPENDIX A
(Continued)

- (1) Investment policy limits any investment in bankers acceptances to the top 150 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

<u>RATING SERVICE</u>	<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Moody's	Aaa	Best Quality
	Aa	High Quality
	A	Upper-medium grade
	Baa	Medium grade obligations
	Ba	Judged to have speculative elements
	B	Lack characteristics of desirable investment
	Caa	Investment in poor standing
	Ca	Speculative in a high degree
	C	Poor prospect of attaining investment standing
	Moody's Modifiers	1,2,and 3
Moody's Commercial Paper	Prime-1	Superior ability for repayment
	Prime-2	Strong ability for repayment
	Prime-3	Acceptable ability for repayment
	Not Prime	Do not fall in top 3 rating categories
Standard & Poors	AAA	Highest Rating
	AA	Strong capacity for repayment
	A	Strong capacity for repayment but less than AA category
	BBB	Adequate capacity for repayment
	BB	Speculative
	B	Greater vulnerability to default than BB category
	CCC	Identifiable vulnerability to default
	CC	Subordinated debt of issues ranked in CCC category
	C	Subordinated debt of issues ranked in CCC category
	Cl	Income bonds where no interest is paid
	D	Default
Standard & Poors – Modifiers	(+) or (-)	Rankings within rating category
Standard & Poors – Commercial	A-1	Highest degree of safety
	A-2	Timely repayment characteristics is satisfactory
	A-3	Adequate capacity for repayment
	B	Speculative
	C	Doubtful repayment
	D	Default

APPENDIX B

(Continued)

RATING SUMMARY

<u>RATING SERVICE</u>		<u>RATING CATEGORY</u>	<u>RATING DEFINITION</u>
Fitch		AAA	Highest credit quality
		AA	Very high credit quality
		A	High credit quality
		BBB	Good credit quality
		BB	Speculative
		B	High speculative
		CCC, CC, C	High default risk
		DDD, DD, D	Default
Fitch	Modifiers	“+” or “-”	Relative status within rating categories
Fitch	Commercial Paper	F1	Highest credit quality
		F2	Good credit quality
		F3	Fair credit quality
		B	Speculative
		C	High default risk
		D	Default
Bauer		5 Star	Superior
		4 Star	Excellent
		3 ½ Star	Good
		3 Star	Adequate
		2 Star	Problematic
		1 Star	Troubled
		Zero	Our lowest star rating

APPENDIX C

Glossary of Cash Management Terms

The following is a glossary of key investing terms, many of which appear in County of Fresno Treasury Investment Policy. This glossary has been adapted from the Government Finance Officers Association (GFOA) sample investment policy.

Accrued Interest - The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization - The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life - The average length of time that an issue of serial bonds term bonds, or both, with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance – A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C
(Continued)

Certificate of Deposit (CD) – A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) – A private CD placement service that allows local agencies to purchase more than \$100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating 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.) $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit – CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to \$100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C
(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C
(Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



Quarterly Investment Report

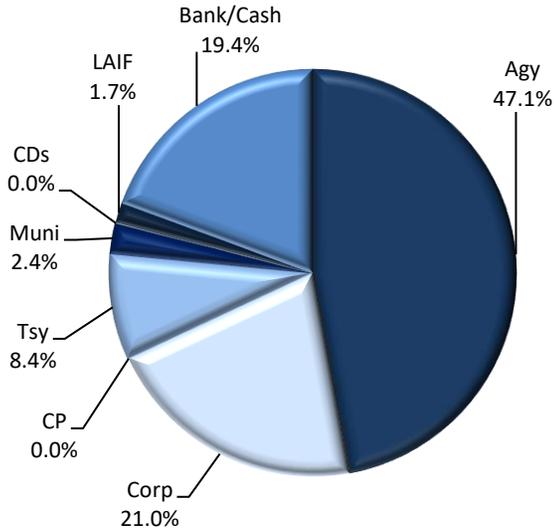
As of June 30, 2019

Table of Contents

Portfolio Summary	1
Portfolio Compliance	2
Holdings Allocation by Issuer	11
Portfolio Statistics & Projected Cash Flows	15
Pool Participant Breakdown	16
Holdings Report	17
Quarterly Economic and Market Update	34

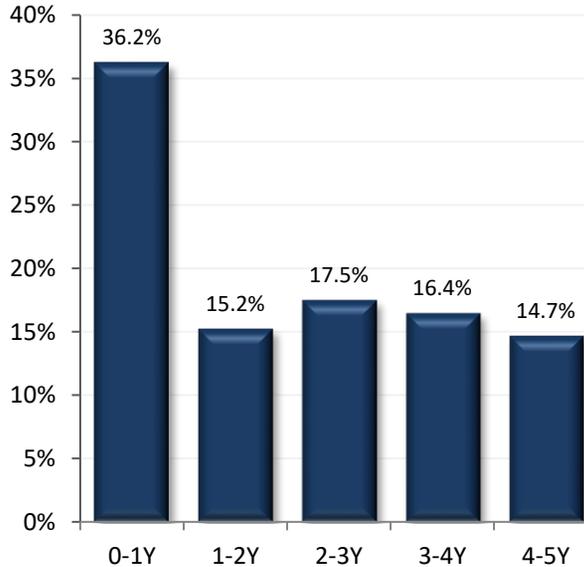
Board of Supervisors: Buddy Mendes, Brian Pacheco, Nathan Magsig, Sal Quintero, Steve Brandau
County Administrative Officer: Jean Rousseau

SECTOR ALLOCATION



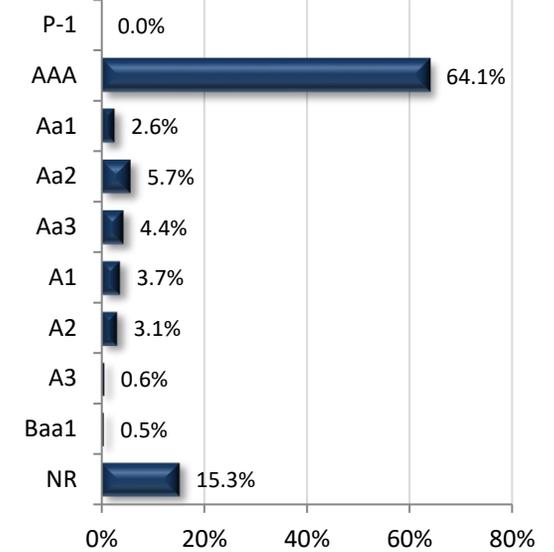
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



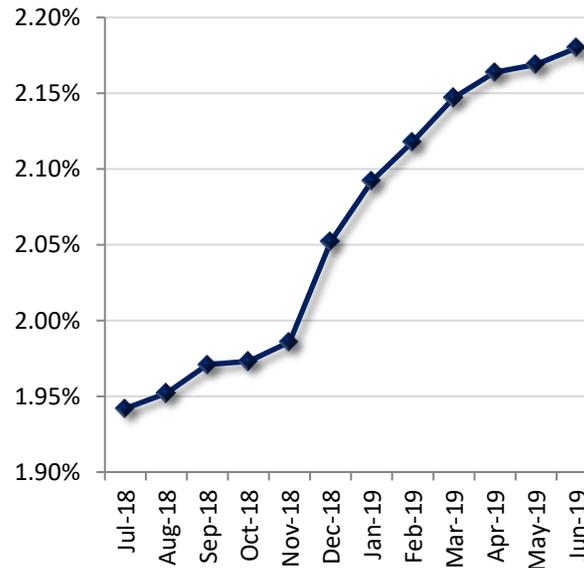
NR: Not Rated

ACCOUNT SUMMARY

	6/30/19	3/31/19
Market Value	\$3,922,607,201	\$3,849,252,349
Book Value*	\$3,895,135,225	\$3,857,429,169
Unrealized G/L	\$27,471,976	-\$8,176,821
Par Value	\$3,896,188,366	\$3,859,822,014
Net Asset Value	\$100.705	\$99.788
Book Yield	2.18%	2.15%
Years to Maturity	1.97	2.06
Effective Duration	1.95	1.97

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
FEDERAL HOME LOAN BANK	19.5%
FEDERAL NATIONAL MORTGAGE	13.5%
FEDERAL FARM CREDIT BANK	10.5%
BANK OF THE WEST MM	10.3%
US TREASURY NOTE	8.3%
FIDELITY 2642	5.8%
FEDERAL HOME MORTGAGE CO	3.6%
JP MORGAN	3.2%
MICROSOFT	2.7%
US BANK NA	2.7%
APPLE INC	2.6%
STATE OF CALIFORNIA	2.4%
BANK OF THE WEST	2.0%
TOYOTA MOTOR CREDIT	1.9%
WELLS FARGO	1.9%

Per Book Value

Item / Sector	Parameters	In Compliance	
11.0 Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3.5 years.	Yes	1.97 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	8.4%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	47.1%
8.3 Banker Acceptances	40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.	Yes	0.0%
8.4 Commercial Paper	40% limit, corporation organized and operating in the US with total assets of \$500mm. 10% of issuer's CP / 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.	Yes	0.0%
8.5 Negotiable CDs	30% limit (combined with 8.6.1), Issued by national or state chartered bank or savings assoc., or a state licensed branch of a foreign bank that is among 150 largest banks in total asset size; minimum short-term rating of P-1 or A-1 or issuer meets rating requirements; 5% in any one issuer, max maturity 13 months.	Yes	0.0%
8.6 Non-Negotiable CDs	50% limit, Issued by national or state chartered bank or savings association. FDIC insurance OR full collateralization of 110% government or 150% mortgages. Contract for Deposit in place. 15% in any one issuer; short-term rating is a minimum of A-1 by S&P or P-1 by Moody's, max maturity 13 months.	Yes	0.0%
8.6.1 Placement CDs	15% limit (30% combined with 8.5), Issued by national or state chartered bank or savings association or credit union that uses a placement entity. Deposit Placement Agreement in place.	Yes	0.0%
8.7 Repurchase Agreements	15% limit, Tri-party agreement in place. 102% collateralization of US treasuries or agencies, BAs, CP, Negotiable CD's; Overnight or weekend maturities.	Yes	0.0%
8.8 Medium-Term Notes	30% limit, organized and operating in the US or state licensed depository institution; max maturity 5 years; rated A or better by S&P, or its equivalent or better by a nationally recognized rating service.	Yes	21.0%
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	5.8%
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	2.4%
Cash & Bank Account	NA	NA	13.6%

Compliance

The Treasury Investment Pool is in compliance with the County of Fresno Treasury Investment Pool Investment Policy. The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

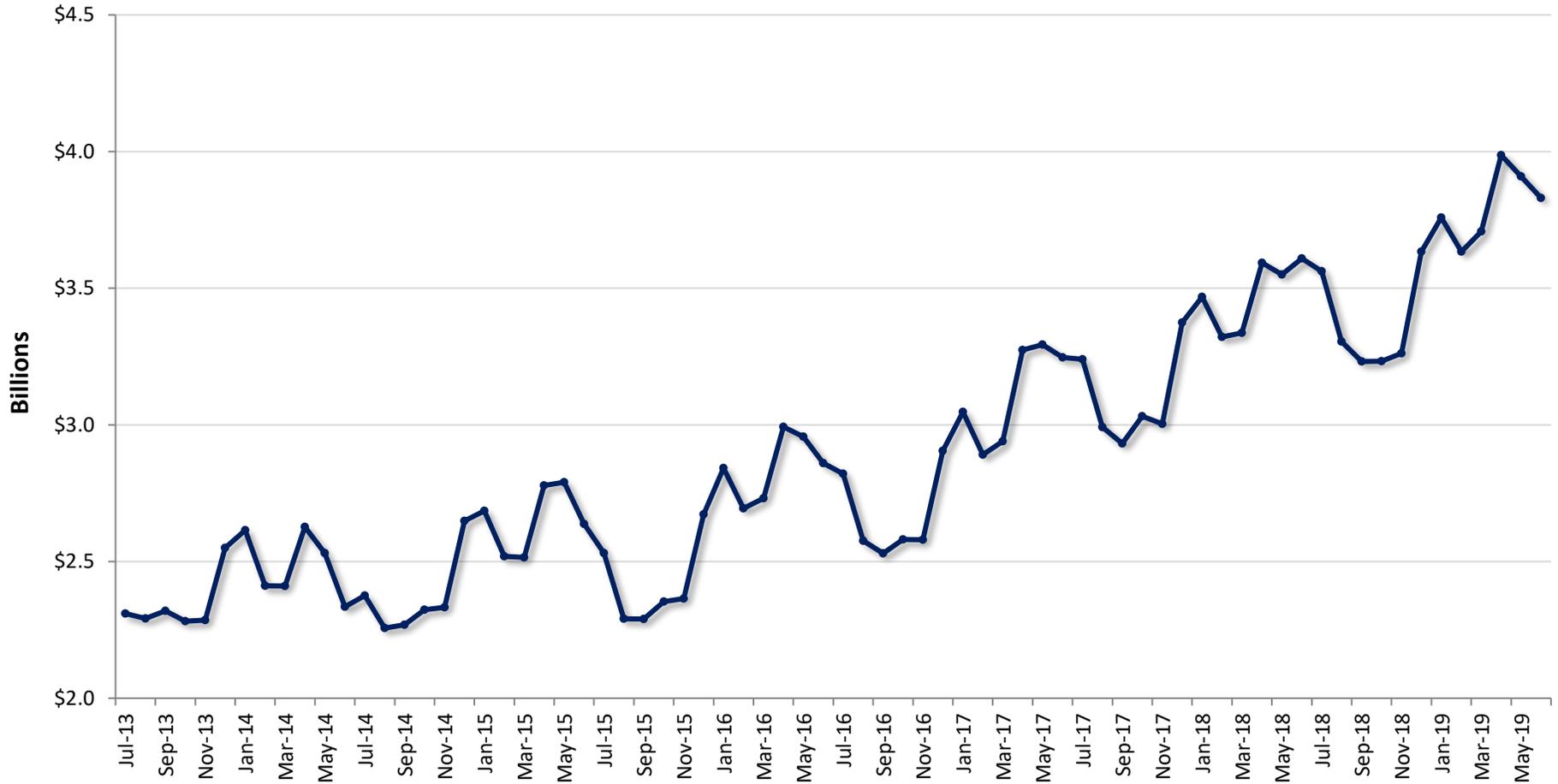
Review and Monitoring

FTN Financial Main Street Advisors, the County’s investment advisor, currently monitors the Treasury Department’s investment activities.

Additional Information

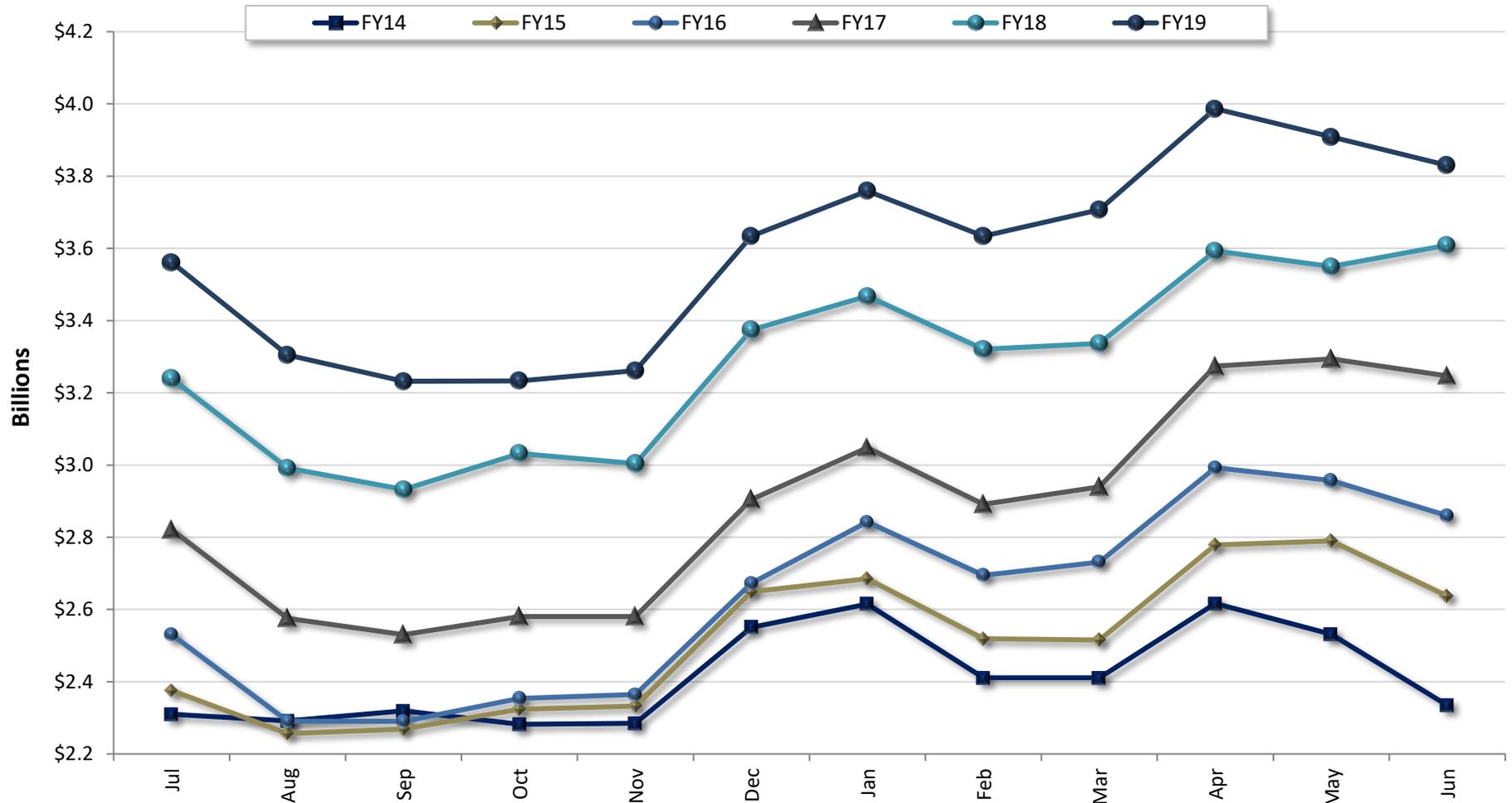
Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Interactive Data Corporation.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	\$2.310	\$2.291	\$2.319	\$2.282	\$2.285	\$2.551	\$2.615	\$2.411	\$2.411	\$2.617	\$2.531	\$2.335
Fiscal Year 2015	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
Fiscal Year 2016	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
Fiscal Year 2017	\$2.822	\$2.576	\$2.530	\$2.581	\$2.580	\$2.905	\$3.048	\$2.891	\$2.940	\$3.274	\$3.294	\$3.247
Fiscal Year 2018	\$3.240	\$2.992	\$2.932	\$3.032	\$3.004	\$3.374	\$3.468	\$3.321	\$3.337	\$3.593	\$3.550	\$3.609
Fiscal Year 2019	\$3.562	\$3.305	\$3.232	\$3.233	\$3.262	\$3.634	\$3.759	\$3.634	\$3.707	\$3.987	\$3.909	\$3.830

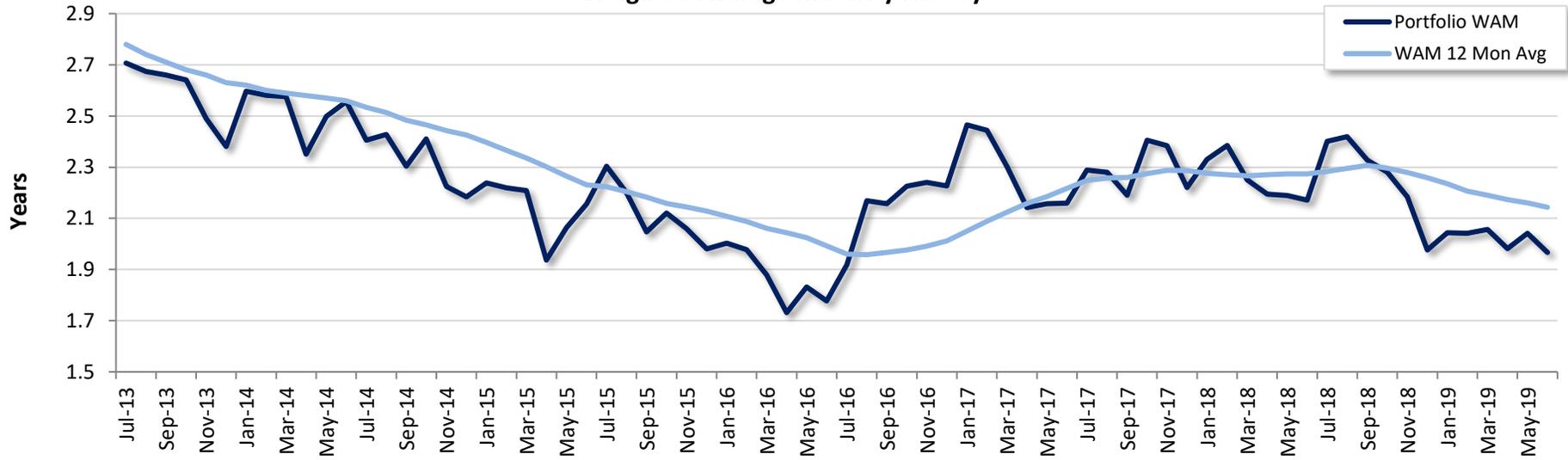
Figures in Billions, Average Daily Balance



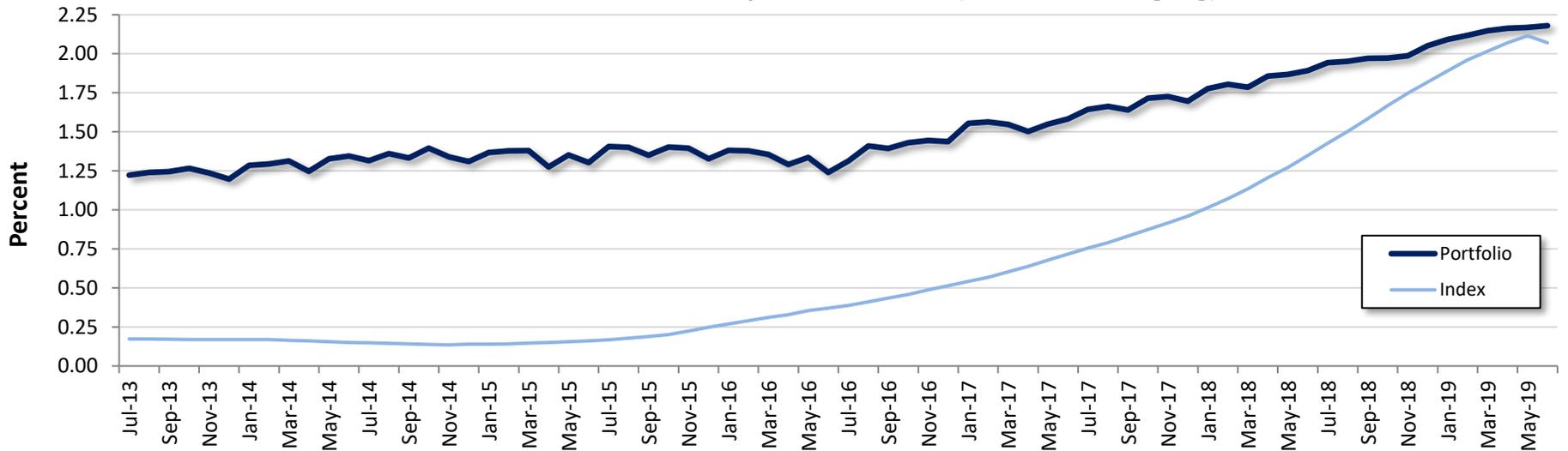
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	\$2.310	\$2.291	\$2.319	\$2.282	\$2.285	\$2.551	\$2.615	\$2.411	\$2.411	\$2.617	\$2.531	\$2.335
Fiscal Year 2015	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
Fiscal Year 2016	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
Fiscal Year 2017	\$2.822	\$2.576	\$2.530	\$2.581	\$2.580	\$2.905	\$3.048	\$2.891	\$2.940	\$3.274	\$3.294	\$3.247
Fiscal Year 2018	\$3.240	\$2.992	\$2.932	\$3.032	\$3.004	\$3.374	\$3.468	\$3.321	\$3.337	\$3.593	\$3.550	\$3.609
Fiscal Year 2019	\$3.562	\$3.305	\$3.232	\$3.233	\$3.262	\$3.634	\$3.759	\$3.634	\$3.707	\$3.987	\$3.909	\$3.830

Figures in Billions, Average Daily Balance

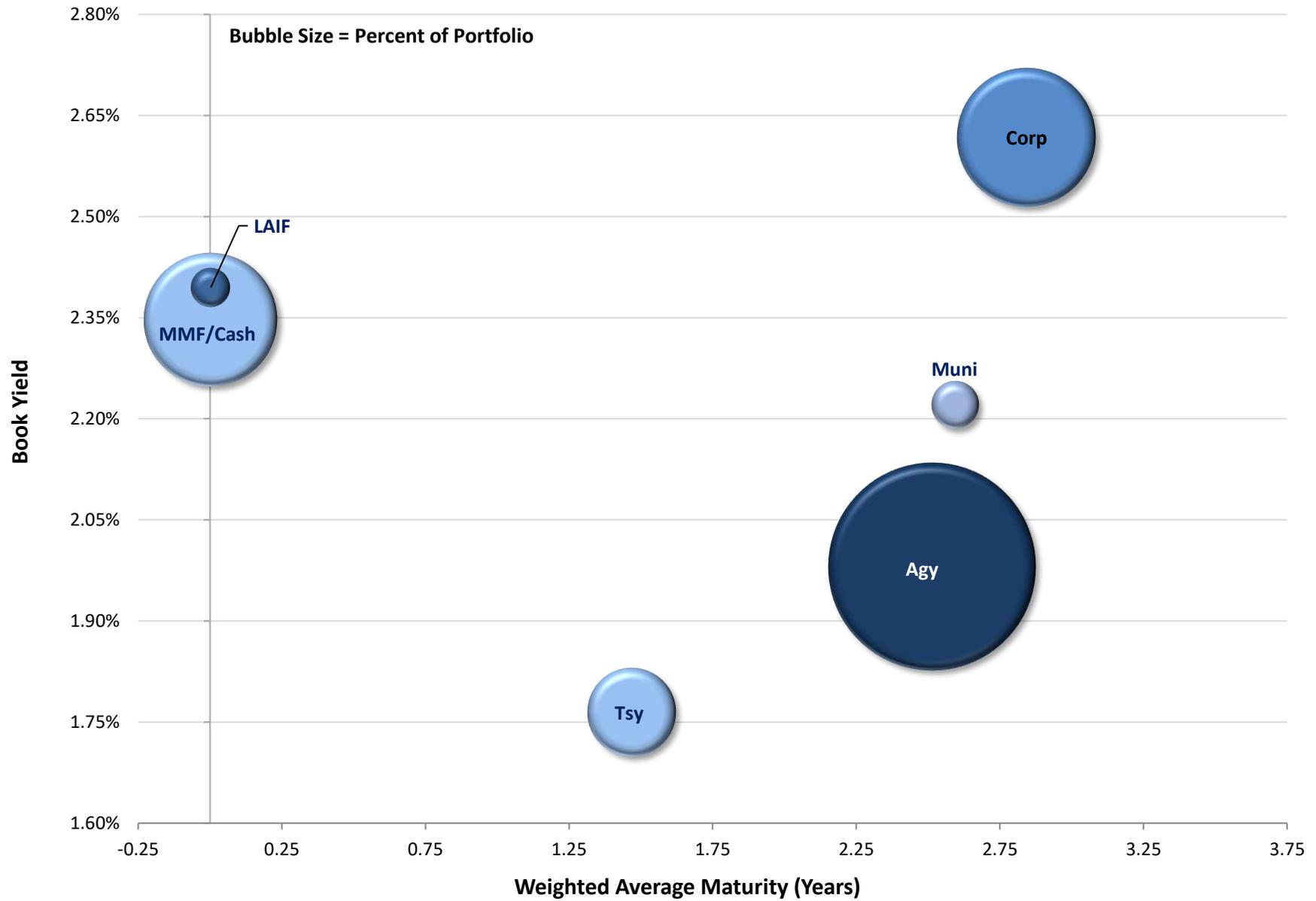
Weighted Average Maturity History



Month-End Book Yield vs 1-Year Treasury Note Index Yield (24 month moving avg)

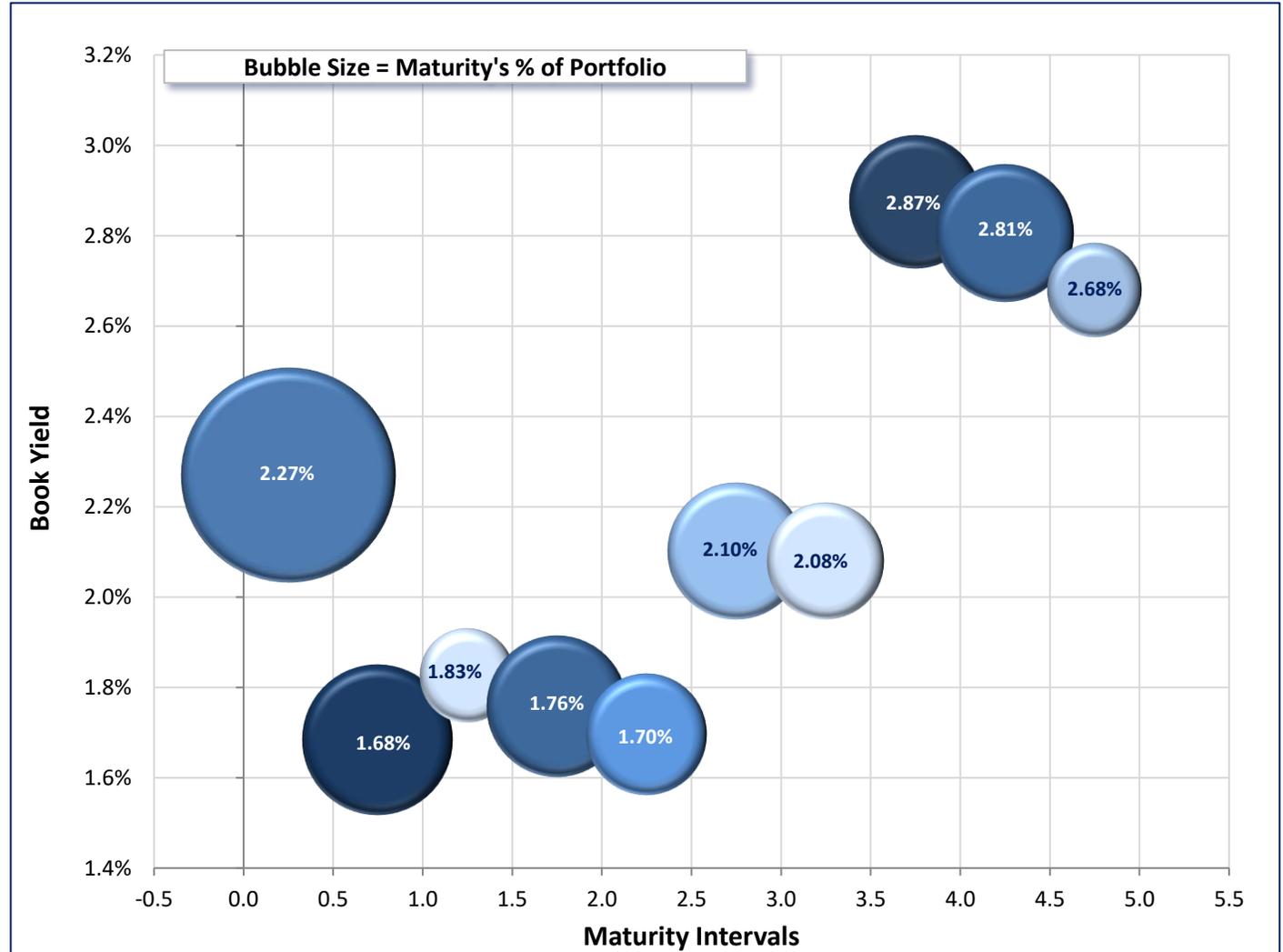


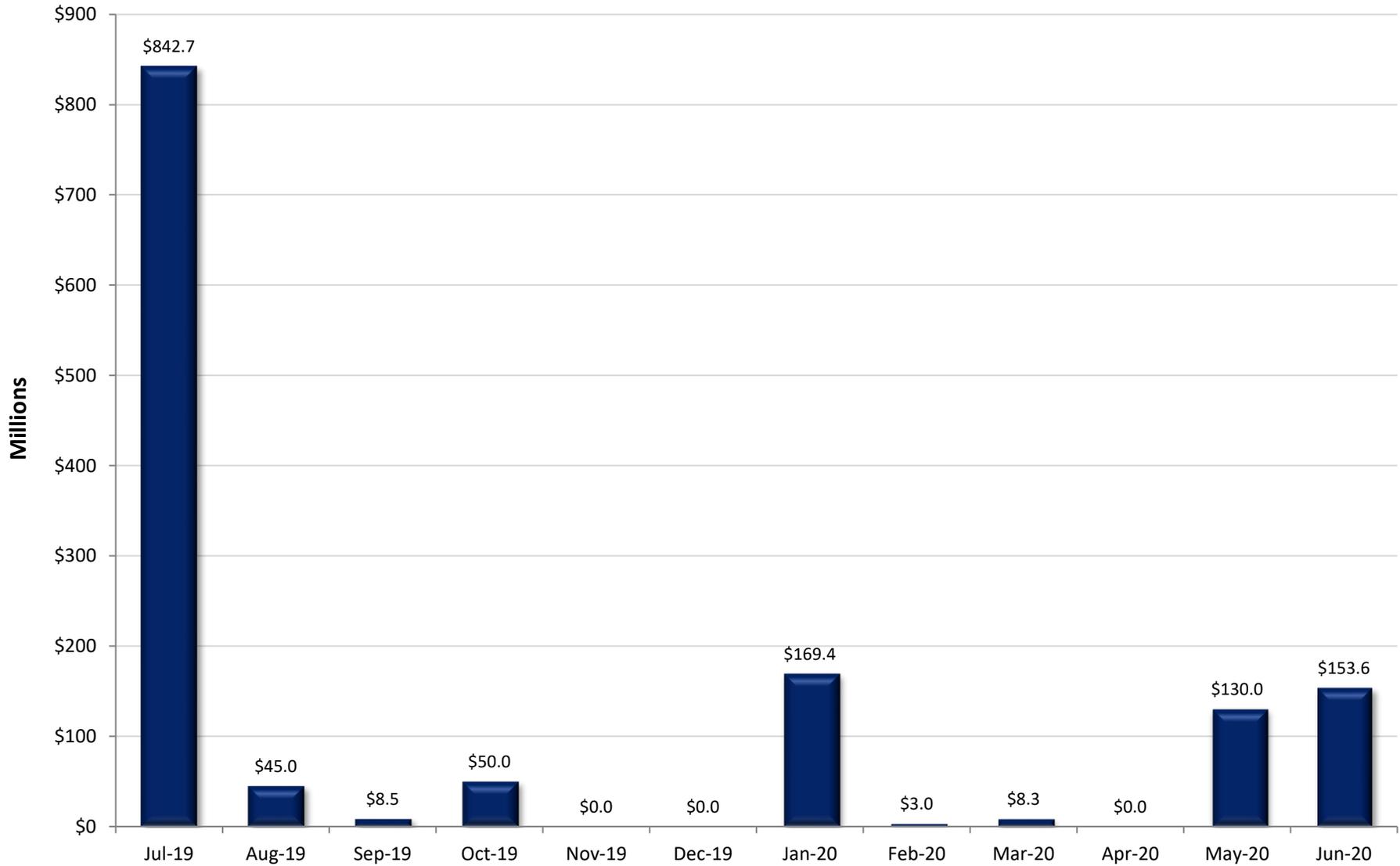
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



Years	Book Yield	% of Portfolio*
0 to .5	2.27%	24.29%
.5 to 1.0	1.68%	11.93%
1.0 to 1.5	1.83%	4.65%
1.5 to 2.0	1.76%	10.43%
2.0 to 2.5	1.70%	7.68%
2.5 to 3.0	2.10%	9.91%
3.0 to 3.5	2.08%	7.14%
3.5 to 4.0	2.87%	9.29%
4.0 to 4.5	2.81%	9.99%
4.5 to 5.0+	2.68%	4.68%

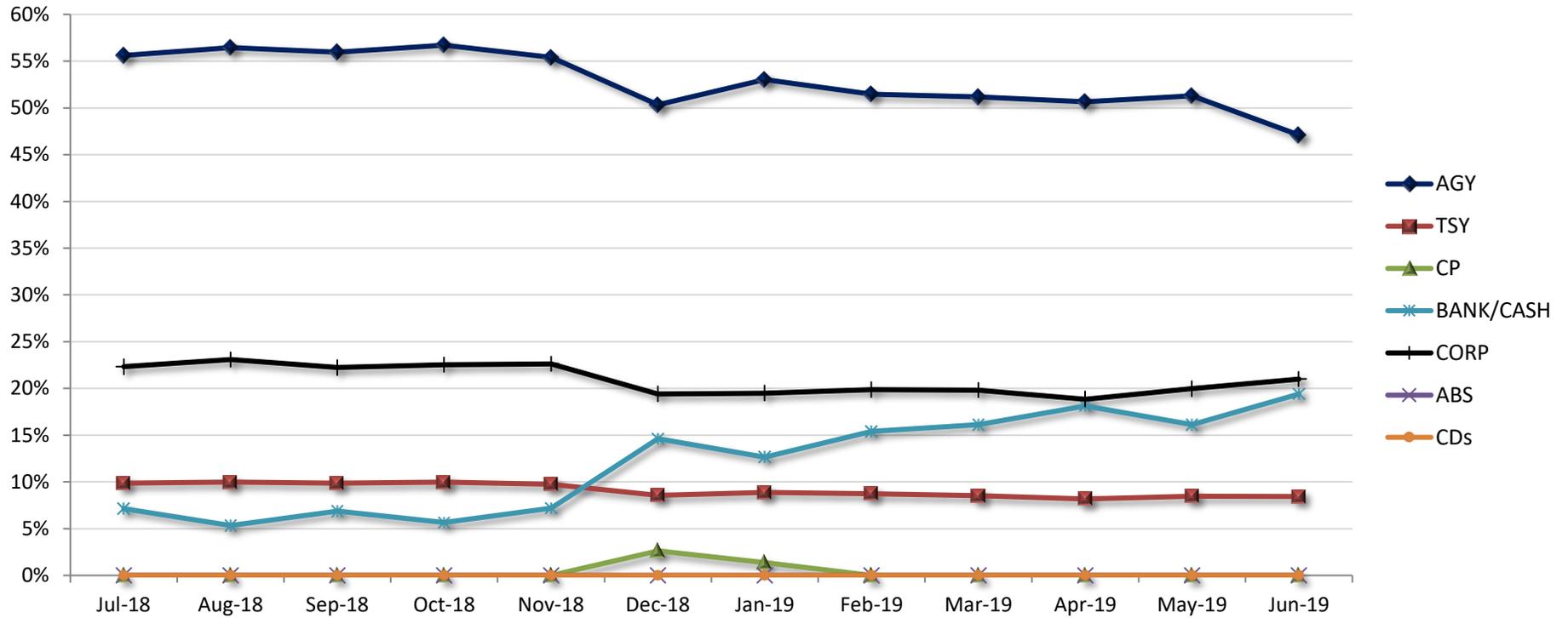
*Based on Book Value



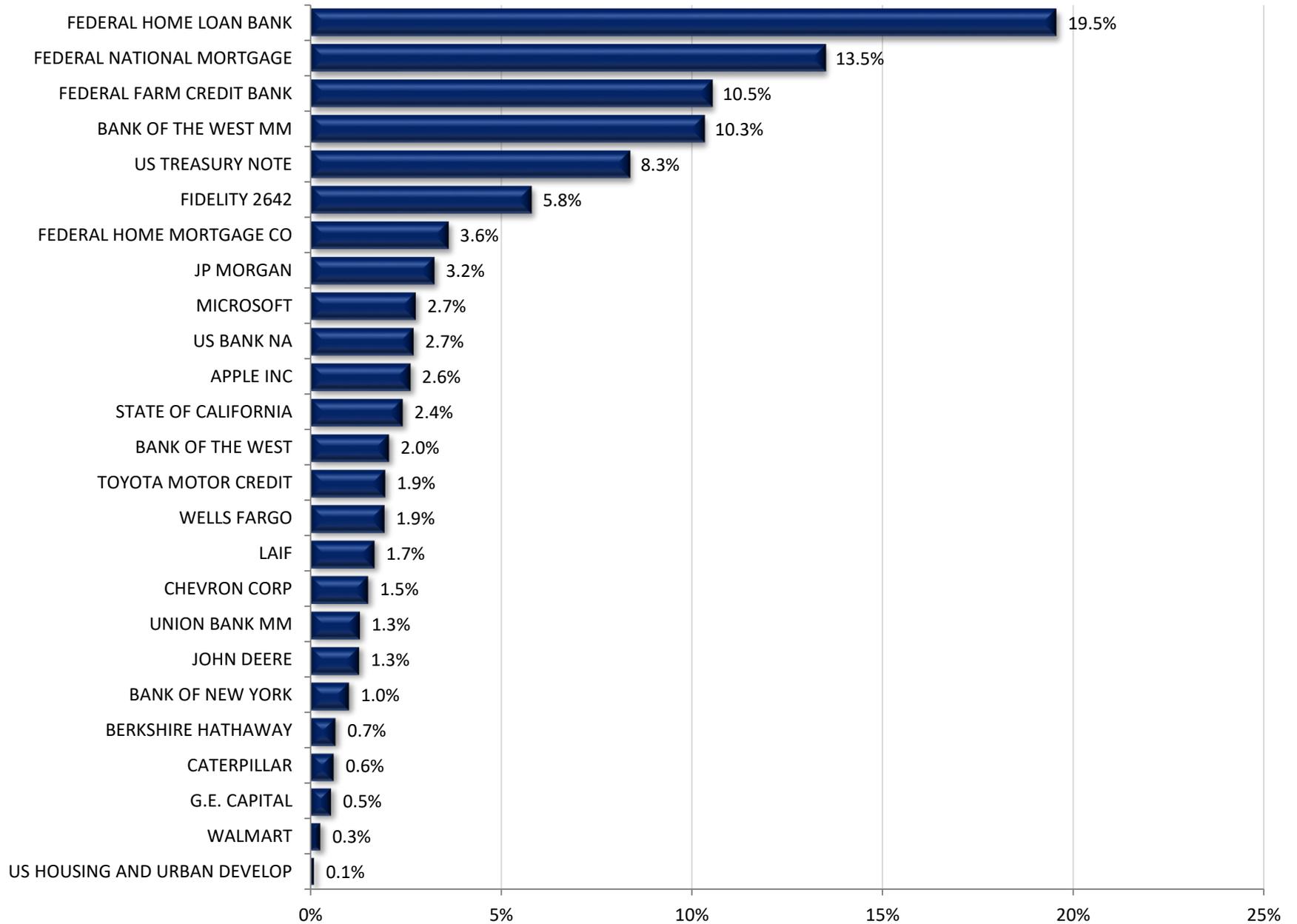


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Maturities	\$842.7	\$45.0	\$8.5	\$50.0	\$0.0	\$0.0	\$169.4	\$3.0	\$8.3	\$0.0	\$130.0	\$153.6

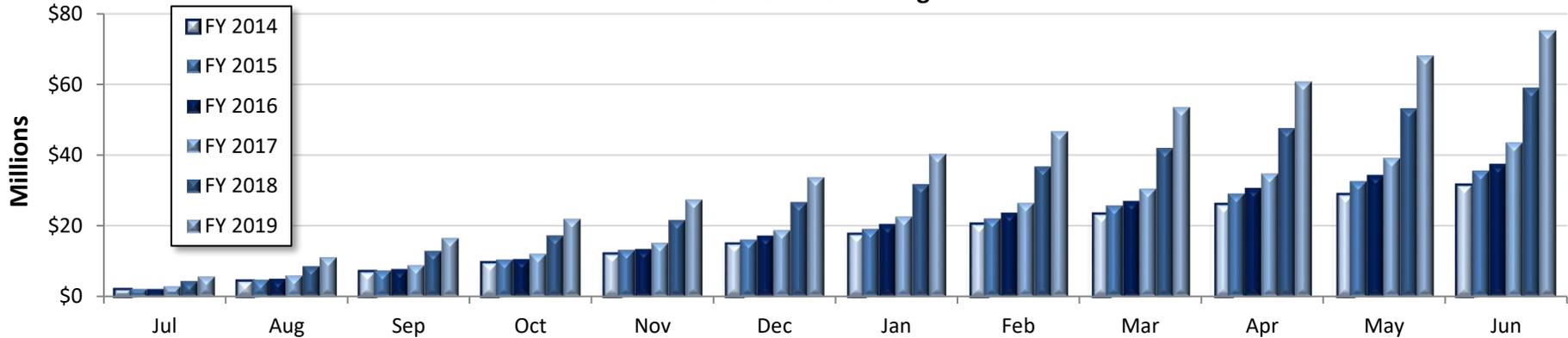
Par Value in Millions



Sector	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Agency	55.6%	56.4%	56.0%	56.7%	55.4%	50.3%	53.0%	51.5%	51.2%	50.7%	51.3%	47.1%
Treasury	9.9%	10.0%	9.9%	10.0%	9.7%	8.6%	8.9%	8.7%	8.5%	8.2%	8.5%	8.4%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
LAIF	2.0%	2.0%	2.0%	2.0%	1.9%	1.7%	1.8%	1.7%	1.7%	1.6%	1.7%	1.7%
Muni	3.1%	3.2%	3.1%	3.2%	3.1%	2.7%	2.8%	2.8%	2.7%	2.6%	2.4%	2.4%
Corporates	22.3%	23.1%	22.2%	22.5%	22.6%	19.4%	19.5%	19.9%	19.8%	18.8%	20.0%	21.0%
CDs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	7.2%	5.3%	6.9%	5.6%	7.2%	14.6%	12.6%	15.4%	16.1%	18.1%	16.1%	19.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

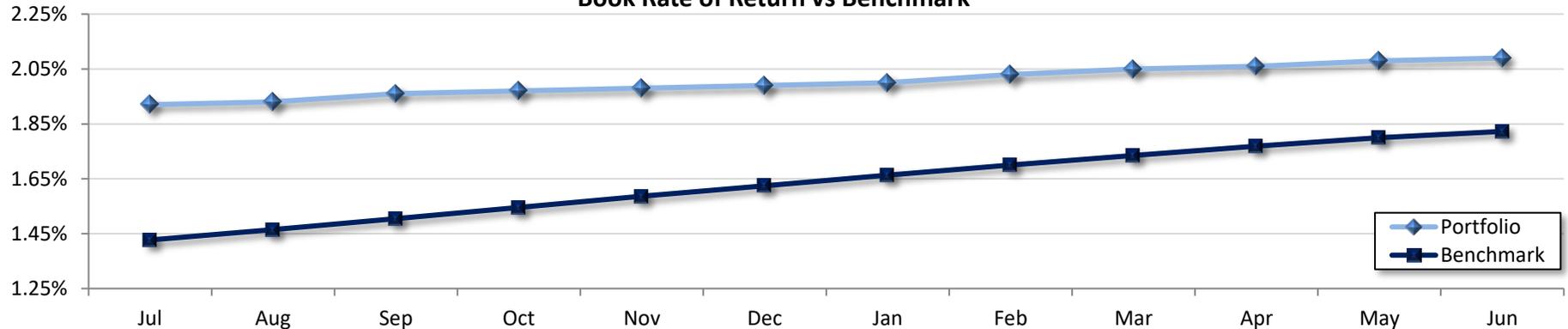


Fiscal Year-to-Date Earnings



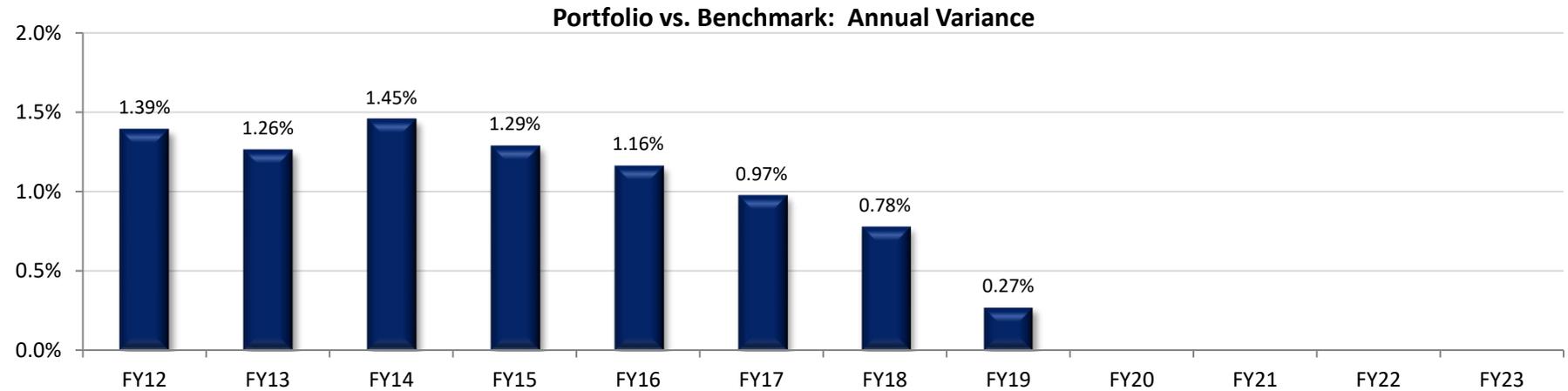
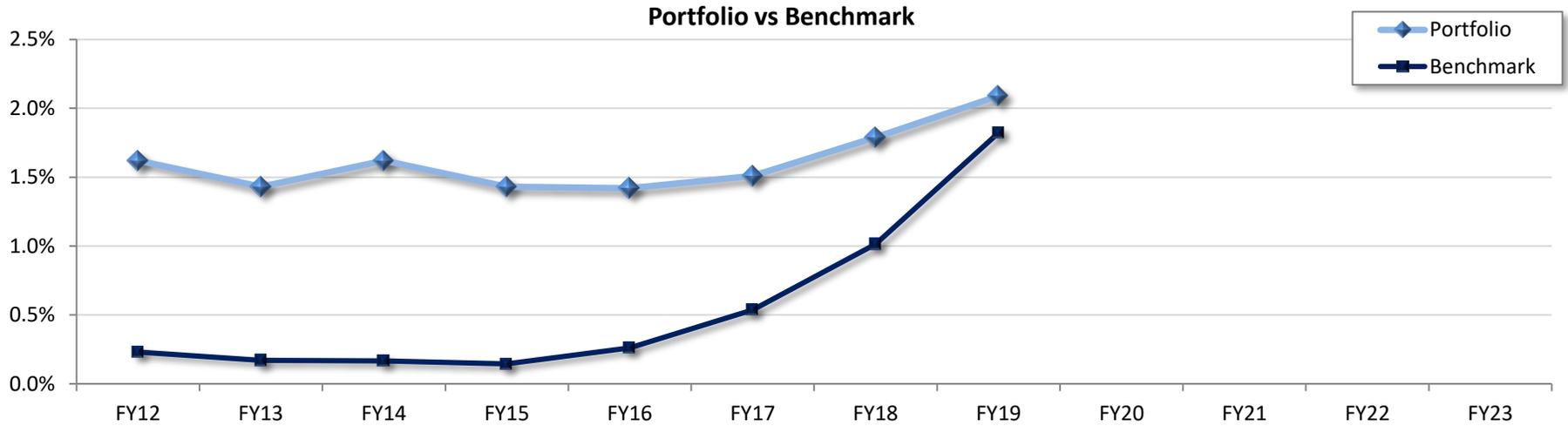
Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	\$2.3	\$4.7	\$7.3	\$9.8	\$12.2	\$15.0	\$17.7	\$20.7	\$23.4	\$26.2	\$29.0	\$31.6
FY 2015	\$2.3	\$4.9	\$7.5	\$10.5	\$13.3	\$16.2	\$19.2	\$22.1	\$25.8	\$29.0	\$32.5	\$35.5
FY 2016	\$2.3	\$5.1	\$7.8	\$10.6	\$13.4	\$17.2	\$20.5	\$23.7	\$26.9	\$30.5	\$34.2	\$37.3
FY 2017	\$3.0	\$6.0	\$9.0	\$12.1	\$15.3	\$18.9	\$22.7	\$26.5	\$30.5	\$34.8	\$39.2	\$43.5
FY 2018	\$4.5	\$8.7	\$12.9	\$17.3	\$21.6	\$26.7	\$31.7	\$36.7	\$41.9	\$47.4	\$53.0	\$58.8
FY 2019	\$5.8	\$11.3	\$16.7	\$22.1	\$27.5	\$33.8	\$40.4	\$46.7	\$53.5	\$60.7	\$68.0	\$75.1

Book Rate of Return vs Benchmark



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%	2.00%	2.03%	2.05%	2.06%	2.08%	2.09%
Benchmark*	1.43%	1.46%	1.50%	1.55%	1.59%	1.62%	1.66%	1.70%	1.74%	1.77%	1.80%	1.82%
Variance	0.49%	0.47%	0.46%	0.42%	0.39%	0.37%	0.34%	0.33%	0.31%	0.29%	0.28%	0.27%

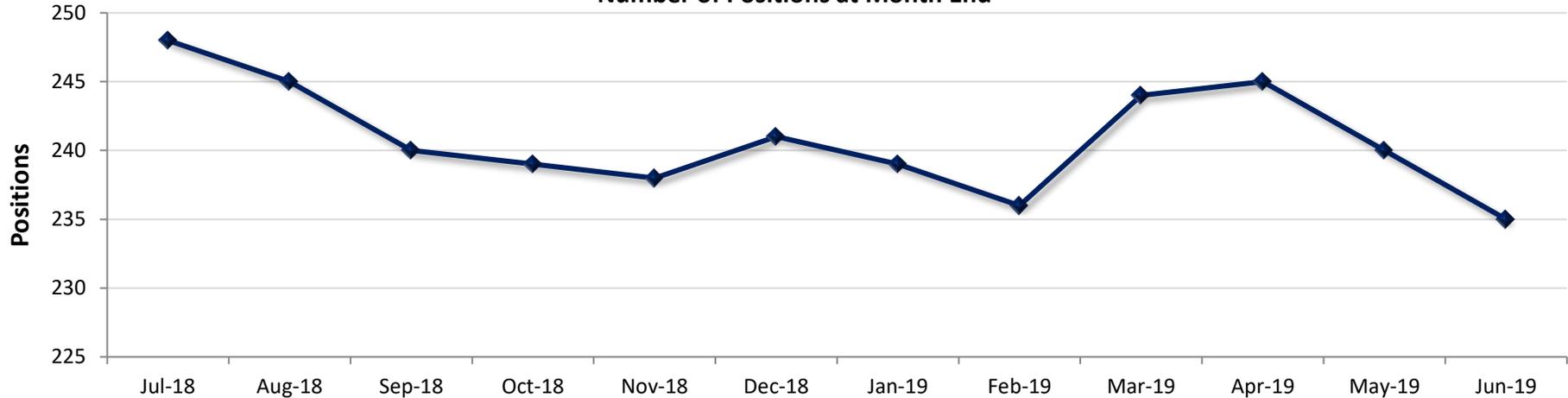
*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period



Fiscal YTD	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Portfolio	1.62%	1.43%	1.62%	1.43%	1.42%	1.51%	1.79%	2.09%				
Benchmark*	0.23%	0.17%	0.17%	0.14%	0.26%	0.54%	1.01%	1.82%				
Variance	1.39%	1.26%	1.45%	1.29%	1.16%	0.97%	0.78%	0.27%				

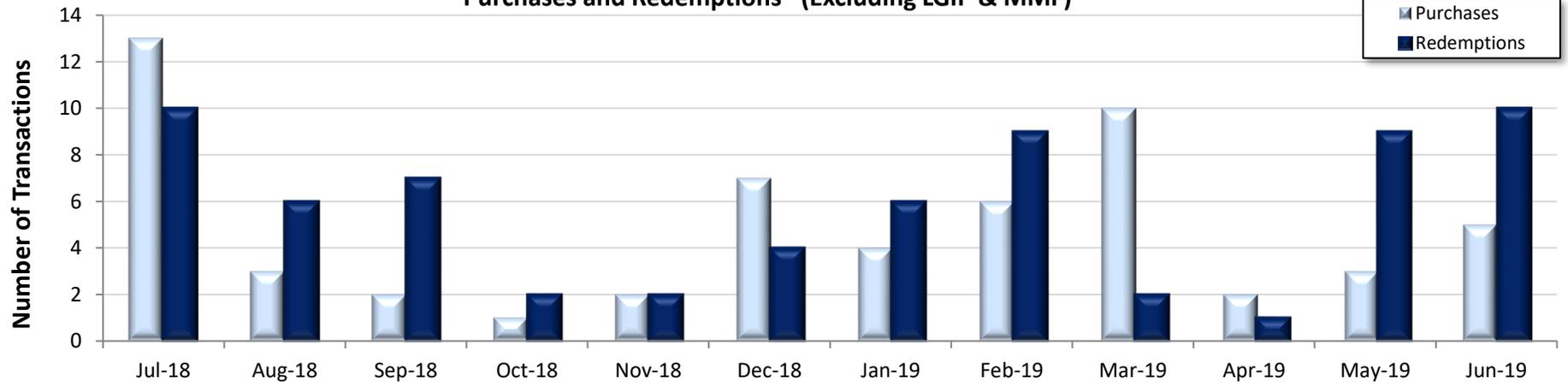
*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period

Number of Positions at Month End



	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Positions	248	245	240	239	238	241	239	236	244	245	240	235

Purchases and Redemptions* (Excluding LGIP & MMF)



*Redemptions include maturities, calls, and sells

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Purchases	13	3	2	1	2	7	4	6	10	2	3	5
Redemptions	10	6	7	2	2	4	6	9	2	1	9	10
Total Transactions	23	9	9	3	4	11	10	15	12	3	12	15

Summary of Portfolio

	June 2019	March 2019	December 2018	September 2018	June 2018
Market Value	\$3,922,607,201	\$3,849,252,349	\$3,770,988,770	\$3,263,439,272	\$3,602,167,778
Amortize Cost Value	\$3,895,135,225	\$3,857,429,169	\$3,808,681,373	\$3,325,605,518	\$3,657,258,602
Unrealized Gain/Loss % on cost	0.71%	-0.21%	-0.99%	-1.87%	-1.51%
Yield (weighted on cost value)	2.18%	2.15%	2.05%	1.97%	1.89%
Years to Maturity (weighted on cost value)	1.97	2.06	1.98	2.33	2.17
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

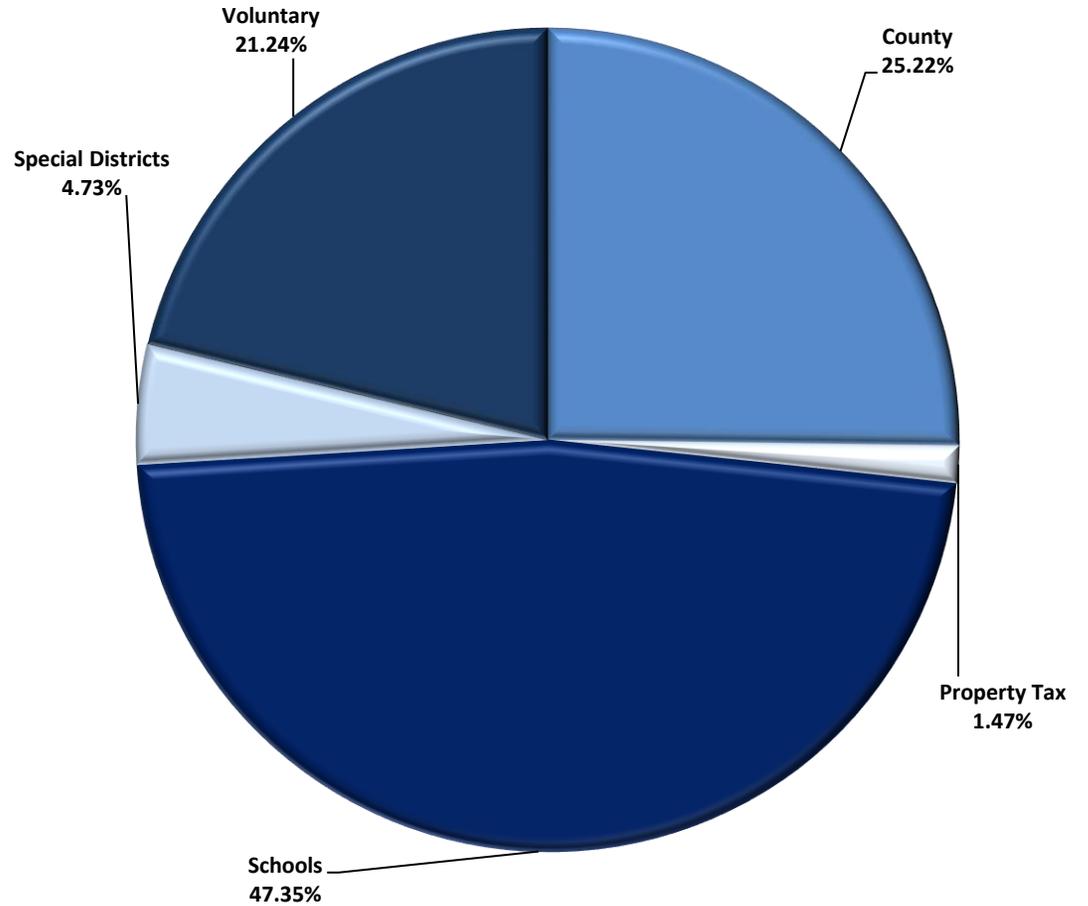
Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					820.6
7/19	307.7	643.1	-335.4	22.1	507.3
8/19	308.4	429.9	-121.5	45.0	430.8
9/19	443.9	398.3	45.6	8.5	484.9
10/19	385.4	443.8	-58.4	50.0	476.5
11/19	466.7	417.8	48.9	0.0	525.4
12/19	708.6	406.0	302.6	0.0	828.0
Totals	2,620.7	2,738.9	-118.2	125.6	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.

Entity	Portfolio \$	Portfolio %
County	995,431,099	25.22%
Property Tax	57,979,587	1.47%
Schools	1,869,247,427	47.35%
Special Districts	186,691,191	4.73%
Voluntary	838,300,613	21.24%
Total	3,947,649,917	100.00%





**County of Fresno
Portfolio Management
Portfolio Summary
June 30, 2019**

Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Bank Accounts	79,745,627.43	79,745,627.43	79,745,627.43	2.05	1	1	1.509
Federal Agency Coupons	1,833,909,000.00	1,851,515,788.89	1,834,615,908.78	47.10	1,720	917	1.981
Medium Term Notes	819,590,000.00	827,121,067.52	817,380,699.13	20.98	1,650	1,038	2.617
Treasury Notes	328,500,000.00	328,592,168.50	328,610,914.18	8.44	1,459	536	1.764
Mutual Funds	225,000,000.00	225,000,000.00	225,000,000.00	5.78	1	1	2.278
Local Agency Investment Funds	65,000,000.00	65,000,000.00	65,000,000.00	1.67	1	1	2.395
Bank Money Market Accounts	450,943,738.88	450,943,738.88	450,943,738.88	11.58	1	1	2.529
Municipal Bonds	93,500,000.00	94,688,810.00	93,838,337.09	2.41	1,578	947	2.220
Investments	3,896,188,366.31	3,922,607,201.22	3,895,135,225.49	100.00%	1,318	718	2.180

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	7,063,608.12	75,098,231.86	75,098,231.86
Average Daily Balance	3,830,195,850.33	3,587,438,087.52	
Effective Rate of Return	2.24%	2.09%	

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 06/01/2019-06/30/2019

Run Date: 07/15/2019 - 16:29

Portfolio FSNO
AC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

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			79,745,627.43	79,745,627.43	79,745,627.43	1.530	1.530		
Subtotal and Average			21,449,620.45		79,745,627.43	79,745,627.43	79,745,627.43		1.530		
Federal Agency Coupons											
3133EEW55	17316	FEDERAL FARM CREDIT BANK		06/15/2015	10,000,000.00	9,968,690.00	9,992,101.38	1.800	1.887	AA+ Aaa	06/15/2020
3133EFYZ4	17359	FEDERAL FARM CREDIT BANK		02/29/2016	17,800,000.00	17,674,136.20	17,783,183.71	1.375	1.436	AA+ Aaa	02/10/2021
3133EFW52	17383	FEDERAL FARM CREDIT BANK		06/09/2016	2,060,000.00	2,060,000.00	2,060,000.00	1.150	1.051	AA+ Aaa	07/01/2019
3133EGYQ2	17410	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,910,410.00	9,987,463.87	1.400	1.457	AA+ Aaa	10/14/2021
3133EGZJ7	17411	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,903,300.00	9,981,738.28	1.375	1.457	AA+ Aaa	10/25/2021
3133EG5D3	17447	FEDERAL FARM CREDIT BANK		01/27/2017	50,000,000.00	50,282,400.00	50,000,000.00	2.030	2.030	AA+ Aaa	01/27/2022
3133EHJT1	17479	FEDERAL FARM CREDIT BANK		05/18/2017	5,000,000.00	5,025,485.00	4,996,716.17	2.000	2.024	AA+ Aaa	05/18/2022
3133EEY20	17495	FEDERAL FARM CREDIT BANK		09/21/2017	10,000,000.00	10,166,170.00	10,132,968.82	2.400	1.928	AA+ Aaa	06/17/2022
3133EHVS9	17499	FEDERAL FARM CREDIT BANK		09/28/2017	5,500,000.00	5,501,105.50	5,478,306.01	1.840	1.972	AA+ Aaa	08/23/2022
3133EJBP3	17535	FEDERAL FARM CREDIT BANK		02/07/2018	10,000,000.00	10,213,780.00	9,969,023.19	2.500	2.593	AA+ Aaa	02/02/2023
3133EJBP3	17536	FEDERAL FARM CREDIT BANK		02/28/2018	51,180,000.00	52,274,126.04	50,732,756.96	2.500	2.762	AA+ Aaa	02/02/2023
3133EH7F4	17557	FEDERAL FARM CREDIT BANK		04/19/2018	19,869,000.00	20,189,725.40	19,575,794.65	2.350	2.797	AA+ Aaa	01/17/2023
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	20,756,740.00	19,997,896.89	2.875	2.878	AA+ Aaa	07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	31,135,110.00	29,921,756.25	2.875	2.945	AA+ Aaa	07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	10,378,370.00	9,942,212.38	2.875	3.029	AA+ Aaa	07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	17,768,009.00	17,196,547.06	3.080	2.775	AA+ Aaa	07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	3,020,105.67	2,921,103.05	2.875	2.774	AA+ Aaa	07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	67,155,140.00	64,957,697.05	2.770	2.787	AA+ Aaa	07/28/2023
3133EJUS6	17615	FEDERAL FARM CREDIT BANK		01/18/2019	20,000,000.00	20,756,740.00	20,149,985.11	2.875	2.679	AA+ Aaa	07/17/2023
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	3,031,073.52	2,952,996.58	2.650	2.583	AA+ Aaa	10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	20,644,540.00	20,018,629.23	2.610	2.590	AA+ Aaa	02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	20,644,540.00	19,990,869.04	2.610	2.627	AA+ Aaa	02/27/2024
313383HU8	17315	FEDERAL HOME LOAN BANK		06/12/2015	20,000,000.00	19,949,600.00	19,999,818.13	1.750	1.751	AA+ Aaa	06/12/2020
313383HU8	17317	FEDERAL HOME LOAN BANK		06/26/2015	12,615,000.00	12,583,210.20	12,606,348.40	1.750	1.826	AA+ Aaa	06/12/2020
3130A7CV5	17363	FEDERAL HOME LOAN BANK		03/03/2016	5,000,000.00	4,963,290.00	4,988,182.72	1.375	1.526	AA+ Aaa	02/18/2021
313376XN0	17364	FEDERAL HOME LOAN BANK		03/03/2016	820,000.00	822,870.00	826,877.19	2.100	1.554	AA+ Aaa	02/08/2021
3130A7CV5	17371	FEDERAL HOME LOAN BANK		04/21/2016	10,000,000.00	9,926,580.00	9,995,573.00	1.375	1.403	AA+ Aaa	02/18/2021
313381CA1	17372	FEDERAL HOME LOAN BANK		04/21/2016	5,000,000.00	4,960,825.00	5,000,411.02	1.375	1.369	AA+ Aaa	12/11/2020
3130A7CV5	17376	FEDERAL HOME LOAN BANK		05/20/2016	5,000,000.00	4,963,290.00	4,992,765.60	1.375	1.467	AA+ Aaa	02/18/2021
3130A7CV5	17379	FEDERAL HOME LOAN BANK		05/25/2016	10,000,000.00	9,926,580.00	9,981,779.91	1.375	1.491	AA+ Aaa	02/18/2021
3130A1W95	17386	FEDERAL HOME LOAN BANK		07/15/2016	30,000,000.00	30,220,680.00	30,564,027.18	2.250	1.250	AA+ Aaa	06/11/2021

Portfolio FSNO
AC
PM (PRF_PM2) 7.3.0

County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019

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											
3130A7CV5	17388	FEDERAL HOME LOAN BANK		08/08/2016	10,000,000.00	9,926,580.00	10,031,820.44	1.375	1.174	AA+ Aaa	02/18/2021
3130A8QS5	17389	FEDERAL HOME LOAN BANK		08/08/2016	15,000,000.00	14,813,070.00	14,964,835.81	1.125	1.244	AA+ Aaa	07/14/2021
313379RB7	17392	FEDERAL HOME LOAN BANK		08/17/2016	10,000,000.00	10,002,650.00	10,106,673.70	1.875	1.307	AA+ Aaa	06/11/2021
3130A8QS5	17399	FEDERAL HOME LOAN BANK		08/29/2016	3,955,000.00	3,905,712.79	3,939,935.03	1.125	1.319	AA+ Aaa	07/14/2021
3130A8QS5	17400	FEDERAL HOME LOAN BANK		09/13/2016	15,000,000.00	14,813,070.00	14,939,233.84	1.125	1.331	AA+ Aaa	07/14/2021
3130A8QS5	17403	FEDERAL HOME LOAN BANK		09/28/2016	10,000,000.00	9,875,380.00	9,977,317.43	1.125	1.240	AA+ Aaa	07/14/2021
3133752P1	17405	FEDERAL HOME LOAN BANK		10/05/2016	5,700,000.00	5,890,476.90	5,946,669.18	3.500	1.342	AA+ Aaa	07/29/2021
3130A8QS5	17408	FEDERAL HOME LOAN BANK		10/13/2016	10,000,000.00	9,875,380.00	9,942,032.59	1.125	1.420	AA+ Aaa	07/14/2021
3130A8QS5	17414	FEDERAL HOME LOAN BANK		11/14/2016	10,000,000.00	9,875,380.00	9,920,683.29	1.125	1.530	AA+ Aaa	07/14/2021
3130A1W95	17420	FEDERAL HOME LOAN BANK		11/29/2016	18,470,000.00	18,605,865.32	18,610,935.61	2.250	1.839	AA+ Aaa	06/11/2021
3130A7CV5	17457	FEDERAL HOME LOAN BANK		03/20/2017	20,000,000.00	19,853,160.00	19,846,846.36	1.375	1.864	AA+ Aaa	02/18/2021
3130AAX45	17460	FEDERAL HOME LOAN BANK		03/28/2017	15,000,000.00	14,990,955.00	15,024,354.13	1.875	1.768	AA+ Aaa	01/28/2021
3130A8QS5	17464	FEDERAL HOME LOAN BANK		04/06/2017	20,000,000.00	19,750,760.00	19,733,818.72	1.125	1.807	AA+ Aaa	07/14/2021
3130AB3M6	17465	FEDERAL HOME LOAN BANK		04/10/2017	5,000,000.00	4,998,195.00	5,002,128.62	1.875	1.853	AA+ Aaa	06/30/2021
313379RB7	17466	FEDERAL HOME LOAN BANK		04/11/2017	15,000,000.00	15,003,975.00	15,008,050.00	1.875	1.846	AA+ Aaa	06/11/2021
313379Q69	17485	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,043,505.00	5,032,536.62	2.125	1.892	AA+ Aaa	06/10/2022
313379Q69	17486	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,043,505.00	5,032,566.33	2.125	1.892	AA+ Aaa	06/10/2022
313379Q69	17487	FEDERAL HOME LOAN BANK		06/28/2017	3,820,000.00	3,853,237.82	3,845,300.65	2.125	1.888	AA+ Aaa	06/10/2022
313379Q69	17488	FEDERAL HOME LOAN BANK		07/07/2017	13,470,000.00	13,587,202.47	13,515,779.08	2.125	2.003	AA+ Aaa	06/10/2022
3130AC5A8	17494	FEDERAL HOME LOAN BANK		09/19/2017	10,000,000.00	10,020,680.00	9,986,163.22	1.850	1.896	AA+ Aaa	08/15/2022
3130AC5A8	17496	FEDERAL HOME LOAN BANK		09/27/2017	9,280,000.00	9,299,191.04	9,259,091.09	1.850	1.926	AA+ Aaa	08/15/2022
313379Q69	17498	FEDERAL HOME LOAN BANK		09/27/2017	20,000,000.00	20,174,020.00	20,137,238.39	2.125	1.880	AA+ Aaa	06/10/2022
3130ACKC7	17500	FEDERAL HOME LOAN BANK		10/18/2017	50,000,000.00	50,247,900.00	50,000,000.00	1.950	1.950	AA+ Aaa	07/18/2022
3130ACM27	17502	FEDERAL HOME LOAN BANK		10/12/2017	15,000,000.00	15,073,875.00	14,990,241.66	1.950	1.973	AA+ Aaa	07/11/2022
3130ACM27	17509	FEDERAL HOME LOAN BANK		10/19/2017	4,455,000.00	4,476,940.88	4,448,009.94	1.950	2.005	AA+ Aaa	07/11/2022
3130ACUV4	17512	FEDERAL HOME LOAN BANK		11/30/2017	50,000,000.00	50,429,500.00	50,000,000.00	2.070	2.070	AA+ Aaa	07/29/2022
3130ACUZ5	17513	FEDERAL HOME LOAN BANK		11/24/2017	23,000,000.00	23,176,410.00	22,986,080.46	2.060	2.082	AA+ Aaa	05/24/2022
3130ACYP3	17515	FEDERAL HOME LOAN BANK		12/05/2017	20,000,000.00	20,189,340.00	19,987,987.46	2.100	2.121	AA+ Aaa	07/27/2022
313379Q69	17516	FEDERAL HOME LOAN BANK		12/01/2017	2,000,000.00	2,017,402.00	1,999,550.14	2.125	2.133	AA+ Aaa	06/10/2022
3130ACUV4	17517	FEDERAL HOME LOAN BANK		12/06/2017	8,890,000.00	8,966,365.10	8,865,577.83	2.070	2.165	AA+ Aaa	07/29/2022
313379Q69	17527	FEDERAL HOME LOAN BANK		12/20/2017	1,900,000.00	1,916,531.90	1,894,561.08	2.125	2.228	AA+ Aaa	06/10/2022
3130A5P45	17528	FEDERAL HOME LOAN BANK		12/20/2017	1,925,000.00	1,955,786.53	1,932,892.20	2.375	2.228	AA+ Aaa	06/10/2022
3130ACXH2	17567	FEDERAL HOME LOAN BANK		12/04/2017	25,000,000.00	25,163,875.00	24,945,515.64	2.020	2.099	AA+ Aaa	05/25/2022
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,934,707.30	21,048,515.93	2.760	2.893	AA+ Aaa	05/30/2023
3130AEP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	52,071,550.00	49,980,078.31	2.875	2.886	AA+ Aaa	05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	13,158,187.50	12,666,668.22	3.125	2.774	AA+ Aaa	07/25/2023

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

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											
3130A0F70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,638,710.00	10,266,045.68	3.375	2.730	AA+ Aaa	12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,352,040.00	9,976,438.23	2.640	2.699	AA+ Aaa	10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	5,077,675.62	4,916,350.65	2.640	2.583	AA+ Aaa	10/27/2023
3130AFRW9	17621	FEDERAL HOME LOAN BANK		02/28/2019	20,000,000.00	20,755,040.00	20,098,339.96	2.700	2.574	AA+ Aaa	08/28/2023
3130AFRW9	17623	FEDERAL HOME LOAN BANK		03/01/2019	20,000,000.00	20,755,040.00	20,078,100.19	2.700	2.606	AA+ Aaa	08/28/2023
3130A0F70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,915,355.20	11,668,137.22	3.375	2.373	AA+ Aaa	12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	51,221,600.00	49,964,122.26	2.320	2.337	AA+ Aaa	01/29/2024
3137EADK2	17275	FEDERAL HOME MORTGAGE CO		12/11/2014	15,000,000.00	14,987,430.00	14,995,275.27	1.250	1.644	AA+ Aaa	08/01/2019
3137EADK2	17276	FEDERAL HOME MORTGAGE CO		12/11/2014	20,000,000.00	19,983,240.00	19,993,762.87	1.250	1.640	AA+ Aaa	08/01/2019
3137EADM8	17280	FEDERAL HOME MORTGAGE CO		12/19/2014	20,000,000.00	19,951,500.00	19,975,842.48	1.250	1.750	AA+ Aaa	10/02/2019
3137EADM8	17281	FEDERAL HOME MORTGAGE CO		12/19/2014	20,000,000.00	19,951,500.00	19,975,937.55	1.250	1.748	AA+ Aaa	10/02/2019
3137EADM8	17282	FEDERAL HOME MORTGAGE CO		12/19/2014	10,000,000.00	9,975,750.00	9,987,968.78	1.250	1.748	AA+ Aaa	10/02/2019
3137EADR7	17303	FEDERAL HOME MORTGAGE CO		05/06/2015	10,000,000.00	9,942,900.00	9,979,493.04	1.375	1.632	AA+ Aaa	05/01/2020
3137EADR7	17309	FEDERAL HOME MORTGAGE CO		05/08/2015	10,000,000.00	9,942,900.00	9,978,322.36	1.375	1.647	AA+ Aaa	05/01/2020
3134G44G0	17328	FEDERAL HOME MORTGAGE CO		10/29/2015	5,000,000.00	4,974,820.00	4,998,967.06	1.500	1.524	AA+ Aaa	05/22/2020
3137EAEB1	17391	FEDERAL HOME MORTGAGE CO		08/11/2016	10,000,000.00	9,991,910.00	9,999,703.97	0.875	0.935	AA+ Aaa	07/19/2019
3137EAEBC9	17393	FEDERAL HOME MORTGAGE CO		08/17/2016	10,000,000.00	9,857,840.00	9,959,724.23	1.125	1.322	AA+ Aaa	08/12/2021
3134G9M79	17463	FEDERAL HOME MORTGAGE CO		04/06/2017	4,410,000.00	4,408,848.99	4,409,367.01	1.875	1.882	AA+ Aaa	07/26/2021
3134G9N86	17476	FEDERAL HOME MORTGAGE CO		05/11/2017	6,170,000.00	6,178,496.09	6,166,963.84	1.875	1.900	AA+ Aaa	07/27/2021
3135G0A78	17299	FEDERAL NATIONAL MORTGAGE		03/04/2015	20,000,000.00	19,948,280.00	19,991,804.21	1.625	1.702	AA+ Aaa	01/21/2020
3135G0A78	17307	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	9,974,140.00	10,000,141.76	1.625	1.622	AA+ Aaa	01/21/2020
3135G0A78	17308	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	9,974,140.00	10,000,256.35	1.625	1.620	AA+ Aaa	01/21/2020
3135G0A78	17312	FEDERAL NATIONAL MORTGAGE		06/03/2015	15,000,000.00	14,961,210.00	14,999,188.85	1.625	1.635	AA+ Aaa	01/21/2020
3135G0D75	17327	FEDERAL NATIONAL MORTGAGE		10/29/2015	20,000,000.00	19,897,940.00	19,993,412.19	1.500	1.535	AA+ Aaa	06/22/2020
3135G0A78	17329	FEDERAL NATIONAL MORTGAGE		10/29/2015	10,000,000.00	9,974,140.00	10,009,816.03	1.625	1.442	AA+ Aaa	01/21/2020
3135G0RM7	17330	FEDERAL NATIONAL MORTGAGE		10/30/2015	10,060,000.00	10,026,258.76	10,066,906.86	1.630	1.576	AA+ Aaa	10/30/2020
3135G0D75	17331	FEDERAL NATIONAL MORTGAGE		10/30/2015	5,950,000.00	5,919,637.15	5,946,140.36	1.500	1.569	AA+ Aaa	06/22/2020
3135G0A78	17332	FEDERAL NATIONAL MORTGAGE		11/04/2015	10,000,000.00	9,974,140.00	10,005,405.41	1.625	1.524	AA+ Aaa	01/21/2020
3135G0D75	17333	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,974,485.00	4,994,097.39	1.500	1.626	AA+ Aaa	06/22/2020
3135G0D75	17334	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,974,485.00	4,994,055.31	1.500	1.627	AA+ Aaa	06/22/2020
3135G0A78	17335	FEDERAL NATIONAL MORTGAGE		11/06/2015	10,000,000.00	9,974,140.00	10,001,916.83	1.625	1.589	AA+ Aaa	01/21/2020
3135G0D75	17336	FEDERAL NATIONAL MORTGAGE		11/06/2015	5,000,000.00	4,974,485.00	4,991,646.37	1.500	1.679	AA+ Aaa	06/22/2020
3135G0D75	17338	FEDERAL NATIONAL MORTGAGE		12/17/2015	30,000,000.00	29,846,910.00	29,923,296.24	1.500	1.774	AA+ Aaa	06/22/2020
3135G0D75	17339	FEDERAL NATIONAL MORTGAGE		12/17/2015	20,000,000.00	19,897,940.00	19,945,321.76	1.500	1.793	AA+ Aaa	06/22/2020
3135G0D75	17340	FEDERAL NATIONAL MORTGAGE		12/22/2015	10,000,000.00	9,948,970.00	9,981,115.33	1.500	1.702	AA+ Aaa	06/22/2020
3135G0A78	17341	FEDERAL NATIONAL MORTGAGE		12/22/2015	20,000,000.00	19,948,280.00	20,001,165.42	1.625	1.614	AA+ Aaa	01/21/2020

County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019

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											
3135G0A78	17342	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,974,140.00	10,000,367.85	1.625	1.618	AA+	Aaa 01/21/2020
3135G0D75	17343	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,948,970.00	9,979,620.75	1.500	1.718	AA+	Aaa 06/22/2020
3135G0A78	17344	FEDERAL NATIONAL MORTGAGE		12/23/2015	20,000,000.00	19,948,280.00	20,000,523.16	1.625	1.620	AA+	Aaa 01/21/2020
3135G0H55	17374	FEDERAL NATIONAL MORTGAGE		05/20/2016	10,000,000.00	9,998,440.00	10,065,891.00	1.875	1.417	AA+	Aaa 12/28/2020
3135G0K69	17380	FEDERAL NATIONAL MORTGAGE		05/25/2016	10,000,000.00	9,897,260.00	9,951,598.01	1.250	1.523	AA+	Aaa 05/06/2021
3135G0N82	17396	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,886,480.00	9,991,046.20	1.250	1.294	AA+	Aaa 08/17/2021
3135G0N82	17397	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,886,480.00	9,982,049.55	1.250	1.337	AA+	Aaa 08/17/2021
3135G0N82	17398	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,886,480.00	9,977,893.96	1.250	1.358	AA+	Aaa 08/17/2021
3135G0K69	17402	FEDERAL NATIONAL MORTGAGE		09/28/2016	25,000,000.00	24,743,150.00	25,006,686.00	1.250	1.235	AA+	Aaa 05/06/2021
3135G0Q89	17406	FEDERAL NATIONAL MORTGAGE		10/07/2016	20,000,000.00	19,800,980.00	19,985,130.67	1.375	1.409	AA+	Aaa 10/07/2021
3135G0Q89	17407	FEDERAL NATIONAL MORTGAGE		10/13/2016	10,000,000.00	9,900,490.00	9,973,163.88	1.375	1.498	AA+	Aaa 10/07/2021
3135G0Q89	17409	FEDERAL NATIONAL MORTGAGE		10/27/2016	5,000,000.00	4,950,245.00	4,991,610.79	1.375	1.452	AA+	Aaa 10/07/2021
3135G0K69	17412	FEDERAL NATIONAL MORTGAGE		11/02/2016	10,000,000.00	9,897,260.00	9,976,790.52	1.250	1.380	AA+	Aaa 05/06/2021
3135G0K69	17413	FEDERAL NATIONAL MORTGAGE		11/14/2016	8,000,000.00	7,917,808.00	7,960,694.04	1.250	1.526	AA+	Aaa 05/06/2021
3135G0S38	17440	FEDERAL NATIONAL MORTGAGE		01/09/2017	20,000,000.00	20,104,920.00	19,977,198.66	2.000	2.048	AA+	Aaa 01/05/2022
3135G0S38	17441	FEDERAL NATIONAL MORTGAGE		01/09/2017	10,000,000.00	10,052,460.00	9,988,128.20	2.000	2.050	AA+	Aaa 01/05/2022
3135G0S38	17459	FEDERAL NATIONAL MORTGAGE		03/28/2017	10,000,000.00	10,052,460.00	10,003,527.55	2.000	1.985	AA+	Aaa 01/05/2022
3136G2CS4	17461	FEDERAL NATIONAL MORTGAGE		03/28/2017	5,000,000.00	5,016,895.00	5,001,801.47	2.000	1.985	AA+	Aaa 01/27/2022
3135G0S38	17480	FEDERAL NATIONAL MORTGAGE		06/02/2017	5,000,000.00	5,026,230.00	5,020,124.55	2.000	1.832	AA+	Aaa 01/05/2022
3135G0S38	17481	FEDERAL NATIONAL MORTGAGE		06/12/2017	5,000,000.00	5,026,230.00	5,020,013.56	2.000	1.833	AA+	Aaa 01/05/2022
3135G0T78	17501	FEDERAL NATIONAL MORTGAGE		10/10/2017	20,000,000.00	20,139,960.00	19,985,715.79	2.000	2.023	AA+	Aaa 10/05/2022
3135G0T78	17531	FEDERAL NATIONAL MORTGAGE		01/11/2018	5,000,000.00	5,034,990.00	4,941,830.50	2.000	2.379	AA+	Aaa 10/05/2022
3135G0T94	17533	FEDERAL NATIONAL MORTGAGE		01/23/2018	40,000,000.00	40,786,200.00	39,830,216.70	2.375	2.503	AA+	Aaa 01/19/2023
3135G0U43	17631	FEDERAL NATIONAL MORTGAGE		03/27/2019	20,000,000.00	20,829,860.00	20,524,518.27	2.875	2.245	AA+	Aaa 09/12/2023
Subtotal and Average			1,906,042,677.90		1,833,909,000.00	1,851,515,788.89	1,834,615,908.78		2.009		

Medium Term Notes

037833BD1	17348	APPLE INC		12/28/2015	10,000,000.00	9,988,120.00	9,999,260.84	2.000	2.009	AA+	Aa1 05/06/2020
037833CC2	17425	APPLE INC		12/13/2016	5,000,000.00	4,951,615.00	4,933,171.81	1.550	2.226	AA+	Aa1 08/04/2021
037833BS8	17443	APPLE INC		01/19/2017	10,000,000.00	10,035,720.00	10,000,000.00	2.250	2.250	AA+	Aa1 02/23/2021
037833CM0	17448	APPLE INC		02/21/2017	15,000,000.00	15,180,255.00	14,980,641.95	2.500	2.553	AA+	Aa1 02/09/2022
037833AY6	17470	APPLE INC		04/18/2017	10,000,000.00	10,039,280.00	9,988,854.92	2.150	2.195	AA+	Aa1 02/09/2022
037833CQ1	17475	APPLE INC		05/11/2017	20,000,000.00	20,137,020.00	19,972,533.33	2.300	2.351	AA+	Aa1 05/11/2022
037833BU3	17540	APPLE INC		03/01/2018	10,000,000.00	10,239,870.00	9,928,250.00	2.850	3.064	AA+	Aa1 02/23/2023
037833DE7	17541	APPLE INC		03/01/2018	2,500,000.00	2,521,570.00	2,446,099.73	2.400	3.060	AA+	Aa1 01/13/2023
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	5,049,510.00	4,845,523.11	2.400	3.279	AA+	Aa1 05/03/2023

Portfolio FSNO
AC
PM (PRF_PM2) 7.3.0

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

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											
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	5,049,510.00	4,845,369.56	2.400	3.280	AA+	Aa1 05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	10,099,020.00	9,701,658.48	2.400	3.246	AA+	Aa1 05/03/2023
084670BL1	17264	BERKSHIRE HATHAWAY		10/01/2014	10,000,000.00	9,996,440.00	9,999,151.28	2.100	2.175	AA	Aa2 08/14/2019
084670BF4	17520	BERKSHIRE HATHAWAY		12/14/2017	15,000,000.00	15,599,535.00	15,383,071.84	3.400	2.355	AA	Aa2 01/31/2022
06406HCW7	17266	BANK OF NEW YORK		10/01/2014	8,501,000.00	8,501,229.53	8,499,261.59	2.300	2.412	A	A1 09/11/2019
06406HCZ0	17297	BANK OF NEW YORK		03/04/2015	3,000,000.00	2,996,694.00	3,001,175.41	2.150	2.086	A	A1 02/24/2020
06406HDD8	17347	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,025,890.00	5,009,426.30	2.600	2.422	A	A1 08/17/2020
06406HBP3	17350	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,062,365.00	5,059,356.41	4.600	2.281	A	A1 01/15/2020
06406RAA5	17469	BANK OF NEW YORK		04/18/2017	10,000,000.00	10,100,890.00	10,043,129.62	2.600	2.423	A	A1 02/07/2022
06406FAB9	17490	BANK OF NEW YORK		07/18/2017	7,500,000.00	7,484,865.00	7,468,282.20	2.050	2.291	A	A1 05/03/2021
14912L6J5	17360	CATERPILLAR		03/04/2016	8,278,000.00	8,258,116.24	8,273,445.92	2.000	2.085	A	A3 03/05/2020
14912L6U0	17401	CATERPILLAR		09/16/2016	15,294,000.00	15,133,030.65	15,222,062.51	1.700	1.935	A	A3 08/09/2021
166764AY6	17346	CHEVRON CORP		12/28/2015	10,000,000.00	10,045,800.00	9,993,260.72	2.419	2.471	AA	Aa2 11/17/2020
166764BG4	17471	CHEVRON CORP		04/25/2017	20,000,000.00	20,017,520.00	19,995,657.08	2.100	2.112	AA	Aa2 05/16/2021
166764BK5	17571	CHEVRON CORP		06/08/2018	10,000,000.00	10,155,190.00	9,735,067.69	2.566	3.313	AA	Aa2 05/16/2023
166764BK5	17579	CHEVRON CORP		06/22/2018	5,000,000.00	5,077,595.00	4,876,170.03	2.566	3.262	AA	Aa2 05/16/2023
166764BK5	17585	CHEVRON CORP		07/25/2018	6,288,000.00	6,385,583.47	6,127,260.41	2.566	3.284	AA	Aa2 05/16/2023
166764BK5	17626	CHEVRON CORP		03/04/2019	7,966,000.00	8,089,624.35	7,877,437.52	2.566	2.872	AA	Aa2 05/16/2023
36962G7M0	17296	G.E. CAPITAL		03/04/2015	10,350,000.00	10,322,158.50	10,361,574.44	2.200	1.974	BBB+	Baa1 01/09/2020
36962G5J9	17511	G.E. CAPITAL		11/16/2017	10,000,000.00	10,419,000.00	10,481,199.15	4.650	2.438	BBB+	Baa1 10/17/2021
24422ERY7	17349	JOHN DEERE		12/28/2015	9,000,000.00	8,968,581.00	8,973,348.63	1.700	2.278	A	A2 01/15/2020
24422ETF6	17362	JOHN DEERE		03/04/2016	5,000,000.00	5,029,640.00	5,028,690.84	2.550	2.150	A	A2 01/08/2021
24422ERH4	17427	JOHN DEERE		12/13/2016	8,707,000.00	8,908,096.87	8,842,871.99	3.150	2.423	A	A2 10/15/2021
24422ERT8	17635	JOHN DEERE		05/28/2019	11,125,000.00	11,316,361.13	11,284,376.65	2.800	2.654	A	A2 01/27/2023
24422EUA5	17637	JOHN DEERE		06/06/2019	10,000,000.00	10,188,700.00	10,157,804.65	2.700	2.564	A	A2 01/06/2023
24422EUA5	17638	JOHN DEERE		06/06/2019	5,000,000.00	5,094,350.00	5,079,147.48	2.700	2.562	A	A2 01/06/2023
46625HKA7	17295	JP MORGAN		03/04/2015	10,000,000.00	9,996,940.00	9,994,924.16	2.250	2.346	A-	A2 01/23/2020
46625HNX4	17361	JP MORGAN		03/04/2016	6,181,000.00	6,196,161.99	6,182,658.06	2.550	2.528	A-	A2 10/29/2020
46625HJH4	17559	JP MORGAN		04/26/2018	10,000,000.00	10,261,520.00	9,884,522.64	3.200	3.554	A-	A2 01/25/2023
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	29,820,000.00	30,000,000.00	3.450	3.450	A+	Aa2 07/14/2023
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	30,000,000.00	30,000,000.00	3.050	3.050	A+	Aa2 01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	40,040,000.00	40,000,000.00	2.775	2.775	A+	Aa2 05/15/2024
594918BP8	17394	MICROSOFT		08/22/2016	15,000,000.00	14,872,290.00	14,995,740.29	1.550	1.564	AAA	Aaa 08/08/2021
594918BP8	17424	MICROSOFT		12/13/2016	5,000,000.00	4,957,430.00	4,936,728.36	1.550	2.186	AAA	Aaa 08/08/2021
594918BW3	17449	MICROSOFT		02/21/2017	6,725,000.00	6,795,612.50	6,722,033.95	2.400	2.418	AAA	Aaa 02/06/2022
594918BA1	17450	MICROSOFT		02/21/2017	6,450,000.00	6,515,228.85	6,443,195.17	2.375	2.418	AAA	Aaa 02/12/2022

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

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											
594918BW3	17525	MICROSOFT		12/21/2017	17,375,000.00	17,557,437.50	17,375,000.00	2.400	2.400	AAA	Aaa 02/06/2022
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	10,123,670.00	9,722,090.57	2.375	3.162	AAA	Aaa 05/01/2023
594918BQ6	17616	MICROSOFT		02/07/2019	2,880,000.00	2,874,882.24	2,799,359.63	2.000	2.730	AAA	Aaa 08/08/2023
594918BQ6	17617	MICROSOFT		02/11/2019	20,000,000.00	19,964,460.00	19,468,800.00	2.000	2.696	AAA	Aaa 08/08/2023
594918BQ6	17624	MICROSOFT		03/04/2019	10,000,000.00	9,982,230.00	9,732,202.16	2.000	2.735	AAA	Aaa 08/08/2023
594918BQ6	17625	MICROSOFT		03/04/2019	5,000,000.00	4,991,115.00	4,866,267.87	2.000	2.734	AAA	Aaa 08/08/2023
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	10,361,420.00	10,024,756.94	2.875	2.875	AAA	Aaa 02/06/2024
89236TBP9	17265	TOYOTA MOTOR CREDIT		10/01/2014	10,000,000.00	9,998,970.00	9,999,672.21	2.125	2.198	AA-	Aa3 07/18/2019
89233P7F7	17538	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,064,240.00	4,930,208.63	2.625	3.054	AA-	Aa3 01/10/2023
89236TEL5	17539	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,080,290.00	4,942,363.77	2.700	3.054	AA-	Aa3 01/11/2023
89236TEL5	17542	TOYOTA MOTOR CREDIT		04/02/2018	20,000,000.00	20,321,160.00	19,717,334.50	2.700	3.134	AA-	Aa3 01/11/2023
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,810,878.50	12,189,541.84	3.350	3.472	AA-	Aa3 01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	2,990,298.00	2,902,910.62	2.250	3.063	AA-	Aa3 10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	4,983,830.00	4,937,015.15	2.250	2.627	AA-	Aa3 10/18/2023
89236TFQ3	17639	TOYOTA MOTOR CREDIT		06/10/2019	9,000,000.00	9,123,741.00	9,225,254.74	3.050	2.231	AA-	Aa3 01/08/2021
89236TCZ6	17640	TOYOTA MOTOR CREDIT		06/10/2019	7,000,000.00	6,969,270.00	6,981,432.79	1.900	2.243	AA-	Aa3 04/08/2021
91159HHL7	17395	US BANK NA		08/22/2016	5,000,000.00	5,014,900.00	5,050,641.63	2.350	1.681	A+	A1 01/29/2021
91159HHL7	17426	US BANK NA		12/13/2016	4,634,000.00	4,647,809.32	4,642,448.97	2.350	2.228	A+	A1 01/29/2021
91159HHL7	17431	US BANK NA		12/22/2016	5,000,000.00	5,014,900.00	4,995,271.79	2.350	2.413	A+	A1 01/29/2021
91159HHL7	17432	US BANK NA		12/22/2016	7,522,000.00	7,544,415.56	7,515,462.53	2.350	2.408	A+	A1 01/29/2021
91159HHL7	17458	US BANK NA		03/22/2017	10,000,000.00	10,029,800.00	10,003,644.70	2.350	2.325	A+	A1 01/29/2021
91159HHL7	17482	US BANK NA		06/27/2017	4,803,000.00	4,817,312.94	4,824,176.59	2.350	2.058	A+	A1 01/29/2021
91159HHP8	17483	US BANK NA		06/27/2017	20,000,000.00	20,213,800.00	20,172,719.25	2.625	2.268	A+	A1 01/24/2022
91159JAA4	17529	US BANK NA		12/21/2017	10,004,000.00	10,214,884.32	10,100,262.58	2.950	2.606	A-	A1 07/15/2022
90331HNL3	17534	US BANK NA		01/24/2018	10,000,000.00	10,181,560.00	9,986,816.56	2.850	2.890	AA-	A1 01/23/2023
90331HNL3	17537	US BANK NA		03/01/2018	5,000,000.00	5,090,780.00	4,953,449.28	2.850	3.134	AA-	A1 01/23/2023
90331HNL3	17556	US BANK NA		04/20/2018	10,000,000.00	10,181,560.00	9,896,729.03	2.850	3.164	AA-	A1 01/23/2023
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	10,429,900.00	9,989,590.66	3.400	3.428	AA-	A1 07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,564,485.00	1,497,554.21	3.400	3.444	AA-	A1 07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,303,737.50	1,248,373.54	3.400	3.435	AA-	A1 07/24/2023
931142EK5	17604	WALMART		11/13/2018	10,000,000.00	10,510,280.00	9,958,926.04	3.400	3.512	AA	Aa2 06/26/2023
949746SA0	17445	WELLS FARGO		01/25/2017	10,000,000.00	9,945,790.00	9,860,421.65	2.100	2.823	A-	A2 07/26/2021
949746SA0	17467	WELLS FARGO		04/17/2017	5,000,000.00	4,972,895.00	4,963,984.41	2.100	2.469	A-	A2 07/26/2021
949746SA0	17477	WELLS FARGO		05/15/2017	13,232,000.00	13,160,269.33	13,134,922.13	2.100	2.475	A-	A2 07/26/2021
949746SA0	17491	WELLS FARGO		07/18/2017	12,275,000.00	12,208,457.23	12,197,129.62	2.100	2.424	A-	A2 07/26/2021
95000U2B8	17508	WELLS FARGO		10/20/2017	5,000,000.00	5,036,090.00	4,998,520.85	2.625	2.635	A-	A2 07/22/2022

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

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												
94988J5R4	17591	WELLS FARGO		08/14/2018	10,000,000.00	10,437,420.00	9,986,570.61	3.550	3.586	A+	Aa2	08/14/2023
94988J5R4	17602	WELLS FARGO		11/13/2018	10,000,000.00	10,437,420.00	9,895,132.57	3.550	3.830	A+	Aa2	08/14/2023
94988J5N3	17641	WELLS FARGO		06/13/2019	10,000,000.00	10,040,780.00	10,120,341.79	2.600	2.510	A+	Aa2	01/15/2021
Subtotal and Average			805,907,540.47		819,590,000.00	827,121,067.52	817,380,699.13		2.654			
Treasury Notes												
911759MW5	17630	US HOUSING AND URBAN DEVELOP		03/28/2019	3,500,000.00	3,567,483.50	3,500,000.00	2.618	2.618	AA+	Aaa	08/01/2023
912828ND8	17345	US TREASURY NOTE		12/23/2015	40,000,000.00	40,514,080.00	40,625,764.21	3.500	1.637	AA+	Aaa	05/15/2020
912828XE5	17416	US TREASURY NOTE		11/15/2016	15,000,000.00	14,930,865.00	15,012,448.34	1.500	1.407	AA+	Aaa	05/31/2020
912828XE5	17428	US TREASURY NOTE		12/13/2016	40,000,000.00	39,815,640.00	39,969,379.94	1.500	1.586	AA+	Aaa	05/31/2020
912828N48	17429	US TREASURY NOTE		12/16/2016	40,000,000.00	39,946,880.00	39,902,362.80	1.750	1.919	AA+	Aaa	12/31/2020
912828XM7	17433	US TREASURY NOTE		12/22/2016	40,000,000.00	39,867,200.00	39,950,199.32	1.625	1.744	AA+	Aaa	07/31/2020
912828WN6	17434	US TREASURY NOTE		12/28/2016	40,000,000.00	40,171,880.00	40,003,386.22	2.000	1.995	AA+	Aaa	05/31/2021
912828XM7	17435	US TREASURY NOTE		12/28/2016	40,000,000.00	39,867,200.00	39,941,475.97	1.625	1.765	AA+	Aaa	07/31/2020
912828L65	17436	US TREASURY NOTE		12/28/2016	30,000,000.00	29,807,820.00	29,839,179.80	1.375	1.820	AA+	Aaa	09/30/2020
912828XR6	17497	US TREASURY NOTE		09/27/2017	20,000,000.00	20,013,280.00	19,949,308.00	1.750	1.841	AA+	Aaa	05/31/2022
912828L24	17510	US TREASURY NOTE		10/23/2017	20,000,000.00	20,089,840.00	19,917,409.58	1.875	2.012	AA+	Aaa	08/31/2022
Subtotal and Average			328,625,268.59		328,500,000.00	328,592,168.50	328,610,914.18		1.789			
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			225,000,000.00	225,000,000.00	225,000,000.00	2.310	2.310	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	2.280	2.280	AAA	Aaa	
Subtotal and Average			159,166,666.67		225,000,000.00	225,000,000.00	225,000,000.00		2.310			
Local Agency Investment Funds												
SYS05291	05291	LAIF			65,000,000.00	65,000,000.00	65,000,000.00	2.428	2.428			
Subtotal and Average			65,000,000.00		65,000,000.00	65,000,000.00	65,000,000.00		2.428			
Bank Money Market Accounts												
SYS16800	16800	BANK OF THE WEST MM			400,854,920.36	400,854,920.36	400,854,920.36	2.600	2.600			
SYS16500	16500	UNION BANK MM		09/24/2018	50,088,818.52	50,088,818.52	50,088,818.52	2.280	2.280			
Subtotal and Average			450,159,947.70		450,943,738.88	450,943,738.88	450,943,738.88		2.564			

**County of Fresno
Portfolio Management
Portfolio Details - Investments
June 30, 2019**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Municipal Bonds											
13063DAD0	17472	STATE OF CALIFORNIA		04/27/2017	5,000,000.00	5,057,800.00	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	10,621,380.00	10,531,993.63	2.367	2.249	AA-	Aa3 04/01/2022
13063DAD0	17474	STATE OF CALIFORNIA		05/03/2017	8,000,000.00	8,092,480.00	8,016,709.05	2.367	2.286	AA-	Aa3 04/01/2022
13063DDF2	17504	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,179,700.00	10,091,820.28	2.500	2.200	AA-	Aa3 10/01/2022
13063DDF2	17505	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,179,700.00	10,091,820.28	2.500	2.200	AA-	Aa3 10/01/2022
13063DDE5	17518	STATE OF CALIFORNIA		12/11/2017	25,000,000.00	25,108,500.00	25,075,074.26	2.300	2.051	AA-	Aa3 10/01/2020
13063DDF2	17519	STATE OF CALIFORNIA		12/14/2017	20,000,000.00	20,359,400.00	20,042,274.46	2.500	2.430	AA-	Aa3 10/01/2022
13063DDF2	17532	STATE OF CALIFORNIA		01/16/2018	5,000,000.00	5,089,850.00	4,988,645.13	2.500	2.574	AA-	Aa3 10/01/2022
Subtotal and Average			93,844,128.56		93,500,000.00	94,688,810.00	93,838,337.09		2.251		
Total and Average			3,830,195,850.33		3,896,188,366.31	3,922,607,201.22	3,895,135,225.49		2.210		

**County of Fresno
Portfolio Management
Portfolio Details - Cash
June 30, 2019**

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			3,830,195,850.33		3,896,188,366.31	3,922,607,201.22	3,895,135,225.49		2.210	

County of Fresno
Inventory by Maturity Report
June 30, 2019

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
SYS02642	02642	TREAS	LA1	FIDELITY 2642	07/01/2018	225,000,000.00	2.310		225,000,000.00	1	225,000,000.00	2.278	2.310	1
SYS03400A	03400A	TREAS	PA1	BANK OF THE WEST	07/01/2018	79,745,627.43	1.530		79,745,627.43	1	79,745,627.43	1.509	1.530	1
SYS03400B	03400B	TREAS	PA1	BANK OF AMERICA	07/01/2018	0.00	0.220		0.00	1	0.00	0.217	0.220	1
SYS05291	05291	TREAS	LA5	LAIF	07/01/2018	65,000,000.00	2.428		65,000,000.00	1	65,000,000.00	2.395	2.428	1
SYS05831	05831	TREAS	LA1	FIDELITY 057	07/01/2018	0.00	0.070		0.00	1	0.00	0.069	0.070	1
SYS15497	15497	TREAS	LA1	FIDELITY 2644	07/01/2018	0.00	2.280		0.00	1	0.00	2.249	2.280	1
SYS16450	16450	TREAS	LA1	BLACKROCK LIQUIDITY	07/01/2018	0.00	1.730		0.00	1	0.00	1.706	1.730	1
SYS16500	16500	TREAS	LA3	UNION BANK MM	09/24/2018	50,088,818.52	2.280		50,088,818.52	1	50,088,818.52	2.249	2.280	1
SYS16800	16800	TREAS	LA3	BANK OF THE WEST MM	07/01/2018	400,854,920.36	2.600		400,854,920.36	1	400,854,920.36	2.564	2.600	1
09248U718	9267	TREAS	LA1	BLACKROCK PROVIDENT	07/01/2018	0.00	1.720		0.00	1	0.00	1.696	1.720	1
3133EFW52	17383	TREAS	FAC	FEDERAL FARM CREDIT	06/09/2016	2,060,000.00	1.150	07/01/2019	2,071,845.00	1,117	2,060,000.00	1.037	1.051	0
89236TBP9	17265	TREAS	MTN	TOYOTA MOTOR CREDIT	10/01/2014	9,999,672.21	2.125	07/18/2019	10,000,000.00	1,751	10,000,000.00	2.168	2.198	17
3137EAEB1	17391	TREAS	FAC	FEDERAL HOME	08/11/2016	9,999,703.97	0.875	07/19/2019	10,000,000.00	1,072	10,000,000.00	0.922	0.935	18
3137EADK2	17275	TREAS	FAC	FEDERAL HOME	12/11/2014	14,995,275.27	1.250	08/01/2019	15,000,000.00	1,694	15,000,000.00	1.621	1.644	31
3137EADK2	17276	TREAS	FAC	FEDERAL HOME	12/11/2014	19,993,762.87	1.250	08/01/2019	20,000,000.00	1,694	20,000,000.00	1.618	1.640	31
084670BL1	17264	TREAS	MTN	BERKSHIRE HATHAWAY	10/01/2014	9,999,151.28	2.100	08/14/2019	10,000,000.00	1,778	10,000,000.00	2.145	2.175	44
06406HCW7	17266	TREAS	MTN	BANK OF NEW YORK	10/01/2014	8,499,261.59	2.300	09/11/2019	8,501,000.00	1,806	8,501,000.00	2.379	2.412	72
3137EADM8	17280	TREAS	FAC	FEDERAL HOME	12/19/2014	19,975,842.48	1.250	10/02/2019	20,000,000.00	1,748	20,000,000.00	1.726	1.750	93
3137EADM8	17281	TREAS	FAC	FEDERAL HOME	12/19/2014	19,975,937.55	1.250	10/02/2019	20,000,000.00	1,748	20,000,000.00	1.724	1.748	93
3137EADM8	17282	TREAS	FAC	FEDERAL HOME	12/19/2014	9,987,968.78	1.250	10/02/2019	10,000,000.00	1,748	10,000,000.00	1.724	1.748	93
36962G7M0	17296	TREAS	MTN	G.E. CAPITAL	03/04/2015	10,361,574.44	2.200	01/09/2020	10,350,000.00	1,772	10,350,000.00	1.947	1.974	192
24422ERY7	17349	TREAS	MTN	JOHN DEERE	12/28/2015	8,973,348.63	1.700	01/15/2020	9,000,000.00	1,479	9,000,000.00	2.247	2.278	198
06406HBP3	17350	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,059,356.41	4.600	01/15/2020	5,000,000.00	1,479	5,000,000.00	2.250	2.281	198
3135G0A78	17299	TREAS	FAC	FEDERAL NATIONAL	03/04/2015	19,991,804.21	1.625	01/21/2020	20,000,000.00	1,784	20,000,000.00	1.679	1.702	204
3135G0A78	17307	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,141.76	1.625	01/21/2020	10,000,000.00	1,719	10,000,000.00	1.600	1.622	204
3135G0A78	17308	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,256.35	1.625	01/21/2020	10,000,000.00	1,719	10,000,000.00	1.598	1.620	204
3135G0A78	17312	TREAS	FAC	FEDERAL NATIONAL	06/03/2015	14,999,188.85	1.625	01/21/2020	15,000,000.00	1,693	15,000,000.00	1.613	1.635	204
3135G0A78	17329	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	10,009,816.03	1.625	01/21/2020	10,000,000.00	1,545	10,000,000.00	1.422	1.442	204
3135G0A78	17332	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	10,005,405.41	1.625	01/21/2020	10,000,000.00	1,539	10,000,000.00	1.503	1.524	204
3135G0A78	17335	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	10,001,916.83	1.625	01/21/2020	10,000,000.00	1,537	10,000,000.00	1.567	1.589	204
3135G0A78	17341	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	20,001,165.42	1.625	01/21/2020	20,000,000.00	1,491	20,000,000.00	1.592	1.614	204
3135G0A78	17342	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	10,000,367.85	1.625	01/21/2020	10,000,000.00	1,490	10,000,000.00	1.596	1.618	204
3135G0A78	17344	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	20,000,523.16	1.625	01/21/2020	20,000,000.00	1,490	20,000,000.00	1.598	1.620	204
46625HKA7	17295	TREAS	MTN	JP MORGAN	03/04/2015	9,994,924.16	2.250	01/23/2020	10,000,000.00	1,786	10,000,000.00	2.314	2.346	206
06406HCZ0	17297	TREAS	MTN	BANK OF NEW YORK	03/04/2015	3,001,175.41	2.150	02/24/2020	3,000,000.00	1,818	3,000,000.00	2.057	2.086	238

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
14912L6J5	17360	TREAS	MTN	CATERPILLAR	03/04/2016	8,273,445.92	2.000	03/05/2020	8,278,000.00	1,462	8,278,000.00	2.056	2.085	248
3137EADR7	17303	TREAS	FAC	FEDERAL HOME	05/06/2015	9,979,493.04	1.375	05/01/2020	10,000,000.00	1,822	10,000,000.00	1.610	1.632	305
3137EADR7	17309	TREAS	FAC	FEDERAL HOME	05/08/2015	9,978,322.36	1.375	05/01/2020	10,000,000.00	1,820	10,000,000.00	1.624	1.647	305
037833BD1	17348	TREAS	MTN	APPLE INC	12/28/2015	9,999,260.84	2.000	05/06/2020	10,000,000.00	1,591	10,000,000.00	1.981	2.009	310
912828ND8	17345	TREAS	TRC	US TREASURY NOTE	12/23/2015	40,625,764.21	3.500	05/15/2020	40,000,000.00	1,605	40,000,000.00	1.614	1.637	319
3134G44G0	17328	TREAS	FAC	FEDERAL HOME	10/29/2015	4,998,967.06	1.500	05/22/2020	5,000,000.00	1,667	5,000,000.00	1.503	1.524	326
912828XE5	17416	TREAS	TRC	US TREASURY NOTE	11/15/2016	15,012,448.34	1.500	05/31/2020	15,000,000.00	1,293	15,000,000.00	1.388	1.407	335
912828XE5	17428	TREAS	TRC	US TREASURY NOTE	12/13/2016	39,969,379.94	1.500	05/31/2020	40,000,000.00	1,265	40,000,000.00	1.564	1.586	335
313383HU8	17315	TREAS	FAC	FEDERAL HOME LOAN	06/12/2015	19,999,818.13	1.750	06/12/2020	20,000,000.00	1,827	20,000,000.00	1.727	1.751	347
313383HU8	17317	TREAS	FAC	FEDERAL HOME LOAN	06/26/2015	12,606,348.40	1.750	06/12/2020	12,615,000.00	1,813	12,615,000.00	1.801	1.826	347
3133EEW55	17316	TREAS	FAC	FEDERAL FARM CREDIT	06/15/2015	9,992,101.38	1.800	06/15/2020	10,000,000.00	1,827	10,000,000.00	1.861	1.887	350
3135G0D75	17327	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	19,993,412.19	1.500	06/22/2020	20,000,000.00	1,698	20,000,000.00	1.514	1.535	357
3135G0D75	17331	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	5,946,140.36	1.500	06/22/2020	5,950,000.00	1,697	5,950,000.00	1.548	1.569	357
3135G0D75	17333	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,994,097.39	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.604	1.626	357
3135G0D75	17334	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,994,055.31	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.605	1.627	357
3135G0D75	17336	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	4,991,646.37	1.500	06/22/2020	5,000,000.00	1,690	5,000,000.00	1.656	1.679	357
3135G0D75	17338	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	29,923,296.24	1.500	06/22/2020	30,000,000.00	1,649	30,000,000.00	1.750	1.774	357
3135G0D75	17339	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	19,945,321.76	1.500	06/22/2020	20,000,000.00	1,649	20,000,000.00	1.769	1.793	357
3135G0D75	17340	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	9,981,115.33	1.500	06/22/2020	10,000,000.00	1,644	10,000,000.00	1.679	1.702	357
3135G0D75	17343	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	9,979,620.75	1.500	06/22/2020	10,000,000.00	1,643	10,000,000.00	1.695	1.718	357
912828XM7	17433	TREAS	TRC	US TREASURY NOTE	12/22/2016	39,950,199.32	1.625	07/31/2020	40,000,000.00	1,317	40,000,000.00	1.720	1.744	396
912828XM7	17435	TREAS	TRC	US TREASURY NOTE	12/28/2016	39,941,475.97	1.625	07/31/2020	40,000,000.00	1,311	40,000,000.00	1.740	1.765	396
06406HDD8	17347	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,009,426.30	2.600	08/17/2020	5,000,000.00	1,694	5,000,000.00	2.389	2.422	413
912828L65	17436	TREAS	TRC	US TREASURY NOTE	12/28/2016	29,839,179.80	1.375	09/30/2020	30,000,000.00	1,372	30,000,000.00	1.795	1.820	457
13063DDE5	17518	TREAS	MUN	STATE OF CALIFORNIA	12/11/2017	25,075,074.26	2.300	10/01/2020	25,000,000.00	1,025	25,000,000.00	2.023	2.051	458
46625HNX4	17361	TREAS	MTN	JP MORGAN	03/04/2016	6,182,658.06	2.550	10/29/2020	6,181,000.00	1,700	6,181,000.00	2.493	2.528	486
3135G0RM7	17330	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	10,066,906.86	1.630	10/30/2020	10,060,000.00	1,827	10,060,000.00	1.555	1.576	487
166764AY6	17346	TREAS	MTN	CHEVRON CORP	12/28/2015	9,993,260.72	2.419	11/17/2020	10,000,000.00	1,786	10,000,000.00	2.437	2.471	505
313381CA1	17372	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	5,000,411.02	1.375	12/11/2020	5,000,000.00	1,695	5,000,000.00	1.350	1.369	529
3135G0H55	17374	TREAS	FAC	FEDERAL NATIONAL	05/20/2016	10,065,891.00	1.875	12/28/2020	10,000,000.00	1,683	10,000,000.00	1.398	1.417	546
912828N48	17429	TREAS	TRC	US TREASURY NOTE	12/16/2016	39,902,362.80	1.750	12/31/2020	40,000,000.00	1,476	40,000,000.00	1.893	1.919	549
24422ETF6	17362	TREAS	MTN	JOHN DEERE	03/04/2016	5,028,690.84	2.550	01/08/2021	5,000,000.00	1,771	5,000,000.00	2.121	2.150	557
89236TFQ3	17639	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	9,225,254.74	3.050	01/08/2021	9,000,000.00	578	9,000,000.00	2.200	2.231	557
94988J5N3	17641	TREAS	MTN	WELLS FARGO	06/13/2019	10,120,341.79	2.600	01/15/2021	10,000,000.00	582	10,000,000.00	2.475	2.510	564
3130AAX45	17460	TREAS	FAC	FEDERAL HOME LOAN	03/28/2017	15,024,354.13	1.875	01/28/2021	15,000,000.00	1,402	15,000,000.00	1.744	1.768	577
91159HHL7	17395	TREAS	MTN	US BANK NA	08/22/2016	5,050,641.63	2.350	01/29/2021	5,000,000.00	1,621	5,000,000.00	1.658	1.681	578
91159HHL7	17426	TREAS	MTN	US BANK NA	12/13/2016	4,642,448.97	2.350	01/29/2021	4,634,000.00	1,508	4,634,000.00	2.198	2.228	578
91159HHL7	17431	TREAS	MTN	US BANK NA	12/22/2016	4,995,271.79	2.350	01/29/2021	5,000,000.00	1,499	5,000,000.00	2.380	2.413	578
91159HHL7	17432	TREAS	MTN	US BANK NA	12/22/2016	7,515,462.53	2.350	01/29/2021	7,522,000.00	1,499	7,522,000.00	2.375	2.408	578
91159HHL7	17458	TREAS	MTN	US BANK NA	03/22/2017	10,003,644.70	2.350	01/29/2021	10,000,000.00	1,409	10,000,000.00	2.293	2.325	578

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
91159HHL7	17482	TREAS	MTN	US BANK NA	06/27/2017	4,824,176.59	2.350	01/29/2021	4,803,000.00	1,312	4,803,000.00	2.030	2.058	578
313376XN0	17364	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	826,877.19	2.100	02/08/2021	820,000.00	1,803	820,000.00	1.533	1.554	588
3133EFYZ4	17359	TREAS	FAC	FEDERAL FARM CREDIT	02/29/2016	17,783,183.71	1.375	02/10/2021	17,800,000.00	1,808	17,800,000.00	1.416	1.436	590
3130A7CV5	17363	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	4,988,182.72	1.375	02/18/2021	5,000,000.00	1,813	5,000,000.00	1.505	1.526	598
3130A7CV5	17371	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	9,995,573.00	1.375	02/18/2021	10,000,000.00	1,764	10,000,000.00	1.384	1.403	598
3130A7CV5	17376	TREAS	FAC	FEDERAL HOME LOAN	05/20/2016	4,992,765.60	1.375	02/18/2021	5,000,000.00	1,735	5,000,000.00	1.447	1.467	598
3130A7CV5	17379	TREAS	FAC	FEDERAL HOME LOAN	05/25/2016	9,981,779.91	1.375	02/18/2021	10,000,000.00	1,730	10,000,000.00	1.471	1.491	598
3130A7CV5	17388	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	10,031,820.44	1.375	02/18/2021	10,000,000.00	1,655	10,000,000.00	1.158	1.174	598
3130A7CV5	17457	TREAS	FAC	FEDERAL HOME LOAN	03/20/2017	19,846,846.36	1.375	02/18/2021	20,000,000.00	1,431	20,000,000.00	1.838	1.864	598
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	603
89236TCZ6	17640	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	6,981,432.79	1.900	04/08/2021	7,000,000.00	668	7,000,000.00	2.212	2.243	647
06406FAB9	17490	TREAS	MTN	BANK OF NEW YORK	07/18/2017	7,468,282.20	2.050	05/03/2021	7,500,000.00	1,385	7,500,000.00	2.260	2.291	672
3135G0K69	17380	TREAS	FAC	FEDERAL NATIONAL	05/25/2016	9,951,598.01	1.250	05/06/2021	10,000,000.00	1,807	10,000,000.00	1.502	1.523	675
3135G0K69	17402	TREAS	FAC	FEDERAL NATIONAL	09/28/2016	25,006,686.00	1.250	05/06/2021	25,000,000.00	1,681	25,000,000.00	1.218	1.235	675
3135G0K69	17412	TREAS	FAC	FEDERAL NATIONAL	11/02/2016	9,976,790.52	1.250	05/06/2021	10,000,000.00	1,646	10,000,000.00	1.361	1.380	675
3135G0K69	17413	TREAS	FAC	FEDERAL NATIONAL	11/14/2016	7,960,694.04	1.250	05/06/2021	8,000,000.00	1,634	8,000,000.00	1.505	1.526	675
166764BG4	17471	TREAS	MTN	CHEVRON CORP	04/25/2017	19,995,657.08	2.100	05/16/2021	20,000,000.00	1,482	20,000,000.00	2.083	2.112	685
912828WN6	17434	TREAS	TRC	US TREASURY NOTE	12/28/2016	40,003,386.22	2.000	05/31/2021	40,000,000.00	1,615	40,000,000.00	1.968	1.995	700
3130A1W95	17386	TREAS	FAC	FEDERAL HOME LOAN	07/15/2016	30,564,027.18	2.250	06/11/2021	30,000,000.00	1,792	30,000,000.00	1.233	1.250	711
313379RB7	17392	TREAS	FAC	FEDERAL HOME LOAN	08/17/2016	10,106,673.70	1.875	06/11/2021	10,000,000.00	1,759	10,000,000.00	1.289	1.307	711
3130A1W95	17420	TREAS	FAC	FEDERAL HOME LOAN	11/29/2016	18,610,935.61	2.250	06/11/2021	18,470,000.00	1,655	18,470,000.00	1.814	1.839	711
313379RB7	17466	TREAS	FAC	FEDERAL HOME LOAN	04/11/2017	15,008,050.00	1.875	06/11/2021	15,000,000.00	1,522	15,000,000.00	1.821	1.846	711
3130AB3M6	17465	TREAS	FAC	FEDERAL HOME LOAN	04/10/2017	5,002,128.62	1.875	06/30/2021	5,000,000.00	1,542	5,000,000.00	1.828	1.853	730
3130A8QS5	17389	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	14,964,835.81	1.125	07/14/2021	15,000,000.00	1,801	15,000,000.00	1.227	1.244	744
3130A8QS5	17399	TREAS	FAC	FEDERAL HOME LOAN	08/29/2016	3,939,935.03	1.125	07/14/2021	3,955,000.00	1,780	3,955,000.00	1.301	1.319	744
3130A8QS5	17400	TREAS	FAC	FEDERAL HOME LOAN	09/13/2016	14,939,233.84	1.125	07/14/2021	15,000,000.00	1,765	15,000,000.00	1.313	1.331	744
3130A8QS5	17403	TREAS	FAC	FEDERAL HOME LOAN	09/28/2016	9,977,317.43	1.125	07/14/2021	10,000,000.00	1,750	10,000,000.00	1.223	1.240	744
3130A8QS5	17408	TREAS	FAC	FEDERAL HOME LOAN	10/13/2016	9,942,032.59	1.125	07/14/2021	10,000,000.00	1,735	10,000,000.00	1.401	1.420	744
3130A8QS5	17414	TREAS	FAC	FEDERAL HOME LOAN	11/14/2016	9,920,683.29	1.125	07/14/2021	10,000,000.00	1,703	10,000,000.00	1.509	1.530	744
3130A8QS5	17464	TREAS	FAC	FEDERAL HOME LOAN	04/06/2017	19,733,818.72	1.125	07/14/2021	20,000,000.00	1,560	20,000,000.00	1.782	1.807	744
949746SA0	17445	TREAS	MTN	WELLS FARGO	01/25/2017	9,860,421.65	2.100	07/26/2021	10,000,000.00	1,643	10,000,000.00	2.784	2.823	756
3134G9M79	17463	TREAS	FAC	FEDERAL HOME	04/06/2017	4,409,367.01	1.875	07/26/2021	4,410,000.00	1,572	4,410,000.00	1.856	1.882	756
949746SA0	17467	TREAS	MTN	WELLS FARGO	04/17/2017	4,963,984.41	2.100	07/26/2021	5,000,000.00	1,561	5,000,000.00	2.435	2.469	756
949746SA0	17477	TREAS	MTN	WELLS FARGO	05/15/2017	13,134,922.13	2.100	07/26/2021	13,232,000.00	1,533	13,232,000.00	2.441	2.475	756
949746SA0	17491	TREAS	MTN	WELLS FARGO	07/18/2017	12,197,129.62	2.100	07/26/2021	12,275,000.00	1,469	12,275,000.00	2.390	2.424	756
3134G9N86	17476	TREAS	FAC	FEDERAL HOME	05/11/2017	6,166,963.84	1.875	07/27/2021	6,170,000.00	1,538	6,170,000.00	1.874	1.900	757
3133752P1	17405	TREAS	FAC	FEDERAL HOME LOAN	10/05/2016	5,946,669.18	3.500	07/29/2021	5,700,000.00	1,758	5,700,000.00	1.324	1.342	759
037833CC2	17425	TREAS	MTN	APPLE INC	12/13/2016	4,933,171.81	1.550	08/04/2021	5,000,000.00	1,695	5,000,000.00	2.195	2.226	765
594918BP8	17394	TREAS	MTN	MICROSOFT	08/22/2016	14,995,740.29	1.550	08/08/2021	15,000,000.00	1,812	15,000,000.00	1.543	1.564	769
594918BP8	17424	TREAS	MTN	MICROSOFT	12/13/2016	4,936,728.36	1.550	08/08/2021	5,000,000.00	1,699	5,000,000.00	2.156	2.186	769

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
14912L6U0	17401	TREAS	MTN	CATERPILLAR	09/16/2016	15,222,062.51	1.700	08/09/2021	15,294,000.00	1,788	15,294,000.00	1.909	1.935	770
3137EAEC9	17393	TREAS	FAC	FEDERAL HOME	08/17/2016	9,959,724.23	1.125	08/12/2021	10,000,000.00	1,821	10,000,000.00	1.304	1.322	773
3135G0N82	17396	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,991,046.20	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.276	1.294	778
3135G0N82	17397	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,982,049.55	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.319	1.337	778
3135G0N82	17398	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,977,893.96	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.339	1.358	778
3135G0Q89	17406	TREAS	FAC	FEDERAL NATIONAL	10/07/2016	19,985,130.67	1.375	10/07/2021	20,000,000.00	1,826	20,000,000.00	1.390	1.409	829
3135G0Q89	17407	TREAS	FAC	FEDERAL NATIONAL	10/13/2016	9,973,163.88	1.375	10/07/2021	10,000,000.00	1,820	10,000,000.00	1.478	1.498	829
3135G0Q89	17409	TREAS	FAC	FEDERAL NATIONAL	10/27/2016	4,991,610.79	1.375	10/07/2021	5,000,000.00	1,806	5,000,000.00	1.432	1.452	829
3133EGYQ2	17410	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,987,463.87	1.400	10/14/2021	10,000,000.00	1,813	10,000,000.00	1.437	1.457	836
24422ERH4	17427	TREAS	MTN	JOHN DEERE	12/13/2016	8,842,871.99	3.150	10/15/2021	8,707,000.00	1,767	8,707,000.00	2.390	2.423	837
36962G5J9	17511	TREAS	MTN	G.E. CAPITAL	11/16/2017	10,481,199.15	4.650	10/17/2021	10,000,000.00	1,431	10,000,000.00	2.404	2.438	839
3133EGZJ7	17411	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,981,738.28	1.375	10/25/2021	10,000,000.00	1,824	10,000,000.00	1.437	1.457	847
3135G0S38	17440	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	19,977,198.66	2.000	01/05/2022	20,000,000.00	1,822	20,000,000.00	2.020	2.048	919
3135G0S38	17441	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	9,988,128.20	2.000	01/05/2022	10,000,000.00	1,822	10,000,000.00	2.022	2.050	919
3135G0S38	17459	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	10,003,527.55	2.000	01/05/2022	10,000,000.00	1,744	10,000,000.00	1.958	1.985	919
3135G0S38	17480	TREAS	FAC	FEDERAL NATIONAL	06/02/2017	5,020,124.55	2.000	01/05/2022	5,000,000.00	1,678	5,000,000.00	1.807	1.832	919
3135G0S38	17481	TREAS	FAC	FEDERAL NATIONAL	06/12/2017	5,020,013.56	2.000	01/05/2022	5,000,000.00	1,668	5,000,000.00	1.808	1.833	919
91159HHP8	17483	TREAS	MTN	US BANK NA	06/27/2017	20,172,719.25	2.625	01/24/2022	20,000,000.00	1,672	20,000,000.00	2.237	2.268	938
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	941
3136G2CS4	17461	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	5,001,801.47	2.000	01/27/2022	5,000,000.00	1,766	5,000,000.00	1.958	1.985	941
084670BF4	17520	TREAS	MTN	BERKSHIRE HATHAWAY	12/14/2017	15,383,071.84	3.400	01/31/2022	15,000,000.00	1,509	15,000,000.00	2.323	2.355	945
594918BW3	17449	TREAS	MTN	MICROSOFT	02/21/2017	6,722,033.95	2.400	02/06/2022	6,725,000.00	1,811	6,725,000.00	2.385	2.418	951
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	951
06406RAA5	17469	TREAS	MTN	BANK OF NEW YORK	04/18/2017	10,043,129.62	2.600	02/07/2022	10,000,000.00	1,756	10,000,000.00	2.390	2.423	952
037833CM0	17448	TREAS	MTN	APPLE INC	02/21/2017	14,980,641.95	2.500	02/09/2022	15,000,000.00	1,814	15,000,000.00	2.518	2.553	954
037833AY6	17470	TREAS	MTN	APPLE INC	04/18/2017	9,988,854.92	2.150	02/09/2022	10,000,000.00	1,758	10,000,000.00	2.165	2.195	954
594918BA1	17450	TREAS	MTN	MICROSOFT	02/21/2017	6,443,195.17	2.375	02/12/2022	6,450,000.00	1,817	6,450,000.00	2.385	2.418	957
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	1,005
13063DAD0	17473	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	10,531,993.63	2.367	04/01/2022	10,500,000.00	1,800	10,500,000.00	2.219	2.249	1,005
13063DAD0	17474	TREAS	MUN	STATE OF CALIFORNIA	05/03/2017	8,016,709.05	2.367	04/01/2022	8,000,000.00	1,794	8,000,000.00	2.255	2.286	1,005
037833CQ1	17475	TREAS	MTN	APPLE INC	05/11/2017	19,972,533.33	2.300	05/11/2022	20,000,000.00	1,826	20,000,000.00	2.319	2.351	1,045
3133EHJT1	17479	TREAS	FAC	FEDERAL FARM CREDIT	05/18/2017	4,996,716.17	2.000	05/18/2022	5,000,000.00	1,826	5,000,000.00	1.996	2.024	1,052
3130ACUZ5	17513	TREAS	FAC	FEDERAL HOME LOAN	11/24/2017	22,986,080.46	2.060	05/24/2022	23,000,000.00	1,642	23,000,000.00	2.053	2.082	1,058
3130ACXH2	17567	TREAS	FAC	FEDERAL HOME LOAN	12/04/2017	24,945,515.64	2.020	05/25/2022	25,000,000.00	1,633	25,000,000.00	2.070	2.099	1,059
91282XR6	17497	TREAS	TRC	US TREASURY NOTE	09/27/2017	19,949,308.00	1.750	05/31/2022	20,000,000.00	1,707	20,000,000.00	1.816	1.841	1,065
313379Q69	17485	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,032,536.62	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	1,075
313379Q69	17486	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,032,566.33	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	1,075
313379Q69	17487	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	3,845,300.65	2.125	06/10/2022	3,820,000.00	1,808	3,820,000.00	1.862	1.888	1,075
313379Q69	17488	TREAS	FAC	FEDERAL HOME LOAN	07/07/2017	13,515,779.08	2.125	06/10/2022	13,470,000.00	1,799	13,470,000.00	1.976	2.003	1,075
313379Q69	17498	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	20,137,238.39	2.125	06/10/2022	20,000,000.00	1,717	20,000,000.00	1.854	1.880	1,075

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
313379Q69	17516	TREAS	FAC	FEDERAL HOME LOAN	12/01/2017	1,999,550.14	2.125	06/10/2022	2,000,000.00	1,652	2,000,000.00	2.104	2.133	1,075
313379Q69	17527	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,894,561.08	2.125	06/10/2022	1,900,000.00	1,633	1,900,000.00	2.197	2.228	1,075
3130A5P45	17528	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,932,892.20	2.375	06/10/2022	1,925,000.00	1,633	1,925,000.00	2.197	2.228	1,075
3133EEY20	17495	TREAS	FAC	FEDERAL FARM CREDIT	09/21/2017	10,132,968.82	2.400	06/17/2022	10,000,000.00	1,730	10,000,000.00	1.901	1.928	1,082
3130ACM27	17502	TREAS	FAC	FEDERAL HOME LOAN	10/12/2017	14,990,241.66	1.950	07/11/2022	15,000,000.00	1,733	15,000,000.00	1.946	1.973	1,106
3130ACM27	17509	TREAS	FAC	FEDERAL HOME LOAN	10/19/2017	4,448,009.94	1.950	07/11/2022	4,455,000.00	1,726	4,455,000.00	1.977	2.005	1,106
91159JAA4	17529	TREAS	MTN	US BANK NA	12/21/2017	10,100,262.58	2.950	07/15/2022	10,004,000.00	1,667	10,004,000.00	2.570	2.606	1,110
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	1,113
95000U2B8	17508	TREAS	MTN	WELLS FARGO	10/20/2017	4,998,520.85	2.625	07/22/2022	5,000,000.00	1,736	5,000,000.00	2.599	2.635	1,117
3130ACYP3	17515	TREAS	FAC	FEDERAL HOME LOAN	12/05/2017	19,987,987.46	2.100	07/27/2022	20,000,000.00	1,695	20,000,000.00	2.092	2.121	1,122
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	1,124
3130ACUV4	17517	TREAS	FAC	FEDERAL HOME LOAN	12/06/2017	8,865,577.83	2.070	07/29/2022	8,890,000.00	1,696	8,890,000.00	2.135	2.165	1,124
3130AC5A8	17494	TREAS	FAC	FEDERAL HOME LOAN	09/19/2017	9,986,163.22	1.850	08/15/2022	10,000,000.00	1,791	10,000,000.00	1.870	1.896	1,141
3130AC5A8	17496	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	9,259,091.09	1.850	08/15/2022	9,280,000.00	1,783	9,280,000.00	1.899	1.926	1,141
3133EHVS9	17499	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2017	5,478,306.01	1.840	08/23/2022	5,500,000.00	1,790	5,500,000.00	1.945	1.972	1,149
912828L24	17510	TREAS	TRC	US TREASURY NOTE	10/23/2017	19,917,409.58	1.875	08/31/2022	20,000,000.00	1,773	20,000,000.00	1.985	2.012	1,157
13063DDF2	17504	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,091,820.28	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,188
13063DDF2	17505	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,091,820.28	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,188
13063DDF2	17519	TREAS	MUN	STATE OF CALIFORNIA	12/14/2017	20,042,274.46	2.500	10/01/2022	20,000,000.00	1,752	20,000,000.00	2.397	2.430	1,188
13063DDF2	17532	TREAS	MUN	STATE OF CALIFORNIA	01/16/2018	4,988,645.13	2.500	10/01/2022	5,000,000.00	1,719	5,000,000.00	2.539	2.574	1,188
3135G0T78	17501	TREAS	FAC	FEDERAL NATIONAL	10/10/2017	19,985,715.79	2.000	10/05/2022	20,000,000.00	1,821	20,000,000.00	1.995	2.023	1,192
3135G0T78	17531	TREAS	FAC	FEDERAL NATIONAL	01/11/2018	4,941,830.50	2.000	10/05/2022	5,000,000.00	1,728	5,000,000.00	2.346	2.379	1,192
24422EUA5	17637	TREAS	MTN	JOHN DEERE	06/06/2019	10,157,804.65	2.700	01/06/2023	10,000,000.00	1,310	10,000,000.00	2.529	2.564	1,285
24422EUA5	17638	TREAS	MTN	JOHN DEERE	06/06/2019	5,079,147.48	2.700	01/06/2023	5,000,000.00	1,310	5,000,000.00	2.527	2.562	1,285
89233P7F7	17538	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,930,208.63	2.625	01/10/2023	5,000,000.00	1,776	5,000,000.00	3.012	3.054	1,289
89236TEL5	17539	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,942,363.77	2.700	01/11/2023	5,000,000.00	1,777	5,000,000.00	3.012	3.054	1,290
89236TEL5	17542	TREAS	MTN	TOYOTA MOTOR CREDIT	04/02/2018	19,717,334.50	2.700	01/11/2023	20,000,000.00	1,745	20,000,000.00	3.091	3.134	1,290
037833DE7	17541	TREAS	MTN	APPLE INC	03/01/2018	2,446,099.73	2.400	01/13/2023	2,500,000.00	1,779	2,500,000.00	3.018	3.060	1,292
3133EH7F4	17557	TREAS	FAC	FEDERAL FARM CREDIT	04/19/2018	19,575,794.65	2.350	01/17/2023	19,869,000.00	1,734	19,869,000.00	2.759	2.797	1,296
3135G0T94	17533	TREAS	FAC	FEDERAL NATIONAL	01/23/2018	39,830,216.70	2.375	01/19/2023	40,000,000.00	1,822	40,000,000.00	2.469	2.503	1,298
90331HNL3	17534	TREAS	MTN	US BANK NA	01/24/2018	9,986,816.56	2.850	01/23/2023	10,000,000.00	1,825	10,000,000.00	2.850	2.890	1,302
90331HNL3	17537	TREAS	MTN	US BANK NA	03/01/2018	4,953,449.28	2.850	01/23/2023	5,000,000.00	1,789	5,000,000.00	3.091	3.134	1,302
90331HNL3	17556	TREAS	MTN	US BANK NA	04/20/2018	9,896,729.03	2.850	01/23/2023	10,000,000.00	1,739	10,000,000.00	3.121	3.164	1,302
46625HJH4	17559	TREAS	MTN	JP MORGAN	04/26/2018	9,884,522.64	3.200	01/25/2023	10,000,000.00	1,735	10,000,000.00	3.505	3.554	1,304
24422ERT8	17635	TREAS	MTN	JOHN DEERE	05/28/2019	11,284,376.65	2.800	01/27/2023	11,125,000.00	1,340	11,125,000.00	2.618	2.654	1,306
3133EJBP3	17535	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2018	9,969,023.19	2.500	02/02/2023	10,000,000.00	1,821	10,000,000.00	2.557	2.593	1,312
3133EJBP3	17536	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2018	50,732,756.96	2.500	02/02/2023	51,180,000.00	1,800	51,180,000.00	2.724	2.762	1,312
037833BU3	17540	TREAS	MTN	APPLE INC	03/01/2018	9,928,250.00	2.850	02/23/2023	10,000,000.00	1,820	10,000,000.00	3.022	3.064	1,333
594918AT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,722,090.57	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	1,400
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,845,523.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	1,402

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,845,369.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	1,402
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,701,658.48	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	1,402
166764BK5	17571	TREAS	MTN	CHEVRON CORP	06/08/2018	9,735,067.69	2.566	05/16/2023	10,000,000.00	1,803	10,000,000.00	3.267	3.313	1,415
166764BK5	17579	TREAS	MTN	CHEVRON CORP	06/22/2018	4,876,170.03	2.566	05/16/2023	5,000,000.00	1,789	5,000,000.00	3.217	3.262	1,415
166764BK5	17585	TREAS	MTN	CHEVRON CORP	07/25/2018	6,127,260.41	2.566	05/16/2023	6,288,000.00	1,756	6,288,000.00	3.239	3.284	1,415
166764BK5	17626	TREAS	MTN	CHEVRON CORP	03/04/2019	7,877,437.52	2.566	05/16/2023	7,966,000.00	1,534	7,966,000.00	2.833	2.872	1,415
3130AEEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,048,515.93	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	1,429
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,980,078.31	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	1,429
931142EK5	17604	TREAS	MTN	WALMART	11/13/2018	9,958,926.04	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	1,456
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	1,474
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,997,896.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	1,477
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,921,756.25	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	1,477
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,942,212.38	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	1,477
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,921,103.05	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	1,477
3133EJUS6	17615	TREAS	FAC	FEDERAL FARM CREDIT	01/18/2019	20,149,985.11	2.875	07/17/2023	20,000,000.00	1,641	20,000,000.00	2.642	2.679	1,477
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,989,590.66	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	1,484
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,497,554.21	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	1,484
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,248,373.54	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	1,484
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,196,547.06	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	1,484
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,666,668.22	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	1,485
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,957,697.05	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	1,488
911759MW5	17630	TREAS	TRC	US HOUSING AND URBAN	03/28/2019	3,500,000.00	2.618	08/01/2023	3,500,000.00	1,587	3,500,000.00	2.583	2.618	1,492
594918BQ6	17616	TREAS	MTN	MICROSOFT	02/07/2019	2,799,359.63	2.000	08/08/2023	2,880,000.00	1,643	2,880,000.00	2.693	2.730	1,499
594918BQ6	17617	TREAS	MTN	MICROSOFT	02/11/2019	19,468,800.00	2.000	08/08/2023	20,000,000.00	1,639	20,000,000.00	2.659	2.696	1,499
594918BQ6	17624	TREAS	MTN	MICROSOFT	03/04/2019	9,732,202.16	2.000	08/08/2023	10,000,000.00	1,618	10,000,000.00	2.698	2.735	1,499
594918BQ6	17625	TREAS	MTN	MICROSOFT	03/04/2019	4,866,267.87	2.000	08/08/2023	5,000,000.00	1,618	5,000,000.00	2.697	2.734	1,499
94988J5R4	17591	TREAS	MTN	WELLS FARGO	08/14/2018	9,986,570.61	3.550	08/14/2023	10,000,000.00	1,826	10,000,000.00	3.537	3.586	1,505
94988J5R4	17602	TREAS	MTN	WELLS FARGO	11/13/2018	9,895,132.57	3.550	08/14/2023	10,000,000.00	1,735	10,000,000.00	3.778	3.830	1,505
3130AFRW9	17621	TREAS	FAC	FEDERAL HOME LOAN	02/28/2019	20,098,339.96	2.700	08/28/2023	20,000,000.00	1,642	20,000,000.00	2.539	2.574	1,519
3130AFRW9	17623	TREAS	FAC	FEDERAL HOME LOAN	03/01/2019	20,078,100.19	2.700	08/28/2023	20,000,000.00	1,641	20,000,000.00	2.570	2.606	1,519
3135G0U43	17631	TREAS	FAC	FEDERAL NATIONAL	03/27/2019	20,524,518.27	2.875	09/12/2023	20,000,000.00	1,630	20,000,000.00	2.214	2.245	1,534
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,902,910.62	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	1,570
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,937,015.15	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	1,570
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,952,996.58	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	1,575
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,976,438.23	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	1,579
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,916,350.65	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	1,579
3130A0F70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,266,045.68	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	1,621
3130A0F70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,668,137.22	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	1,621
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,189,541.84	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	1,652
46632FPT6	17627	TREAS	MTN	JP MORGAN	03/06/2019	30,000,000.00	3.050	01/26/2024	30,000,000.00	1,787	30,000,000.00	3.009	3.050	1,670

**County of Fresno
Inventory by Maturity Report**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,964,122.26	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	1,673
594918BX1	17629	TREAS	MTN	MICROSOFT	03/07/2019	10,024,756.94	2.875	02/06/2024	10,000,000.00	1,797	10,000,000.00	2.835	2.875	1,681
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,018,629.23	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	1,702
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,990,869.04	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	1,702
46632FPX7	17634	TREAS	MTN	JP MORGAN	05/15/2019	40,000,000.00	2.775	05/15/2024	40,000,000.00	1,827	40,000,000.00	2.737	2.775	1,780
Subtotal and Average						3,895,135,225.49			3,896,200,211.31		3,896,188,366.31	2.180	2.210	718
Net Maturities and Average						3,895,135,225.49			3,896,200,211.31		3,896,188,366.31	2.180	2.210	718



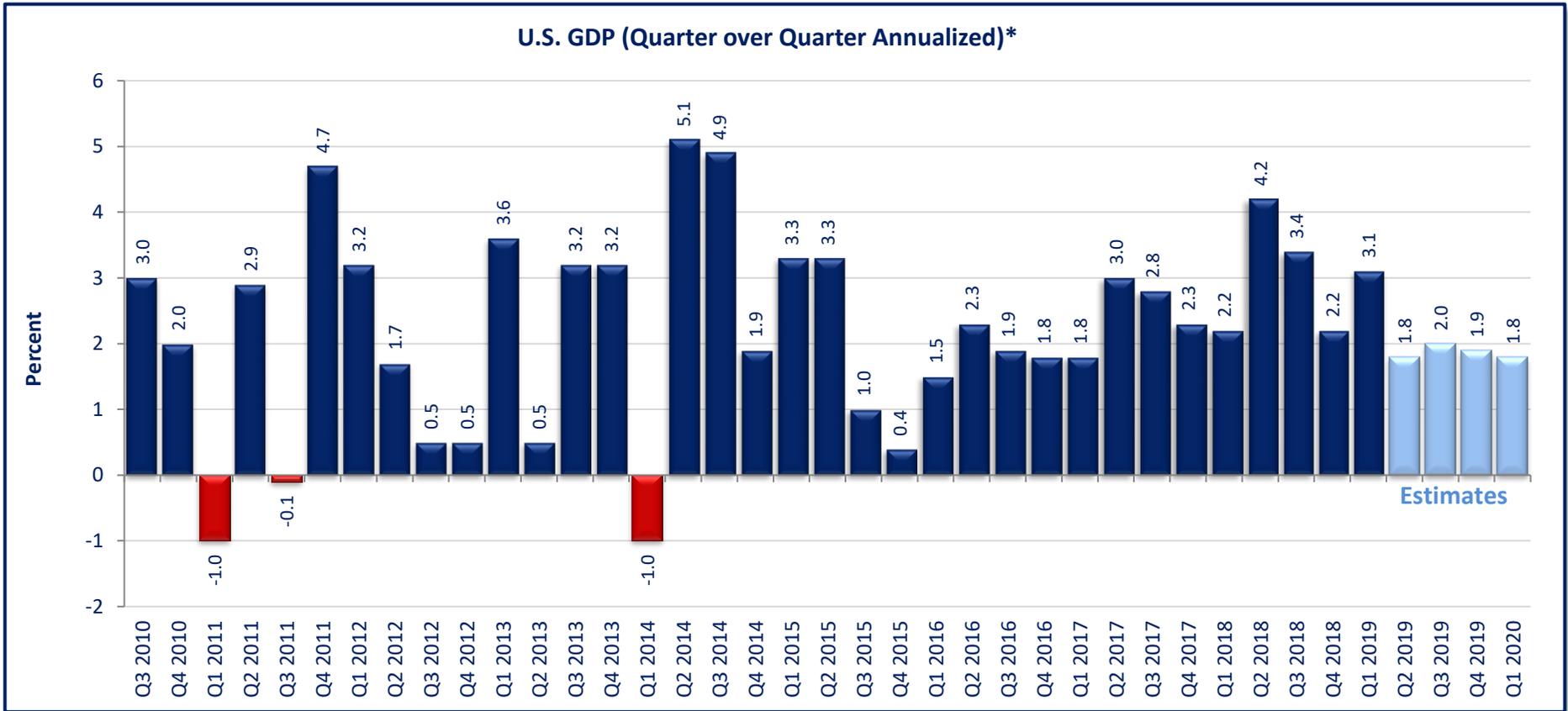
Quarterly Economic and Market Update

June 2019

Item	6/30/19	3/31/19	Change
U.S. Payrolls Monthly Change	224,000	153,000	71,000
Unemployment Rate	3.7%	3.8%	(0.1%)
Labor Force Participation	62.9%	63.0%	(0.1%)
Effective Fed Funds Rate	2.40%	2.43%	(0.03%)
3 Month T-Bill	2.09%	2.39%	(0.30%)
2 Year T-Note	1.76%	2.26%	(0.51%)
3 Year T-Note	1.71%	2.21%	(0.50%)
5 Year T-Note	1.77%	2.23%	(0.47%)
10 Year T-Note	2.01%	2.41%	(0.40%)
U.S. Fed Debt Avg Yield*	2.52%	2.50%	0.02%
30 Year Mortgage Rate	3.80%	4.08%	(0.28%)
1-5 Yr Agency Spread	0.07%	0.06%	0.01%
1-5 Yr A-AAA Corporate Spread	0.51%	0.47%	0.04%
Dow Jones	26,600	25,929	2.6%
S&P 500	2,942	2,834	3.8%
Consumer Price Index YOY*	1.8%	1.9%	(0.1%)
U.S. Avg Regular Unleaded	\$2.72	\$2.69	\$0.02
Retail Sales YOY*	2.9%	3.8%	(0.9%)
Case-Shiller Home Prices YOY*	2.5%	2.6%	(0.1%)
Gold (per ounce)	\$1,409.55	\$1,292.38	\$117.17
Dollar Index	96.13	97.28	(1.15)
Consumer Confidence	121.5	124.2	(2.7)

*Estimates for the current quarter/month, some data are lagged

Sources: FTN Main Street and Bloomberg

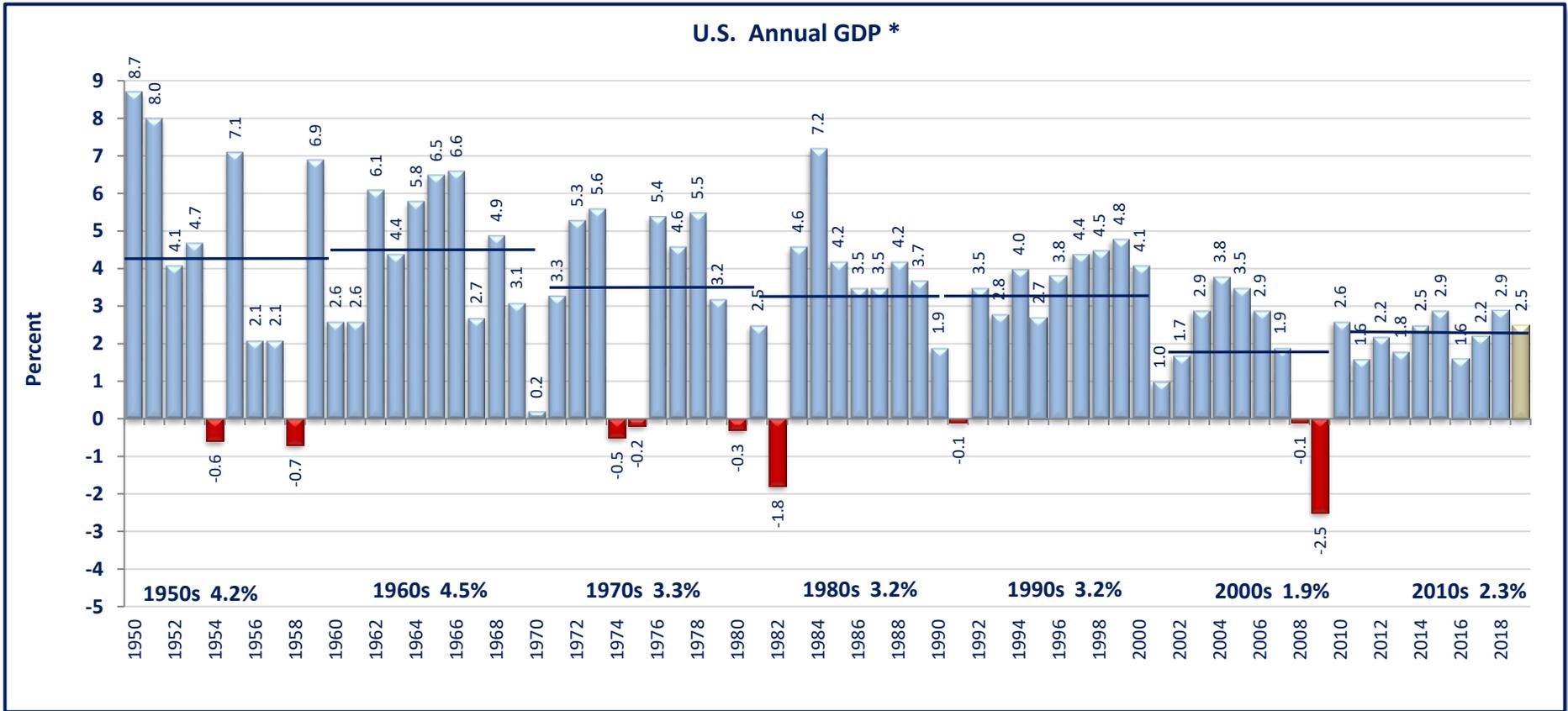


* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 6/30/19

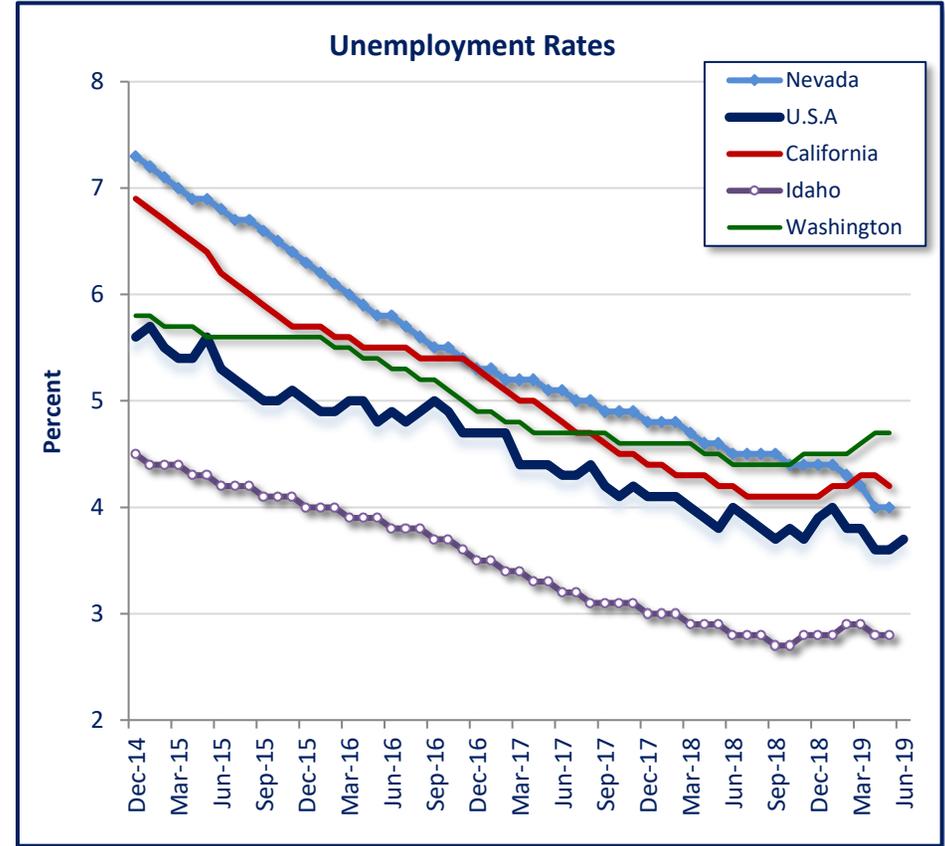
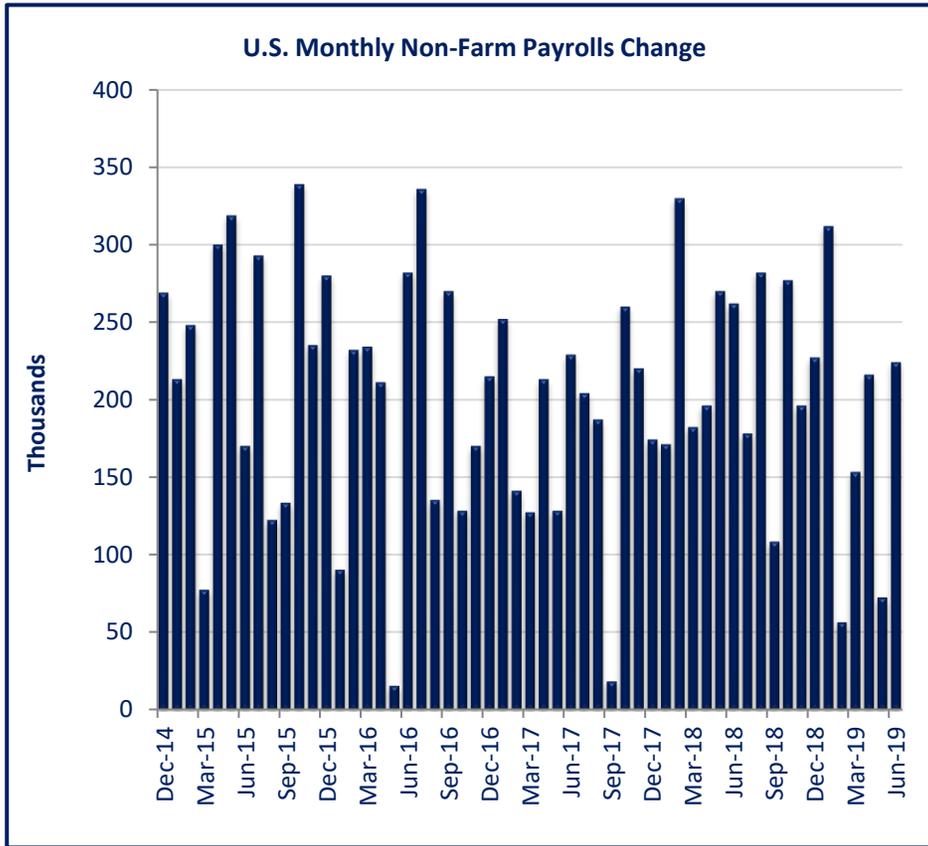


* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

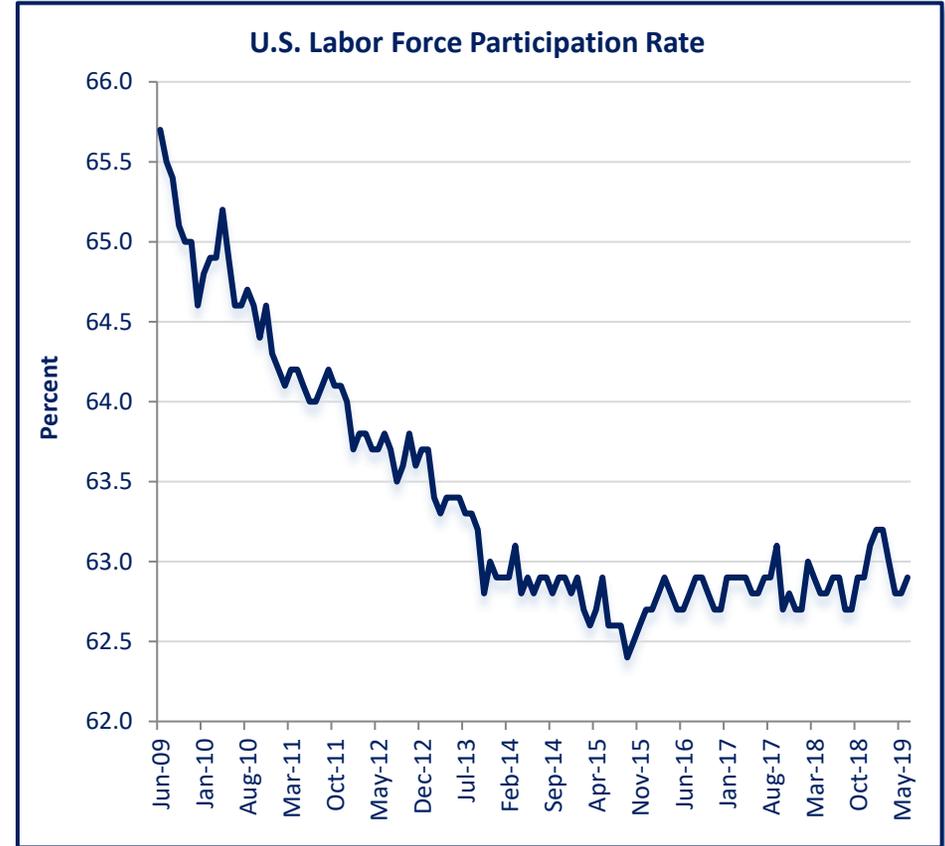
Estimate: Bloomberg's Survey of Economists

As of: 6/30/19

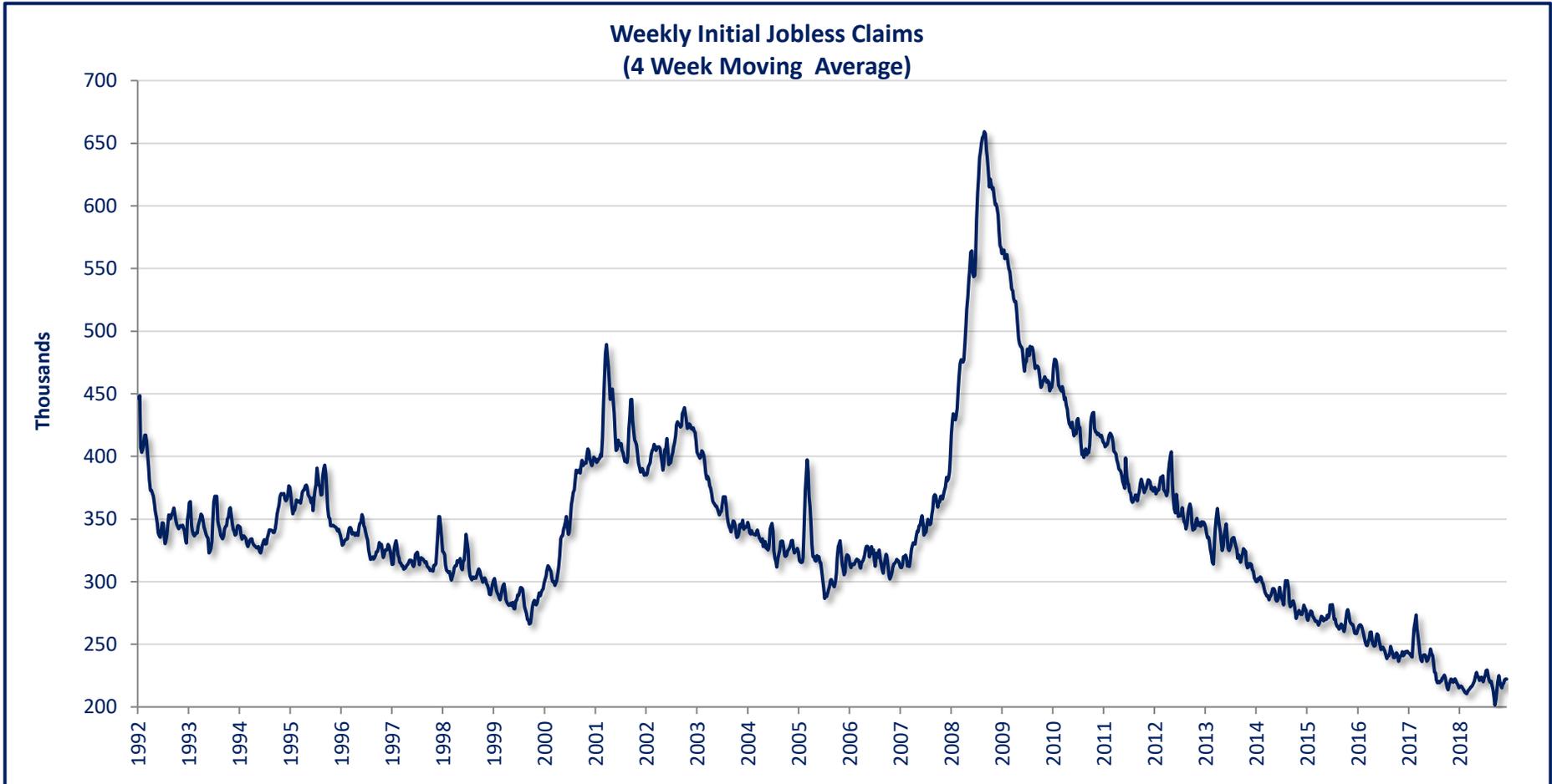


12 Month Average Job Change **191,750**

Source: Bureau of Labor Statistics

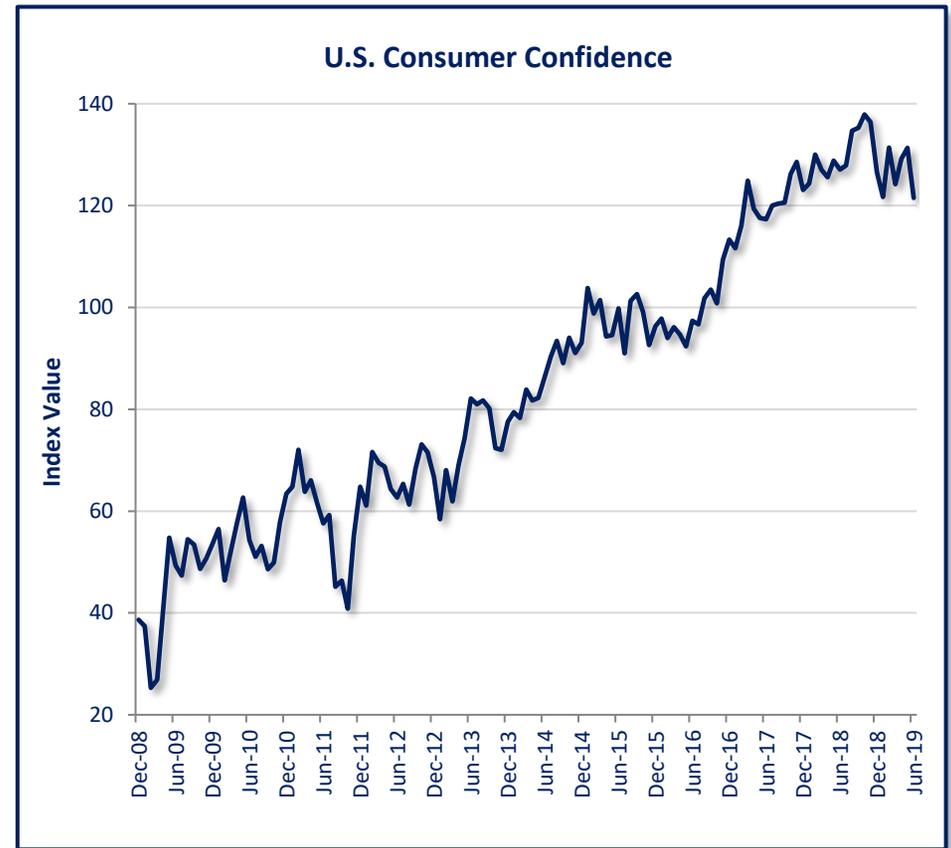
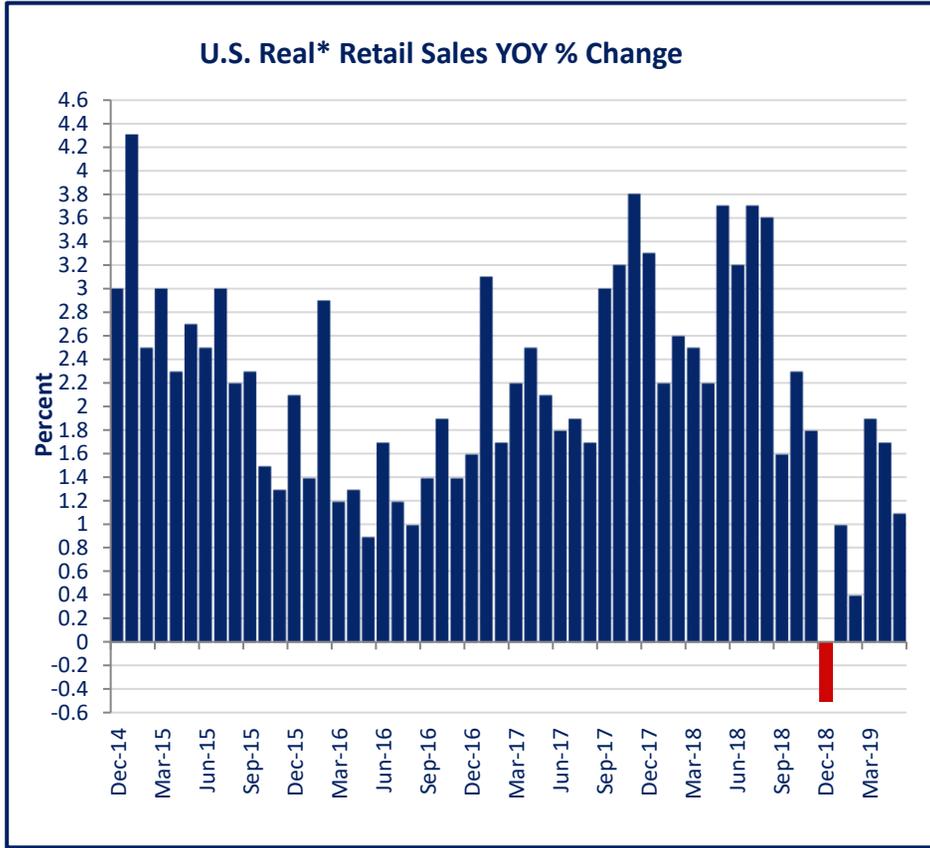


Source: Bureau of Labor Statistics



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.

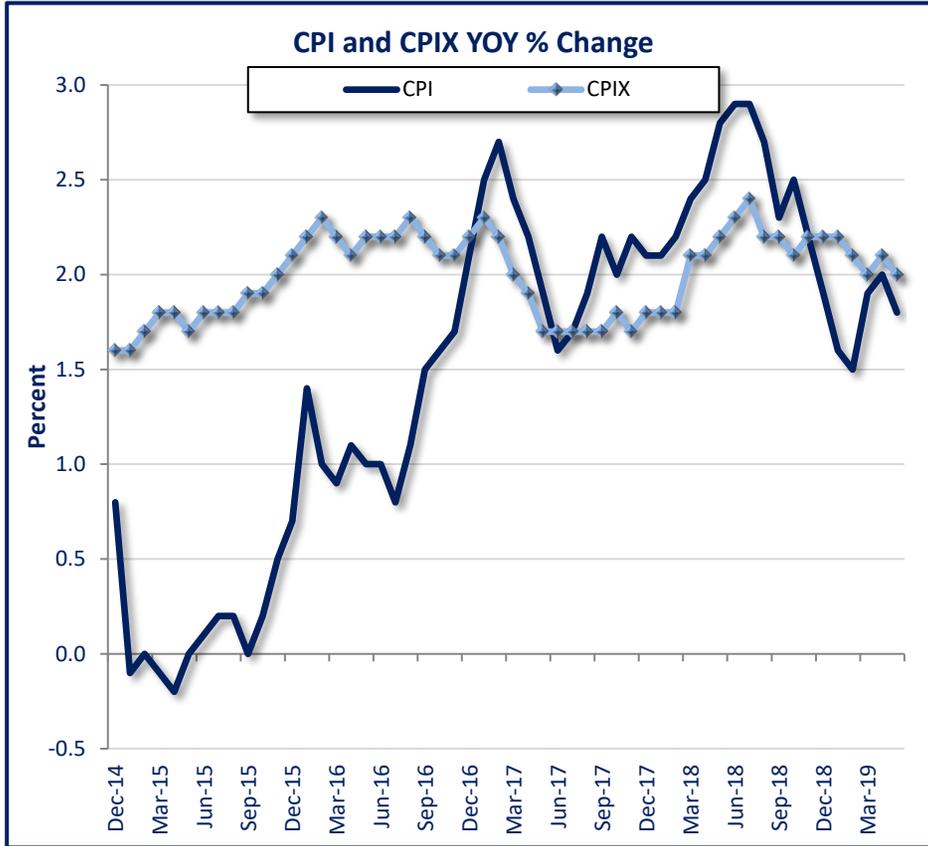
Source: Department of Labor and Bloomberg



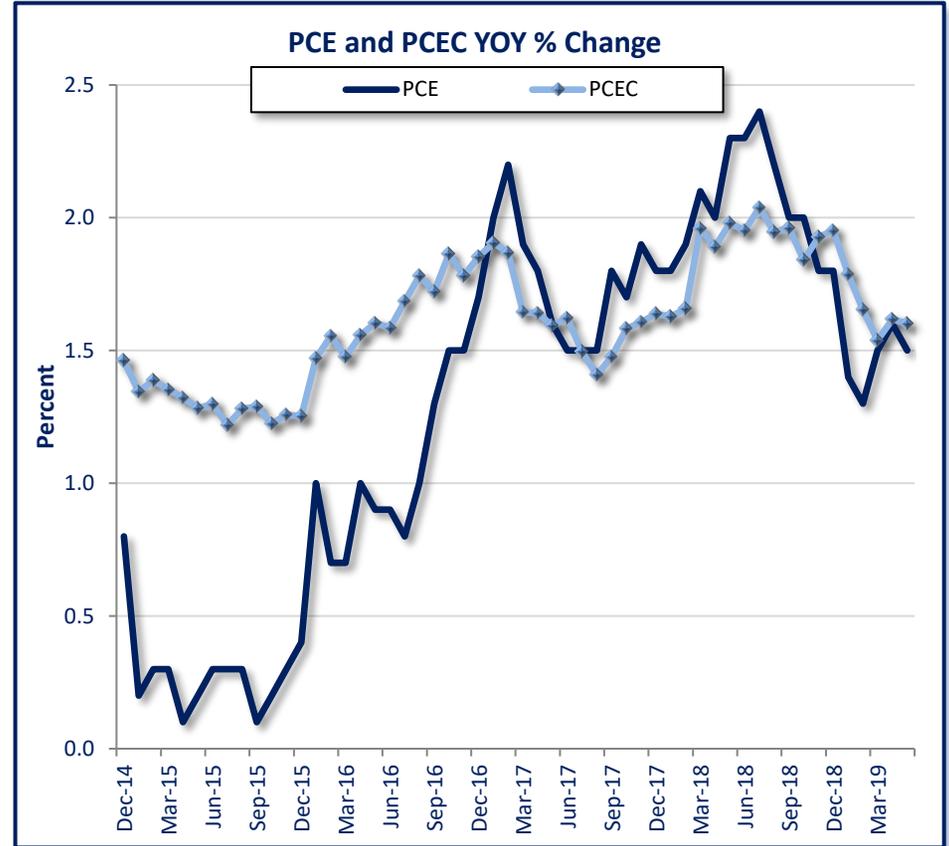
*Real: Inflation Adjusted

Source: U.S. Census Bureau

Source: Conference Board

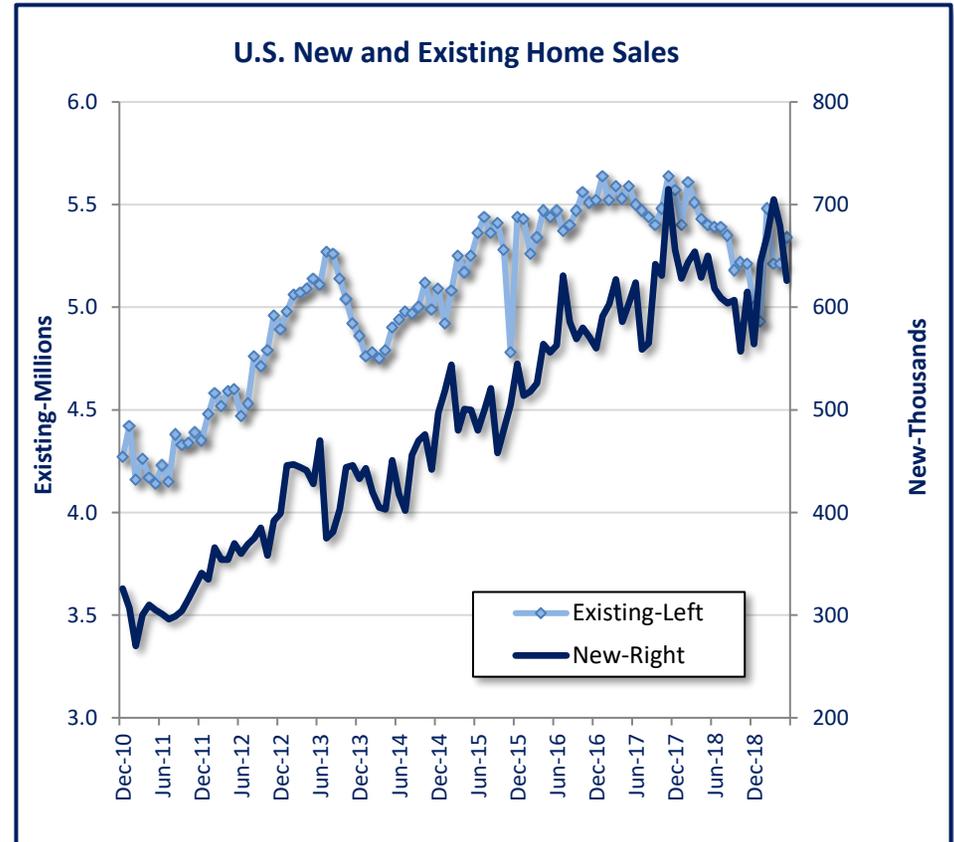
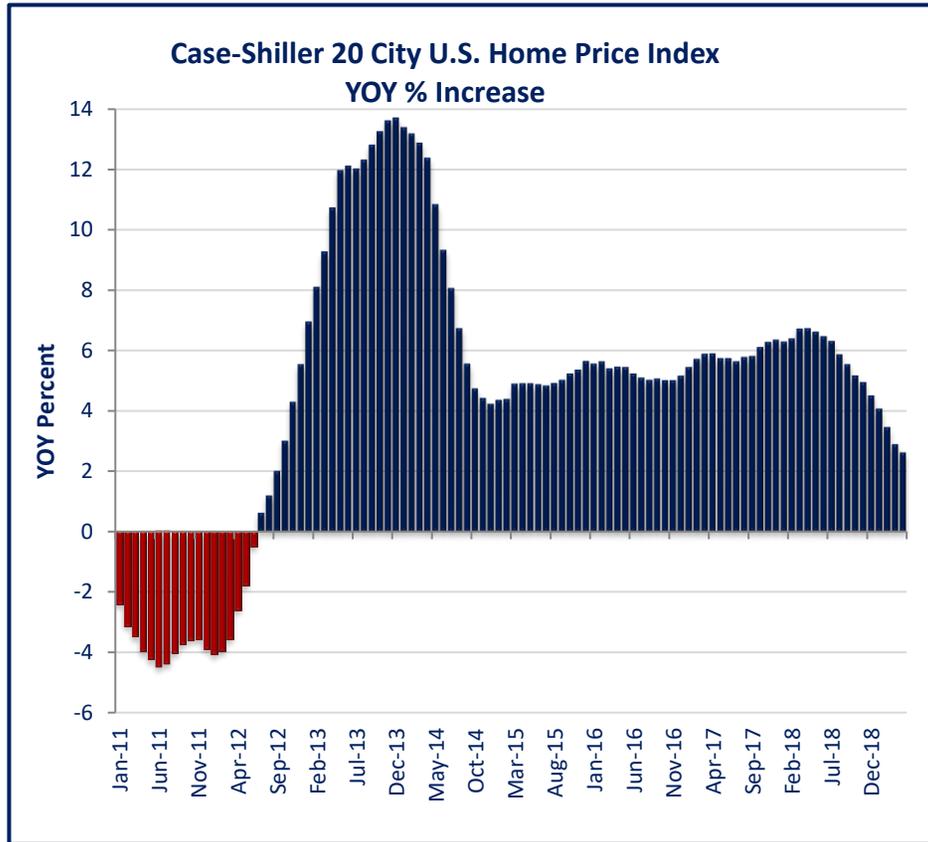


CPIX: Consumer Price Index, excluding food and energy



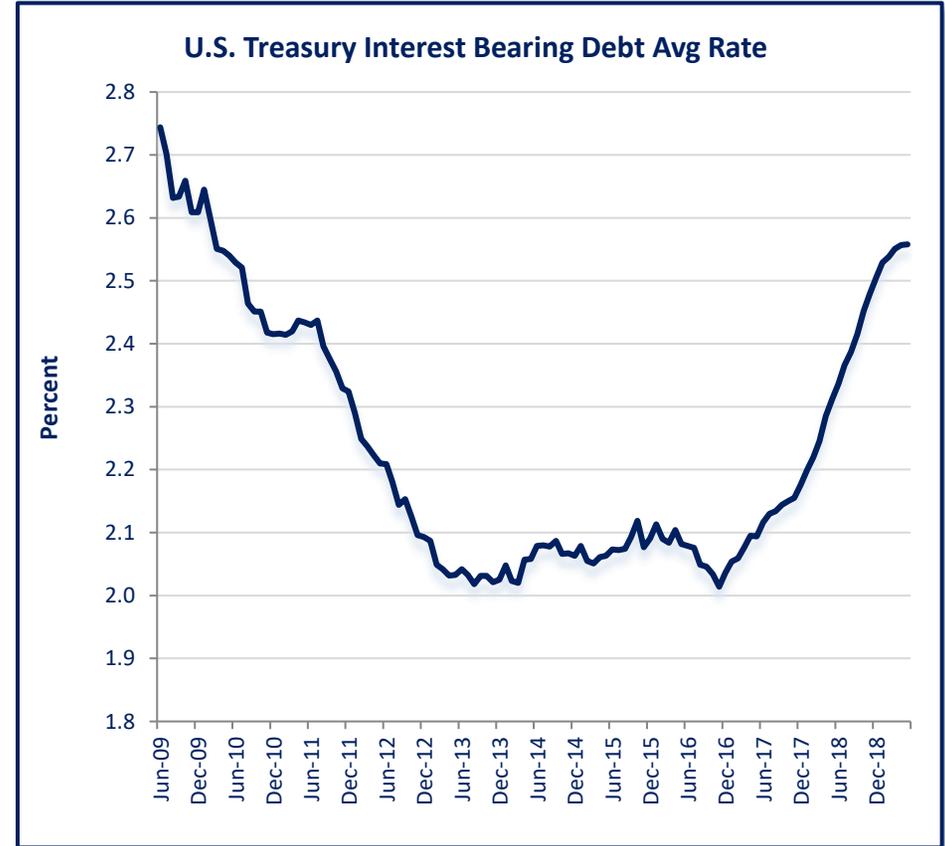
PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

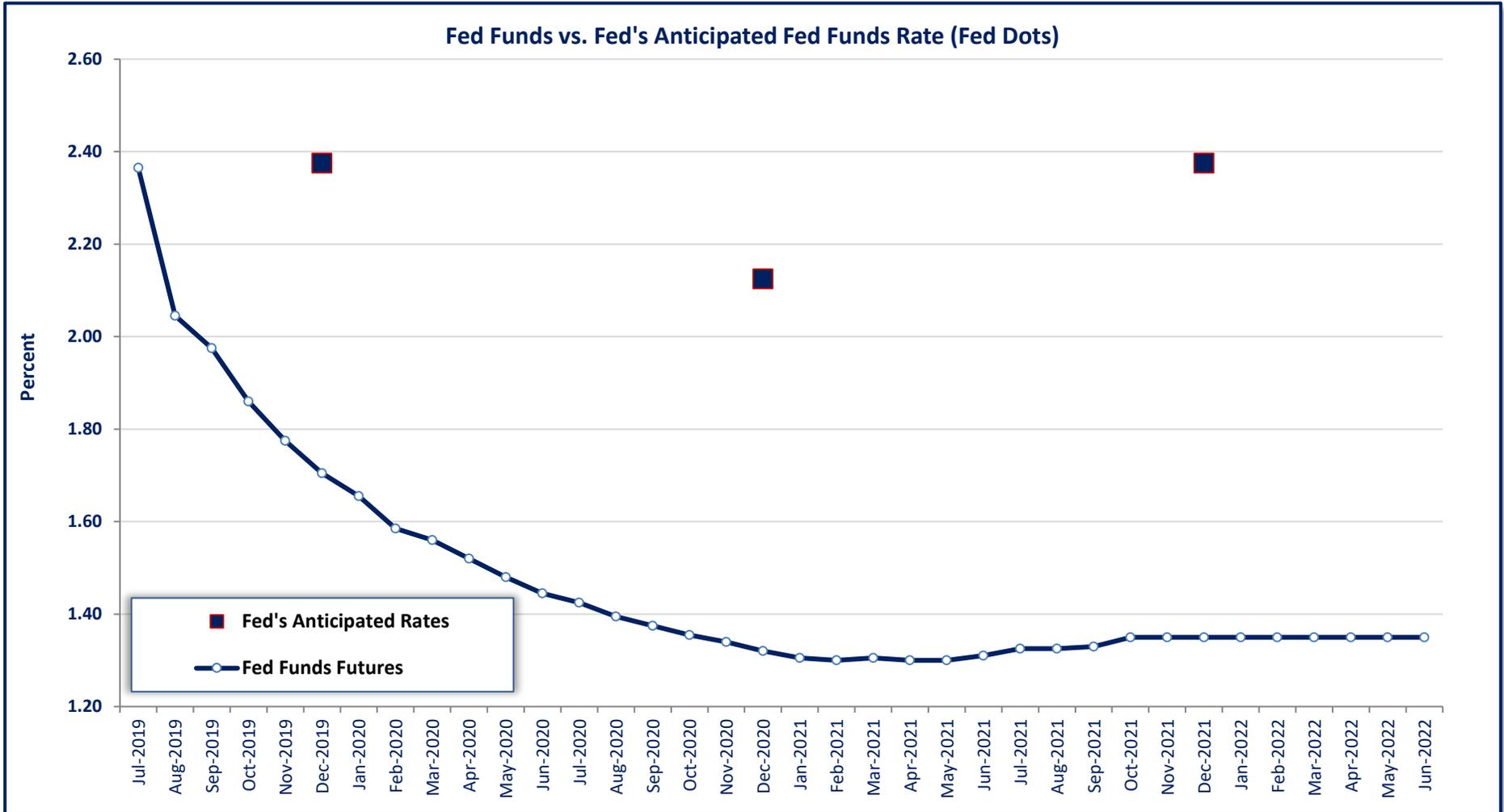


Source: Case-Shiller

Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)
 Seasonally Adjusted Annual Rate

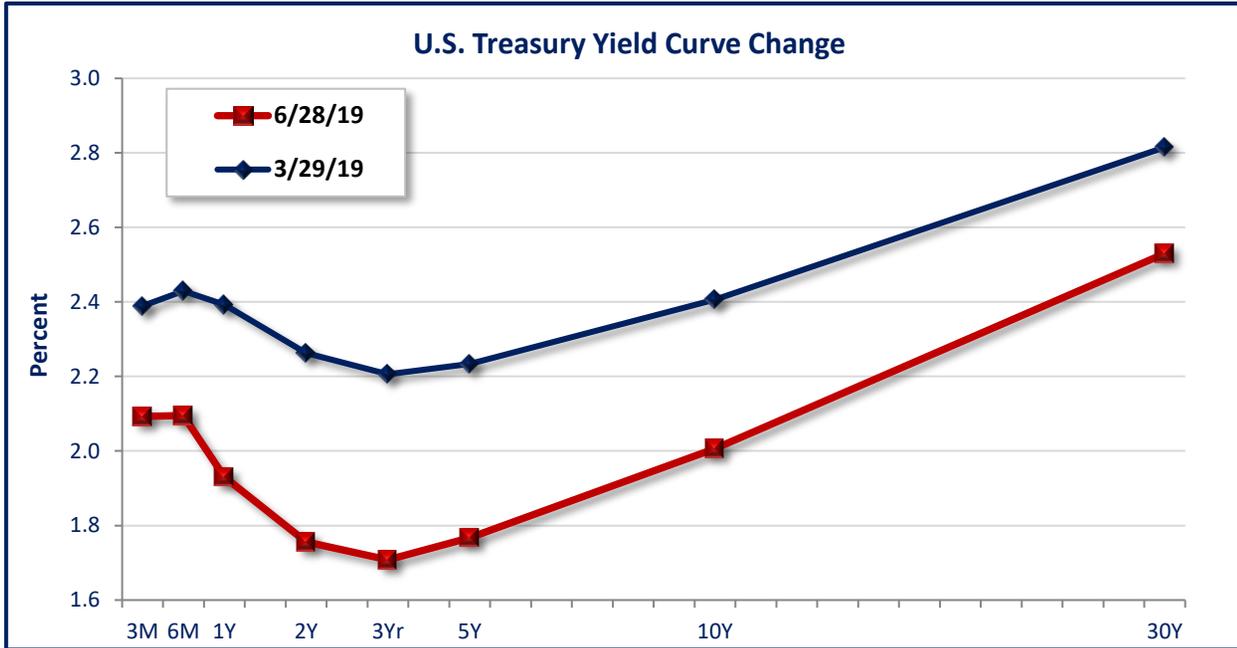


Source: U.S. Treasury

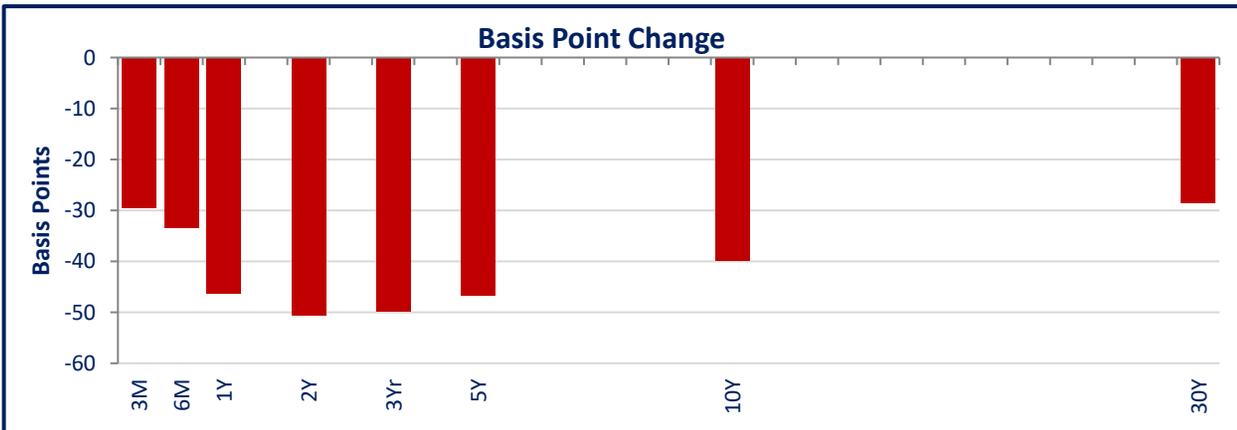


Fed Funds Anticipated Rate from the June 19, 2019 FOMC Meeting

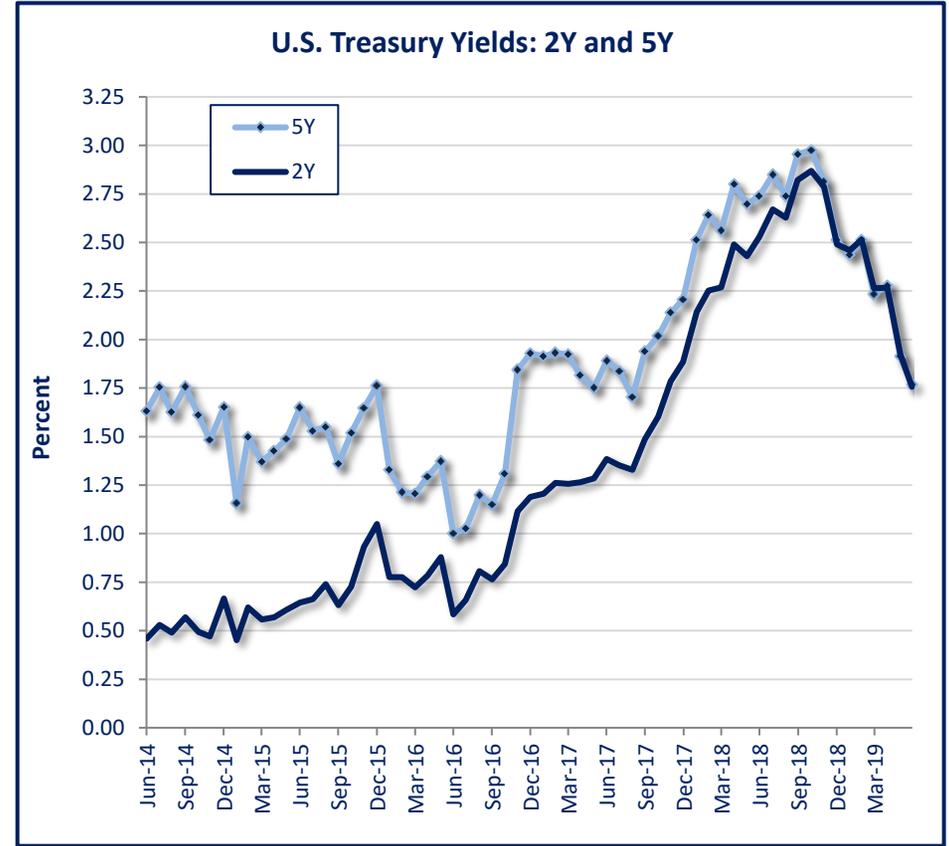
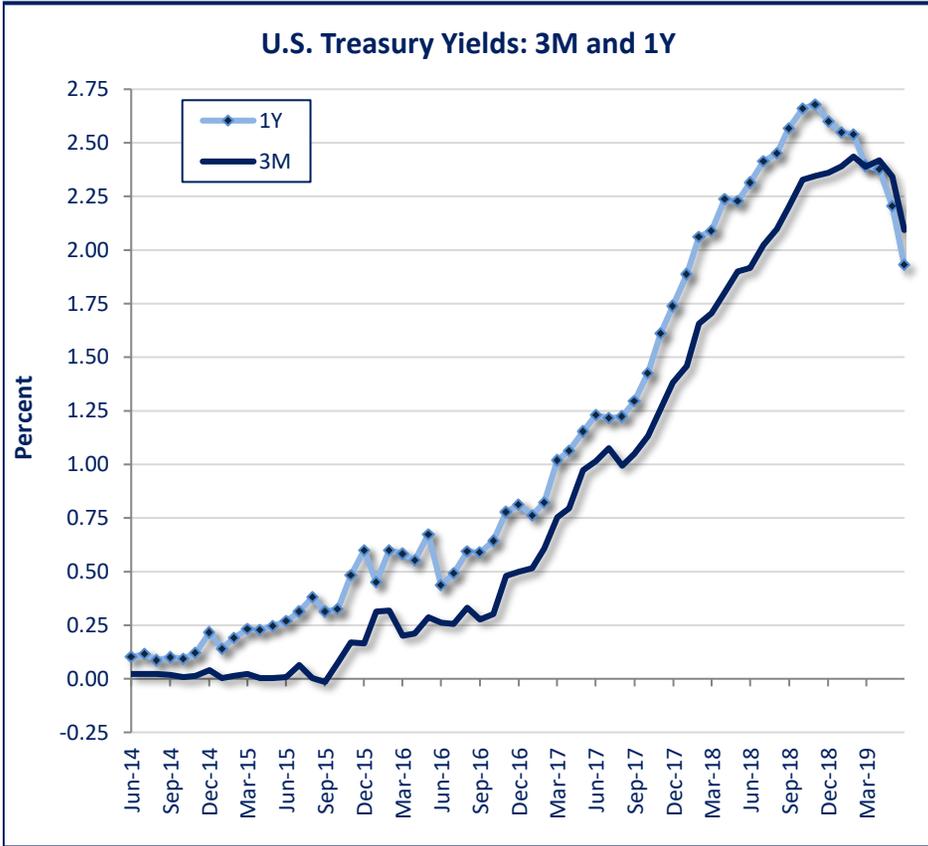
Source: Bloomberg



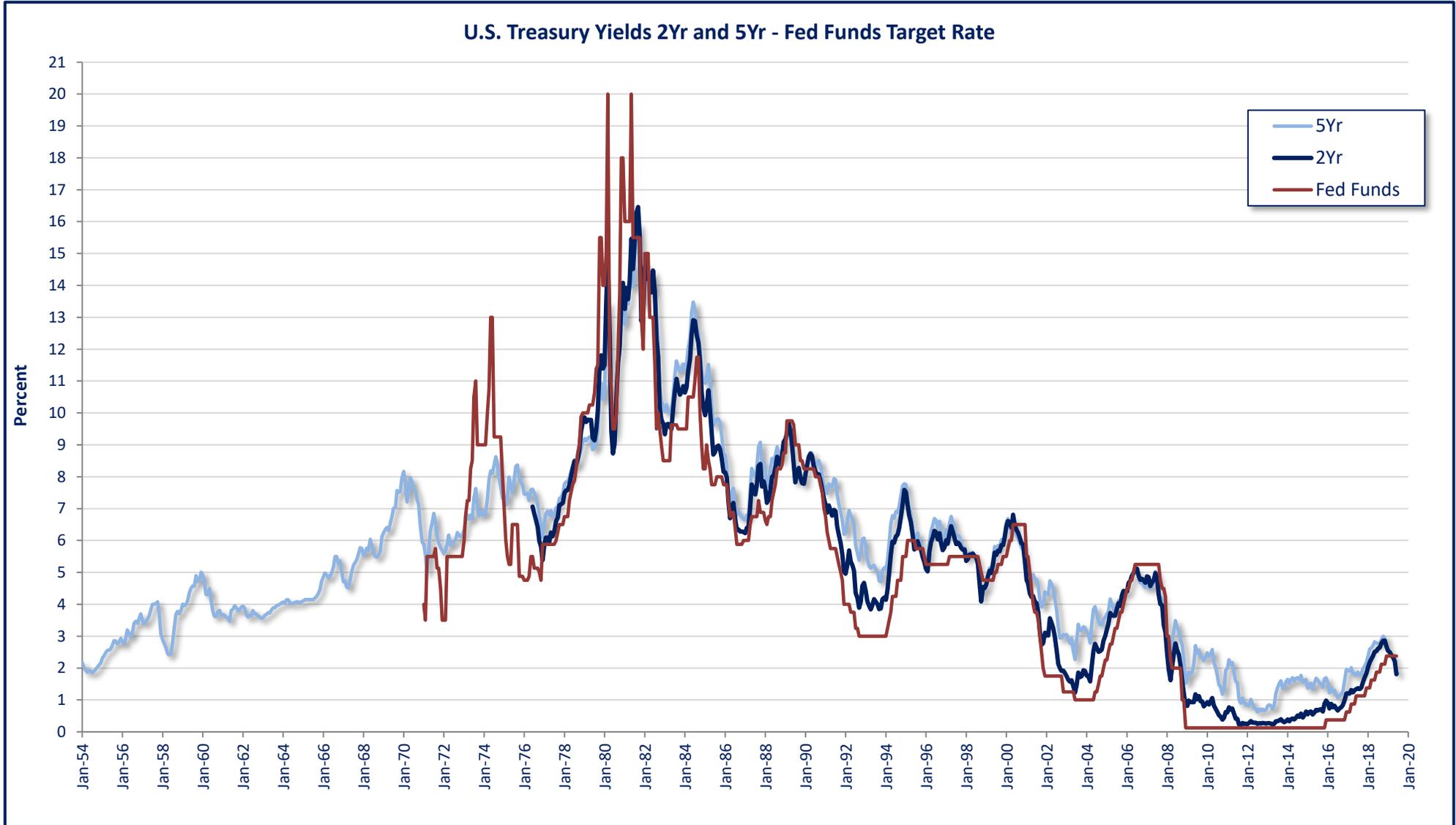
Maturity	3/29/19	6/28/19	Change
3M	2.39	2.09	-0.30
6M	2.43	2.10	-0.33
1Y	2.39	1.93	-0.46
2Y	2.26	1.76	-0.51
3Y	2.21	1.71	-0.50
5Y	2.23	1.77	-0.47
10Y	2.41	2.01	-0.40
30Y	2.82	2.53	-0.29



Source: Bloomberg
 Figures may not total due to rounding



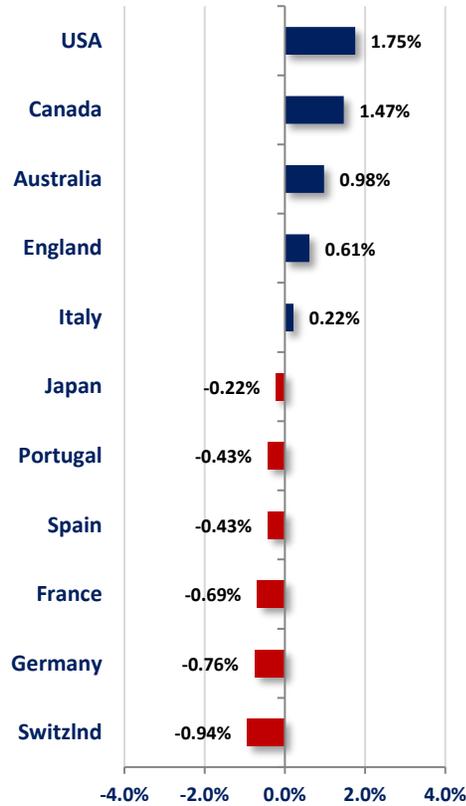
Source: Bloomberg



Source: Bloomberg

Global Treasury Rates

2 Year Yields



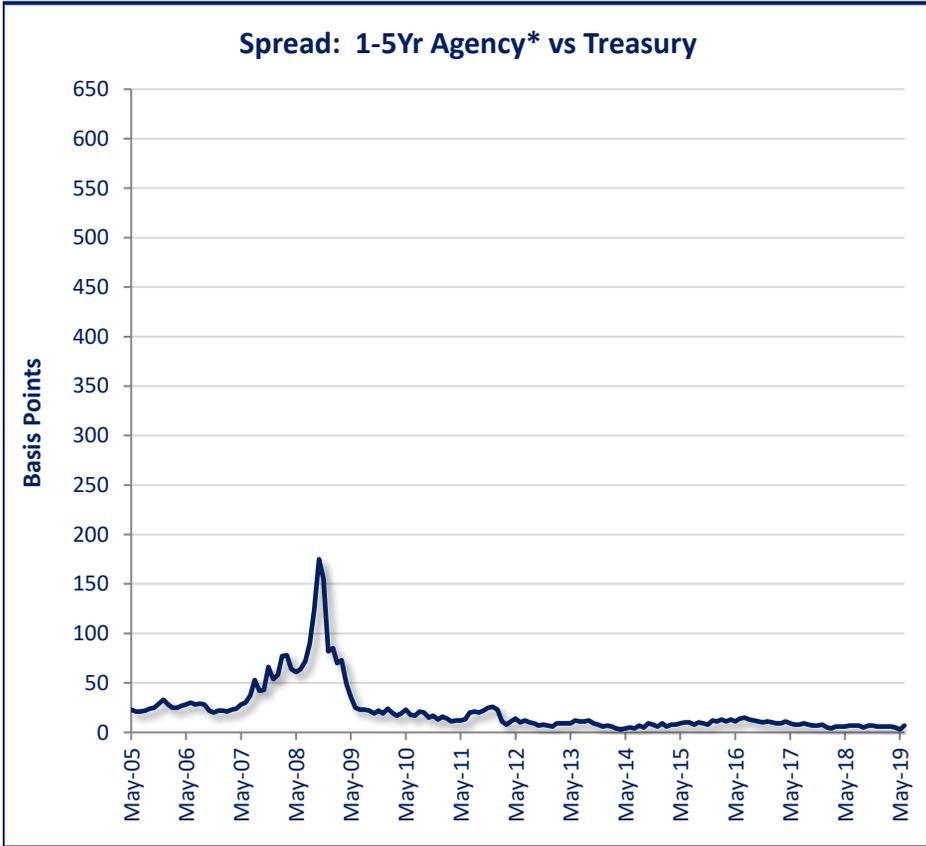
5 Year Yields



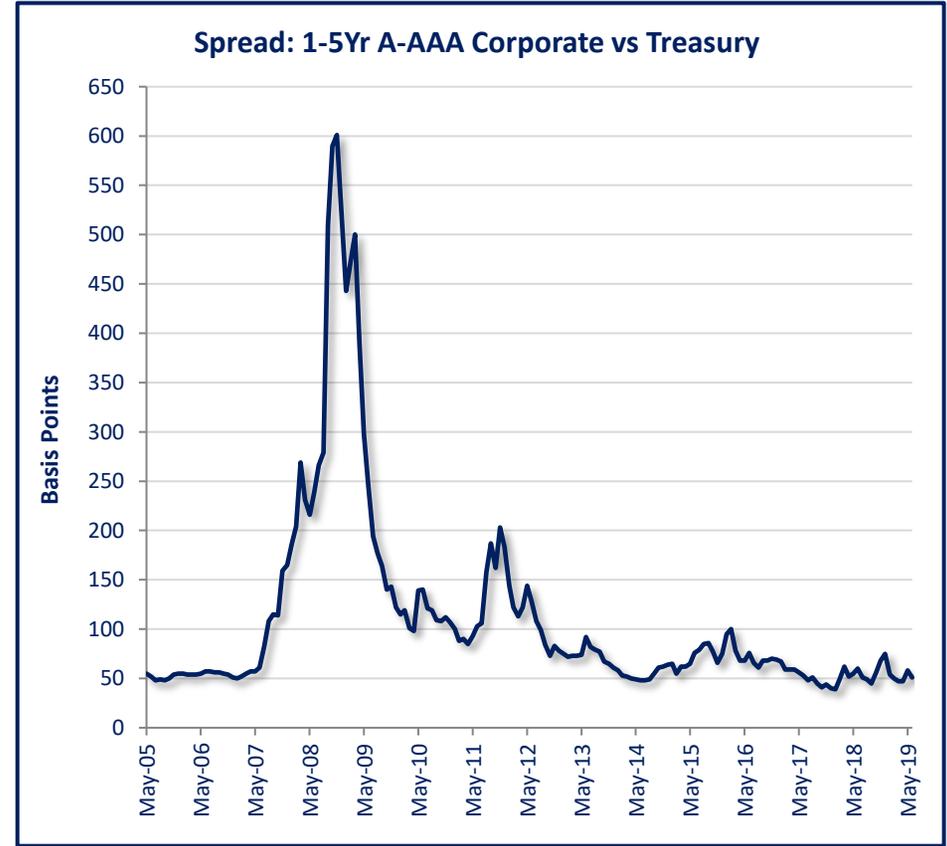
10 Year Yields



Source: Bloomberg



Current Spread is 7

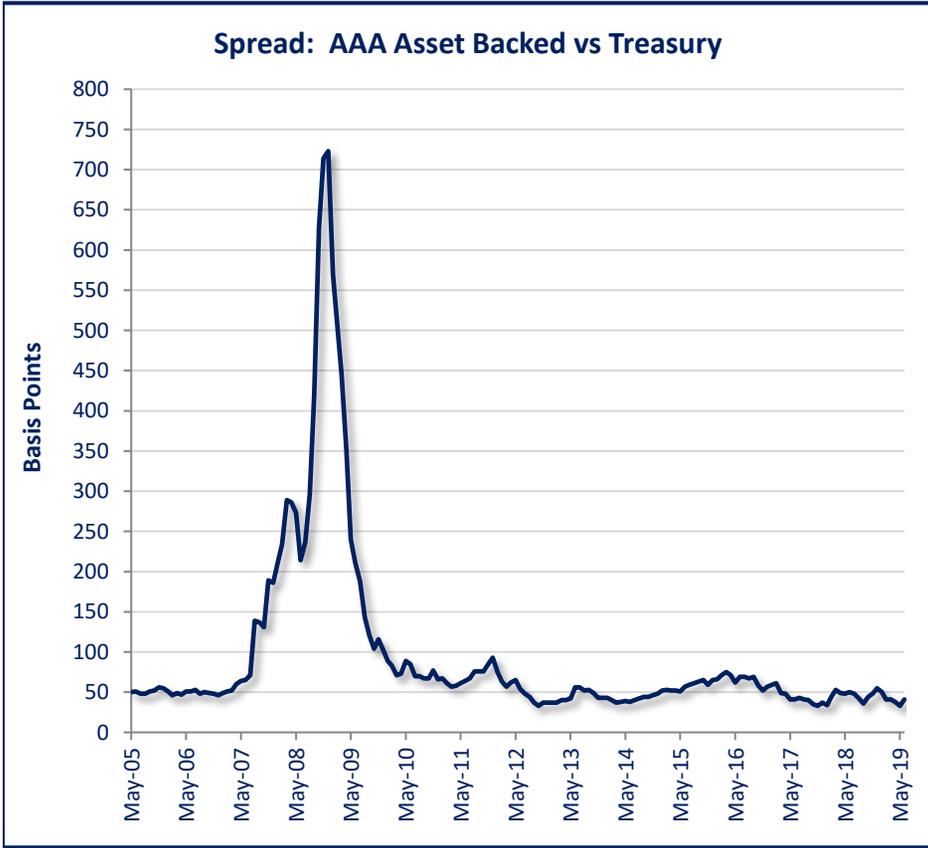


Current Spread is 51

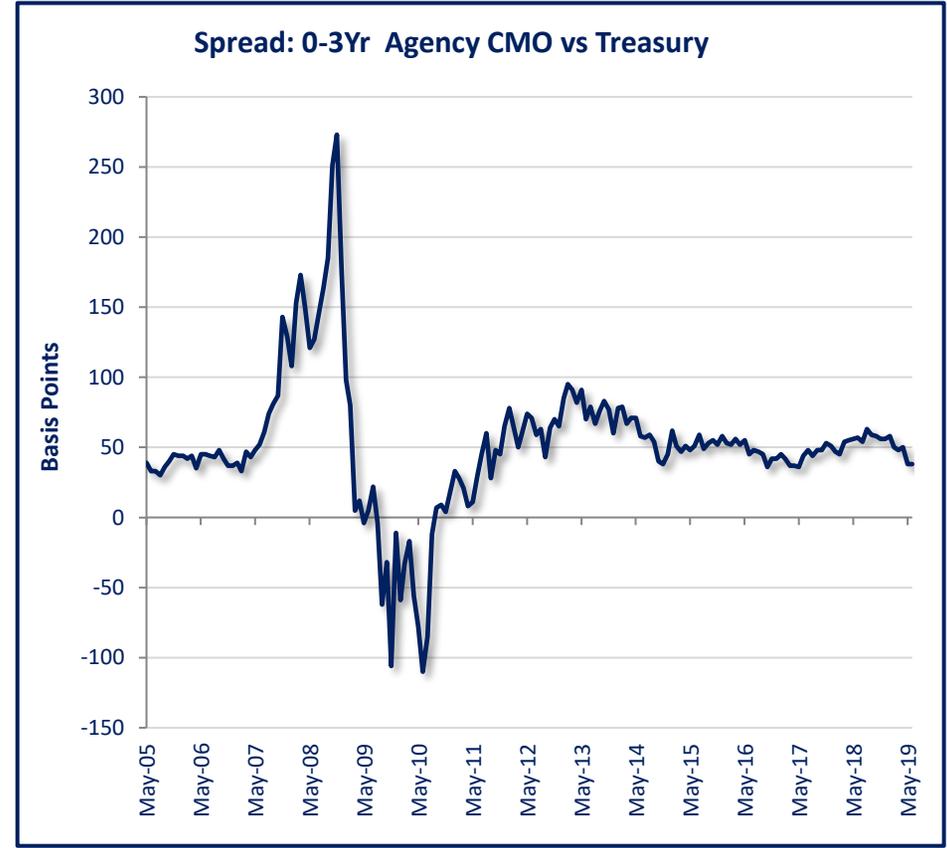
*ICE BofAML Index (option adjusted spread vs. Treasury)
 1-5Yr Non-Callable Agency (GVPB)

*ICE BofAML Index (option adjusted spread vs. Treasury)
 Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices



Current Spread is 41

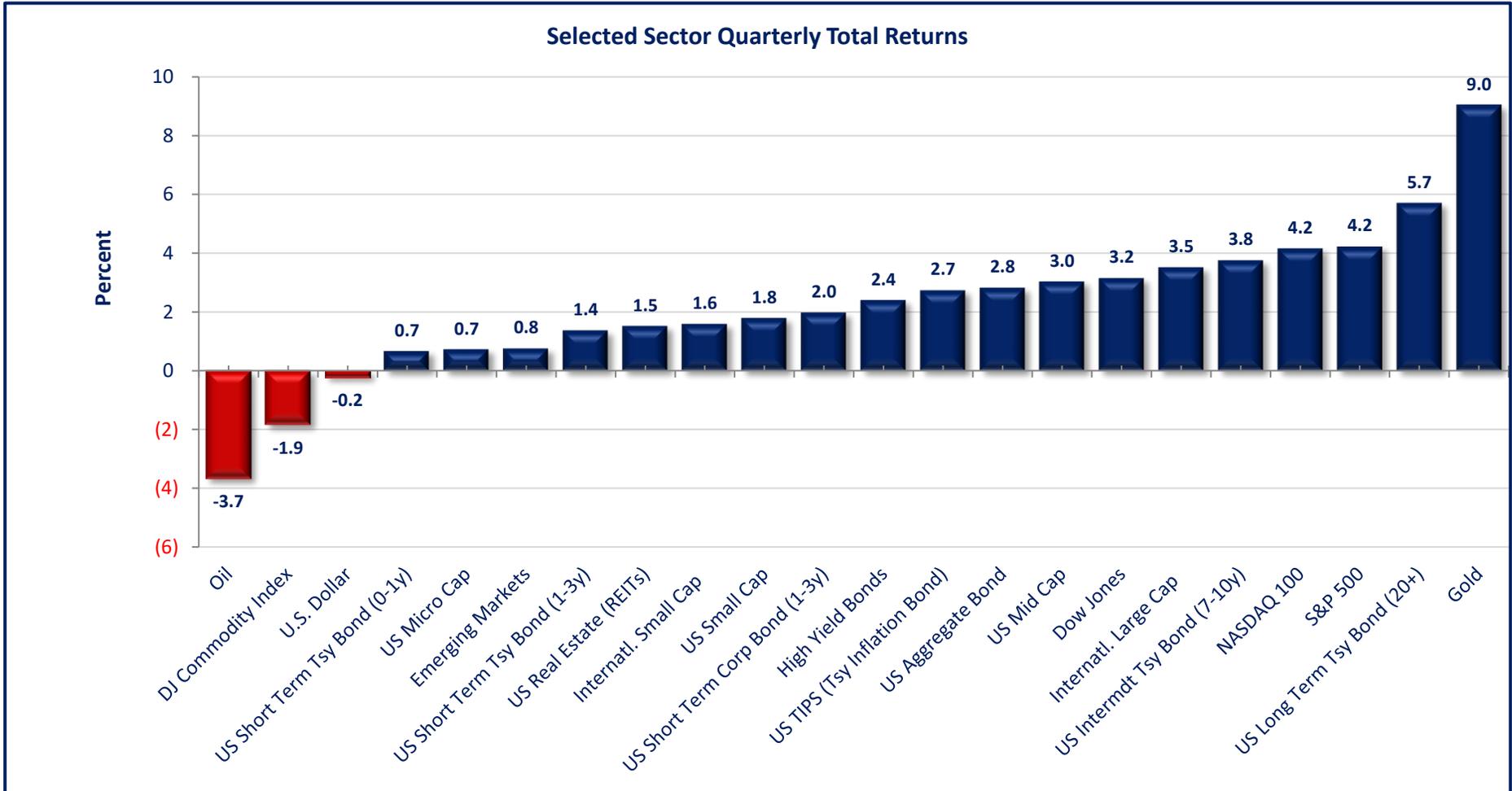


Current Spread is 38

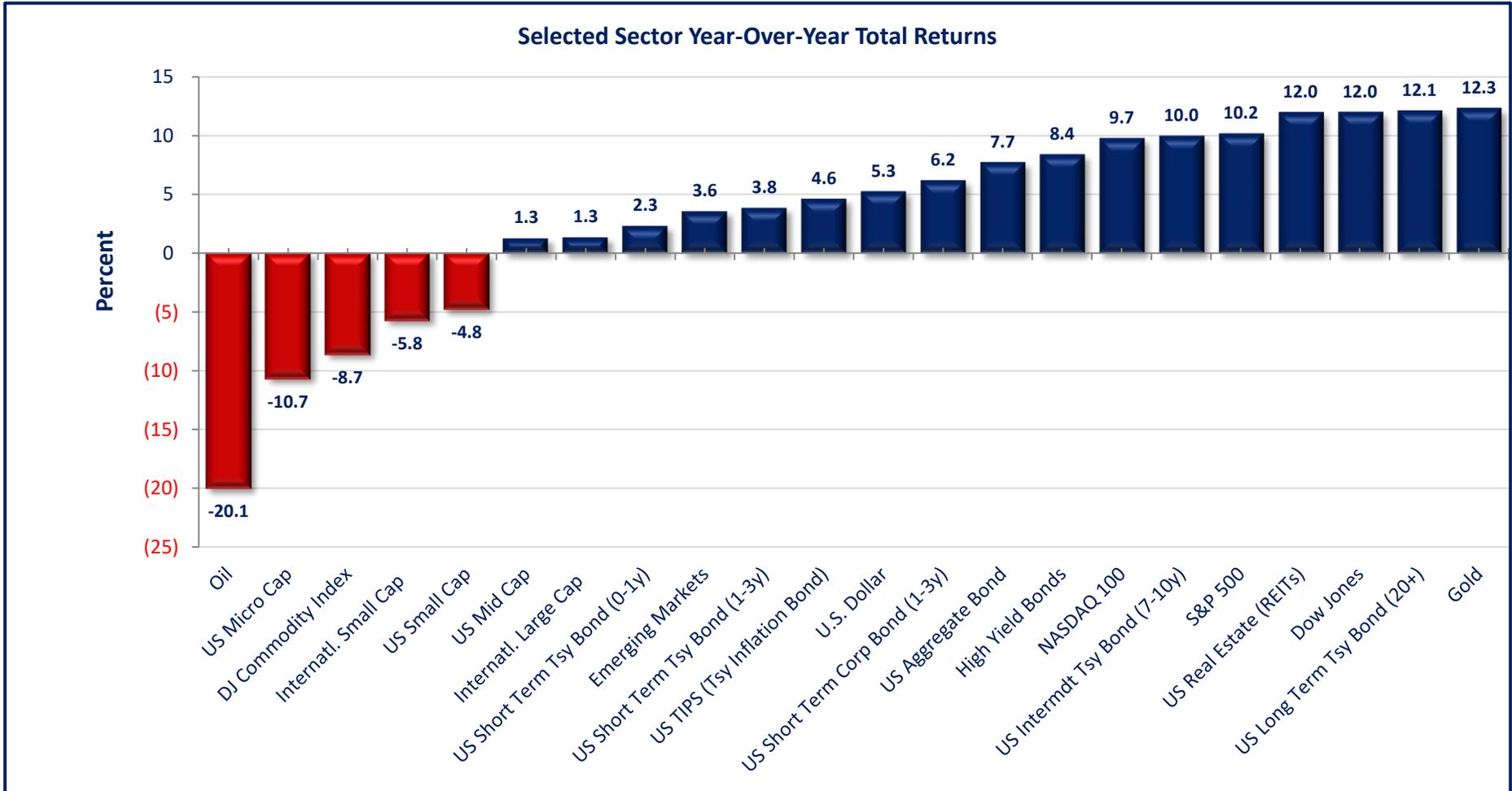
*ICE BofAML Index (option adjusted spread vs. Treasury)
 AAA Rated ABS (ROA1)

*ICE BofAML Index (option adjusted spread vs. Treasury)
 CMO Agency 0-3Yr PAC (CM1P)

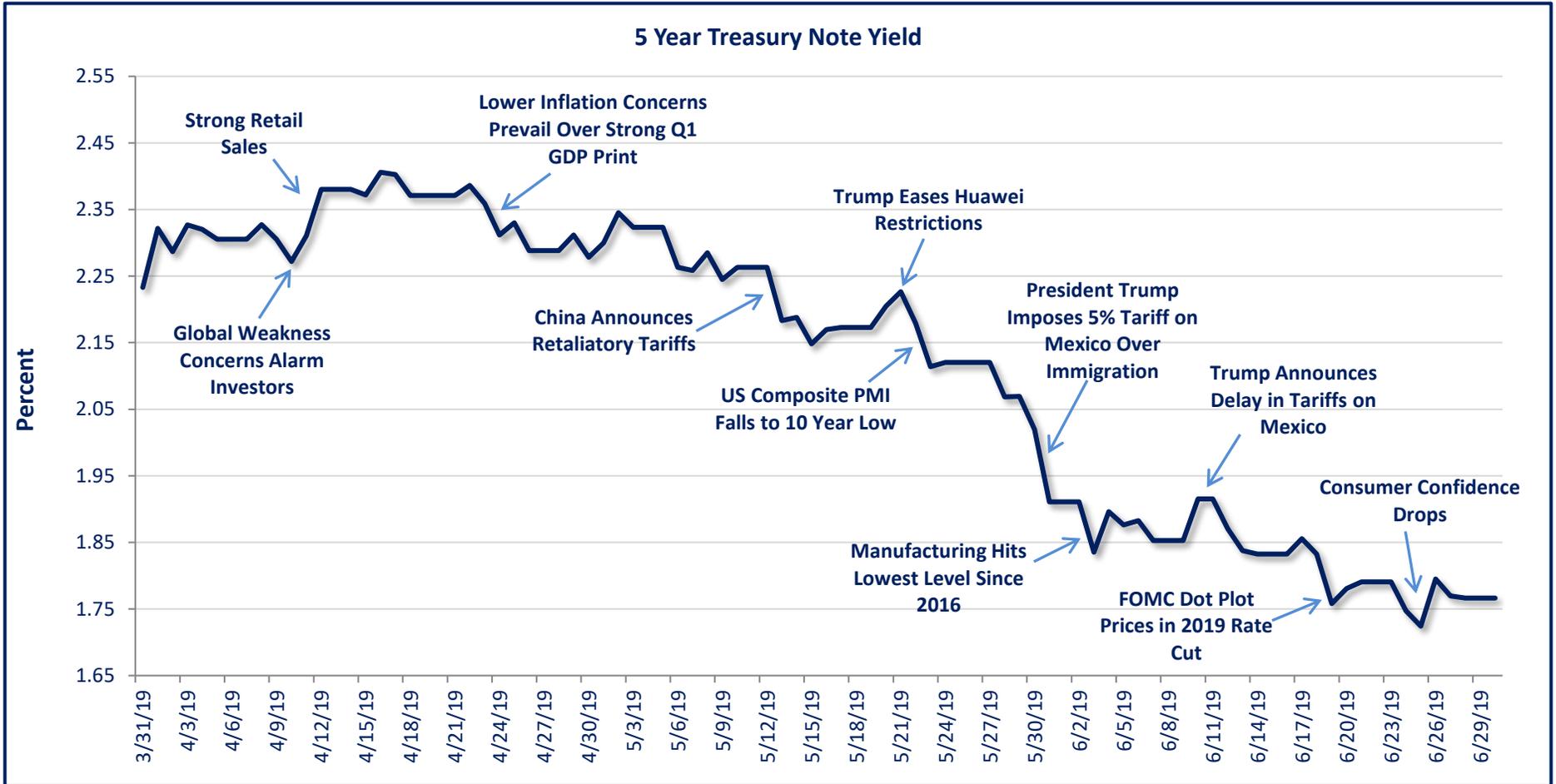
Source: ICE BofAML Indices



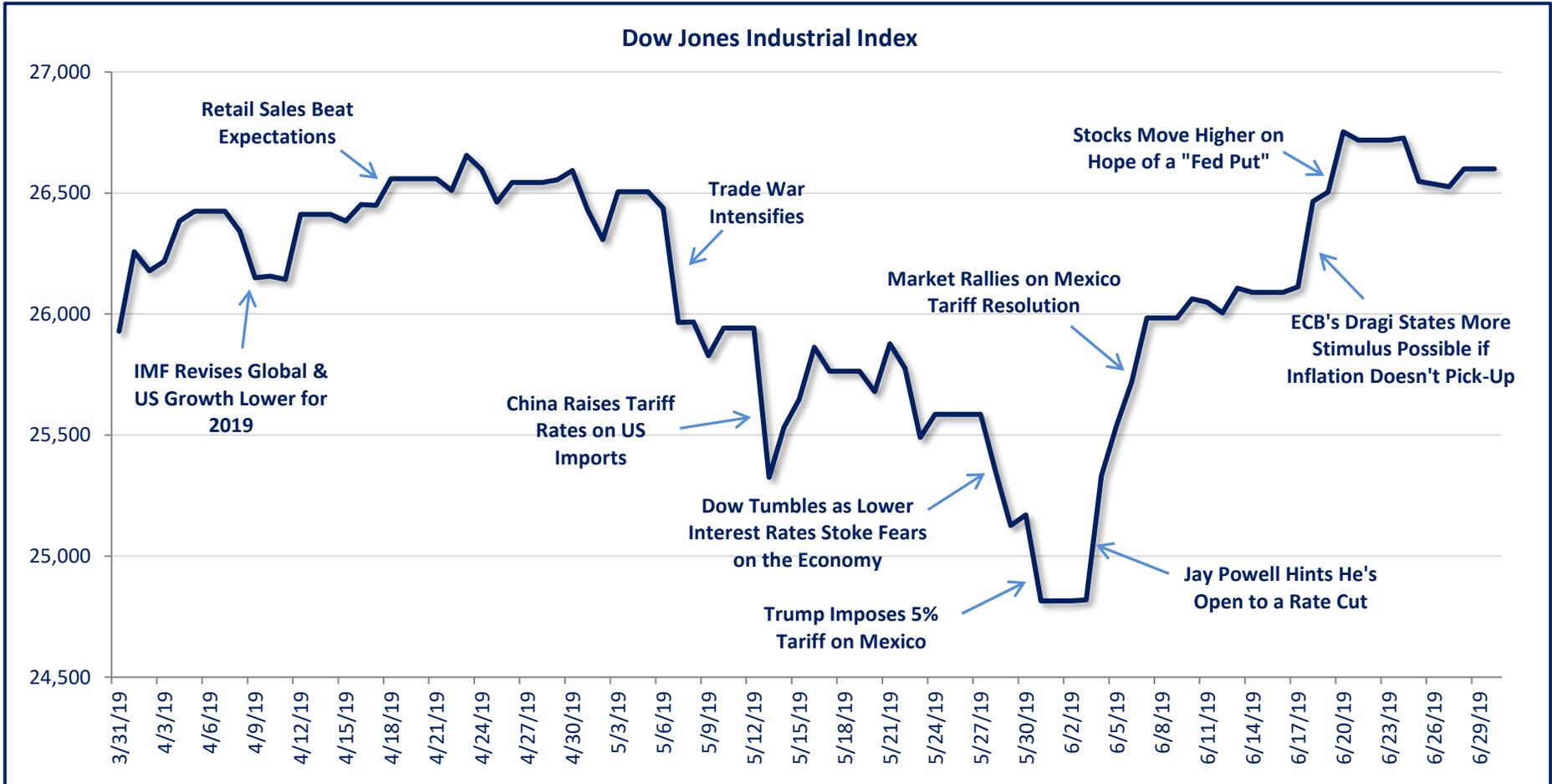
Source: Bloomberg



Source: Bloomberg



Sources: Bloomberg, FTN Main Street



Sources: Bloomberg, FTN Main Street

This report represents the opinions of FTN Financial Main Street Advisors, LLC and should not be considered predictive of any future market performance. Opinions are subject to change without notice. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered investment advice or a recommendation of any particular security, investment strategy, or investment product.

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results, while changes in any assumptions may have a material effect on projected results. Ratings on all securities are subject to change.

FTN Financial Group, FTN Financial Capital Markets, FTN Financial Portfolio Advisors and FTN Financial Municipal Advisors are divisions of First Tennessee Bank National Association (FTB). FTN Financial Securities Corp (FTSC), FTN Financial Main Street Advisors, LLC, and FTN Financial Capital Assets Corporation are wholly owned subsidiaries of FTB. FTSC is a member of FINRA and SIPC—<http://www.sipc.org/>.

FTN Financial Municipal Advisors is a registered municipal advisor. FTN Financial Portfolio Advisors is a portfolio manager operating under the trust powers of FTB. FTN Financial Main Street Advisors, LLC is a registered investment advisor. None of the other FTN entities including, FTN Financial Group, FTN Financial Capital Markets, FTN Financial Securities Corp or FTN Financial Capital Assets Corporation are acting as your advisor and none owe a fiduciary duty under the securities laws to you, any municipal entity, or any obligated person with respect to, among other things, the information and material contained in this communication. Instead, these FTN entities are acting for their own interests. You should discuss any information or material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

FTN Financial Group, through FTB or its affiliates, offers investment products and services. Investment Products are not FDIC insured, have no bank guarantee and may lose value.

Source: ICE Data Indices, LLC ("ICE"), is used with permission. ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND SUBSCRIBER'S USE IS AT SUBSCRIBER'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND [INSERT SUBSCRIBER NAME], OR ANY OF ITS PRODUCTS OR SERVICES.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H
TABLE OF ACCRETED VALUES