

**NEW ISSUE - FULL BOOK-ENTRY
BANK QUALIFIED**

**INSURED RATING: S&P: "AA"
UNDERLYING RATING: Moody's: "A1"
See "RATINGS" herein.**

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

\$3,375,978.90
COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
(Fresno, Monterey, and San Benito Counties, California)
General Obligation Bonds
Election of 2016, Series C
(Bank Qualified)

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned General Obligation Bonds Election of 2016, Series C (the "Bonds"), are being issued by the Coalinga-Huron Joint Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on March 10, 2020. The Bonds were authorized at an election of the registered voters of the District held on November 8, 2016, (the "2016 Authorization") which authorized the issuance of \$39,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the third and final series of bonds to be issued under the 2016 Authorization. See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

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

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

Payments. The Bonds are dated the date of delivery and are being issued as Current Interest Bonds and Capital Appreciation Bonds (each 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 August 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 August 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 Bank of New York Mellon Trust Company, N.A., as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

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

Bond Insurance. The scheduled payment of principal (or, in the case of Capital Appreciation Bonds, Accreted Value) of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



MATURITY SCHEDULE
(See inside cover)

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

The Bonds 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. Norton Rose Fulbright US LLP, Los Angeles, California is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about April 9, 2020.

STIFEL

MATURITY SCHEDULE

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
(Fresno, Monterey, and San Benito Counties, California)
General Obligation Bonds
Election of 2016, Series C
(Bank Qualified)

Base CUSIP[†]: 190222

\$700,000 -- 5.000% Current Interest Bonds maturing August 1, 2046;
Yield: 3.900^C %; CUSIP[†]: GW3

\$2,675,978.90 -- 5.000% Capital Appreciation Bonds maturing August 1, 2044;
Yield to Maturity: 5.000%; Maturity Value: \$8,890,000; CUSIP[†]: GX1

[†] CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.
C: Yield to call at first optional redemption date of August 1, 2029 at par.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
(Fresno, Monterey, and San Benito Counties, California)

BOARD OF TRUSTEES

Lisa Culbertson, *President*
Ramon Zubiri, *Vice President*
Maria I. Zavala, *Clerk*
Roger Campbell, *Member*
Francisco Chavez, *Member*

DISTRICT ADMINISTRATION

Lori Villanueva, *Superintendent*
Luci Rogers, *Assistant Superintendent of Business Services*

PROFESSIONAL SERVICES

FINANCIAL ADVISOR

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

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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\$3,375,978.90
COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
(Fresno, Monterey, and San Benito Counties, California)
General Obligation Bonds
Election of 2016, Series C
(Bank Qualified)

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the “**Bonds**”) by the Coalinga-Huron Joint Unified School District (the “**District**”).

INTRODUCTION

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

The District. The District, located in Fresno County, Monterey County and San Benito County (together, the “**Counties**”), encompasses an area of approximately 700 square miles and a population of about 28,100 residents. The District currently operates five elementary schools, two middle schools, one high school, two continuation high schools and one community day school, serving approximately 4,511 students for the 2019-20 school year.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other statistical information regarding Fresno County, the primary location of the District.

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction and improvements to facilities of the District, as approved by voters in the District at an election held on November 8, 2016 (the “**Bond Election**”). See “THE BONDS - Purpose of Issue” herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize \$39 million of general obligation bonds. The Bonds will be issued pursuant to certain provisions of the Government Code of the State and a resolution adopted by the Board of Trustees of the District on March 10, 2020 (the “**Bond Resolution**”). See “THE BONDS - Authority for Issuance” herein.

Description of the 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 delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The 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 August 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 August 1, 2020 until payment of the accreted value thereof at maturity or upon earlier redemption. See “THE BONDS – Description of the Bonds” herein.

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

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

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

Following the issuance of the Bonds, it is expected there will be an unissuable amount of authorization remaining under the 2016 Authorization. See “DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations” in APPENDIX A.

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

Legal Matters. Issuance of the Bonds is subject to the approving opinion of 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, will serve as Disclosure Counsel to the District. Norton Rose Fulbright US LLP, Los Angeles, California is serving as counsel to the Underwriter. Payment of the fees of Bond Counsel, Disclosure Counsel, and counsel to the Underwriter is contingent upon issuance of the Bonds.

Bond Insurance. Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy for the Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal (or, in the case of Capital Appreciation Bonds, accreted value) of and interest on the Bonds when due, as set forth in the form of the Policy included as Appendix I to this Official Statement. See “BOND INSURANCE” and APPENDIX I.

Tax Matters; Bank Qualified. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Bonds will not be includable in gross income for federal income tax purposes although it may be includable in the calculation for certain taxes. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from State of California (the “**State**”) personal income taxes. The District has designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. Such section provides an exception to the prohibition against the ability of a “financial institution” (as defined in the Internal Revenue Code of 1986) to deduct its interest expense allocable to tax-exempt interest. See “TAX MATTERS” and APPENDIX D hereto for the form of Bond Counsel’s opinion 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 a continuing disclosure certificate (the “**Continuing Disclosure Certificate**”), the form of which is attached as APPENDIX E. See “CONTINUING DISCLOSURE” for additional information.

Changes Since Preliminary Official Statement. In addition to pricing-related information, this Official Statement contains additional changes from the Preliminary Official Statement dated March 20, 2020, relating to the Coronavirus global pandemic and its impact on school districts in the State. See “SECAURITY FOR THE BONDS – *Ad Valorem* Taxes – *Coronavirus Global Pandemic*” and “APPENDIX A - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT – STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS – LAO Fiscal Perspective Report.”

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement, and information concerning the Bonds, are available from the District at 657 Sunset Street, Coalinga, California 93210, Phone: (559) 935-7500. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution.

The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of \$39,000,000 (the “**2016 Authorization**”).

On April 4, 2017, the District issued its \$10,000,000 General Obligation Bonds Election of 2016, Series A (the “**Series A Bonds**”) pursuant to the 2016 Authorization. On May 10, 2018, the District issued its \$25,623,719.20 General Obligation Bonds Election of 2016, Series B (the “**Series B Bonds**”) pursuant to the 2016 Authorization. The Bonds are the third and final series of bonds to be issued pursuant to the 2016 Authorization. Following the issuance of the Bonds, it is expected that there will be an unissuable amount of authorization remaining under the 2016 Authorization.

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by the District's voters on November 8, 2016, the abbreviated text of which appeared on the ballot as follows:

“To improve the quality of education with funding that cannot be taken by the state; construct, renovate, and upgrade classrooms and school buildings; provide facilities for job training/career technical education; replace deteriorating plumbing and outdated HVAC systems; repair/replace leaky roofs; and make health, safety and security improvements; shall Coalinga-Huron Joint Unified School District issue \$39,000,000 of bonds at legal interest rates, with annual audits, an independent citizens’ oversight committee and NO money for teacher or administrative salaries?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2016 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

The Bonds are being issued as Current Interest Bonds and Capital Appreciation Bonds, as described below. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing an interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

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 August 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 July 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 August 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, 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 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, except for one maturity which may be in an odd amount. 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 August 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, or earlier redemption, shall represent interest accreted and coming due on such date. The Accreted Value of any Capital Appreciation Bond at maturity, or earlier redemption, shall be payable by check or draft mailed by first-class mail, in lawful money of the United States 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.”

Book-Entry Only System

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

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

The Paying Agent, the District, and the 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.

Redemption

Optional Redemption. The Bonds 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, 2029, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon, or the Accreted Value thereof, to the redemption date.

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

Mandatory Sinking Fund Redemption.

Current Interest Bonds. The Current Interest Bonds are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Current Interest Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments in the amounts and on the dates set forth below, without premium.

Redemption Date (August 1)	Sinking Fund Redemption
2045	\$500,000
2046 (maturity)	200,000

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

Capital Appreciation Bonds. The Capital Appreciation Bonds are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Capital Appreciation Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments in the accreted amounts and on the dates set forth below, without premium.

**\$2,675,978.90 Denominational Amount
(\$8,890,000 Maturity Value)
Bonds Maturing August 1, 2044**

Redemption Date (August 1)	Initial Principal Amount to be Redeemed	Accreted Value to be Redeemed
2023	\$9,030.30	\$10,634.40
2024	24,080.80	29,794.40
2025	37,626.25	48,910.00
2026	46,656.55	63,718.95
2027	58,696.95	84,220.50
2028	69,232.30	104,367.10
2029	81,272.70	128,719.80
2030	91,808.05	152,765.35
2031	100,838.35	176,287.05
2032	112,878.75	207,326.25
2033	120,404.00	232,344.00
2034	130,939.35	265,467.45
2035	141,474.70	301,345.20
2036	148,999.95	333,441.90
2037	158,030.25	371,553.00
2038	167,060.55	412,670.25
2039	176,090.85	456,996.15
2040	185,121.15	504,755.10
2041	191,141.35	547,554.15
2042	200,171.65	602,456.75
2043	209,201.95	661,507.95
2044 (maturity)	215,222.15	715,000.00

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

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class, postage prepaid, at least 20 but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or 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.

Partial Redemption of Bonds

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations (or of like Accreted Value in the case of the Capital Appreciation Bonds) in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

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, such Bonds so called will cease to be entitled to any benefit under the Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

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 date 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 Bond Resolution.

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 Bond 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 Counties nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Dallas, Texas, 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 Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

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

Defeasance and Discharge of Bonds

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 Bond Resolution) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

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

- (i) lawful money of the United States of America in an amount equal to the principal or Accreted Value amounts of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal or Accreted Value amounts 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 District, will provide money sufficient to pay the principal or Accreted Value amounts 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 Accreted Value amounts or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or 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 Counties 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.

“Federal Securities” means: United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

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DEBT SERVICE SCHEDULES

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

Coalinga-Huron Joint Unified School District General Obligation Bonds Election of 2016, Series C Debt Service Schedule

Date (August 1)	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>		Total
	Principal	Interest	Denominational Amount	Accreted Interest	
2020	--	\$10,888.89	--	--	\$10,888.89
2021	--	35,000.00	--	--	35,000.00
2022	--	35,000.00	--	--	35,000.00
2023	--	35,000.00	\$9,030.30	\$1,604.10	45,634.40
2024	--	35,000.00	24,080.80	5,713.60	64,794.40
2025	--	35,000.00	37,626.25	11,283.75	83,910.00
2026	--	35,000.00	46,656.55	17,062.40	98,718.95
2027	--	35,000.00	58,696.95	25,523.55	119,220.50
2028	--	35,000.00	69,232.30	35,134.80	139,367.10
2029	--	35,000.00	81,272.70	47,447.10	163,719.80
2030	--	35,000.00	91,808.05	60,957.30	187,765.35
2031	--	35,000.00	100,838.35	75,448.70	211,287.05
2032	--	35,000.00	112,878.75	94,447.50	242,326.25
2033	--	35,000.00	120,404.00	111,940.00	267,344.00
2034	--	35,000.00	130,939.35	134,528.10	300,467.45
2035	--	35,000.00	141,474.70	159,870.50	336,345.20
2036	--	35,000.00	148,999.95	184,441.95	368,441.90
2037	--	35,000.00	158,030.25	213,522.75	406,553.00
2038	--	35,000.00	167,060.55	245,609.70	447,670.25
2039	--	35,000.00	176,090.85	280,905.30	491,996.15
2040	--	35,000.00	185,121.15	319,633.95	539,755.10
2041	--	35,000.00	191,141.35	356,412.80	582,554.15
2042	--	35,000.00	200,171.65	402,285.10	637,456.75
2043	--	35,000.00	209,201.95	452,306.00	696,507.95
2044	--	35,000.00	215,222.15	499,777.85	750,000.00
2045	\$500,000.00	35,000.00	--	--	535,000.00
2046	200,000.00	10,000.00	--	--	210,000.00
Total	\$700,000.00	\$895,888.89	\$2,675,978.90	\$3,735,856.80	\$8,007,724.59

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

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
OUTSTANDING GENERAL OBLIGATION BONDS
Combined Debt Service Schedule**

Period Ending (Aug. 1)	2010 Election, Series A Bonds	2010 Election, Series B QSCBs ⁽¹⁾	2010 Election, Series D QSCBs ⁽¹⁾	2012 Refunding Bonds	2010 Election, Series E Bonds	2016 Election, Series A Bonds	2017 Refunding Bonds	2016 Election, Series B Bonds	The Bonds	Aggregate Annual Debt Service
2020	--	\$877,247.00	\$138,495.00	\$296,950.00	\$174,625.00	\$354,568.76	\$625,900.00	\$1,053,781.26	\$10,888.89	\$3,532,455.91
2021	--	890,210.00	138,495.00	293,550.00	180,225.00	354,568.76	630,200.00	1,078,781.26	35,000.00	3,601,030.02
2022	--	1,125,730.00	138,495.00	--	210,425.00	354,568.76	623,200.00	1,128,781.26	35,000.00	3,616,200.02
2023	--	1,131,588.00	298,495.00	--	164,225.00	354,568.76	625,600.00	1,183,781.26	45,634.40	3,803,892.42
2024	--	1,134,460.00	305,655.00	--	160,775.00	354,568.76	612,000.00	1,233,781.26	64,794.40	3,866,034.42
2025	--	1,249,346.00	317,080.00	--	167,037.50	354,568.76	--	1,288,781.26	83,910.00	3,460,723.52
2026	\$1,230,000.00	--	327,525.00	--	167,662.50	354,568.76	--	1,348,781.26	98,718.95	3,527,256.47
2027	1,275,000.00	--	331,990.00	--	163,112.50	354,568.76	--	1,409,031.26	119,220.50	3,652,923.02
2028	1,330,000.00	--	330,720.00	--	163,400.00	354,568.76	--	1,470,531.26	139,367.10	3,788,587.12
2029	1,380,000.00	--	332,760.00	--	163,000.00	519,568.76	--	1,368,031.26	163,719.80	3,927,079.82
2030	1,435,000.00	--	333,990.00	--	157,400.00	539,618.76	--	1,414,531.26	187,765.35	4,068,305.37
2031	1,495,000.00	--	334,410.00	--	156,800.00	558,443.76	--	1,464,531.26	211,287.05	4,220,472.07
2032	1,552,866.00	--	339,020.00	--	156,000.00	576,725.00	--	1,514,531.26	242,326.25	4,381,468.51
2033	1,614,755.25	--	342,550.00	--	--	598,925.00	--	1,569,531.26	267,344.00	4,393,105.51
2034	1,681,124.05	--	--	--	--	619,812.50	--	1,624,531.26	300,467.45	4,225,935.26
2035	1,747,979.35	--	--	--	--	659,312.50	--	1,659,531.26	336,345.20	4,403,168.31
2036	1,820,000.00	--	--	--	--	661,812.50	--	1,740,731.26	368,441.90	4,590,985.66
2037	--	--	--	--	--	688,312.50	--	1,798,256.26	406,553.00	2,893,121.76
2038	--	--	--	--	--	712,562.50	--	1,862,806.26	447,670.25	3,023,039.01
2039	--	--	--	--	--	734,562.50	--	1,929,031.26	491,996.15	3,155,589.91
2040	--	--	--	--	--	759,312.50	--	1,995,425.00	539,755.10	3,294,492.60
2041	--	--	--	--	--	786,562.50	--	2,068,012.50	582,554.15	3,437,129.15
2042	--	--	--	--	--	811,062.50	--	2,141,431.26	637,456.75	3,589,950.51
2043	--	--	--	--	--	841,125.00	--	2,210,500.00	696,507.95	3,748,132.95
2044	--	--	--	--	--	869,125.00	--	2,294,250.00	750,000.00	3,913,375.00
2045	--	--	--	--	--	900,062.50	--	2,375,000.00	535,000.00	3,810,062.50
2046	--	--	--	--	--	933,750.00	--	2,452,500.00	210,000.00	3,596,250.00
2047	--	--	--	--	--	--	--	3,506,500.00	--	3,506,500.00
2048	--	--	--	--	--	--	--	3,627,750.00	--	3,627,750.00
TOTAL	\$16,561,724.65	\$6,408,581.00	\$4,009,680.00	\$590,500.00	\$2,184,687.50	\$15,961,775.12	\$3,116,900.00	\$51,813,443.96	\$8,007,724.59	\$108,655,016.82

(1) Gross debt service before federal subsidy reimbursement.

SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal/Denominational Amount of Bonds	\$3,375,978.90
Original Issue Premium	59,598.00
Total Sources	\$3,435,576.90

Uses of Funds

Building Fund	\$3,178,779.16
Debt Service Fund	42,461.47
Costs of Issuance ⁽¹⁾	214,336.27
Total Uses	\$3,435,576.90

(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, premium for the municipal bond insurance policy, and the rating agency.

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SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

Levy and Collection. The Counties 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 Fresno County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

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

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

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

Natural Disasters. Economic and other factors beyond the District’s control, such as economic recession, deflation of 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 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. See “PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value.” See also following paragraph regarding the Coronavirus (defined below).

Coronavirus Global Pandemic.

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (“**Coronavirus**”), which was first detected in China and has spread to other countries, including the United States, was declared a pandemic by the World Health Organization, a national emergency by the President of the United State (the “**President**”) and a state of emergency by the Governor of the State (the “**Governor**”). There has been tremendous volatility in the markets in the United States and globally, resulting in significant recent declines and speculation of a national and global recession.

The President’s declaration of a national emergency on March 13, 2020 made available more than \$50 billion in federal resources to combat the spread of the virus. A multibillion-dollar Coronavirus relief package was signed into law by the President on March 18, 2020 providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. On March 27, 2020, the House approved a \$2 trillion relief package, including economic stimulus in the form of direct payment to certain Americans and billions of dollars to hospitals. In addition, the Federal Reserve has lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 15, 2020, the Governor ordered the closing of California bars and nightclubs, gatherings of more than 250 to be canceled and confirmed that school districts that close will continue to receive State funding so long as certain requirements are met. Most school districts in the State have suspended classes and the Governor has indicated that schools are likely to remain closed for the remainder of the school year. On March 16, 2020, the State legislature passed \$1.1 billion in emergency funds in response to the Coronavirus crisis. On March 19, 2020, the Governor issued a shelter-in-place order, Executive Order N-33-20, ordering all California residents to stay home except to get food, care for a relative, get necessary healthcare or go to an essential job. The stay at home order went into effect immediately and will stay in effect until further notice.

Impacts on Global and Local Economies; Potential Declines in State Revenues. The Coronavirus public health emergency is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies, including the economy of the State. Under the 2019-20 State Budget (defined below) approximately 70% of the State’s general fund revenue is projected to be derived from personal income tax receipts. Additionally, capital gains tax receipts are budgeted to account for about 10% of such receipts in fiscal year 2019-20. California’s Legislative Analyst’s Office published a report on March 18, 2020 which anticipates that the economic uncertainty caused by the outbreak will significantly affect California’s near-term fiscal outlook, including lower capital gains-related tax revenue due to the volatility in the financial markets, and the likelihood that a recession is forthcoming due to pullback in activity across wide swaths of the economy. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS - LAO Fiscal Perspective Report.” The District cannot predict the short or long term impacts that Coronavirus will have on global, State-wide and local economies, which could impact District operations and local property values.

Suspension of Classroom Instruction; Unanticipated Costs. The Governor’s shelter in place order has suspended classroom instruction indefinitely throughout California schools. Further, the Governor has indicated that schools statewide may not open again for the remainder of the school year. Most school districts are undertaking distance learning efforts to provide continuing instruction to students. On March 13, 2020, the Governor signed Executive Order N-26-20 ordering that school districts closing in order to address Coronavirus will, subject to certain conditions, continue to receive state funding to support distance learning or independent study, to continue to provide subsidized school meals to low-income students, to continue to pay school district employees, and, to the extent

practicable, to provide for supervision of students during school hours. Additionally, State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. See Appendix A under the heading “DISTRICT FINANCIAL INFORMATION – Education Funding Generally.”

School districts in California may incur additional unanticipated costs since budget adoption that result as a result of the Coronavirus emergency. Examples include cleaning and sanitizing costs, and possibly heightened security costs.

The District cannot predict the impacts that the Coronavirus emergency might have on the District’s finances or operations.

General Obligation Bonds Secured by Ad Valorem Tax Revenues. Notwithstanding the impacts the Coronavirus emergency may have on the economy in the State, the County and the District, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. See “SECURITY FOR THE BONDS – *Ad Valorem* Taxes” above.

Building Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to Fresno County to the credit of the fund created and established in the Bond Resolution and known as the “Coalinga-Huron Joint Unified School District, Election of 2016, Series C Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and Fresno County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the “Coalinga-Huron Joint Unified School District, Election of 2016, Series C 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 Counties for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by Fresno County promptly upon the 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. Fresno County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

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

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Taxation of State-Assessed Utility Property

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

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

Assessed Valuation

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

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

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

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2007-08 through 2019-20**

Fresno County Portion only

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$1,398,461,749	\$2,726,483	\$112,793,357	\$1,513,981,589	--%
2008-09	1,538,455,184	2,190,449	78,174,340	1,618,819,973	6.9
2009-10	1,815,945,803	2,190,449	78,700,363	1,896,836,615	17.2
2010-11	1,778,701,244	2,270,999	80,338,778	1,861,311,021	(1.9)
2011-12	1,986,187,119	2,024,285	84,752,237	2,072,963,641	11.4
2012-13	2,117,461,354	2,695,379	81,875,081	2,202,031,814	6.2
2013-14	2,245,864,882	2,695,379	83,299,996	2,331,860,257	5.9
2014-15	2,357,557,675	2,685,519	90,574,987	2,450,818,181	5.1
2015-16	2,050,274,819	3,571,080	90,407,351	2,144,253,250	(12.5)
2016-17	1,894,111,307	3,571,080	94,387,787	1,992,070,174	(7.1)
2017-18	2,105,722,849	3,571,080	84,223,861	2,193,517,790	10.1
2018-19	2,160,521,110	3,571,080	64,808,294	2,228,900,484	1.6
2019-20	2,285,988,611	2,497,902	72,447,481	2,360,933,994	5.9

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Monterey County Portion only

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$5,450,628	\$0	\$10,130	\$5,460,758	--%
2008-09	5,678,514	0	12,350	5,690,864	4.2
2009-10	5,785,566	0	35,250	5,820,816	2.3
2010-11	5,663,895	0	2,350	5,666,245	(2.7)
2011-12	6,654,184	0	3,080	6,657,264	17.5
2012-13	6,935,096	0	3,060	6,938,156	4.2
2013-14	7,065,479	0	3,010	7,068,489	1.9
2014-15	6,907,331	0	4,450	6,911,781	(2.2)
2015-16	7,459,733	0	4,310	7,464,043	8.0
2016-17	7,554,300	0	4,250	7,558,550	1.3
2017-18	8,057,300	0	4,230	8,061,530	6.7
2018-19	8,308,255	0	4,230	8,312,485	3.1
2019-20	8,712,234	0	4,310	8,716,544	4.9

San Benito County Portion only

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$887,009	\$0	\$0	\$887,009	--%
2008-09	900,691	0	0	900,691	1.5
2009-10	912,833	0	0	912,833	1.3
2010-11	909,966	0	0	909,966	(0.3)
2011-12	915,003	0	0	915,003	0.6
2012-13	929,174	0	0	929,174	1.5
2013-14	969,351	0	0	969,351	4.3
2014-15	973,104	0	0	973,104	0.4
2015-16	1,011,716	0	0	1,011,716	4.0
2016-17	1,022,826	0	0	1,022,826	1.1
2017-18	1,049,679	0	0	1,049,679	2.6
2018-19	1,064,501	0	0	1,064,501	1.4
2019-20	1,093,641	0	0	1,093,641	2.7

Total District

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2007-08	\$1,404,799,386	\$2,726,483	\$112,803,487	\$1,520,329,356	--%
2008-09	1,545,034,389	2,190,449	78,186,690	1,625,411,528	6.9
2009-10	1,822,644,202	2,190,449	78,735,613	1,903,570,264	17.1
2010-11	1,785,275,105	2,270,999	80,341,128	1,867,887,232	(1.9)
2011-12	1,993,756,306	2,024,285	84,755,317	2,080,535,908	11.4
2012-13	2,125,325,624	2,695,379	81,878,141	2,209,899,144	6.2
2013-14	2,253,899,712	2,695,379	83,303,006	2,339,898,097	5.9
2014-15	2,365,438,110	2,685,519	90,579,437	2,458,703,066	5.1
2015-16	2,058,746,268	3,571,080	90,411,661	2,152,729,009	12.4
2016-17	1,902,688,433	3,571,080	94,392,037	2,000,651,550	(7.1)
2017-18	2,114,829,828	3,571,080	84,228,091	2,202,628,999	10.1
2018-19	2,169,893,866	3,571,080	64,812,524	2,238,277,470	1.6
2019-20	2,295,794,486	2,497,902	72,451,791	2,370,744,179	5.9

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 natural disasters such as earthquakes, fires, floods and droughts.

Notable natural disasters in recent years include drought conditions throughout the State, and wildfires that have occurred in recent years in different regions of the State, which damaged and threatened thousands of homes, not within the District. See also “SECURITY FOR THE BONDS – *Ad Valorem* Taxes – Global Coronavirus Pandemic.”

A State constitutional amendment designated as the California Schools and Local Community Funding Act of 2020, has qualified by initiative for the November 3, 2020 ballot which, if approved by State voters by majority vote, would amend the State Constitution to change to a split roll approach to determine property values for purposes of property taxation. If approved, the State Constitution will be amended to provide for the reassessment to fair market value of certain commercial and industrial real properties every three years, overriding the current two percent limitation on annual assessment increases until a property changes ownership. The resulting increases in property tax revenues would be allocated among local public agencies. The District cannot predict if such initiative will be successful or the impact it might have on assessed values in the District.

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

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
2019-20 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
City of Coalinga	\$ 599,151,083	25.27%	\$599,151,083	100.00%
City of Huron	110,470,952	4.66	\$110,470,952	100.00%
Unincorporated Fresno County	1,651,311,959	69.65	\$24,439,326,851	6.76%
Unincorporated Monterey County	8,716,544	0.37	\$35,898,423,996	0.02%
Unincorporated San Benito County	<u>1,093,641</u>	<u>0.05</u>	\$4,532,562,618	0.02%
Total District	\$2,370,744,179	100.00%		
Summary by County:				
Fresno County	\$2,360,933,994	99.59%	\$83,009,660,879	2.84%
Monterey County	8,716,544	0.37	\$71,265,526,245	0.01%
San Benito County	<u>1,093,641</u>	<u>0.05</u>	\$9,116,114,194	0.01%
Total District	\$2,370,744,179	100.00%		

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2019-20.

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-20**

	2019-20 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Agricultural	\$ 726,947,565	31.66%	4,333	42.34%
Commercial/Office	206,162,995	8.98	422	4.12
Industrial General	78,818,412	3.43	119	1.16
Oil & Gas/Mineral Rights	690,013,422	30.06	225	2.20
Government/Social/Institutional	2,382,498	0.10	42	0.41
Miscellaneous/ Vacant	<u>8,542,155</u>	<u>0.37</u>	<u>1,023</u>	<u>10.00</u>
Subtotal Non-Residential	\$1,712,867,047	74.61%	6,164	60.23%
<u>Residential:</u>				
Single Family Residence	\$454,801,016	19.81%	3,400	33.22%
Mobile Home/Mobile Home Park	3,211,035	0.14	182	1.78
2+ Residential Units/Apartments	98,970,337	4.31	255	2.49
Vacant Residential	<u>25,945,051</u>	<u>1.13</u>	<u>233</u>	<u>2.28</u>
Subtotal Residential	\$582,927,439	25.39%	4,070	39.77%
Total	\$2,295,794,486	100.00%	10,234	100.00%

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

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2019-20, including the median and average assessed value of single family parcels in the District.

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2019-20**

	<u>No. of Parcels</u>	<u>2019-20 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	3,454	\$454,801,016	\$131,674	\$121,085

<u>2019-20 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	54	1.563%	1.563%	\$ 852,763	0.188%	0.188%
\$25,000 - \$49,999	258	7.470	9.033	10,243,745	2.252	2.440
\$50,000 - \$74,999	438	12.681	21.714	27,739,704	6.099	8.539
\$75,000 - \$99,999	540	15.634	37.348	47,212,324	10.381	18.920
\$100,000 - \$124,999	513	14.852	52.200	57,732,018	12.694	31.614
\$125,000 - \$149,999	454	13.144	65.345	62,020,458	13.637	45.251
\$150,000 - \$174,999	396	11.465	76.809	64,173,637	14.110	59.361
\$175,000 - \$199,999	277	8.020	84.829	51,435,475	11.309	70.670
\$200,000 - \$224,999	176	5.096	89.925	37,354,551	8.213	78.884
\$225,000 - \$249,999	118	3.416	93.341	27,807,810	6.114	84.998
\$250,000 - \$274,999	90	2.606	95.947	23,538,997	5.176	90.174
\$275,000 - \$299,999	53	1.534	97.481	15,229,419	3.349	93.522
\$300,000 - \$324,999	47	1.361	98.842	14,680,453	3.228	96.750
\$325,000 - \$349,999	16	0.463	99.305	5,401,951	1.188	97.938
\$350,000 - \$374,999	8	0.232	99.537	2,885,409	0.634	98.572
\$375,000 - \$399,999	10	0.290	99.826	3,856,112	0.848	99.420
\$400,000 - \$424,999	4	0.116	99.942	1,626,498	0.358	99.778
\$425,000 - \$449,999	0	0.000	99.942	0	0.000	99.778
\$450,000 - \$474,999	1	0.029	99.971	453,992	0.100	99.878
\$475,000 - \$499,999	0	0.000	99.971	0	0.000	99.878
\$500,000 and greater	<u>1</u>	<u>0.029</u>	100.000	<u>555,700</u>	<u>0.122</u>	100.000
	<u>3,454</u>	<u>100.000</u>		<u>\$454,801,016</u>	<u>100.000</u>	

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

Reassessments and Appeals of Assessed Value

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

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article 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 A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with each 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.

Tax Levies and Delinquencies

The Boards of Supervisors of Fresno County and San Benito County have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code.

Under the Teeter Plan, each entity levying property taxes in Fresno County and San Benito may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan of each of the respective Counties, and thus receives 100% of secured property taxes levied, but in exchange foregoes any interest and penalties collected by Fresno County and San Benito County on delinquent taxes. Currently, Fresno County and San Benito County include the District’s general obligation bond levies in its Teeter Plan.

So long as the Teeter Plan remains in effect and Fresno County and San Benito County continue to include the District’s general obligation bond levy in the Teeter Plan, the District’s receipt of revenues with respect to the levy of *ad valorem* property taxes in Fresno County and San Benito County will not be dependent upon actual collections of the *ad valorem* property taxes by Fresno County and San Benito County (except as described in the following paragraph regarding the supplemental roll). However, under the statute creating the Teeter Plan, counties may, under certain circumstances, terminate the Teeter Plan in its entirety and, in addition, county boards of supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%.

On July 15, 2008, the Fresno County Board of Supervisors adopted Resolution No. 08-322, which determined that, because the “...County of Fresno Supplemental Secured Property Tax Roll is now severely delinquent and, by such delinquency, impairs, impedes and disrupts the County of Fresno’s general fund cash flow...”, Fresno County discontinued the use of the Teeter Plan as it

applies to the supplemental secured property tax rolls. Generally, the supplemental secured tax roll represents properties which have been assessed based on a new base year value due to change in ownership or new construction, which as a result receives a supplemental secured property tax bill in addition to the annual secured property tax bill. As a result, in Fresno County, taxes appearing on the supplemental secured property tax roll are apportioned to the applicable taxing entities when received, and penalties and interest on such supplemental taxes are also paid to such taxing jurisdictions. To the extent *ad valorem* taxes are levied on the supplemental secured property tax bill, such levies will be subject to collection and delinquency rates. In the event that the Teeter Plan were terminated in Fresno County with regard to the regular secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would also depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. The District knows of no consideration by Fresno County to discontinue the Teeter Plan.

Monterey County has not adopted the Teeter Plan, and as a result, secured property taxes collected are allocated to political subdivisions for which Monterey County acts as a tax-levying or tax collecting agency when the secured property taxes are actually collected.

The following tables show a recent history of secured tax charges and delinquencies in the portion of the District located in Fresno County.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquency Rates (Fresno County Portion)
Fiscal Years 2006-07 through 2018-19

	Secured Tax Charge ⁽¹⁾	Amt. Del. June 30	% Del. June 30
2006-07	\$ 15,629,434	\$343,182	2.20%
2007-08	16,748,640	414,677	2.48
2008-09	19,249,079	509,910	2.65
2009-10	16,851,192	305,849	1.81
2010-11	20,181,407	349,145	1.73
2011-12	22,548,951	298,620	1.32
2012-13	24,258,882	157,112	0.65
2013-14	26,141,955	159,445	0.61
2014-15	26,534,949	168,228	0.63
2015-16	23,639,730	201,120	0.85
2016-17	22,031,898	305,890	1.39
2017-18	25,292,665	243,860	0.96
2018-19	26,417,271	258,265	0.98

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

Tax Rates

Below are historical typical tax rates in a typical tax rate area (Tax Rate Area 77-005) within the District for fiscal years 2015-16 through 2019-20.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 77-005) ⁽¹⁾
Fiscal Years 2015-16 through 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20
General Tax Rate	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Coalinga-Huron Joint Unified School District	.055362	.087532	.112528	.125724	.113706
West Hills Joint Community College District	.028458	.016254	.012954	.016952	.017336
West Hills Community College Dist. SFID No. 2	.026586	.029210	.025906	.026434	.025650
Coalinga Hospital District	.000000	.000000	.016462	.018732	.015562
Total Tax Rate	\$1.110406	\$1.132996	\$1.167850	\$1.197666	\$1.172254

(1) 2019-20 assessed valuation of TRA 77-005 is \$793,227,205 which is 33.46% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

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Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2019-20. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from Counties assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

COALINGA-HURON JOINT 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.	Chevron USA Inc.	Oil & Gas	\$305,451,921	13.30%
2.	Aera Energy LLC	Oil & Gas	188,485,574	8.21
3.	Seneca Resources Corporation	Oil & Gas	44,549,000	1.94
4.	Christopher R. Woolf, Trustee	Agricultural	41,808,982	1.82
5.	Vintage Production California LLC	Oil & Gas	39,018,833	1.70
6.	Harris Farms Inc.	Agricultural	29,178,767	1.27
7.	Los Gatos Tomato Products	Food Processing	23,440,500	1.02
8.	RTS Orchards LLC	Agricultural	20,027,589	0.87
9.	Donald Devine, Trustee	Agricultural	19,486,612	0.85
10.	Sageberry I-VI LLC	Agricultural	19,259,673	0.84
11.	William J. Mouren Farming Inc.	Agricultural	18,408,711	0.80
12.	David E. Wood, Trustee	Agricultural	17,439,002	0.76
13.	Pesteh Land LLC	Agricultural	16,430,449	0.72
14.	Michael T. Woolf, Trustee	Agricultural	15,117,585	0.66
15.	California Valley Land Co. Inc.	Agricultural	14,951,865	0.65
16.	Holmes Western Oil Corporation	Oil & Gas	14,832,700	0.65
17.	Calaveras Avenue Coalinga LP	Agricultural	14,682,160	0.64
18.	Bryan Tahmazian, Trustee	Agricultural	13,959,904	0.61
19.	Le Moore Holdings II & III LLC	Agricultural	13,417,994	0.58
20.	Stuart P. Woolf, Trustee	Agricultural	<u>12,873,088</u>	<u>0.56</u>
			\$882,820,909	38.45%

(1) 2019-20 local secured assessed valuation: \$2,295,794,486.
Source: California Municipal Statistics, Inc.

Concentration of Ownership; Oil and Gas Properties. The top twenty property owners in the District account for 38.45% of the assessed valuation in the District, with the top two secured taxpayers, Chevron USD Inc. and Aera Energy LLC, accounting for approximately 21.5% of the District's secured assessed valuation. Non-payment of property taxes by a large owner in the District could reduce the District's share of local property taxes, although so long as Fresno and San Benito Counties participate in the Teeter Plan described above, the District will receive its share of such taxes from such Counties, notwithstanding delinquencies.

Chevron USA Inc. Chevron ranks as number one in net oil-equivalent production in California and is one of the largest hydrocarbon producers in the United States. Chevron is active in exploration and production across North America, particularly in California, Texas, the Gulf of Mexico and Canada.

Aera Energy LLC. Aera Energy LLC is one of California's largest oil and gas producers, accounting for nearly 25% of the State's production. Aera has oil field operations with Fresno County and in other counties within the State.

Decline in Oil Prices. Approximately 26% of the District's assessed valuation for fiscal year 2019-20 is derived from oil and gas properties. The assessed valuations of oil and gas properties are subject to fluctuation from year to year, in part to reflect current market conditions. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Oil and Gas Producing Properties" in Appendix A to this Official Statement. Historically, the District has experienced fluctuations in assessed value from oil and gas properties as a result of lower oil prices. The District cannot predict whether assessed valuations will decline in the future as a result of fluctuations in oil prices. However, the Counties are required to levy a tax at whatever rate is necessary to repay the Bonds.

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Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of March 1, 2020. 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.

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of March 1, 2020)**

2019-20 Assessed Valuation: \$2,370,744,179

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/20</u>
West Hills Community College District	19.658%	\$ 2,771,846
West Hills Community College District SFID No. 2	100.000	10,518,283
Coalinga-Huron Joint Unified School District	100.000	49,594,260⁽¹⁾
Monterey County Water Resources Agency Benefit Assessment District, Zone 2C	0.012	2,536
Coalinga-Huron Recreation and Park District	100.000	<u>9,135,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$72,021,925
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund and Pension Obligation Bonds	2.844%	\$ 7,491,174
Monterey County General Fund Obligations	0.012	17,787
Monterey County Board of Education Certificates of Participation	0.012	160
San Benito County General Fund Obligations	0.012	2,107
West Hills Community College District General Fund Obligations	19.658	2,444,074
Coalinga-Huron Joint Unified School District Certificates of Participation	100.000	6,240,000
City of Coalinga General Fund Obligations	100.000	910,000
Coalinga Regional Medical Center General Fund Obligations	99.512	<u>3,970,529</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$21,075,831
Less: Monterey County supported obligations		<u>(420)</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$21,075,411
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$8,474,942
GROSS COMBINED TOTAL DEBT		\$101,572,698 ⁽²⁾
NET COMBINED TOTAL DEBT		\$101,572,278

Ratios to 2019-20 Assessed Valuation:

Direct Debt (\$49,594,260)	2.09%
Total Direct and Overlapping Tax and Assessment Debt	3.04%
Combined Direct Debt (\$55,834,260)	2.36%
Gross Combined Total Debt	4.28%
Net Combined Total Debt	4.28%

Ratio to Redevelopment Incremental Valuation (\$380,615,583):

Total Overlapping Tax Increment Debt.....	2.23%
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(1) Excludes the Bonds offered for sale hereunder.

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

Source: California Municipal Statistics, Inc.

BOND INSURANCE

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

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”). The Policy guarantees the scheduled payment of principal (or, in the case of Capital Appreciation Bonds, accreted value) of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX I to this Official Statement.

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

Build America Mutual Assurance Company

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

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

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

Capitalization of the Bond Insurer. BAM’s total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2019 and as prepared in accordance with statutory

accounting practices prescribed or permitted by the New York State Department of Financial Services were \$534.9 million, \$132.5 million and \$402.4 million, respectively.

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

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

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

Additional Information Available from the Bond Insurer

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

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

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

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

TAX MATTERS

Tax Exemption

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

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes, and in order for the Bonds to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

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

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

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of

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

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

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or cause the Bonds to not be “qualified tax-exempt obligations,” or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Litigation

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

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

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, Isom Advisors, a Division of Urban Futures, Inc., as financial advisor to the District, and Norton Rose Fulbright US LLP, as counsel to the Underwriter, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently is June 30), commencing March 31, 2021, with the report for the 2019-20 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has made undertakings pursuant to the Rule in connection with its outstanding indebtedness. In the previous five years, the District has complied with its existing undertakings in all material respects. In order to ensure ongoing compliance with its undertakings, the District has engaged Isom Advisors, A Division of Urban Futures, to serve as the District’s dissemination agent in connection with its prior undertakings and the Bonds.

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

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), is expected to assign its rating of "AA" to the Bonds, based on the understanding that the Bond Insurer will deliver its Bond Insurance Policy with respect to the Bonds upon delivery. See "BOND INSURANCE." Additionally, Moody's Investors Services ("**Moody's**"), has assigned an underlying rating of "A1" to the Bonds.

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

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of \$3,393,377.16 which is equal to the initial principal amount of the Bonds of \$3,375,978.90, plus original issue premium of \$59,598.00 less an Underwriter's discount of \$42,199.74.

The bond 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.

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

**COALINGA-HURON JOINT UNIFIED SCHOOL
DISTRICT**

By: _____ */s/ Lori Villanueva* _____
Superintendent

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APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

General Information

The District, located in Fresno County, Monterey County and San Benito County (together, the "**Counties**"), was established in 1964 and encompasses an area of approximately 700 square miles with a population of about 28,100 residents. The District currently operates five elementary schools, two middle schools, one high school, two continuation high schools and one community day school. The District's current enrollment for fiscal year 2019-20 is approximately 4,511 students.

See also APPENDIX C hereto for demographic and other statistical information regarding Fresno County.

Administration

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

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Lisa Culbertson	President	December 2020
Ramon Zubiri	Vice President	December 2022
Maria I. Zavola	Member	December 2022
Roger Campbell	Member	December 2020
Francisco Chaves	Member	December 2020

Administrative Personnel. The Superintendent of the District, appointed by the Board of Trustees, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Lori Villanueva is the District Superintendent and Luci Rogers is the Assistant Superintendent of Business Services.

Recent Enrollment Trends

The following table shows a recent history and budgeted enrollment for the District.

ANNUAL ENROLLMENT
Fiscal Years 2009-10 through 2019-20
Coalinga-Huron Joint Unified School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2009-10	4,367	--
2010-11	4,299	(1.6)%
2011-12	4,270	(0.7)
2012-13	4,322	1.2
2013-14	4,355	0.8
2014-15	4,367	0.3
2015-16	4,447	1.8
2016-17	4,450	0.1
2017-18	4,450	0.0
2018-19	4,466	0.4
2019-20 ⁽¹⁾	4,511	1.0

(1) Budgeted.

Source: California Department of Education for 2009-10 through 2018-19; Coalinga-Huron Joint Unified School District for 2019-20.

Employee Relations

The District has 245.8 certificated full-time equivalent (“**FTE**”) employees, 213.3 classified FTE employees, and 33.0 management/supervisor/confidential FTE employees.

The certificated and classified employees of the District are represented by two bargaining units, as set forth in the following table.

BARGAINING UNITS
Coalinga-Huron Joint Unified School District

<u>Employee Group</u>	<u>Representation</u>	<u>Contract Expiration Date</u>
Certificated	Coalinga-Huron Unified Teachers’ Assn.	June 30, 2020
Classified	California School Employees’ Assn.	June 30, 2019*

* Employees continue to operate under expired contracts during negotiations.

Source: Coalinga-Huron Joint Unified School District.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the 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) ADA for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid Districts" and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded its revenue limit funding entitlement.

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

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

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

The LCFF was implemented for fiscal year 2013-14 and 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.

Funding levels used in the LCFF target entitlement calculations, not including any supplemental or concentration grant funding entitlements, for fiscal year 2019-20 are set forth in the following table. Full implementation occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

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

Grade Span	2019-20 Base Grant Per ADA	2018-19 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	9,034	295	243	9,572

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

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

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

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

District Accounting Practices

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

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

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2019 Audited Financial Statements were prepared R T Dennis Accountancy, Rancho Cucamonga, California and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent, Business and Operations of the District. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2014-15 through 2018-19.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2014-15 through 2018-19 (Audited)
Coalinga-Huron Joint Unified School District ⁽¹⁾**

Revenues	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19
LCFF sources	\$34,180,383	\$39,437,241	\$41,609,115	\$43,055,191	\$46,933,298
Federal Revenues	4,121,324	4,547,501	4,390,694	5,031,972	3,910,417
Other state revenues	2,356,480	4,885,445	5,985,976	4,334,016	5,132,422
Other local revenues	2,426,405	2,248,221	2,303,022	2,571,136	2,551,470
Total Revenues	43,084,592	51,118,408	54,288,807	54,992,315	58,527,607
Expenditures					
Instruction	24,708,489	28,796,330	30,958,359	31,103,724	31,021,632
Instruction-related services:	5,348,930	6,093,661			
Supervision of instruction	--	--	2,098,359	2,130,861	2,267,489
Library, media and technology	--	--	681,223	578,526	582,955
School site administration	--	--	3,221,151	2,992,586	3,278,263
Pupil services:	3,989,197	4,896,064			
Home-to-school transportation	--	--	1,807,368	1,388,378	1,900,093
Food Services	--	--	52,283	1	--
All other pupil services	--	--	3,544,615	3,528,047	4,221,401
General administration:	2,678,051	2,435,979			
Data processing	--	--	475,830	689,034	1,019,745
All other general administration	--	--	2,612,791	2,831,687	2,637,375
Plant services/Maintenance and operations	8,138,388	5,972,064	6,257,020	6,627,314	7,639,284
Facility acquisition and construction			411,792	187,363	592,307
Ancillary Services	342,018	314,954	106,677	391,987	661,474
Community Services	--	--	--	--	109
Enterprise services	470,951	410,895	349,961	--	--
Capital Outlay	--	948,130	--	--	--
Transfers to other agencies	--	--	13,659	84,979	44,039
Debt service: Principal	289,787	279,750	787,212	803,294	400,516
Debt service: Interest	234,279	256,188	273,416	253,755	236,358
Total Expenditures	46,200,090	50,404,015	53,651,870	53,591,536	56,503,040
Excess of Revenues Over/(Under) Expenditures	(3,115,498)	714,393	636,937	1,400,779	2,024,567
Total Other Financing Sources (Uses)	203,079	--	(116,490)	(126,019)	(1,223)
Net change in fund balance	(2,912,419)	714,393	520,447	1,274,760	2,023,344
Fund Balance, July 1	10,629,287	7,716,868	7,204,568⁽²⁾	7,725,015	8,999,775
Fund Balance, June 30	\$7,716,868	\$8,431,261	\$7,725,015	\$8,999,775	\$11,023,119

(1) Totals may not foot due to rounding.

(2) Restated from the previous year's financial statements to reflect additional accrued liabilities related to payment of the District's medical insurance premiums.

Source: Audited financial statements of the District

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 Board of Trustees must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Fresno County Superintendent of Schools (the "**County Superintendent**"). The County Superintendent is independent from, and not an officer of, the County of Fresno.

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

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

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

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

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports, except for its 2016-17 second interim report and its 2017-18 first interim report, both of which received a qualified certification.

District's General Fund. The following table shows the general fund figures for the District for fiscal year 2019-20 (budgeted and second interim projections).

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2019-20 (Budgeted and Second Interim Projections)**

	Budgeted 2019-20	Second Interim 2019-20
Revenues		
Total LCFF Sources	\$49,075,312	\$49,115,723
Federal Revenues	4,427,381	5,677,169
Other state revenues	2,987,852	3,129,346
Other local revenues	2,099,748	4,466,997
Total Revenues	<u>58,590,293</u>	<u>62,389,236</u>
Expenditures		
Certificated Salaries	23,582,081	22,800,416
Classified Salaries	9,111,893	8,983,467
Employee Benefits	15,961,411	15,278,094
Books and Supplies	3,633,988	4,313,927
Contract Services & Operating Exp.	5,542,249	8,666,835
Capital Outlay	15,500	2,674,201
Other Outgo (excluding indirect costs)	585,944	305,523
Other Outgo – Transfers of Indirect Costs	--	(5,565)
Total Expenditures	<u>58,433,066</u>	<u>63,016,898</u>
Excess of Revenues Over/(Under) Expenditures	157,266	(627,662)
Other Financing Sources (Uses)		
Operating transfers in	--	36,469
Operating transfers out	(152,592)	(49,787)
Total Other Financing Sources (Uses)	<u>(152,592)</u>	<u>(13,319)</u>
Net change in fund balance	4,634	(640,980)
Fund Balance, July 1	8,571,748	11,023,120
Fund Balance, June 30	<u>\$8,576,382</u>	<u>\$10,382,139</u>

Source: Coalinga-Huron Joint Unified School District.

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

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 Board of Trustees must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

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

Attendance - Revenue Limit and LCFF Funding

Funding Trends under LCFF. As described herein, prior to fiscal year 2013-14, school districts in California received State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District for fiscal years 2013-14 through 2019-20 (budgeted).

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2013-14 through 2019-20 (Budgeted)**

Fiscal Year	ADA	LCFF Funding Per ADA
2013-14	4,048	\$7,358
2014-15	4,066	8,406
2015-16	4,175	9,447
2016-17	4,159	10,004
2017-18	4,194	10,265
2018-19	4,215	11,135
2019-20 ⁽¹⁾	4,215	11,653

⁽¹⁾ Second Interim Projections.
Source: California Department of Education; Coalinga-Huron Joint Unified School District.

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

Possible Impacts of Coronavirus. As described herein, the short-term and long-term impact of the Coronavirus on the District’s attendance, revenues and local property values cannot be predicted. The Bonds described in this Official Statement are secured by *ad valorem* property taxes, and not the District’s general fund. See “SECURITY FOR THE BONDS – *Ad Valorem* Taxes –Global Coronavirus Pandemic.”

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 42238.03(c) itemizes the local revenues that are subtracted from the base entitlement to determine the amount of the State apportionment of funding.

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

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

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

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

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

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

District Retirement Systems

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

as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

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
Coalinga-Huron Joint Unified School District
Fiscal Years 2013-14 through 2019-20**

Fiscal Year	Amount
2013-14	\$1,404,115
2014-15	1,649,336
2015-16	2,213,263
2016-17 ⁽¹⁾	4,782,034
2017-18	4,832,900
2018-19	5,460,852
2019-20 ⁽²⁾	5,603,488

(1) Increase 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.

(2) Second Interim Projection.

Source: Coalinga-Huron Joint 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 address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District’s employer contribution rates for fiscal years 2015-16 through 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	17.10%
2020-21	18.40
2021-22	18.60
2022-23	18.10

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

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

**PERS Contributions
Coalinga-Huron Joint Unified School District
Fiscal Years 2013-14 through 2019-20**

Fiscal Year	Amount
2013-14	\$617,268
2014-15	734,576
2015-16	792,646
2016-17	974,115
2017-18	1,117,350
2018-19	1,869,745
2019-20 ⁽¹⁾	1,662,170

(1) Second Interim Projection.
Source: Coalinga-Huron Joint 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 three years according to the following schedule.

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

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

Source: PERS.

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

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

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

Fiscal Year	Employer Contribution Rate ⁽²⁾
2019-20	19.721%
2020-21	22.900
2021-22	24.600
2022-23	25.300

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.

(2) Expressed as a percentage of covered payroll.

Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

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

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

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

Additional Information. Additional information regarding the District's retirement programs is available in Note 11 to the District's audited financial statements attached to the Official Statement as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Retirement Benefits

Plan Description. The District provides single employer, defined benefit healthcare plan administered by the District (the “Plan”) to provide medical, dental and vision plans to all eligible employees and their dependents. The benefit terms of the plan may be amended by the District. The Plan covers certificated, classified and management employees who retire from the District on or after attaining age 55 (age 60 for classified employees) and have at least 10 years of service with the District. The District is a member in the joint powers agreement (“JPA”) and California’s Valued Trust, as described in the District’s 2018-19 Audit (Note 16) attached hereto as Appendix B, to provide this health coverage.

Membership of the Plan consists of 29 retirees and beneficiaries currently receiving benefits and 425 active plan members.

Benefits Provided. The Plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment up to the active employee cap, currently \$14,500 per year. Any cost above the cap must be borne by the retiree. District-paid benefits end at age 65.

Actuarial Assumptions and Other Inputs. The District’s total OPEB liability of \$8.7 million 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: inflation 2.25%, salary increases 3.00%, average, including inflation, discount rate of 3.60% and 3.90% as of June 30, 2017, net of investment expense, including inflation, and healthcare cost trend rates 8.00% for 2018-19, decreasing to 5.00% for 2020-21 and after. Retirees pay the balance of the premium in excess of the District cap for active employees. The discount rate was based on the Bond Buyer 20-Bond General Obligation Index. Termination rates were based on the CalPERS Schools assumptions. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale. MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

The actual assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period through July 1, 2017.

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	
Coalinga-Huron Joint Unified School District	
(Amounts in Thousands)	
	Total OPEB Liability
Balance at July 1, 2018	\$8,726
Service Cost	367
Benefit payments	(367)
Net changes	--
Balance at June 30, 2019	\$8,726

Source: Coalinga-Huron Joint Unified School District.

For more information regarding the District's OPEB and assumptions used in its most recent actuarial study, see Note 12 of Appendix B to the Official Statement.

Insurance – Joint Powers Agreement

The District participates in three public entity risk pools under joint powers agreements (“**JPA**s”). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes. Following is a summary of the JPAs.

- California Risk Management Authority I (“**CRMA I**”)- CRMA I is an insurance purchasing pool for property and liability.
- California Risk Management Authority II (“**CRMA II**”)- CRMA II is an insurance purchasing pool for workers' compensation insurance.
- California's Valued Trust (“**C.V.T.**”) - C.V.T. provides the services necessary and appropriate for the establishment, operation and maintenance of a medical self-insurance fund that provides for the payment of medical and dental claims of the member public educational agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations. District's classified employees are covered under this JPA.

Membership in the JPAs consists of various public educational agencies. The JPAs are governed by boards consisting of representatives from the member public educational agencies and related associations. The boards control the operations of each JPA, including selection of management and approval of operating budgets, independent of any influence by member public educational agencies beyond their representation on the board. Each member public educational agency pays a premium based on student population, or number of covered individuals. Surpluses remain in each fund or JPA, while deficits are covered by assessments on the member districts in proportion to their participation in each JPA.

During the year ended June 30, 2019, the District made payments of \$277,994, \$577,715, and \$6,162,712, to CRMA I, CRMA II, and CVT, respectively.

Existing Debt Obligations

General Obligation Bonds. The District has voter-approved general obligation bonds and general obligation refunding bonds outstanding which have been issued pursuant to the authority obtained from voters at elections in past years, which are secured by *ad valorem* property taxes levied and collected in the District. The following table shows the outstanding general obligation bonded debt of the District.

SUMMARY OF OUTSTANDING GENERAL OBLIGATION BONDS ⁽¹⁾
Coalinga-Huron Joint Unified School District

Dated Date	Series	Amount of Original Issue	Final Maturity Date	Outstanding as of March 1, 2020
<u>2010 Authorization</u>				
04/13/2011	General Obligation Bonds, Election of 2010, Series A	\$4,015,541.00	August 1, 2036	\$2,510,541.80
04/13/2011	General Obligation Bonds, Election of 2010, Series B	6,870,000.00	August 1, 2025	5,290,000.00
07/26/2012	General Obligation Bonds, Election of 2010, Series D	2,655,000.00	August 1, 2033	2,655,000.00
07/26/2012	General Obligation Bonds, Election of 2010, Series E	2,225,000.00	August 1, 2032	1,710,000.00
<u>2016 Authorization</u>				
04/04/2017	General Obligation Bonds, Election of 2016, Series A	10,000,000.00	August 1, 2046	8,540,000.00
05/10/2018	General Obligation Bonds, Election of 2016, Series B	25,623,719.20	August 1, 2048	25,483,719.20
<u>Refunding Bonds</u>				
08/09/2012	2012 General Obligation Refunding Bonds	2,305,000.00	August 1, 2021	565,000.00
04/04/2017	2017 General Obligation Refunding Bonds	2,695,000.00	August 1, 2024	2,840,000.00
Total		\$56,389,260.2		\$49,594,260.00

(1) Does not include the Bonds offered for sale in the Official Statement.

The 2010 GO Bond Authorization. The District received authorization from District voters at an election held on November 2, 2010 (the “**2010 Authorization**”), to issue up to \$16,100,000 principal amount of general obligation bonds. Two issuances under the 2010 Authorization were taxable general obligation bonds. On April 13, 2011 the District issued \$110,000 in the aggregate principal amount Taxable General Obligation Bonds, 2010 Election, Series C, which are no longer outstanding. On July 26, 2012, the District issued its \$200,000 Taxable General Obligation Bonds, Election of 2010, Series F, which are also no longer outstanding.

On April 13, 2011, pursuant to the 2010 Authorization, the District issued \$4,015,540.80 aggregate principal amount General Obligation Bonds, 2010 Election, Series A, currently outstanding in the aggregate principal amount of \$2,510,540.80.

Also, on April 13, 2011, pursuant to the 2010 Authorization, the District issued its \$6,870,000 General Obligation Bonds, Election of 2010, Series B, currently outstanding in the aggregate principal amount of \$5,290,000.

On July 26, 2012, the District issued its \$2,655,000 General Obligation Bonds, Election of 2010, Series D, pursuant to the 2010 Authorization, which are currently outstanding in the aggregate principal amount of \$2,655,000.

On July 26, 2012, the District issued its \$2,225,000 General Obligation Bonds, Election of 2010, Series E, pursuant to the 2010 Authorization, which are currently outstanding in the aggregate principal amount of \$1,710,000.

The 2016 GO Bond Authorization. The District received authorization from District voters at an election held on November 8, 2016 (the “**2016 Authorization**”), to issue up to \$39,000,000 principal amount of general obligation bonds. On April 4, 2017 the District issued is \$10,000,000 General Obligation Bonds, 2016 Election, Series A, pursuant to the 2016 Authorization, which are currently outstanding in the aggregate principal amount of \$8,540,000. On May 10, 2018 the District issued is \$25,623,719.20 General Obligation Bonds, 2016 Election, Series B, pursuant to the 2016 Authorization, which are currently outstanding in the aggregate principal amount of \$25,483,719.20. The Bonds described in this official statement will be the third and final issuance under the 2016 Authorization.

Refunding Bonds. On December 10, 2009, the District issued its \$6,905,000 2009 General Obligation Refunding Bonds (the “**2009 Refunding Bonds**”). Proceeds of the 2009 Refunding Bonds were used to refund the 1997 Series B Bonds. Certain maturities of the 2009 Refunding Bonds were refunded with proceeds of the 2017 Refunding Bonds, as described below.

On August 9, 2012, the District issued its \$2,305,000 2012 General Obligation Refunding Bonds (the “**2012 Refunding Bonds**”), currently outstanding in the aggregate principal amount of \$565,000. Proceeds of the 2012 Refunding Bonds were used to refund the District’s 2003 General Obligation Refunding Bonds.

On April 4, 2017, the District issued its \$2,965,000 General Obligation Refunding Bonds (the “**2017 Refunding Bonds**”), currently outstanding in the aggregate principal amount of \$2,840,000. Proceeds of the 2017 Refunding Bonds were used to refund the certain maturities of the 2009 Refunding Bonds.

Certificates of Participation. On July 30, 2014, the District issued its \$6,240,000 Certificates of Participation (the “**2014 COPs**”), currently outstanding in the aggregate principal amount of \$6,240,000. Debt service payments on the 2014 COPs are payable from monies in the District’s general fund. The aggregate annual amounts of Lease Payments, comprising interest and principal payable to Certificate Owners, assuming no optional prepayment, are set forth in the table below:

**2014 CERTIFICATES OF PARTICIPATION
Lease Payment Schedule**

Year Ending August 1	Principal Component	Interest Component	Total Payments
2020	\$325,000	\$223,031.26	\$548,031.26
2021	335,000	213,281.26	548,281.26
2022	345,000	203,231.26	548,231.26
2023	360,000	192,881.26	552,881.26
2024	370,000	182,081.26	552,081.26
2025	380,000	170,981.26	550,981.26
2026	395,000	155,781.26	550,781.26
2027	410,000	139,981.26	549,981.26
2028	425,000	126,143.76	551,143.76
2029	440,000	111,268.76	551,268.76
2030	455,000	95,318.76	550,318.76
2031	470,000	78,825.00	548,825.00
2032	490,000	61,200.00	551,200.00
2033	510,000	41,600.00	551,600.00
2034	530,000	21,200.00	551,200.00
Total	\$6,240,000	\$2,016,806.36	\$8,256,806.36

See “DEBT SERVICE SCHEDULES” in the body of this Official Statement for the remaining debt service due on the District’s outstanding general obligation bonds.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the Fresno County Treasurer manages funds deposited with it by the District. 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. See APPENDIX G to the Official Statement for the Fresno County's current investment policy and recent investment report.

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

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

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

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the Underwriter or the Counties is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

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

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

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

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

Recent State Budgets

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

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

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

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

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. 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 billion 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.

2020-21 Proposed State Budget

On January 10, 2020, the Governor released the proposed State budget for fiscal year 2020-21 (the “**2020-21 Proposed State Budget**”), noting that while economic expansion is occurring, there are growing risks facing the State, including risks caused by climate change and uncertainty regarding the political climate and federal policies. The 2020-21 Proposed State Budget projects general fund revenues in fiscal year 2020-21 of approximately \$155 billion (including a prior year balance of approximately \$8.5 billion) and expenditures of approximately \$149.7 billion. The 2020-21 Proposed State Budget continues to build State reserves, with \$21 billion set aside in reserve funds. The 2020-21 Proposed State Budget maintains \$900 million in the Safety Net Reserve, sets aside \$110 million in the Public School System Stabilization Account, and allocates \$3.1 billion in a Special Fund for Economic Uncertainties. In addition, the 2020-21 Proposed State Budget estimates the Rainy Day Fund will have a fund balance of approximately \$18 billion in fiscal year 2020-21 and \$19.4 billion by 2023-24.

The 2020-21 Proposed State Budget raises the Proposition 98 funding for school districts and community college districts for fiscal year 2020-21 to \$84 billion, a new all-time high, which reflects a 2.29% cost of living adjustment and includes an additional \$1.2 billion in Proposition 98 funding for the LCFF. The 2020-21 Proposed State Budget also confirms that school district reserve caps are not required for fiscal year 2021-22. The 2020-21 Proposed State Budget includes an includes one-time increases in Proposition 98 general fund resources of \$350 million of educator workforce investment grants, \$193 million for workforce development grants, \$18 million to strengthen the capacity of local educational agencies in certain priority areas, and \$10 million for credentialed teacher stipends. The Governor is required to release a revision to the Proposed State Budget by May 14 of each year.

LAO Fiscal Perspective Report

The LAO issued a fiscal perspective report on March 18, 2020 entitled “COVID-19 and California’s Evolving Fiscal Outlook,” concluding that the economic uncertainty caused by the Coronavirus emergency will significantly affect California’s near-term fiscal outlook. Key takeaways from the report are as follows:

Volatility in Financial Markets Indicate Lower Capital Gains-Related Tax Revenue. Taxes on capital gains are a significant source of State revenue, but they are difficult to forecast because of their correlation to stock market performance. The LAO states that the volatility of financial markets indicate lower capital gains-related tax revenue. With the market now well below the budget assumption, absent a more rapid recovery than has occurred in any modern market downturn of this severity, it appears likely that the average price level will wind up lower than the budget assumption. The LAO projects there is a high likelihood that tax revenues from capital gains income will be several billion dollars lower than what the Governor’s budget assumed.

COVID-19 Response Brings Economic Activity to a Halt. For the broader economy, the LAO stated that the odds of a recession have increased substantially due to the pullback in activity across wide swaths of the economy. The abrupt and nearly across-the-board curtailment of spending that is now underway sets it apart from previous downturns. An optimistic scenario is that the economy would experience a sharp but comparatively short-lived downturn lasting one or two months. Under a more pessimistic scenario, economic activity would remain depressed for longer, compounded by dislocated supply chains and reduced lending caused by elevated risk aversion in credit markets. The type of contraction the state, national, and global economies experience will have implications for revenue collections in the coming years.

California's Strong Fiscal Position is a Key Advantage. The LAO notes, however, that California's budget entered 2020 on a strong footing due to strong budget reserves, the pay down of debt and multiyear balanced budgets during the economic expansion of previous years.

Disclaimer Regarding State Budgets.

The implementation 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 2018-19 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

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

Availability of State Budgets. The complete 2019-20 State Budget and 2020-21 Proposed State Budget are available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

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

Legal Challenges to State Funding of Education

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the Counties for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the Counties 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) 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. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. 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.

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

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 Counties, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the “recapture” provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article 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 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 of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, "**Article XIII C**" and "**Article XIII D**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

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

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

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

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter

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

Proposition 22, a constitutional initiative entitled the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

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

Proposition 30 and Proposition 55

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

but less than \$600,000 for joint 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 (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

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

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

California Senate Bill 222

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 218, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2018-19**

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**COALINGA-HURON
JOINT UNIFIED
SCHOOL DISTRICT
ANNUAL FINANCIAL
REPORT**

JUNE 30, 2019

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

COALINGA, CALIFORNIA

JUNE 30, 2019

MEMBER	OFFICE	TERM EXPIRES
Lisa Culbertson	President	December 2020
Ramon Zubiri	Vice President	December 2022
Maria I. Zavala	Clerk	December 2022
Francisco Chavez	Member	December 2020
Roger Campbell	Member	December 2020

ADMINISTRATION

Lori Villanueva	Superintendent
Luci Rogers	Assistant Superintendent of Business Services

ORGANIZATION

The Coalinga-Huron Joint Unified School District, was established in 1964. The District, is primarily located in the County of Fresno, but also includes portions of the Counties of Monterey and of San Benito, and encompasses approximately 700 square miles. The District currently operates five elementary schools, two middle schools, one high school, two continuation high schools and one community day school. The District's current enrollment is approximately 4,367 students.

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COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coalinga-Huron Joint Unified School District
Coalinga, 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 Coalinga-Huron Joint Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Coalinga-Huron Joint Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Coalinga-Huron Joint Unified School District's 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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations*, Title 5, § 19810, et seq. 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.

RT DENNIS
ACCOUNTANCY

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 Coalinga-Huron Joint Unified School District, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and OPEB schedules on pages 5–13 and 63–68, respectively, 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

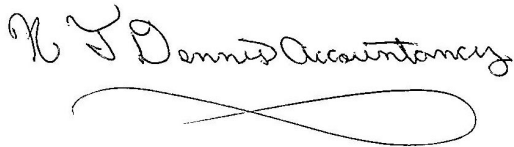
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coalinga-Huron Joint Unified School District's basic financial statements. The accompanying supplementary information; the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the Local Education Agency Organization Structure, the Schedule of Average Daily Attendance, the Schedule of Instructional Time, the Schedule of Financial Trends and Analysis, the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, the Schedule of Charter Schools, and the Note to Supplementary Information, as required by the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations*, Title 5, § 19810, et seq; and the Combining Statements of Non-Major Governmental Funds are all presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, the Local Education Agency Organization Structure, the Schedule of Average Daily Attendance, the Schedule of Instructional Time, the Schedule of Financial Trends and Analysis, the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, the Schedule of Charter Schools, and the Note to Supplementary Information are all 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 Schedule of Expenditures of Federal Awards, the Local Education Agency Organization Structure, the Schedule of Average Daily Attendance, the Schedule of Instructional Time, the Schedule of Financial Trends and Analysis, the Reconciliation of Annual Financial and Budget Report with Audited Financial Statements, the Schedule of Charter Schools, and the Note to Supplementary Information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Combining Statements of Non-Major Governmental Funds has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on November 30, 2019 our consideration of Coalinga-Huron Joint Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Coalinga-Huron Joint Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coalinga-Huron Joint Unified School District's internal control over financial reporting and compliance.



November 30, 2019



Coalinga Huron Unified School District

657 Sunset Street, Coalinga, CA 93210

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of Coalinga-Huron Joint Unified School District's ("the District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

In 2018-19, the District continued its prudent management of financial resources that has resulted in a positive net financial impact for the year. District wide general fund revenues were \$58.5 million, \$2.0 million more than expenses. And while the District's overall net position is still in the red at negative \$14.3 million (an improvement of \$1.2 million compared to the prior year) for financial reporting purposes, the District achieved positive certification status based on the reserve requirements for California Department of Education fiscal interim reports. As shown on Page 22, the General Fund Balance increased \$2.0 million from \$9.0 million to \$11.0 million.

The Total Governmental Funds Balance declined \$23 million to \$28 million due to expenditures in the Building Fund related to Measure R projects that were near completion by the end of the fiscal year. The District is grateful to the community for its support of Measure R, used to provide new elementary classrooms in Huron and Coalinga for our growing District, and to modernize several buildings, the largest of which was Huron Elementary.

Outlays for capital assets, net of depreciation expense, increased by \$26.4 million. Capital assets related to the bond projects are reported as construction in progress at \$30 million until the assets are placed in service in 2019-20.

At the end of the fiscal year, the modernization and new classroom wings were near completion. All were ready before the first day of school in August 2019.

Net pension liabilities for PERS and STRS retirement plans increased \$1.1 million compared to the prior year. The rising costs of PERS and STRS continue to be a problem for all districts in the State of California.

The District is committed to maintaining fiscal solvency and is dedicated to engage, challenge and inspire each of its students.

Board of Education

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Roger Campbell, Vice President
Maria Zavala, Clerk
Francisco Chavez, Member
Lisa Culbertson, Member

Superintendent

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OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

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

Figure A-1
Required Components of Coalinga-Huron Joint Unified School District’s Annual Financial Report

The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.

- The *governmental funds* statements tell how *general government* services like were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

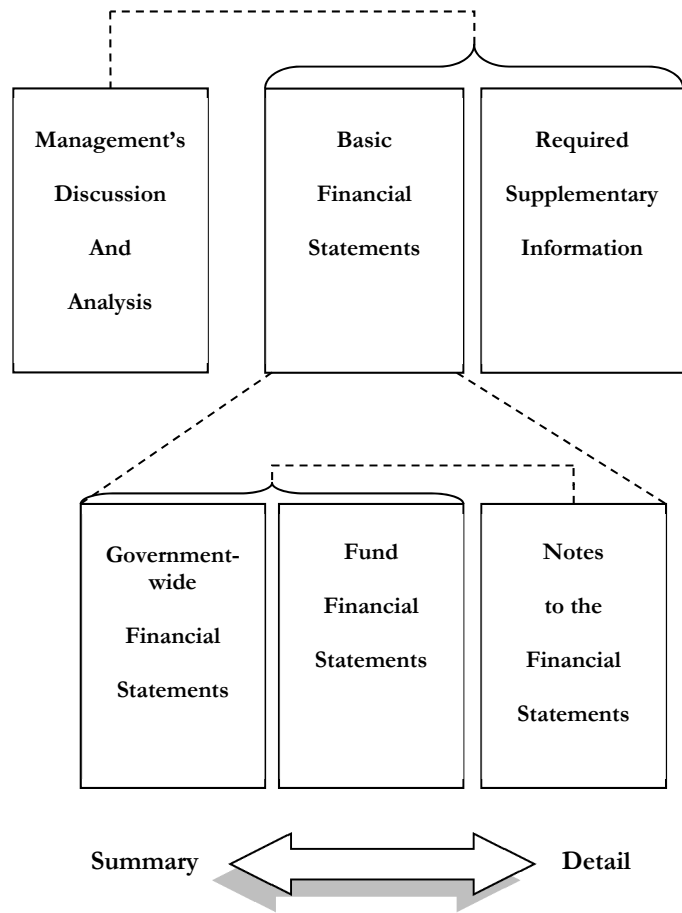


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2019

District-wide Statements

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

The two district-wide statements report the District’s net position and how they have changed. Net position—the difference between the District’s assets and liabilities—are one way to measure the District’s financial health or position.

- ❖ Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District’s activities are divided into two categories:

Governmental activities—Most of the District’s basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Major Features of Coalinga-Huron Joint Unified School District’s Government-wide and Fund Financial Statements

Figure A-2

Major Features of Coalinga-Huron Joint Unified School District’s Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Fund Statements</u> <u>Fiduciary Funds (Agency)</u>
<i>Scope</i>	Entire District government (except fiduciary funds)	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 scholarship programs and student activities monies
<i>Required financial statements</i>	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, and 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; the District’s funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	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	

Fund Financial Statements

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

- ❖ Some funds are required by State law and by bond covenants.
- ❖ The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2019

The District has two kinds of funds:

- ❖ *Governmental funds*—Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Fiduciary funds*—The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and 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. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s net deficit decreased eight percent to \$(14.3) million as compared to the prior year, an improvement of \$1.2 million. (See Table 1.)

Table 1 - Net Position

<i>(\$ amounts in millions)</i>	Governmental Activities				
	2019	2018	\$ Change	% Change	
Current and other assets	\$ 34.0	\$ 56.5	\$ (22.5)	-40%	
Capital assets	73.2	46.8	26.4	56%	
Total Assets	107.2	103.3	3.9	4%	
Deferred outflows of resources	21.8	48.2	(26.4)	-55%	
Current liabilities	16.8	30.0	(13.2)	-44%	
Non-current liabilities	121.3	132.0	(10.7)	-8%	
Total Liabilities	138.1	162.0	(23.9)	-15%	
Deferred inflows of resources	5.0	5.0	-	0%	
Net position					
Net investment in capital assets	44.8	14.0	30.8	220%	
Restricted	19.7	44.2	(24.5)	-55%	
Unrestricted (Deficit)	(78.8)	(73.7)	(5.1)	7%	
Total Net Position (Deficit)	\$ (14.3)	\$ (15.5)	\$ 1.2	-8%	

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2019

Changes in net position. The District’s total revenues increased four percent to \$67.9 million. (See Table 2.) Property taxes and state formula aid accounted for most of the District’s revenue, contributing about seventy-seven cents of every dollar raised. Another sixteen percent came from state and federal aid for specific programs, and the remainder from fees charged for services and miscellaneous sources.

Revenues for the District increased four percent, whereas total expenses increased seven percent primarily due to the negotiated two percent increase in salaries and the required increased spending in supplemental/concentration funds.

Despite this increase in total expenses, the amount of revenue still exceeded expenditures, resulting in a net position increase of \$1.2 million in 2019.

Table 2 present a breakdown of the District’s revenues and expenses.

Table 2 - Net Position

	(\$ amounts in millions)			
	Governmental Activities			
	2019	2018	\$ Change	% Change
Program revenue				
Charges for services	\$ 1.1	\$ 0.3	\$ 0.8	267%
Operating grants and contributions	11.2	10.7	0.5	5%
Capital grants and contributions	2.6	4.0	(1.4)	-35%
General revenue				
Property taxes	8.7	8.4	0.3	4%
Unrestricted state aid	43.5	38.3	5.2	14%
Other	0.8	3.4	(2.6)	-76%
Total Revenue	67.9	65.1	2.8	4%
Expenses				
Instruction	32.3	32.0	0.3	1%
Instruction-related services	6.4	6.0	0.4	7%
Pupil services	8.7	7.5	1.2	16%
General administration	3.8	3.8	-	0%
Plant services	8.0	7.2	0.8	11%
Other charges	0.7	0.5	0.2	40%
Interest	2.9	2.3	0.6	26%
Depreciation (unallocated)	3.9	3.2	0.7	22%
Total Expenses	66.7	62.5	4.2	7%
Increase in net position	\$ 1.2	\$ 2.6	\$ (1.4)	-54%

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2019

Table 3 presents the costs of five major District activities: instruction, instruction-related services, pupil services, general 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 and state by each of these functions.

- ❖ The cost of all governmental activities this year was \$66.7 million.
- ❖ Some of the cost (\$1.1 million) was financed by the users of the District’s programs.
- ❖ The federal and state governments subsidized certain programs with grants and contributions (\$13.8 million).
- ❖ Most of the cost (\$51.7 million) was financed with \$8.7 million in property taxes, \$43.5 million of unrestricted state aid based on the statewide education aid formula, and various other sources (\$0.8 million).

Table 3 - Net Cost of Governmental Activity

	<i>(\$ amounts in millions)</i> Total Cost of Services		Net Cost of Services		
	2019	2018	2019	2018	% Change
Instruction	\$ 32.3	\$ 32.0	\$ 22.1	\$ 20.7	7%
Instruction-related services	6.4	6.0	5.3	4.6	15%
Pupil services	8.7	7.5	5.3	5.1	4%
General administration	3.8	3.8	3.6	3.7	-3%
Plant services	8.0	7.2	8.0	7.2	11%
Other	7.5	6.0	7.4	5.8	28%
Total	\$ 66.7	\$ 62.5	\$ 51.7	\$ 47.1	10%

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported *combined* fund balances of \$27.6 million, less than last year’s ending fund balances of \$50.9 million.

Table 4 - Governmental Funds' Performance

<i>(\$ amounts in millions)</i>	2019	2018	% Change
REVENUES			
Local control funding formula ("LCFF") \$	46.9	\$ 43.1	9%
Categorical	14.2	16.0	-11%
Local	7.2	6.2	16%
Total Revenues	68.3	65.3	4%
EXPENDITURES			
Certificated	22.4	21.6	4%
Classified	9.1	8.6	6%
Benefits	15.7	14.4	9%
Books and supplies	4.3	3.4	26%
Services and other operating expenses	6.2	6.8	-9%
Capital outlay	30.1	3.7	714%
Other outgo	4.1	3.0	37%
Total Expenditures	91.9	61.5	49%
Net financing activities	0.1	27.2	-100%
NET CHANGE IN			
FUND BALANCE	\$ (23.5)	\$ 31.0	-176%

The Net Change in Fund Balance reduction in 2019 is primarily due to the capital outlay for bond-financed Measure R projects and the new CTE building.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times, primarily with the First and Second Interim reports and at the end of the year, in order to adjust the budget to updated spending decisions as approved by the Board of Trustees.

While the District’s final Estimated Actuals budget for the unrestricted general fund anticipated a positive net financial impact of \$892 thousand, the actual final results resulted in a positive net financial impact of \$1.1 million, primarily attributable to lower books and supplies and operating costs than anticipated, plus lower health insurance costs than anticipated.

In addition, the District’s final Estimated Actuals budget for the restricted general fund anticipated a draw down on reserves of \$1.3 million, but the final actual results was an increase to reserves of \$922 thousand, leaving \$3.2 million unspent restricted funds available to spend in the subsequent year.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019, the District had invested \$120.0 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (See Table 5.) This amount represents a net increase of \$26.4 million from last year. (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$3.9 million, while increases in construction in progress additions to equipment and furniture amounted to \$30.0 million.

The District’s updated fiscal year 2019-20 capital budget anticipates spending over \$8 million, primarily for capital projects in progress for Measure R. Measure R funds have been used to modernize schools and construct new classroom space in Coalinga and Huron; the construction phase of the Measure R projects all began in the summer of 2018 and completed in the summer of 2019.

Table 5 - Capital Assets

	Governmental Activities				
	<i>(\$ amounts in millions)</i>	2019	2018	\$ Change	% Change
Land	\$	0.1	\$ 0.1	\$ (0.0)	0%
Construction in progress		34.3	4.3	30.0	698%
Buildings and equipment		85.6	85.3	0.3	0%
Accumulated depreciation		(46.8)	(42.9)	(3.9)	9%
Total Capital Assets	\$	73.2	\$ 46.8	\$ 26.4	56%

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2019

Long-term Debt

At year-end the District had \$121.4 million in general obligation bonds, pension liabilities, and other long-term debt outstanding—an decrease of eight percent from last year—as shown in Table 6. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

- ❖ The reclassification between long-term and current liabilities resulted in a \$10.2 million reduction in long-term liabilities.
- ❖ Net pension liabilities for PERS and STRS increased by \$1.0 million to \$51.8 million.

Table 6 - Long-Term Liabilities

	(\$ amounts in millions) Governmental Activities				
	2019	2018	\$ Change	% Change	
General Obligation bonds	\$ 56.0	\$ 57.0	\$ (1.0)	-2%	
Net pension liabilities	51.8	50.8	1.0	2%	
Net OPEB	9.0	9.0	-	0%	
Compensated absences	0.1	0.3	(0.2)	-67%	
Certificates of participation	6.2	6.2	-	0%	
Capital leases	0.1	0.4	(0.3)	-75%	
Other long-term liabilities	7.6	32.2	(24.6)	-76%	
Less current portion	(9.4)	(23.8)	14.4	-60%	
Total Long-term Liabilities	\$ 121.4	\$ 132.1	\$ (10.7)	-8%	

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:

On the positive side, the 2019-20 Adopted Budget reflects a revenue increase of over \$1.2 million and the District expects to exceed its board-approved 8% minimum reserve level. In addition, the District received notification that its efforts of filing over 24 grant applications for new all-electric school buses has resulted in an award of \$2 million toward the purchase of 5 new buses.

On the negative side, PERS and STRS contribution rates continue to increase annually, although the State's final adopted budget did provide some relief for the 2019-20 year by lower than anticipated rates for school districts.

The District is committed to maintaining fiscal solvency through prudent management of its financial resources.

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 District's Office, Coalinga-Huron Joint Unified School District, 657 Sunset Street, Coalinga, CA 93210.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
 JUNE 30, 2019

	<i>(Amounts in thousands)</i>	Governmental Activities
ASSETS		
Cash and cash equivalents	\$	31,587
Accrued receivables		2,353
Stores inventory		20
Nondepreciable capital assets		34,370
Depreciable capital assets, net		38,775
Total Assets		107,105
DEFERRED OUTFLOWS OF RESOURCES		21,779
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	128,884
LIABILITIES		
Accrued payables	\$	6,521
Unearned revenue		845
Long-term obligations, current portion		9,444
Long-term obligations		121,367
Total Liabilities		138,177
DEFERRED INFLOWS OF RESOURCES		5,012
NET POSITION		
Net investment in capital assets		44,753
Restricted for		
Capital projects		10,937
Debt service		5,511
Educational programs		3,261
Unrestricted - (Deficit)		(78,767)
Total Net Position		(14,305)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	128,884

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Function/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants			
<i>(Amounts in thousands)</i>							
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 32,254	\$ 1,097	\$ 6,489	\$ 2,584	\$	(22,084)	
Instruction-related services							
Instructional supervision and administration	2,325	1	967	-		(1,357)	
Instructional library, media, and technology	626	-	8	-		(618)	
School site administration	3,451	-	130	-		(3,321)	
Pupil services							
Home-to-school transportation	1,844	-	149	-		(1,695)	
Food services	2,401	1	2,127	-		(273)	
All other pupil services	4,409	-	1,111	-		(3,298)	
General administration							
Centralized data processing	1,056	-	-	-		(1,056)	
All other general administration	2,762	-	199	-		(2,563)	
Plant services	7,999	-	-	-		(7,999)	
Ancillary services	668	-	12	-		(656)	
Interest on long-term debt	2,914	-	-	-		(2,914)	
Transfer to other agencies	44	-	14	-		(30)	
Depreciation (unallocated)	3,875	-	-	-		(3,875)	
Total	\$ 66,628	\$ 1,099	\$ 11,206	\$ 2,584		(51,739)	
General revenues							
Taxes and subventions							
Property taxes, levied for general purposes							5,517
Property taxes, levied for debt service							3,098
Property taxes, levied for other specific purposes							47
Federal and state aid not restricted for specific purposes							43,518
Interest and investment earnings							389
Miscellaneous							389
Subtotal, General Revenue							52,958
CHANGE IN NET POSITION							1,219
Net Position - Beginning							(15,524)
Net Position - Ending							\$ (14,305)

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS'
BALANCE SHEETS
JUNE 30, 2019

	General Fund	Cafeteria Fund	Building Fund
ASSETS			
Deposits and investments	\$ 13,823,980	\$ 389,624	\$ 8,493,457
Accrued receivables	1,954,806	297,067	58,684
Due from other funds	608,569	22,219	-
Stores inventory	-	20,180	-
TOTAL ASSETS	\$ 16,387,355	\$ 729,090	\$ 8,552,141
LIABILITIES			
Accrued payables	\$ 4,496,733	\$ 97,150	\$ 934,764
Due to other funds	22,219	608,569	-
Unearned revenue	845,284	-	-
Total Liabilities	5,364,236	705,719	934,764
FUND BALANCE			
Nonspendable	2,500	20,870	-
Restricted	3,192,156	2,501	7,617,377
Assigned	3,311,231	-	-
Unassigned	4,517,232	-	-
Total Fund Balance	11,023,119	23,371	7,617,377
TOTAL LIABILITIES AND FUND BALANCE	\$ 16,387,355	\$ 729,090	\$ 8,552,141

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

Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 5,488,689	\$ 3,391,000	\$ 31,586,750
22,447	20,464	2,353,468
-	-	630,788
-	-	20,180
\$ 5,511,136	\$ 3,411,464	\$ 34,591,186
\$ -	\$ 21,924	\$ 5,550,571
-	-	630,788
-	-	845,284
-	21,924	7,026,643
1,035,000	-	1,058,370
4,476,136	3,385,807	18,673,977
-	3,733	3,314,964
-	-	4,517,232
5,511,136	3,389,540	27,564,543
\$ 5,511,136	\$ 3,411,464	\$ 34,591,186

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019**

(Amounts in thousands)

Total Fund Balance - Governmental Funds \$ 27,565

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets relating to governmental activities, at historical cost:	\$ 119,941	
Accumulated depreciation:	<u>(46,795)</u>	73,146

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturred interest owing at the end of the period was:

(971)

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION, Continued
JUNE 30, 2019**

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	55,983	
Net Pension Liability (Asset)	51,842	
Net OPEB Obligation	8,962	
Compensated absences payable	131	
Certificates of participation payable	6,240	
Capital leases payable	67	
Other general long-term debt	7,587	
Premium, discounts, and deferred loss on debt refunding	(5,111)	(125,701)

Deferred outflows and inflows of resources relating to pensions and OPEB:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	13,767	
Deferred inflows of resources relating to pensions	(1,891)	
Deferred inflows of resources relating to OPEB	(220)	

Total Net Position - Governmental Activities: \$ (14,305)

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**GOVERNMENTAL FUNDS'
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Cafeteria Fund	Building Fund
REVENUES			
Local Control Funding Formula ("LCFF") Sources	\$ 46,933,298	\$ -	\$ -
Federal sources	3,910,417	1,984,563	-
Other State sources	5,132,422	177,699	-
Other local sources	2,551,470	106,003	381,653
Total Revenues	58,527,607	2,268,265	381,653
EXPENDITURES			
Current			
Instruction	31,021,632	-	-
Instruction-related services			
Instructional supervision and administration	2,267,489	-	-
Instructional library, media, and technology	582,955	-	-
School site administration	3,278,263	-	-
Pupil services			
Home-to-school transportation	1,900,093	-	-
Food services	-	2,296,511	-
All other pupil services	4,221,401	-	-
General administration			
Centralized data processing	1,019,745	-	-
All other general administration	2,637,375	-	-
Plant services	7,639,284	-	-
Ancillary services	661,474	-	-
Community services	109	-	-
Transfers to other agencies	44,039	-	-
Facilities acquisition and construction	592,307	-	24,250,860
Debt service			
Interest and other	236,358	-	-
Principal	400,516	-	-
Total Expenditures	56,503,040	2,296,511	24,250,860
Excess (Deficiency) of Revenues			
Over Expenditures	2,024,567	(28,246)	(23,869,207)
OTHER FINANCING SOURCES (USES)			
Transfers In	56,913	22,219	-
Other Sources	59,852	-	-
Transfers Out	(117,988)	(56,913)	-
Net Financing Sources (Uses)	(1,223)	(34,694)	-
NET CHANGE IN FUND BALANCE	2,023,344	(62,940)	(23,869,207)
Fund Balance - Beginning	8,999,775	86,311	31,486,584
Fund Balance - Ending	\$ 11,023,119	\$ 23,371	\$ 7,617,377

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

Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 46,933,298
415,971	-	6,310,951
13,281	2,593,338	7,916,740
3,186,317	979,176	7,204,619
<u>3,615,569</u>	<u>3,572,514</u>	<u>68,365,608</u>
-	110,707	31,132,339
-	-	2,267,489
-	-	582,955
-	-	3,278,263
-	-	1,900,093
-	-	2,296,511
-	-	4,221,401
-	-	1,019,745
-	-	2,637,375
-	-	7,639,284
-	-	661,474
-	-	109
-	-	44,039
-	5,205,204	30,048,371
1,863,388	-	2,099,746
1,560,000	-	1,960,516
<u>3,423,388</u>	<u>5,315,911</u>	<u>91,789,710</u>
192,181	(1,743,397)	(23,424,102)
-	95,769	174,901
-	-	59,852
-	-	(174,901)
<u>-</u>	<u>95,769</u>	<u>59,852</u>
192,181	(1,647,628)	(23,364,250)
5,318,955	5,037,168	50,928,793
<u>\$ 5,511,136</u>	<u>\$ 3,389,540</u>	<u>\$ 27,564,543</u>

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

(Amounts in thousands)

Net Change in Fund Balances - Governmental Funds \$ (23,364)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 30,261	
Depreciation expense:	(3,875)	26,386

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

1,961

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(60)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(939)

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,
Continued
FOR THE YEAR ENDED JUNE 30, 2019**

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

122

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

(3,046)

Postemployment benefits other than pensions ("OPEB"):

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:

34

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is:

125

Change in net position of Governmental Activities

\$ 1,219

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>ASB Agency Funds</u>
ASSETS	
Deposits and investments	\$ 150,809
LIABILITIES	
Due to student groups	
Huron MS	7,809
Coalinga MS	22,079
Coalinga HS	120,921
TOTAL LIABILITIES	\$ 150,809

The accompanying notes are an integral part of these financial statements

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Financial Reporting Entity

The School District, also known generically as a local Educational agency (“LEA”), was established in November 1964, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the State and/or Federal agencies. The District operates five K through fifth grade schools, two middle schools, one high school, and two alternative continuation schools.

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

1 - B. Component Units

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

The Local Facilities Finance Corporation (the “Corporation”) is a nonprofit, public benefit corporation, incorporated under the laws of the State of California. The Corporation was formed to provide financing assistance to the District for the construction and acquisition of major capital facilities. Upon completion of the subject transactions, the District intends to occupy the Corporation's facilities under a lease, purchase agreement effective through the year 2034. At the end of the lease term, title of the Corporation's property will pass to the District for no additional consideration. The financial activity for the Corporation is presented in the financial statements as the part of the General Fund.

1 - C. Other Related Entities

Joint Powers Authority (“JPA”). The District is associated with three JPAs. These organizations do not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 16 to the financial statements. These organizations are:

- ❖ California Risk Management Authority I (CRMA I)
- ❖ California Risk Management Authority II (CRMA II)
- ❖ California's Valued Trust (C.V.T.)

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

1 - D. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (“the District”). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of 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.

Fund Financial Statements. The fund financial statements provide information about the District’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for assets held by the LEA in a trustee or agency capacity for others that cannot be used to support the LEA's own programs.

Major Governmental Funds

General Fund. The general fund is the main operating fund of the LEA. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of an LEA's activities are reported in the general fund unless there is a compelling reason to account for an activity in another fund. An LEA may have only one general fund.

Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program (Education Code sections 38090–38093). The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (Education Code sections 38091 and 38100).

Building Fund. This 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. Other authorized revenues to the Building Fund (Fund 21) are proceeds from the sale or lease-with-option-to-purchase of real property (Education Code Section 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (Education Code Section 41003).

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

Bond Interest and Redemption Fund. This fund is used for the repayment of bonds issued for an LEA (Education Code sections 15125–15262). Bonds may be issued either by the county board of supervisors on behalf of the school district, or by the school district. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund (Fund 21) of the LEA. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund (Fund 51) of the LEA. The county auditor maintains control over the LEA's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds are established 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 and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund:

Adult Education Fund. This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (Education Code sections 52616[b] and 52501.5[a]).

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

Capital Facilities Fund. This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code sections 17620–17626). The authority for these levies may be county/city ordinances (Government Code sections 65970–65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (Government Code Section 66006).

County School Facilities Fund. This 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), or the 2004 State School Facilities Fund (Proposition 55) 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 Fund for Capital Outlay Projects. This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840).

Fiduciary Funds

Trust and Agency Funds. Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Student Body Fund. The Student Body Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (Education Code sections 48930–48938).

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

1 - E. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position should be reported as restricted when constraints placed on net position use 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 net position use.

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Revenue limits, property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Non-Exchange Transactions. The Local Control Funding Formula (“LCFF”) and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the LCFF is made and the District's actual tax receipts, as reported by the county auditor, is subtracted the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded.

The District recognizes property tax revenues actually received as reported on California Department of Education (“CDE”)’s Principal Apportionment Data Collection Software, used by county offices of education and county auditors to report school district and county taxes. The District makes no accrual for property taxes receivable as of June 30.

The District receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The District also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

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

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

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

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

1 - F. Assets, Liabilities, and Net Position

Fair Value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

- ❖ Cash in county of \$30.7 million are valued using quoted market prices (Level 1 inputs)

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Deposits and Investments. The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2019, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The District considers the deposits and investments in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories. Inventories are valued at cost using the average value method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	10 – 50
Site Improvements	10 – 35
Equipment	5 – 10

Interfund Balances. On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. 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.

Pension. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the CA State Teachers Retirement System ("STRS") and CA Public Employee Retirement System Pension Plan ("PERS") and additions to/deductions from the respective fiduciary net positions have been determined on the same basis as they are reported by STRS and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

Premiums and Discounts. In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the straight line method.

Fund Balance. Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide, proprietary fund, and fiduciary trust fund statements.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the general fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the general fund, that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt 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. The District has related debt outstanding as of June 30, 2019. Net Position are 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 district-wide financial statements report \$19.7 million of restricted net position.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

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.

1 - G. Stewardship, Compliance, and Accountability

Budgetary Data. The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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. For purposes of the budget, on-behalf payments have been included as revenue and expenditures as required under generally accepted accounting principles.

1 - H. New Accounting Pronouncements

The Governmental Accounting Standards Board (“GASB”) has issued the following standards:

- ❖ GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. 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.
- ❖ GASB Statement No. 87, *Leases*. Effective Date: For reporting periods beginning after December 15, 2019. 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 as inflows of resources or outflows of resources recognized 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.

For specific details about the standards, please see www.gasb.org.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

	Governmental	Fiduciary	Total
	Activities	Activities	
Cash on hand	\$ 39,050	\$ -	\$ 39,050
Deposits in financial institutions	8,190	150,809	158,999
Cash in county	30,504,510	-	30,504,510
Cash with fiscal agent (bond sinking fund)	1,035,000	-	1,035,000
Total Cash and Cash Equivalents	\$ 31,586,750	\$ 150,809	\$ 31,737,559

2 - B. Policies and Practices

Allowable investment instruments per Government Code §§ 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations— CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S Agency Obligations	5 years	None	None
Bankers’ Acceptances	180 days	40%	None
Commercial Paper— Pooled Funds	270 days	40% of the agency’s money	Highest letter and number rating by an NRSROH
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency’s money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30%	None
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 daysL	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	“A” rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass–Through Securities	5 years	20%	“AA” rating category or its equivalent or better R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	“AA” rating category or its equivalent or better

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

2 - C. Cash Deposits

Credit Risk. As of June 30, 2019, the District’s Cash in County pool consisted of debt securities and the ratings ranged from A - AAA by Standard & Poor’s.

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the District’s deposits may not be returned. The District’s deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation (“FDIC”) or are collateralized as required by Statutes of the State. As of June 30, 2019, the carrying amount of the District’s bank deposits was \$158,999, and the respective bank balances totaled \$171,604. Of the total bank balance, all of it was insured through the FDIC.

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2019, were as follows (management considers all receivables to be fully collectible):

	General Fund	Cafeteria Fund	Building Fund	Bond Int. & Redemption Fund	Non- Major Govt. Funds	Total Govt. Activities
Federal Government						
Categorical aid	\$1,366,243	\$ 274,800	\$ -	\$ -	\$ -	\$1,641,043
State Government						
Categorical aid	304,125	18,693	-	-	-	322,818
Lottery	210,590	-	-	-	-	210,590
Local Government						
Interest	73,848	2,028	58,684	22,447	20,464	177,471
Other Local Sources	-	1,546	-	-	-	1,546
Total	\$1,954,806	\$ 297,067	\$ 58,684	\$ 22,447	\$ 20,464	\$2,353,468

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

<i>(Amounts in thousands)</i>	Balance		Balance
	July 01, 2018	Additions	June 30, 2019
Capital assets not being depreciated			
Land	\$ 88	\$ -	\$ 88
Construction in progress	4,294	29,989	34,283
Non-Depreciable Capital Assets	\$ 4,382	\$ 29,989	\$ 34,371
Capital assets being depreciated			
Land improvements	\$ 6,265	\$ -	\$ 6,265
Buildings & improvements	72,916	60	72,976
Furniture & equipment	6,116	212	6,328
Total Capital Assets Being Depreciated	85,297	272	85,569
Less Accumulated Depreciation			
Land improvements	3,879	286	4,165
Buildings & improvements	33,873	3,265	37,138
Furniture & equipment	5,167	324	5,491
Total Accumulated Depreciation	42,919	3,875	46,794
Depreciable Capital Assets, net	\$ 42,378	\$ (3,603)	\$ 38,775
Total Capital Assets, net	\$ 46,760	\$ 26,386	\$ 73,146

NOTE 5 – DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

<i>(Amounts in thousands)</i>	Deferred		Deferred	Net Effect on
	Outflows of		Inflows of	Net Position
	Resources		Resources	
Economic loss on refunding	\$ 107	\$ -	\$ 107	
GO bond discounts	318	-	318	
GO bond/COP premiums	-	(2,901)	(2,901)	
Lease-Leaseback	7,587		7,587	
OPEB - District plan	-	(220)	(220)	
Pension				
Cal STRS	9,148	(1,891)	7,257	
Cal PERS	4,619	-	4,619	
Total	\$ 21,779	\$ (5,012)	\$ 16,767	

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

NOTE 6 – INTERFUND BALANCES AND ACTIVITY

6 - A. Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2019, consist of the following:

Due To Other Funds	Due From Other Funds		
	General Fund	Cafeteria Fund	Total
General Fund	\$ -	\$ 22,219	\$ 22,219
Cafeteria Fund	608,569	-	608,569
Total	\$ 608,569	\$ 22,219	\$ 630,788

The Special Revenue Cafeteria Fund owes the General Fund for excess support in the amount of	\$ 608,569
The General Fund owes the Special Revenue Cafeteria Fund for program support in the amount of	22,219
Total	\$ 630,788

6 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2019, consist of the following:

Transfers Out to Other Funds	Non-Major Governmental		Total
	Cafeteria Fund	Funds	
General Fund	\$ 22,219	\$ 95,769	\$ 117,988
Cafeteria Fund		-	56,913
Total	\$ 22,219	\$ 95,769	\$ 174,901

The General Fund transferred program support to the Cafeteria Fund in the amount of	\$ 22,219
The General Fund made an equity transfer to re-start the Adult Education Fund	95,769
The Cafeteria Fund transferred to the General Fund previous years over support	56,913
Total	\$ 174,901

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

NOTE 7 – ACCRUED PAYABLES

Payables at June 30, 2019, were as follows:

	General Fund	Cafeteria Fund	Building Fund	Non- Major Govt. Funds	District- Wide	Total Govt. Activities
LCFF	\$ 189,076	\$ -	\$ -	\$ -	\$ -	\$ 189,076
Payroll	476,408	30,881	-	-	-	507,289
Health and welfare benefits	1,720,762	50,316	-	-	-	1,771,078
Deferred payroll (10-month employees)	1,158,371	-	-	-	-	1,158,371
Vendors payable	939,851	15,953	934,764	71	-	1,890,639
Other payables	-	-	-	21,853	-	21,853
Interest payable	12,265	-	-	-	971,000	983,265
Total	\$4,496,733	\$ 97,150	\$ 934,764	\$ 21,924	\$ 971,000	\$6,521,571

NOTE 8 – UNEARNED REVENUES

Unearned revenue at June 30, 2019, was \$845,284 from federal sources:

NOTE 9 – LONG-TERM LIABILITIES

9 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2019 was as follows:

<i>(Amounts in thousands)</i>	Balance July 01, 2018	Additions	Deductions	Balance June 30, 2019	Balance in One Year
Net Pension Liability (NPL)	\$ 50,786	\$ 1,056	\$ -	\$ 51,842	\$ -
Net OPEB Obligation	8,990	-	28	8,962	-
Comp. absences payable	253	-	122	131	-
General obligation bonds	56,974	569	1,560	55,983	1,810
Certificates of participation	6,240	-	-	6,240	-
Capital leases payable	408	60	401	67	47
Other general long-term debt					
Lease- Leaseback	32,201	-	24,614	7,587	7,587
Total	\$ 155,852	\$ 1,685	\$ 26,725	\$ 130,812	\$ 9,444

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

9 - B. Bonded Debt

The District’s bonds represent general obligations of the District payable solely from *ad valorem* property taxes levied and collected by the County of Fresno. The District has issued the following outstanding general obligation (“GO”) bonds as of June 30, 2019 (*\$ amounts in thousands*):

Bond	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
					Outstanding Jul 01, 2018	Accretion	Redeemed	Outstanding Jun 30, 2019	
Election 2009 Refunding	11/19/09	8/1/2024	3.0% - 5.0%	\$ 6,905	\$ 940	\$ -	\$ 460	\$ 480	
Election 2010 Series									
A Capital Appreciation	03/30/11	8/1/1936	6.8% - 7.7%	2,511	4,930	492	-	5,422	
Election 2010 Series B	03/30/11	8/1/2025	5.4%	6,870	6,870	-	-	6,870	
Election 2012 Refunding	07/11/12	8/1/2021	2.0% - 3.0%	2,305	1,100	-	265	835	
Election 2010 Series D	07/11/12	8/1/2033	4.9% - 5.4%	2,655	2,655	-	-	2,655	
Election 2010 Series E	07/11/12	8/1/2032	2.0% - 3.6%	2,225	1,915	-	100	1,815	
Election 2016 Series A	03/22/17	8/1/2046	4.0% - 3.5%	10,000	10,000	-	690	9,310	
Election 2017 Refunding	03/22/17	8/1/2024	2.0% - 4.0%	2,965	2,930	-	45	2,885	
Election 2016 Series									
B Current Interest	05/18/18	8/1/2048	3.5% - 5.0%	23,560	23,560	-	-	23,560	
Election 2016 Series									
B Capital Appreciation	05/18/18	8/1/2034	2.4% - 4.2%	2,064	2,074	77	-	2,151	
				\$ 62,060	\$ 56,974	\$ 569	\$ 1,560	\$ 55,983	

9 - C. Defeased Debt

On March 22, 2017, the District issued general obligation bonds of \$2,965,000 (par value) with interest rates of 2% - 4% to advance refund term bonds with an interest rate of 5% and a par value of \$2,810,000. \$1,040,000 and \$1,770,000 of the term bonds mature on August 1, 2021 and August 1, 2024, respectively. The general obligation bonds were issued at a premium of \$174,450 and, after paying issuance costs of \$66,672, the net proceeds were \$3,072,779. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on August 1, 2021 and August 1, 2024. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the District’s government-wide financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$140,245; however, this resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$147,958. As of June 30, 2019, the unamortized portion of the economic loss is \$107,000 and is classified as deferred outflow of resources.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

9 - D. Debt Service Requirements to Maturity – GO Bonds

The Bonds are subject to redemption prior to maturity. The following schedules indicated the sinking fund requirements as compared to the maturities of those bonds. As of June 30, 2019, the District’s GO bonds debt services and maturities are as follows:

Year Ending June 30,	Election 2009 Refunding		
	Principal	Interest	Total
2020	\$ 480	\$ 12	\$ 492

9 – D. Debt Service Requirements to Maturity – GO Bonds, continued

Election 2010						
Year Ending June 30,	Series A Capital		Sinking Fund Payment	Series B		Total Payments
	Principal	Interest		Principal (Maturity)	Interest	
2020	\$ -	\$ -	\$ 545	\$ -	\$ 302	\$ 847
2021	-	-	590	-	271	861
2022	-	-	635	2,805	238	873
2023	-	-	905	-	196	1,101
2024	-	-	960	-	146	1,106
2025 - 2029	590	3,245	2,200	4,065	124	6,159
2030 - 2034	470	3,840	-	-	-	4,310
2035 - 2037	1,450	8,335	-	-	-	9,785
Accretion	2,912	(2,912)	-	-	-	-
	\$ 5,422	\$ 12,508	\$ 5,835	\$ 6,870	\$ 1,277	\$ 25,042
	Sinking fund balance		1,035			
			\$ 6,870			

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

9 – D. Debt Service Requirements to Maturity – GO Bonds, continued

2010 Election										
Year Ending June 30,	2012 Refunding		2010 Series D			2010 Series E			Total Payments	
	Principal	Interest	Sinking Fund Payment	Principal (Maturity)	Interest	Sinking Fund Payment	Principal (Maturity)	Interest		
2020	\$ 270	\$ 21	\$ -	\$ -	\$ 138	\$ 105	\$ 105	\$ 66	\$ 600	
2021	280	13	-	-	138	110	110	62	603	
2022	285	4	-	-	139	120	120	58	606	
2023	-	-	-	-	138	155	155	52	345	
2024	-	-	-	160	135	115	115	48	298	
2025 - 2029	-	-	975	1,055	532	500	635	176	2,183	
2030 - 2034	-	-	1,680	1,440	204	710	575	47	2,641	
	\$ 835	\$ 38	\$ 2,655	\$ 2,655	\$ 1,424	\$ 1,815	\$ 1,815	\$ 509	\$ 7,276	

Election 2016 - Series A						
Year Ending June 30,	Series A			2017 Refunding		
	Sinking Fund Payment	Principal (Maturity)	Interest	Principal	Interest	Total Payments
2020	\$ 770	\$ 770	\$ 370	\$ 45	\$ 91	\$ 1,276
2021	-	-	355	535	86	976
2022	-	-	354	550	69	973
2023	-	-	355	565	47	967
2024	-	-	354	590	24	968
2025 - 2029	-	-	1,772	600	6	2,378
2030 - 2034	1,080	1,080	1,696	-	-	2,776
2035 - 2039	1,895	300	1,402	-	-	3,297
2040 - 2044	3,055	3,265	810	-	-	3,865
2045 - 2047	2,510	3,895	146	-	-	2,656
	\$ 9,310	\$ 9,310	\$ 7,614	\$ 2,885	\$ 323	\$ 20,132

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

9 – D. Debt Service Requirements to Maturity – GO Bonds, continued

Election 2016 - Series B						
Year Ending June 30,	Series B Capital Appreciation		Series B			Total Payments
	Principal	Interest	Sinking Fund Payment	Principal (Maturity)	Interest	
2020	\$ -	\$ -	\$ 140	\$ 140	\$ 1,056	\$ 1,196
2021	-	-	-	-	1,054	1,054
2022	23	2	-	-	1,054	1,079
2023	67	8	-	-	1,054	1,129
2024	113	17	-	-	1,054	1,184
2025 - 2029	341	74	1,115	1,115	5,192	6,722
2030 - 2034	1,189	856	370	370	4,907	7,322
2035 - 2039	330	315	3,300	3,300	4,683	8,628
2040 - 2044	-	-	6,450	6,450	3,767	10,217
2045 - 2049	-	-	12,185	12,185	1,766	13,951
Accretion	88	(88)	-	-	-	-
	\$ 2,151	\$ 1,184	\$ 23,560	\$ 23,560	\$ 25,587	\$ 52,482

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

9 - E. Certificates of Participation (“COPS”)

In July 2014, the Local Facilities Finance Corporation issued certificates of participation (COPs) on behalf of the District in the amount of \$6,240,000 with interest rates ranging from 3% to 4%. The COPs were issued at a discount, net of related premiums, of \$50,569 and amortized over the life of the COPs. As of June 30, 2019, the District's portion of the principal balance outstanding was \$6,240,000.

The COPs are subject to redemption prior to maturity. The following schedules indicated the sinking fund requirements as compared to the maturities of those COPs. As of June 30, 2019, the District's COP debt services and maturities are as follows (*Amounts in thousands*):

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Sinking</u>		<u>Total</u>
<u>(Maturity)</u>	<u>Payment</u>	<u>Fund</u>	<u>Interest</u>	<u>Payments</u>
2020	\$ -	\$ -	\$ 223	\$ 223
2021	325	325	218	543
2022	335	335	208	543
2023	345	345	198	543
2024	360	360	187	547
2025 - 2029	1,980	1,980	740	2,720
2030 - 2034	1,365	2,365	343	2,708
2035	1,530	530	11	541
	<u>\$ 6,240</u>	<u>\$ 6,240</u>	<u>\$ 2,128</u>	<u>\$ 8,368</u>

9 - F. Capital Leases

The District leases equipment under capital lease arrangements. Future minimum lease payments at June 30, 2019, are as follows:

(Amounts in thousands)

<u>Year Ending June 30,</u>	<u>Bus</u>	<u>Portables</u>	<u>Total</u>
	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>
2020	\$ 27	\$ 21	\$ 48
2021	-	21	21
Total	27	42	69
Less: Amount representing interest	1	1	2
Present value of minimum lease payments	\$ 26	\$ 41	\$ 67

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

9 - G. Lease-Leaseback

As of June 30, 2018 the District had entered into three lease-leaseback agreements. The District leases to the Lessee and the Lessee subleases to the District, real property and improvements. The Lessee shall use the Site solely for the purpose of constructing the Project thereon and for subleasing the Site and the Project to the District. During the term of this site lease, the District shall hold title to the site and obtain title to the Project from the Lessee upon termination of the lease.

On June 11, 2018, the district entered into two lease-leaseback agreements with David A. Bush, Inc. (the “Lessee”). The Term of this Site Lease shall is estimated to terminate in November 2019. The total sublease payments will equal \$18,346,000 for the construction of the new CTE Academy at Coalinga Ag Farm, the New Classroom Wing at Huron Elementary, and the Modernization Project at Huron Elementary

On June 12, 2018, the district entered into a lease-leaseback agreements with SOLPAC Construction, Inc. (the “Lessee”). The Term of this Site Lease shall is estimated to terminate in November 2019. The total sublease payments will equal \$13,855,000 for the construction of the new Classroom Wing at Dawson Elementary and the new Classroom Wing at Bishop Elementary.

The accounting effect of this transaction, as of June 30, 2016, is deferred outflow of resources (construction costs) in the amount of \$32.2 million and a lease payable of the same amount. The first payment of this transaction, \$1.9 million, was due in July 2018 and \$22.6 million is due within one year and the balance of \$9.6 million will be due in the 2019 fiscal year. The Lessee’s financing is 3% interest.

As of June 30, 2019, the outstanding balance of the lease-leaseback is \$7,587,000 which is due by November 2019.

9 - H. Compensated Absences

The long-term portion of unpaid employee vacation for the year ended June 30, 2019 was \$131,000, which is to paid for by the General Fund and Cafeteria Fund.

9 - I. Pension Liabilities

The District's pension activities between the District and Cal STRS and Cal PERS resulted in the following liabilities for the year ended June 30, 2019:

	Balance			Balance		
	<i>(Amounts in thousands)</i>					
	July 01, 2018	Additions	Deductions	June 30, 2019		
Net Pension Liability (NPL)						
Cal STRS	\$ 36,553	\$ -	\$ 587	\$		35,966
Cal PERS	14,233	1,643	-	-		15,876
Total NPL	\$ 50,786	\$ 1,643	\$ 587	\$		51,842

See Note 11 for additional information regarding the pension plans and activities.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

9 - J. Other Postemployment Benefits

The District's OPEB plan and the Cal STRS OPEB plan liabilities are as follows for the year ended June 30, 2019:

	Balance				Balance	
	<i>(Amounts in thousands)</i>		July 01, 2018	Additions	Deductions	June 30, 2019
Net OPEB Obligation						
OPEB - District Plan	\$	8,726	\$	-	\$	8,726
OPEB - Cal STRS		264		-	28	236
Total OPEB	\$	8,990	\$	-	\$	8,962

See Note 12 and 13 for additional information regarding the pension plans and activities.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

NOTE 10 – FUND BALANCES

Fund balance components at June 30, 2019, were as follows:

	General Fund	Cafeteria Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Govt Funds	Total Govt Funds
Non-spendable						
Non-restricted						
Reserve for revolving cash	\$ 2,500	\$ 690	\$ -	\$ -	\$ -	\$ 3,190
Reserve for stores inventory	-	20,180	-	-	-	20,180
Reserve for sinking fund	-	-	-	1,035,000	-	1,035,000
Total Nonspendable	2,500	20,870	-	1,035,000	-	1,058,370
Spendable						
Restricted						
Educational programs						
Federal	552,850	2,501	-	-	-	555,351
State	2,423,526	-	-	-	65,461	2,488,987
Local	215,780	-	-	-	421	216,201
Capital projects						
Election 2016	-	-	7,617,377	-	-	7,617,377
Developer fees	-	-	-	-	1,539,645	1,539,645
Debt service	-	-	-	4,476,136	-	4,476,136
Construction						
State Facilities Grant	-	-	-	-	1,780,280	1,780,280
Total Restricted	3,192,156	2,501	7,617,377	4,476,136	3,385,807	18,673,977
Assigned						
STRS/PERS and LCAP	3,311,231	-	-	-	-	3,311,231
Construction reserve	-	-	-	-	3,733	3,733
Total Assigned	3,311,231	-	-	-	3,733	3,314,964
Unassigned						
Reserve for economic uncertainties	4,517,232	-	-	-	-	4,517,232
Total	\$11,023,119	\$ 23,371	\$ 7,617,377	\$ 5,511,136	\$ 3,389,540	\$27,564,543

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

NOTE 11 – DEFINED BENEFIT PENSION

11 - A. California State Teachers Retirement System (“Cal STRS”)

Plan Description. CalSTRS administers a hybrid retirement system consisting of a defined benefit plan, two defined contribution plans, a postemployment benefit plan, and a fund used to account for ancillary activities associated with various deferred compensation plans and programs:

- ❖ State Teachers’ Retirement Plan (“STRP”)
- ❖ CalSTRS Pension 2® Program (Internal Revenue Code 403(b) and 457(b) plans)
- ❖ Teachers’ Health Benefits Fund (“THBF”)
- ❖ Teachers’ Deferred Compensation Fund (“TDCF”)

CalSTRS provides pension benefits, including disability and survivor benefits, to California full-time and part-time public school teachers from pre-kindergarten through community college and certain other employees of the public school system. The Teachers’ Retirement Law (California Education Code § 22000 et seq.), as enacted and amended by the California Legislature, established these plans and CalSTRS as the administrator. The terms of the plans may be amended through legislation.

The STRP is a multiple employer, cost-sharing defined benefit plan comprised of four programs: Defined Benefit (“DB”) Program, Defined Benefit Supplement (“DBS”) Program, Cash Balance Benefit (“CBB”) 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. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided. The STRP Defined Benefit Program has two benefit formulas:

- ❖ CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS
- ❖ CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS

The 2% refers to the percentage of your final compensation that you’ll receive as a retirement benefit for every year of service credit, also known as the age factor. Other differences between the two benefit structures are final compensation, age factors, normal retirement age, creditable compensation cap and contribution rate. In addition, 2% at 62 members aren’t eligible for benefit enhancements, the Reduced Benefit Election or the CalSTRS Replacement Benefits Program.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2019

Contributions:	Effective Date	2% at 60 Members	2 % at 62 Members
Members:	July 1, 2016	10.25%	9.205%
Employers:	July 1, 2016	12.58%	
	July 1, 2017	14.43%	
	July 1, 2018	16.28%	
	July 1, 2019	18.13%	
	July 1, 2020	19.10%	
	July 1, 2021 – June 30, 2046	The board cannot adjust the employer rate by more than 1% in a fiscal year, and the increase to the contribution rate above the 8.25% base contribution rate cannot exceed 12% for a maximum of 20.25 percent.	
State:	July 1, 20146	Increase from prior rate ceases in 2046-47	
	July 1, 2017	9.328%	
	July 1, 2017 – June 30, 2046	8.828%, The board has limited authority to adjust state contribution rates from July 1, 2017, through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.	
	July 1, 2046 and thereafter	4.517%, and same explanation as above	

Contributions to the pension plan from the District was \$3.6 million for the year ended June 30, 2019.

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

At June 30, 2019, 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:

	<i>(Amounts in thousands)</i>	
District's proportionate share of the net pension liability	\$	35,966
State's proportionate share of the net pension liability associated with the District		13,095
Total	\$	49,061

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on employer contributions to the STRP are calculated by CalSTRS based on creditable compensation for active members reported by employers to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2018, the District's proportion was as follows:

	<u>Jun. 30, 2018</u>	<u>Jun. 30, 2017</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0003913	0.0003952	-0.0000039

For the year ended June 30, 2019, the District recognized pension expense of \$4.8 million and revenue of \$1.9 million for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(Amounts in thousands)</i>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 410
Changes of assumptions	5,587	-
Net difference between projected and actual earnings on pension plan	-	1,385
Changes in proportion and differences between District proportionate share of contributions	-	96
District contributions subsequent to the measurement date	3,561	-
Total	\$ 9,148	\$ 1,891

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

	<i>(Amounts in thousands)</i>	
Year ended June 30:		
2020	\$ 4,678	\$ (252)
2021	1,117	267
2022	1,118	1,211
2023	1,117	380
2024	1,118	176
2025	-	109
Total	\$ 9,148	\$ 1,891

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Actuarial Assumptions and Discount Rate Information

Actuarial Assumptions. The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Experience Study	July 1, 2010 – June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return ³	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.5%
Post-retirement Benefit Increases	2% simple for DB (Annually) Maintain 85% purchasing power level for DB Not applicable for DBS/CBB

¹ Net of investment expenses, but gross of administrative expenses.

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 inputs 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, the consulting actuary (Milliman) reviews the return assumptions 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 as of June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return¹
Global Equity	47%	6.30%
Fixed Income	12	0.30
Real Estate	13	5.20
Private Equity	13	9.30
Risk Mitigating Strategies	9	2.90
Inflation Sensitive	4	3.80
Cash/Liquidity	2	-1.00

¹ 20-years average

Discount Rate. The discount rate used to measure the total pension liability was 7.1 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases as disclosed in Note 1. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.1 percent) and assuming that contributions, benefit payments and administrative expenses occur midyear. Based on those 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 the total pension liability.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.

Presented below is the net pension liability of employers and the state using the current discount rate of 7.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	Current		
	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
<i>(Amounts in thousands)</i>			
District's proportionate share of the net pension liability	\$ 52,686	\$ 35,966	\$ 22,104

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

11 - B. California Public Employees Retirement System (“Cal PERS”)

Plan Description. Public Employees’ Retirement Fund (“PERF”) – The PERF was established in 1932 and provides retirement, death and disability benefits to its member employers, which include the State of California, non-teaching, non-certified employees in schools, and various other public agencies. The benefit provisions for the state and school employees are established by statute. The benefits options for the public agencies are established by statute and voluntarily selected by contract with the System in accordance with the provisions of the Public Employees' Retirement Law.

PERF B is a cost-sharing multiple-employer plan of school employers consisting of non- teaching and non-certified employees.

Benefits Provided. The Service Retirement benefit is a monthly allowance equal to the product of benefit factor, years of service, and final compensation.

- ❖ The *benefit factor* for classic members comes from the 2% at 55 benefit factor table. New PEPRAs members hired on or after January 1, 2013 are subject to the 2% at 62 benefit factor table.
- ❖ The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer’s contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer’s contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- ❖ The *final compensation* is the monthly average of the member’s highest 12 consecutive months’ full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For new PEPRAs members hired after January 1, 2013 final compensation is based on the monthly average of the member’s highest 36 consecutive months’ full-time equivalent monthly pay. PEPRAs members have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base. For employees that participate in Social Security this cap is \$117,020 for 2016 and for those employees that do not participate in social security the cap for 2016 is \$140,424, the equivalent of 120 percent of the 2016 Contribution and Benefit Base. Adjustments to the caps are permitted annually based on changes to the CPI for All Urban Consumers.
- ❖ The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if, the final compensation is less than \$400). For PEPRAs members, the final compensation is not offset.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019



Contributions. CalPERS required employer contributions to be 18.062% of payroll. The report also reported an employee contribution rate of 7.0% for classic and 6.0% for PEPRA. Contributions to the pension plan from the District was \$1.5 million for the year ended June 30, 2019.

For accounting purposes only, Public Employees’ Retirement Fund (“PERF”) is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes the State of California and most public agencies’ rate plans with more than 100 active members. PERF B is a cost-sharing multiple employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies with generally less than 100 active members. The District’s NPL is a part of PERF B

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

At June 30, 2019, the District reported a liability of \$15.9 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 agencies, actuarially determined. The District’s proportion was calculated as follows:

	<u>Jun. 30, 2018</u>	<u>Jun. 30, 2017</u>	<u>Difference</u>
Net Pension Liability Allocation Basis	0.0005954	0.0005962	-0.0000008

For the year ended June 30, 2019, the District recognized pension expense of \$1.3 million. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
	<i>(Amounts in thousands)</i>
Differences between expected and actual experience	\$ 1,041
Changes of assumptions	1,585
Net difference between projected and actual earnings on pension plan	130
Changes in proportion and differences between District contributions and proportionate share of contributions	359
District contributions subsequent to the measurement date	1,504
Total	\$ 4,619

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

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

(Amounts in thousands)

Year ended June 30:		
2020	\$	3,321
2021		1,416
2022		(25)
2023		(93)
Total	\$	4,619

Actuarial Assumptions and Discount Rate Information

Actuarial Methods and Assumptions. The collective total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018.

The collective total pension liability was based on the following assumptions:

Discount Rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	2.00% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, 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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 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.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 – 10 ²	Real Return Years 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation rate of 2.00% used for this period.

³ An expected inflation rate of 2.92% used for this period.

Discount Rate. The discount rate used to measure the total pension liability for PERF B was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

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 percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
<i>(Amounts in thousands)</i>	(6.15%)	(7.15%)	(8.15%)
District's proportionate share of the net pension liability	\$ 23,114	\$ 15,876	\$ 9,870

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

NOTE 12 – POSTEMPLOYMENT HEALTHCARE PLAN – THE DISTRICT’S PLAN

Plan Description. Coalinga-Huron Joint Unified School District’s healthcare plan is a single-employer defined benefit healthcare plan administered by the Coalinga-Huron Joint Unified School District provides medical, dental and vision plans to all eligible employees and their dependents. The benefit terms of the plan may be amended by the District. The plan covers certificated, classified and management employees who retire from the District on or after attaining age 55 (age 60 for classified employees) and have at least 10 years of service with the District. The District is a member in the joint powers agreement (JPA) and California's Valued Trust as described in Note 16 to provide this health coverage. **No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.**

Benefits Provided. The plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment up to the active employee cap, currently \$14,500 per year. Any cost above the cap must be borne by the retiree. District-paid benefits end at age 65.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Active employees	425
Total	454

Total OPEB Liability

The District’s total OPEB liability of \$8.7 million was measured was measured in conformity with the requirements in GASB No. 75, as of June 30, 2018.

Measurement Assumptions and Other Inputs

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

Inflation Rate:	2.25%
Salary increases:	3.00%, average, including inflation
Discount Rate:	
As of 6/30/17:	3.60%, net of investment expense, including inflation
As of 6/30/17:	3.90%, net of investment expense, including inflation
Healthcare cost trend rates:	8.00% for 2018-19, decreasing to 5.00% for 2020-21 and after
Retirees' share of cost:	Retirees pay the balance of the premium in excess of the District cap for active employees. The cap is \$14,500 per year for the 2018-19 fiscal year.

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

Termination rates were based on the CalPERS Schools assumptions, which can be downloaded at:

<https://www.calpers.ca.gov/docs/public-agencies-schools-assumption-methods.xlsx>

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale. MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

All actuarial assumptions used in measuring the Total OPEB Liability are described in the July 1, 2017 actuarial valuation performed by Pacific Crest Actuaries. The assumptions were based on plan experience through July 1, 2017. The actuarial cost method used for measuring the Total OPEB Liability for purposes of GASB 75 was Entry Age, Level Percent of Pay.

Changes in total OPEB Liability

	<i>(Amounts in thousands)</i>	
Balance at July 01, 2018	\$	8,726
Changes for the year:		
Service cost		367
Benefit payments		(367)
Net changes		-
Balances at June 30, 2019	\$	8,726

At June 30, 2019, the District reported deferred inflows of resources related to the District’s OPEB plan from the following sources:

	<i>(Amounts in thousands)</i>	Deferred Inflows of Resources
Differences between expected and actual experience	\$	43
Changes of assumptions or other inputs		177
	\$	220

Amounts reported as deferred inflows of resources related to the District’s will be recognized in expense as follows:

Year ended June 30,		
	<i>(Amounts in thousands)</i>	
	2020	\$ 27
	2021	27
	2022	27
	2023	27
	2024	27
	2025 - 2027	85
Total	\$	220

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability of employers as of June 30, 2019, using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	Current		
<i>(Amounts in thousands)</i>	1% Decrease (2.90%)	Discount Rate (3.90%)	1% Increase (4.90%)
District's proportionate share of the net pension liability	\$ 9,488	\$ 8,726	\$ 8,030

	Current Health		
<i>(Amounts in thousands)</i>	1% Decrease (7.0% decreasing to 4.0%)	Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
District's proportionate share of the net pension liability	\$ 8,720	\$ 8,726	\$ 8,734

NOTE 13 – POSTEMPLOYMENT HEALTHCARE PLAN (CAL STRS)

Plan Description. CalSTRS administers a postemployment benefit plan Medicare Premium Payment (“MPP”) Program. 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”).

Benefits Provided. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP 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.

Contributions. The MPP Program is funded on a pay-as-you go basis from a portion of monthly employer contributions. In accordance with California Education Code §25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total employer contributions to the MPP Program for fiscal year 2016-17 were \$29.1 million.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

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

At June 30, 2019, the District reported a liability of \$236,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, 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 the District’s proportionate share of total CalSTRS-Calculated Employer Contribution, statutorily determined. The District’s proportion was as follows:

	<u>Jun. 30, 2018</u>	<u>Jun. 30, 2017</u>	<u>Difference</u>
Net OPEB Liability Allocation Basis	0.0006154	0.0006291	-0.0000137

For the year ended June 30, 2019, the District recognized pension expense of (\$28,000). At June 30, 2019, the District reported no deferred outflows of resources or deferred inflows of resources.

Actuarial Methods, Assumptions, and Discount Rate Information

Actuarial Methods and Assumptions. The total OPEB liability for the MPP Program as of June 30, 2018, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018, using the following assumptions:

Valuation Date	June 30, 2017
Experience Study	July 1, 2010 – June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.87%
Medicare Part A Premium Costs Trend Rate ¹	3.70%
Medicare Part B Premium Costs Trend Rate ¹	4.10%

¹ The assumed increases in the Medicare Part A and Part B Cost Trend Rates vary by year, however; the increases are approximately equivalent to a 3.7 percent and 4.1 percent increase each year for Medicare Part A and Part B, respectively.

In addition, 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 a member’s 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 459 or an average of 0.27 percent of the potentially eligible population (171,593).

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 our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The 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, 2018, 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.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2019

Discount Rate. The discount rate used to measure the total OPEB liability as of June 30, 2018, is 3.87 percent. 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 3.87 percent, which is The Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2018, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.29 percent from 3.58 percent as of June 30, 2017.

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

The following table presents the net OPEB liability of employers as of June 30, 2017, using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

<i>(Amounts in thousands)</i>	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net OPEB liability	\$ 266	\$ 236	\$ 218

<i>(Amounts in thousands)</i>	1% Decrease (2.7%)	Medicare Cost Trend Rate (3.7%)	1% Increase (4.7%)
District's proportionate share of the net OPEB liability	\$ 220	\$ 236	\$ 264

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report.

NOTE 14- – COMMITMENTS AND CONTINGENCIES

Litigation. The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District as of June 30, 2019.

Operating Leases. The District has entered into several operating leases for equipment and buildings with lease terms in excess of one year. The agreements contain no purchase options. These agreements are non-cancelable leases. Rent expense for the year ended June 30, 2019, was \$187,484.

The District has a lease agreement with Ray Morgan for copiers and printers. The lease started on October 21, 2017 and ends in September of 2022 with payments due monthly in the amount of \$10,415.

The District has a lease agreement with Tamco Capital Corporation for boxlight projectors. The lease started on June 13, 2017 and ends in May of 2020 with payments due monthly in the amount of \$2,878. .

The District has a lease agreement with Mail Finance Corporation for Postage Equipment. The lease started on July 1, 2017 and ends in April of 2022 with payments due quarterly in the amount of \$707.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

The District has a lease agreement with Mobile Modular Management Corporation for four portables at Huron Elementary. The lease started on June 23, 2014 and ends in June of 2019 with payments due annually in the amount of \$15,600.

These portables were returned in June 2019 since they were no longer needed after the construction of the new classroom wing.

The District has a lease agreement with Williams Scotsman, Incorporated for a portable classroom at Huron Elementary. The lease started on August 1, 2016 and ends in September of 2020 with payments due monthly in the amount of \$795. This portable was returned in June 2019 since it was no longer needed after the construction of the new classroom wing.

Construction Commitments. As of June 30, 2019, the District has entered into construction contracts totaling \$30 million, of which \$6 million is still outstanding.

NOTE 15 – PARTICIPATION IN A JOINT POWERS AUTHORITY

The District is a member of three joint powers authorities (JPAs). The first is the CRMA I to provide property and liability insurance, the next is CRMA II, which provides workers' compensation insurance; and the last is CVT, which provides the services necessary and appropriate for the establishment, operation and maintenance of a medical self-insurance fund that provides for the payment of medical and dental claims of the member public educational agency employees and their covered dependents and to minimize the total cost of annual medical insurance of their respective member organizations. District's classified employees are covered under this JPA. The relationship is such that the JPAs 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 financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2019, the District made payments of \$277,994, \$577,715, and \$6,162,712, to CRMA I, CRMA II, and CVT, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

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COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variances -
	Original	Final	Actual	Positive / (Negative) Final to Actual
REVENUES				
Local Control Funding Formula ("LCFF") Sources				
State aid	\$ 40,869,105	\$ 41,446,352	\$ 41,416,163	\$ (30,189)
Local sources	5,140,307	5,322,640	5,517,135	194,495
Federal sources	4,878,828	4,924,077	3,910,417	(1,013,660)
Other State sources	4,622,959	4,220,462	5,132,422	911,960
Other local sources	1,990,553	2,281,095	2,551,470	270,375
Total Revenues	57,501,752	58,194,626	58,527,607	332,981
EXPENDITURES				
Certificated salaries	22,152,607	22,361,181	22,364,636	(3,455)
Classified salaries	8,342,273	8,536,299	8,296,319	239,980
Employee benefits	15,245,410	15,208,660	15,170,779	37,881
Books and supplies	3,703,734	4,401,697	3,139,285	1,262,412
Services and other operating expenditures	7,281,438	7,359,350	6,046,770	1,312,580
Capital outlay	168,033	989,749	804,338	185,411
Other outgo				
Excluding transfers of indirect costs	658,793	669,055	680,913	(11,858)
Total Expenditures	57,552,288	59,525,991	56,503,040	3,022,951
Excess (Deficiency) of Revenues				
Over Expenditures	(50,536)	(1,331,365)	2,024,567	3,355,932
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	56,913	56,913
Other Sources	-	-	59,852	59,852
Transfers Out	(305,160)	(152,592)	(117,988)	34,604
Net Financing Sources (Uses)	(305,160)	(152,592)	(1,223)	151,369
NET CHANGE IN FUND BALANCE				
Fund Balance - Beginning	8,999,775	8,999,775	8,999,775	
Fund Balance - Ending	\$ 8,644,079	\$ 7,515,818	\$ 11,023,119	\$ 3,507,301

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

SPECIAL REVENUE CAFETERIA FUND – BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variances -
	Original	Final	Actual	Positive / (Negative) Final to Actual
REVENUES				
Federal sources	\$ 1,725,000	\$ 1,727,549	\$ 1,984,563	\$ 257,014
Other State sources	150,000	150,196	177,699	27,503
Other local sources	123,095	108,823	106,003	(2,820)
Total Revenues	1,998,095	1,986,568	2,268,265	281,697
EXPENDITURES				
Classified salaries	854,367	811,840	826,451	(14,611)
Employee benefits	466,587	426,718	480,746	(54,028)
Books and supplies	936,000	877,167	967,199	(90,032)
Services and other operating expenditures	46,300	50,688	22,115	28,573
Total Expenditures	2,303,254	2,166,413	2,296,511	(130,098)
Excess (Deficiency) of Revenues				
Over Expenditures	(305,159)	(179,845)	(28,246)	151,599
OTHER FINANCING SOURCES (USES)				
Transfers In	305,160	152,592	22,219	(130,373)
Other Sources	-	-	-	-
Contributions	-	-	-	-
Transfers Out	-	-	(56,913)	(56,913)
Other Uses	-	-	-	-
Net Financing Sources (Uses)	305,160	152,592	(34,694)	(187,286)
NET CHANGE IN FUND BALANCE				
Fund Balance - Beginning	86,311	86,311	86,311	(35,687)
Fund Balance - Ending	\$ 86,312	\$ 59,058	\$ 23,371	\$ (35,687)

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Amounts in thousands)

	2019	2018	2017	2016	2015
Cal STRS					
District's proportion of the net pension liability (asset)	0.0391%	0.0395%	0.0403%	0.0385%	0.0374%
District's proportionate share of the net pension liability (asset)	\$ 35,966	\$ 36,553	\$ 32,593	\$ 26,059	\$ 21,829
State's proportionate share of the net pension liability (asset) associated with the District	13,095	13,578	29,341	23,289	22,001
Total	\$ 49,061	\$ 50,131	\$ 61,934	\$ 49,348	\$ 43,830
District's covered payroll	\$ 21,309	\$ 20,897	\$ 20,299	\$ 18,512	\$ 16,851
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169%	175%	161%	141%	130%
Plan fiduciary net position as a percentage of the total pension liability	71%	65%	70%	74%	77%
Cal PERS					
District's proportion of the net pension liability (asset)	0.0595%	0.0596%	0.0557%	0.0561%	0.0514%
District's proportionate share of the net pension liability (asset)	\$ 15,876	\$ 14,233	\$ 11,001	\$ 8,269	\$ 5,835
District's covered payroll	7,869	7,636	6,691	6,241	5,395
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	202%	186%	164%	132%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS

(Amounts in thousands)

Cal STRS	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,561	\$ 3,054	\$ 2,629	\$ 2,178	\$ 1,644
Contributions in relation to the contractually required contribution	(3,561)	(3,054)	(2,629)	(2,178)	(1,644)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 21,872	\$ 21,164	\$ 20,897	\$ 20,299	\$ 18,513
Contributions as a percentage of covered payroll	16%	14%	13%	11%	9%
Cal PERS	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,504	\$ 1,222	\$ 1,061	\$ 793	\$ 735
Contributions in relation to the contractually required contribution	(1,504)	(1,222)	(1,061)	(793)	(735)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 8,326	\$ 7,869	\$ 7,636	\$ 6,691	\$ 6,241
Contributions as a percentage of covered payroll	18%	16%	14%	12%	12%

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT HEALTHCARE PLAN

District OPEB

	<i>(Amounts in thousands)</i>		2019	2018
Changes for the year:				
Service cost	\$	367	\$	460
Interest				318
Differences between expected and actual experience				(53)
Changes in assumptions or other inputs				(222)
Benefit payments		(367)		(354)
Net Changes in Total OPEB Liability		-		149
Total OPEB Liability - Beginning			8,726	8,577
Total OPEB Liability - Ending	\$	8,726	\$	8,726
Covered Payroll	\$	28,964	\$	28,964
Total OPEB liability as a percentage of covered payroll		30%		30%

District Has No Assets Accumulated in a Trust to Pay Related Benefits

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT HEALTHCARE PLAN,
Continued**

CalSTRS OPEB

	<i>(Amounts in thousands)</i>	
	2019	2018
Total OPEB Liability	\$ 236	\$ 264
Changes for the year:		
Interest	\$ 9	\$ 8
Differences between expected and actual experience	(10)	-
Effect of assumption changes	(6)	(20)
Other expense	(22)	-
Benefit payments	1	(18)
Net Changes in Total OPEB Liability	(28)	(30)
Total OPEB Liability - Beginning	264	294
Total OPEB Liability - Ending	\$ 236	\$ 264
Covered Payroll ¹	\$ -	\$ -
Total OPEB liability as a percentage of covered payroll	n/a	n/a

¹ Defined as the payroll on which contributions to a pension plan are based, but for CalSTRS OPEB there were no contributions based on payroll

District Has No Material Assets Accumulated in a Trust to Pay Related Benefits

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

SUPPLEMENTARY INFORMATION

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**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education (CDE):			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 2,000,507
Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14838 & 10005	84,393
Title II, Part A, Teacher Quality	84.367	14341	138,077
Title III:			
Immigrant Education Program	84.365	15146	24,489
English Learner Student Program	84.365	14346	138,312
Title III Subtotal			162,801
Title IV, Part B, 21st Century Community Learning Centers Program [1]	84.287	14535	212,600
Title V, Part B, Rural & Low Income School Program (aka REAP)	84.358	14356	272
Special Education, IDEA: [1]			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	919,428
Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	5,419
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	13,404
Special Ed: IDEA Subtotal			938,251
Carl D. Perkins Career and Technical Education	84.048	14894	55,656
Total U. S. Department of Education			3,592,557
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through CDE:			
Child Nutrition: School Programs			
NSL Sec 4	10.555	13523	175,147
NSL Sec 11	10.555	13524	1,462,245
School Breakfast Needy	10.553	13526	343,775
Total U. S. Department of Agriculture			1,981,167
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through CDE:			
Medi-Cal Billing Option	93.778	10013	22,586
Unrestricted: Medi-Cal Administrative Activities (MAA)	93.778	10060	33,980
Total U. S. Department of Health & Human Services			56,566
Total Federal Expenditures			\$ 5,630,290

[1] - Major Program

No amount provided to subrecipients

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2019**

	Second Period Attendance Report	Annual Attendance Report
Regular ADA		
TK / K -3	1,366	1,277
Grades 4 - 6	1,044	1,009
Grades 7-8	642	623
Grades 9-12	1,163	1,104
Total Regular ADA	4,215	4,013
Extended Year Special Education		
TK / K -3	-	1
Grades 4 - 6	-	0
Grades 7-8	-	0
Grades 9-12	-	1
Total Extended Year Special Education	-	2
Special Education - Nonpublic, Nonsectarian		
Grades 9-12	-	1
Community Day School		
Grades 9-12	-	1
Total ADA	4,215	4,017

See accompanying note to supplementary information

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019**

Grade Level	Education Code § 46207(a) Minutes' Requirements¹	Current Year Minutes²	Current Year Days³	Status
Kindergarten	36,000	50,710	180	Complied
Grade 1	50,400	53,170	180	Complied
Grade 2	50,400	53,390	180	Complied
Grade 3	50,400	53,390	180	Complied
Grade 4	54,000	54,612	180	Complied
Grade 5	54,000	54,612	180	Complied
Grade 6	54,000	64,280	180	Complied
Grade 7	54,000	64,280	180	Complied
Grade 8	54,000	64,280	180	Complied
Grade 9	64,800	66,735	180	Complied
Grade 10	64,800	66,735	180	Complied
Grade 11	64,800	66,735	180	Complied
Grade 12	64,800	66,735	180	Complied

¹ District met its LCFF funding target

² District participated in Longer Instructional Day

³ District participated in Longer Instructional Year

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

	2020 (Budget)	2019	2018	2017
GENERAL FUND:				
Revenues	\$ 58,590,293	\$ 58,527,607	\$ 54,992,315	\$ 54,288,807
Transfers in	-	116,765	3,118	-
Total	58,590,293	58,644,372	54,995,433	54,288,807
Expenditures	58,433,066	56,503,040	53,591,536	53,651,870
Other uses and transfers out	152,592	117,988	129,137	116,490
Total	58,585,658	56,621,028	53,720,673	53,768,360
INCREASE/(DECREASE)				
IN FUND BALANCE	\$ 4,635	\$ 2,023,344	\$ 1,274,760	\$ 520,447
ENDING FUND BALANCE	\$ 11,027,754	11,023,119	8,999,775	7,725,015
AVAILABLE RESERVES¹	\$ 4,804,858	\$ 4,517,232	\$ 3,802,307	\$ 4,448,905
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	8%	8%	7%	8%
LONG-TERM DEBT	n/a	\$ 130,812,000	\$ 155,852,161	\$ 87,844,263
AVERAGE DAILY ATTENDANCE AT P-2	4,215	4,215	4,201	4,174

The General Fund balance has increased by \$3,298,104 over the past two years. The fiscal year 2019-20 budget projects a further increase of \$4,635 (less than one percent). For a district this size, the State recommends available reserves of at least three percent of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2019-20 fiscal year. Total long term obligations have increased by \$43.0 million over the past two years.

Average daily attendance has increased by forty-one ADA over the past two years. No change is anticipated during fiscal year 2019-20.

¹ Available reserves consist of all unassigned fund balance within the General Fund

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

FUND BALANCE	Bond Interest & Redemption Fund
Balance, June 30, 2019, Unaudited Actuals:	\$ 5,016,136
Increase in:	
Cash with fiscal agent	495,000
Audited financial statement	\$ 5,511,136

See accompanying note to supplementary information

**COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2019**

There are no charter schools sponsored by the District.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 JUNE 30, 2019

	Adult Education Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS					
Deposits and investments	\$ 68,820	\$ 1,532,135	\$ 1,786,332	\$ 3,713	\$ 3,391,000
Accrued receivables	633	7,510	12,301	20	20,464
TOTAL ASSETS	\$ 69,453	\$ 1,539,645	\$ 1,798,633	\$ 3,733	\$ 3,411,464
LIABILITIES					
Accrued payables	\$ 3,571	\$ -	\$ 18,353	\$ -	\$ 21,924
FUND BALANCE					
Restricted	65,882	1,539,645	1,780,280	-	3,385,807
Assigned	-	-	-	3,733	3,733
Total Fund Balance	65,882	1,539,645	1,780,280	3,733	3,389,540
TOTAL LIABILITIES AND FUND BALANCE	\$ 69,453	\$ 1,539,645	\$ 1,798,633	\$ 3,733	\$ 3,411,464

See accompanying note to supplementary information

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Adult Education Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES					
Other State sources	78,245	\$ -	\$ 2,515,093	\$ -	\$ 2,593,338
Other local sources	2,575	907,074	69,363	164	979,176
Total Revenues	80,820	907,074	2,584,456	164	3,572,514
EXPENDITURES					
Current					
Instruction	110,707	-	-	-	110,707
Facilities acquisition and construction	-	3,000	5,195,445	6,759	5,205,204
Total Expenditures	110,707	3,000	5,195,445	6,759	5,315,911
Excess (Deficiency) of Revenues Over Expenditures	(29,887)	904,074	(2,610,989)	(6,595)	(1,743,397)
OTHER FINANCING SOURCES (USES)					
Transfers In	95,769	-	-	-	95,769
NET CHANGE IN FUND BALANCE	65,882	904,074	(2,610,989)	(6,595)	(1,647,628)
Fund Balance - Beginning	-	635,571	4,391,269	10,328	5,037,168
Fund Balance - Ending	\$ 65,882	\$ 1,539,645	\$ 1,780,280	\$ 3,733	\$ 3,389,540

See accompanying note to supplementary information

NOTE 1 – PURPOSE OF SCHEDULES

1 - A. 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable.

There are no balances of loan or loan guarantee programs (“loans”) outstanding at the end of the audit period. The District has not elected to use the 10% de minimis cost rate.

1 - B. Schedule of Average Daily Attendance (“ADA”)

Displaying ADA data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate; and if there are any ADA adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final ADA after audit finding adjustments, shown by grade span.

1 - C. Schedule of Instructional Time

Displaying, for school districts, including basic aid districts, data that show whether the district complied with article 8 (commencing with § 46200) of chapter 2 of part 26 of the Education Code; showing by grade level:

1 - C.I For districts that met or exceeded their LCFF target or districts that participated in longer day funding, the number(s) of instructional minutes specified in Education Code section 46207(a) or 46201(b) as applicable, and the district's required instructional minutes set forth in Audit Guide Part F, Instructional Time, as applicable;

1 - C.II For districts that did not meet or exceed their LCFF target and did not participate in longer day funding, the number(s) of instructional minutes the district offered in the 1982-83 year, and the district's required instructional minutes as calculated in Audit Guide Part F, Instructional Time, as applicable;

1 - C.III For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level;

1 - C.IV For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the instructional minutes and day's provisions. State in a note to the schedule whether the district participated in longer day incentives and whether the district met or exceeded its LCFF target funding.

1 - C.V For charter schools, data that show whether the charter school complied with Education Code sections 47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code section 47612.5; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the instructional minutes and days provisions.

1 - D. Schedule of Financial Trends and Analysis

Displaying information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: general fund financial activity, including total revenue, expenditures, and other sources and uses; general fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the general fund or special reserve fund; available reserve balances expressed as a percentage of total general fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state-recommended available reserve percentage; total long-term debt; and elementary and secondary second principal ADA; and, when the auditee's percentage of available reserves to total general fund outgo is below the state-recommended percentage, management's plans for increasing the auditee's available reserve percentage.

1 - E. Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

Displaying the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

1 - F. Schedule of Charter Schools

Listing all charter schools chartered by the school district or county office of education, and indicating for each charter school whether or not the charter school is included in the school district or county office of education audit.

1 - G. Combining Statements – Non-Major Governmental Funds

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.

1 - H. Local Education Agency Organization Structure

LEA Organization Structure, setting forth the following information, at a minimum:

- 1 - **H.I** The date on which the LEA was established, and for charter schools the date and granting authority of each charter;
- 1 - **H.II** The date and a general description of any change during the year audited in a school district's boundaries;
- 1 - **H.III** The numbers by type of schools in the LEA;
- 1 - **H.IV** The names, titles, terms, and term expiration dates of all members of the governing board;
- 1 - **H.V** The names, with their titles, of the superintendent, chief business official, and deputy / associate / assistant superintendents.

This schedule is located in the front of the report.

OTHER INDEPENDENT AUDITOR'S REPORT

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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*

The Board of Trustees
Coalinga-Huron Joint Unified School District
Coalinga

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coalinga-Huron Joint Unified School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Coalinga-Huron Joint Unified School District's basic financial statements, and have issued our report thereon dated November 30, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Coalinga-Huron Joint 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 Coalinga-Huron Joint Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Coalinga-Huron Joint Unified School District's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

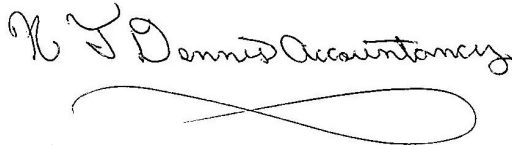
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ACCOUNTANCY

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalinga-Huron Joint Unified School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "N J Dennis Accountancy". Below the signature is a large, decorative flourish consisting of a horizontal line that loops back on itself.

November 30, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Coalinga-Huron Joint Unified School District
Coalinga, California

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Coalinga-Huron Joint Unified School District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Coalinga-Huron Joint Unified School District's major federal programs for the year ended June 30, 2019. Coalinga-Huron Joint 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 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 Coalinga-Huron Joint Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") 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 Coalinga-Huron Joint Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Programs

In our opinion, Coalinga-Huron Joint Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year-ended June 30, 2019.

RT DENNIS
ACCOUNTANCY

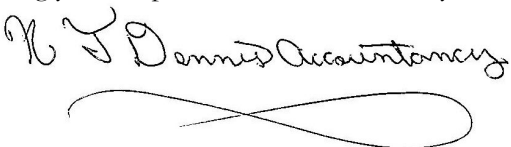
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Coalinga-Huron Joint Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Coalinga-Huron Joint Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 Coalinga-Huron Joint Unified School District's internal control over compliance.

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

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

A handwritten signature in cursive script that reads "R J Dennis Accountancy". Below the signature is a large, decorative flourish consisting of a horizontal line that loops back and forth, resembling a stylized infinity symbol or a calligraphic flourish.

November 30, 2019

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Coalinga-Huron Joint Unified School District
Coalinga, California

REPORT ON STATE COMPLIANCE

We have audited Coalinga-Huron Joint Unified School District's compliance with the requirements as identified in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Coalinga-Huron Joint Unified School District's state programs as listed on the next page for the year ended June 30, 2019.

Management's Responsibility

Coalinga-Huron Joint Unified School District's management is responsible for compliance with the requirements referred to above.

Auditors' Responsibility

Our responsibility is to express an opinion on Coalinga-Huron Joint Unified School District's compliance 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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations*, Title 5, § 19810, et seq. Those 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 listed on the next page. An audit includes examining, on a test basis, evidence about Coalinga-Huron Joint Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for Coalinga-Huron Joint Unified School District's state programs. Our audit does not provide a legal determination of Coalinga-Huron Joint Unified School District's compliance with those requirements.

Opinion

In our opinion, Coalinga-Huron Joint Unified School District complied, in all material respects, with the compliance requirements referred to previously that are applicable to programs listed on the next page for the year ended June 30, 2019.

RT DENNIS
ACCOUNTANCY

In connection with the audit referred to on the previous page, we selected and tested transactions and records to determine the Coalinga-Huron Joint Unified School District's compliance with the State laws and regulations applicable to the following items:

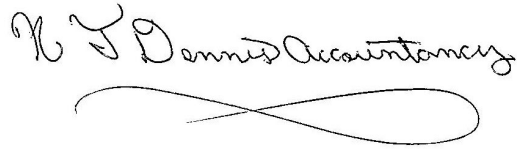
PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Not Applicable ¹
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable
N. Middle or Early College High Schools	Not Applicable
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable
School Districts, County Offices Of Education, And Charter Schools	
T. California Clean Energy Jobs Act	Yes
U. After/Before School Education and Safety Program	Not Applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control Accountability Plan	Yes
Y. Independent Study Course Based	Not Applicable
Charter Schools	Not Applicable ²

¹We did not perform testing for independent Study because ADA was below the required threshold for testing.

²The District does not have any charter schools, therefore these steps are not applicable.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the audit requirements of the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "R J Dennis Accountancy". Below the signature is a large, decorative flourish consisting of a horizontal line that loops back on itself.

November 30, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	Yes

FEDERAL AWARDS

Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>CFDA Number(s)</u> <u>Name of Federal Program or Cluster</u>	
<u>84.027 & 84.173</u> <u>Special Education, IDEA</u>	
<u>84.287</u> <u>Title IV, Part B, 21st Century Learning Program</u>	
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

No Findings Noted.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

No Federal Findings Noted.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

No State Findings Noted.

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

No prior year findings noted.

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR FRESNO COUNTY

The District is primarily located in Fresno County (the "County"), although small portions of the District lie in Monterey County and San Benito County (together, the "Counties"). The following information concerning the County is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the Counties, the State or any of its political subdivisions, other than the District, and none of the Counties, the State or any of its political subdivisions, other than the District, is liable therefor.

General

The County is predominantly an agriculturally based economy, but is promoting business growth through the expansion of industrial development and through partnerships with the County, the I-5 Business Development Corridor, the Economic Development Corporation serving the County and the Regional Jobs Initiative.

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 2019 population of 17,600 persons, is the fifth 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 estimates.

Employment and Industry

The District is included in the Fresno Metropolitan Statistical Area (“MSA”). The unemployment rate in the Fresno MSA was 8.1% in January 2020, up from a revised 6.9% in December 2019, and below the year-ago estimate of 9.0%. This compares with an unadjusted unemployment rate of 4.3% for California and 4.0% for the nation during the same period.

The table below provides information about employment by industry type for the 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%
Wage and Salary Employment: ⁽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 add to totals due to rounding.

Source: State of California Employment Development Department.

Major Employers

The table below lists the principal employers for the County.

**FRESNO COUNTY
PRINCIPAL EMPLOYERS
Year Ending June 30, 2019
(Ranked by Number of Employees)**

Employer Name	Approximate Number of Employees
Fresno Unified School District	14,238
Community Medical Centers	8,500
County of Fresno	8,341
Clovis Unified School District	8,313
California State University, Fresno	5,766
State Center Community College District	5,192
City of Fresno	4,556
Children's Hospital of Central California	4,140
Saint Agnes Medical Center	2,696
Kaiser Permanente Medical	2,300

Source: 2019 County of Fresno Comprehensive Annual Financial Report.

The following table shows the major employers in the County as of March 2020, in alphabetical order without regard to the number of employees.

**FRESNO COUNTY
Major Employers
(Listed Alphabetically)**

Employer Name	Location	Industry
Aetna	Fresno	Insurance
Air National Guard	Fresno	Veterans' & Military Organizations
California State Univ Fresno	Fresno	Schools-Universities & Colleges Academic
California Teaching Fellows	Fresno	Employment Service-Govt Co Fraternal
Cargill	Fresno	Meat Packers (mfrs)
Community Regional Medical Ctr	Fresno	Hospitals
Foster Farms	Fresno	Poultry Farms
Fresno County Sheriff's Dept	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Fresno VA Hospital Medical Ctr	Fresno	Hospitals
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
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)
Via West Insurance	Fresno	Insurance
Wawona Frozen Foods Inc	Clovis	Frozen Food Processors (mfrs)

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

Construction Activity

The tables below illustrate the building permits and valuations for the County for calendar years 2014 through 2018. Annual figures are not yet available for calendar year 2019.

FRESNO COUNTY Total Building Permit Valuations (Valuations in Thousands)

<u>Permit Valuation</u>	2014	2015	2016	2017	2018
New Single-family	\$388,564.8	\$580,986.1	\$689,016.6	\$512,951.0	\$703,307.1
New Multi-family	43,654.0	34,183.6	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	\$646,970.2	\$772,028.6	\$673,605.0	\$818,012.5
New Commercial	\$98,770.5	\$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	\$240,088.3	\$428,291.8	\$427,691.6	\$353,349.6	\$497,051.7
New Dwelling Units					
Single Family	1,410	2,153	2,559	1,886	2,560
Multiple Family	<u>549</u>	<u>343</u>	<u>339</u>	<u>1,135</u>	<u>290</u>
TOTAL	1,959	2,496	2,898	3,021	2,850

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

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

The following table summarizes the median household effective buying income for the County, the State and the United States for the period 2016 through 2020.

FRESNO COUNTY Median Household Effective Buying Income As of January 1, 2016 through 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Fresno County	\$40,819	\$41,237	\$44,641	\$46,028	\$48,980
California	53,589	55,681	59,646	62,637	65,870
United States	46,738	48,043	50,735	52,841	55,303

Source: The Nielsen Company (US), Inc for years 2016 through 2018; Claritas, LLC for 2019 and 2020.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first two quarters for the calendar year of 2019 in the County were reported to be \$7.661 billion dollars, a 2.37% increase over the total taxable sales of \$7.484 billion dollars reported during the first two quarters for the calendar year of 2018. Annual figures for 2019 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>
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	14,073,246
2017	13,166	9,943,017	20,655	14,631,309
2018	13,041	10,566,360	21,036	15,386,256

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 Department of Tax and Fee Administration.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

April 9, 2020

Board of Trustees
Coalinga-Huron Joint Unified School District
657 Sunset Street
Coalinga, California 93210

OPINION: \$3,375,978.90 Coalinga-Huron Joint Unified School District (Fresno, Monterey, and San Benito Counties, California) General Obligation Bonds, Election of 2016, Series C

Members of the Board of Trustees:

We have acted as bond counsel to the Coalinga-Huron Joint Unified School District (the "District") in connection with the issuance by the District of \$3,375,978.90 principal amount of Coalinga-Huron Joint Unified School District (Fresno, Monterey, and San Benito Counties, California) General Obligation Bonds, Election of 2016, Series C, dated the date hereof (together, the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution of the Board of Trustees (the "Board") adopted on March 10, 2020 (the "Resolution"). 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 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 school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution and the Bonds.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the Board enforceable against the Board in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Fresno is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject

to taxation by the District, without limitation as to rate or amount, except for certain personal property that is taxable at limited rate.

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

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

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

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

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

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

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$3,375,978.90

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT
(Fresno, Monterey, and San Benito Counties, California)
General Obligation Bonds
Election of 2016, Series C
(Bank Qualified)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Coalinga-Huron Joint Unified School District (the “**District**”) in connection with the execution and delivery of the captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Trustees of the District on March 10, 2020 (the “**Resolution**”). The Bank of New York Mellon Trust Company, N.A. is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

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

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

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

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently being March 31 based on a fiscal year ending June 30).

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

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

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

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

“*Paying Agent*” means The Bank of New York Mellon Trust Company, N.A., or any successor thereto.

“*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, not later than the Annual Report Date, commencing March 31, 2021 with the report for the 2019-20 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 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

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

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

- (i) assessed value of taxable property in the District, including identification of top twenty secured property taxpayers and their respective secured property assessed values;
- (ii) property tax levies, collections and delinquencies, but only if the District's general obligation bond collections are not included on Fresno County's Teeter Plan; and
- (iii) the District's most recently approved Budget or interim report, which is available at the time of filing the Annual Report.

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

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

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.

- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 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 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

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

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

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

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

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

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

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

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

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

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

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

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

Date: April 9, 2020

COALINGA-HURON JOINT UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

ACCEPTANCE OF DUTIES
AS DISSEMINATION AGENT

**ISOM ADVISORS,
A DIVISION OF URBAN FUTURES, INC.**

By: _____
Name: _____
Title: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

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

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

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

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

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

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

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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APPENDIX G
FRESNO COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT

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

County of Fresno Treasury Investment Pool

INVESTMENT POLICY

Established: 1984

Current Revision: November 5, 2019

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

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

INVESTMENT POLICY

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

INVESTMENT POLICY

1.0 Purpose

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

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

This Investment Policy is established under Government Code sections 27133 and 53646.

2.0 Scope

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

3.0 Objective

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

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

3.2 Liquidity. The investment portfolio should remain sufficiently liquid to enable the Treasury Investment Pool to meet all its operating requirements which might be reasonably anticipated.

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

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

4.0 **Delegation of Authority**

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

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

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

5.0 **Ethics and Conflict of Interest**

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

Receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County of Fresno Treasury Oversight Committee shall require the completion of an annual Statement of Economic Interests by each member to be filed with the member's respective agency. This policy sets a \$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**

All investments shall be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Securities shall be valued at amortized cost when determining their percentage to the money in the County of Fresno Treasury Investment Pool. Additions or deviations from this list must be expressly authorized by the Government Code and approved by the Auditor-Controller/Treasurer-Tax Collector. Investments not expressly authorized by law are prohibited.

The Auditor-Controller/Treasurer-Tax Collector interprets the authorized investment limits to be based upon the portfolio allocation at the time a security is purchased. The portfolio allocation may temporarily fall outside of these limits due to maturities and fluctuations in the size of the pool after the purchase of a security. Additionally, the applicable credit ratings are interpreted to be based upon the rating at the time the security is purchased.

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

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

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

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

8.4 Commercial Paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by 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 organization 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 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt rating is of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher rating as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments.

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

8.6 Non-negotiable Time Certificates of Deposit issued by a nationally or state-chartered bank, savings association or federal association (GC 53601 (n)). Unless fully covered by FDIC insurance, including the interest earned, these investments require full collateralization with government securities totaling 110 percent or mortgages totaling 150 percent of the principal amount (GC 53652). Any investment is to be restricted to those institutions whose short term rating is of prime quality of the highest ranking as provided for by Moody's Investors Service, Inc. or Standard and Poor's (P-1; A-1). As an alternative to the credit guidelines above, banks, savings associations or federal associations having a four star rating or higher as provided for by Bauer Financial, Inc. or a comparable rating service, shall be considered eligible institutions for these investments. Any investment will require the approval and execution of a Contract for Deposit by the Auditor-Controller/Treasurer-Tax Collector, as authorized by GC 53682.

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

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

under sections 8.5 and 8.6.1 may not exceed 30 percent of the money in the Treasury Investment Pool. Additionally, investments under 8.6.1 shall not exceed 15 percent of the money in the Treasury Investment Pool.

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

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

Excluding circumstances of market-timing and known cash demands, investments in Repurchase Agreements shall be limited to not more than 15 percent of the money in the Treasury Investment Pool. The market value of securities that 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 diversified management companies may charge and may not exceed 20 percent of the surplus funds in the Treasury Investment Pool. Only 10 percent of the surplus funds may be invested in any one mutual fund (GC 53601, 53635.2).

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

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

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

8.13 External Investment Managers. The Auditor-Controller/Treasurer-Tax Collector may contract with external investment managers to provide investment management services. These managers may be hired to invest funds not needed for liquidity and to increase the rate of return of the pool by

employing an active investment strategy. The external investment manager is allowed to make specific investment decisions within the framework of this investment policy.

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

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

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

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

9.0 **Selection of Investments**

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

10.0 **Diversification**

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

11.0 **Maximum Maturities**

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

12.0 **Selling Securities Prior to Maturity**

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

13.0 **Authorized Financial Dealers and Institutions**

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

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

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

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

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

14.0 **Confirmation**

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

15.0 **Safekeeping and Custody**

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

16.0 **Performance Standards**

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

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

17.0 **Administrative Cost of Investing**

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

18.0 **Credit of Interest Earnings**

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

19.0

Local Agency Deposit of Excess Funds

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

20.0

Withdrawal of Funds from the Treasury Pool

The withdrawal of funds by any depositor/participant in the County of Fresno Treasury Investment Pool shall not adversely affect the interests of the other depositors/participants in the County of Fresno Treasury Investment Pool. All withdrawals that are not considered as funds being utilized for operations shall be presented to the Auditor-Controller/Treasurer-Tax Collector for review and approval. The Auditor-Controller/Treasurer-Tax Collector shall perform an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the Treasury Investment Pool as is required by GC 27136 and 27133. Prior to 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 Auditor-Controller/Treasurer-Tax Collector's assessment of the effect of the proposed withdrawal does not negatively impact the stability and predictability of the investments and the interests of other depositors, the Auditor-Controller/Treasurer-Tax Collector may authorize a total or partial withdrawal of funds from the Treasury Pool. A total withdrawal of funds from the County of Fresno Treasury Investment Pool by a participant requires a 30-day written notice to the Auditor-Controller/Treasurer-Tax Collector. Withdrawals involving less than the participant's total funds (other than for operational needs) are subject to all of the following constraints:

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

- no more than two withdrawals of a non-operational purpose are allowed per 30 day period
- at least ten days must lapse before the second withdrawal in any 30 day period will be considered by the Auditor-Controller/Treasurer-Tax Collector
- each withdrawal shall be submitted to the Auditor-Controller/Treasurer-Tax Collector at least 2 business days prior to the date of withdrawal

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

21.0 **Reporting**

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

22.0 **Internal Control**

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

23.0 **Investment Policy Review**

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

- The County Auditor-Controller/Treasurer-Tax Collector
- A representative appointed by the County Board of Supervisors
- The County Superintendent of Schools or the Superintendent's designee

- A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County
- A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury

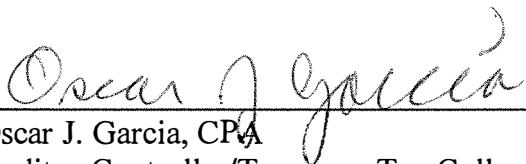
The Board of Supervisors shall accept and approve the investment policy and any changes thereto at a public meeting (GC 27133, 53646).

24.0 **Disaster/Business Continuity Plan**

The County of Fresno Treasurer's banking and investment functions are critical to the function of Treasury Investment Pool and therefore must have a continuity plan to guide operations in the event of a disaster or business interruption.

The objective of the Disaster/Business Continuity Plan is to protect and account for all funds on deposit with the county treasurer and to be able to continue banking and investment functions for all participants in the event of an occurrence; i.e., earthquake, fire, flood, or some other event, which disrupts normal operations. The Plan provides for the ability to perform banking and investment functions at an off-site location under less than optimal conditions.

Approved



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

10/29/19
Date

APPENDIX A

<u>Permitted Investments/Deposits</u>	<u>Government Code Limits %</u>	<u>Investment Policy Limits %</u>	<u>Investment Policy Term Limit</u>	<u>Minimum Rating</u>
Securities of the U.S. Government	No Limit	No Limit	5 years	N/A
Securities issued by United States Government Sponsored Enterprises	No Limit	No Limit	5 years	N/A
Bankers Acceptances (1)	40%	40%	180 days	N/A
Commercial Paper	40%	40%	270 days	P-1, A-1
Negotiable Certificates of Deposit (2)	30%	30%	13 months	P-1, or A-1 or 4 Star
Non-negotiable Certificates of Deposit (2)	No Limit	50%	13 months	P-1 or A-1 or 4 Star
Account Registry Service Deposits (2)	30%	15%	13 months	N/A
Repurchase Agreements	No Limit	15%	Overnight/Weekend	N/A
Medium Term Notes	30%	30%	5 years	A
LAIF (3)	No Limit	10%	5 years	N/A
Mutual Funds (4)	20%	20%	5 years	AAA,Aaa
Mortgage-Backed Securities	20%	10%	5 years	AA
State of California Debt	No Limit	10%	5 years	N/A

APPENDIX A
(Continued)

- (1) Investment policy limits any investment in bankers acceptances to the top 150 banks in the world as determined by their total assets and limited to those institutions in this group whose short term debt is of prime quality and of the highest ranking as provided for by Moody's or Standard and Poor's (P-1, A-1).
- (2) Banks, savings associations or federal associations having a "4 Star" or higher rating as provided by Bauer Financial, Inc. or a comparable rating service. For negotiable certificates of deposit, no more than 5 percent of the money shall be invested in any one institution. Negotiable certificates of deposit and account registry service deposits combined shall not exceed 30% of the portfolio. For non-negotiable certificates of deposit, no more than 15 percent of the money shall be invested in any one institution.
- (3) LAIF Board of Directors currently limits the investment to \$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 or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., 1/4 of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

APPENDIX C
(Continued)

Certificate of Deposit (CD) – A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period.

Certificate of Deposit Account Registry System (CDARS) – A private CD placement service that allows local agencies to purchase more than \$100,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$100,000 each, so that FDIC coverage is maintained.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan security, or both.

Commercial Paper - An unsecured short-term promissory note issued, with maturities ranging from 1 to 270 days.

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating services.

Credit Risk - The risk to an investor that an issuer will default in the payment of interest principal on a security, or both.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

APPENDIX C
(Continued)

Federal Funds (Fed Funds) - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate - Interest rate charged by one institution lending federal funds to the other.

Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms in the United States.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate - See "Coupon Rate."

Interest Rate Risk - The risk associated with declines or rises in interest rates which cause in investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity - An asset that can be converted easily and quickly into cash without significant loss of value.

Local Agency Investment Fund - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

APPENDIX C
(Continued)

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Medium-Term Note - Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities - Mortgage-backed securities (MBS) are created when a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interest or participations in the pool. MBS owners receive a prorate share of the interest and principal passed through from the pool of mortgages. Most MBS are issued guaranteed, or both, by federal agencies and instrumentalities.

Mortgage Pass-Through Obligations - Securities that are created when residential mortgages are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

APPENDIX C
(Continued)

Negotiable Certificates of Deposit - Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, or state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.) $[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Non-negotiable Certificates of Deposit - CDs that carry a penalty if redeemed prior to maturity. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to \$100,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral.

Offer - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

APPENDIX C
(Continued)

Regular Way Delivery - Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (Repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act - The Securities and Exchange Commission regulates money market funds in the United States and this rule restricts quality, maturity and diversity of investments by money market funds in an attempt to provide a safe, liquid alternative to bank deposits, while providing a higher yield.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Swap - Trading one asset for another.

Term Bond - Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

APPENDIX C
(Continued)

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule - SEC Rule 15c3-1 outlining capital requirements for broker-dealers.

Volatility - A degree of fluctuation in the price and valuation of securities.

Weighted Average Maturity (WAM) - The dollar-weighted average maturity of all the securities that comprise a portfolio.

When Issued (WI) - A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



Quarterly Investment Report

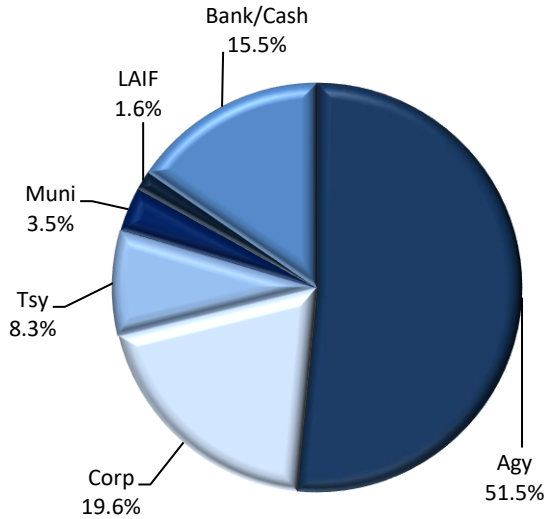
As of December 31, 2019

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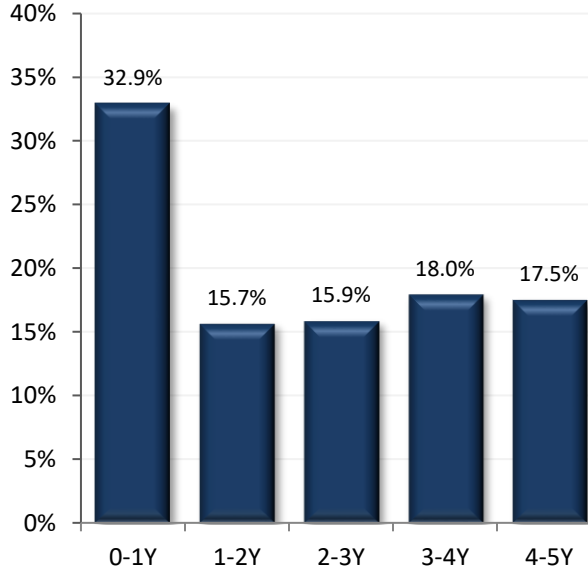
Board of Supervisors: Buddy Mendes, Brian Pacheco, Nathan Magsig, Sal Quintero, Steve Brandau
County Administrative Officer: Jean Rousseau

SECTOR ALLOCATION



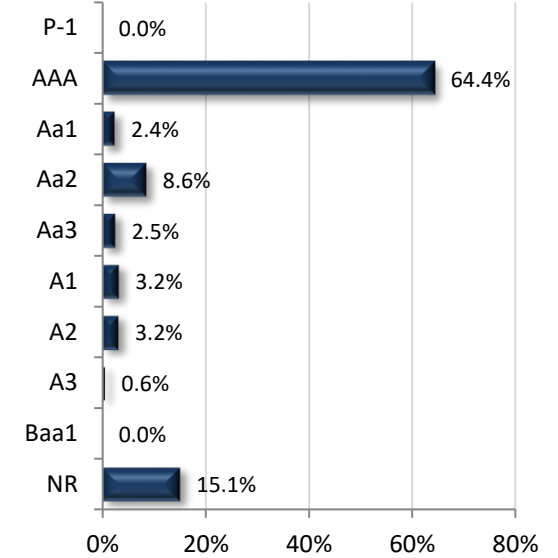
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



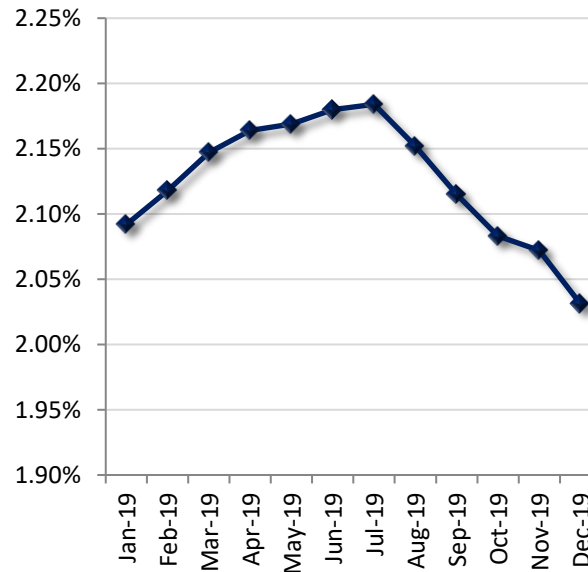
NR: Not Rated

ACCOUNT SUMMARY

	12/31/19	9/30/19
Market Value	\$4,216,158,910	\$3,691,845,342
Book Value*	\$4,179,751,295	\$3,651,702,399
Unrealized G/L	\$36,407,615	\$40,142,943
Par Value	\$4,175,314,810	\$3,651,563,707
Net Asset Value	\$100.871	\$101.099
Book Yield	2.03%	2.12%
Years to Maturity	2.06	2.02
Effective Duration	1.96	1.93

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
FEDERAL HOME LOAN BANK	19.3%
FEDERAL NATIONAL MORTGAGE	18.2%
FEDERAL FARM CREDIT BANK	12.4%
BANK OF THE WEST MM	12.0%
US TREASURY NOTE	8.3%
STATE OF CALIFORNIA	3.5%
JP MORGAN	2.8%
MICROSOFT	2.6%
TOYOTA MOTOR CREDIT	2.5%
US BANK NA	2.5%
APPLE INC	2.4%
FIDELITY 2642	1.9%
WELLS FARGO	1.8%
JOHN DEERE	1.7%
LAIF	1.6%

Per Book Value

Item / Sector	Parameters	In Compliance	
11.0 Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3.5 years.	Yes	2.06 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	8.3%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	51.5%
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	19.6%
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	1.9%
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	3.5%
Cash & Bank Account	NA	NA	13.5%

Compliance

The Treasury Investment Pool is in compliance with the County of Fresno Treasury Investment Pool Investment Policy. The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

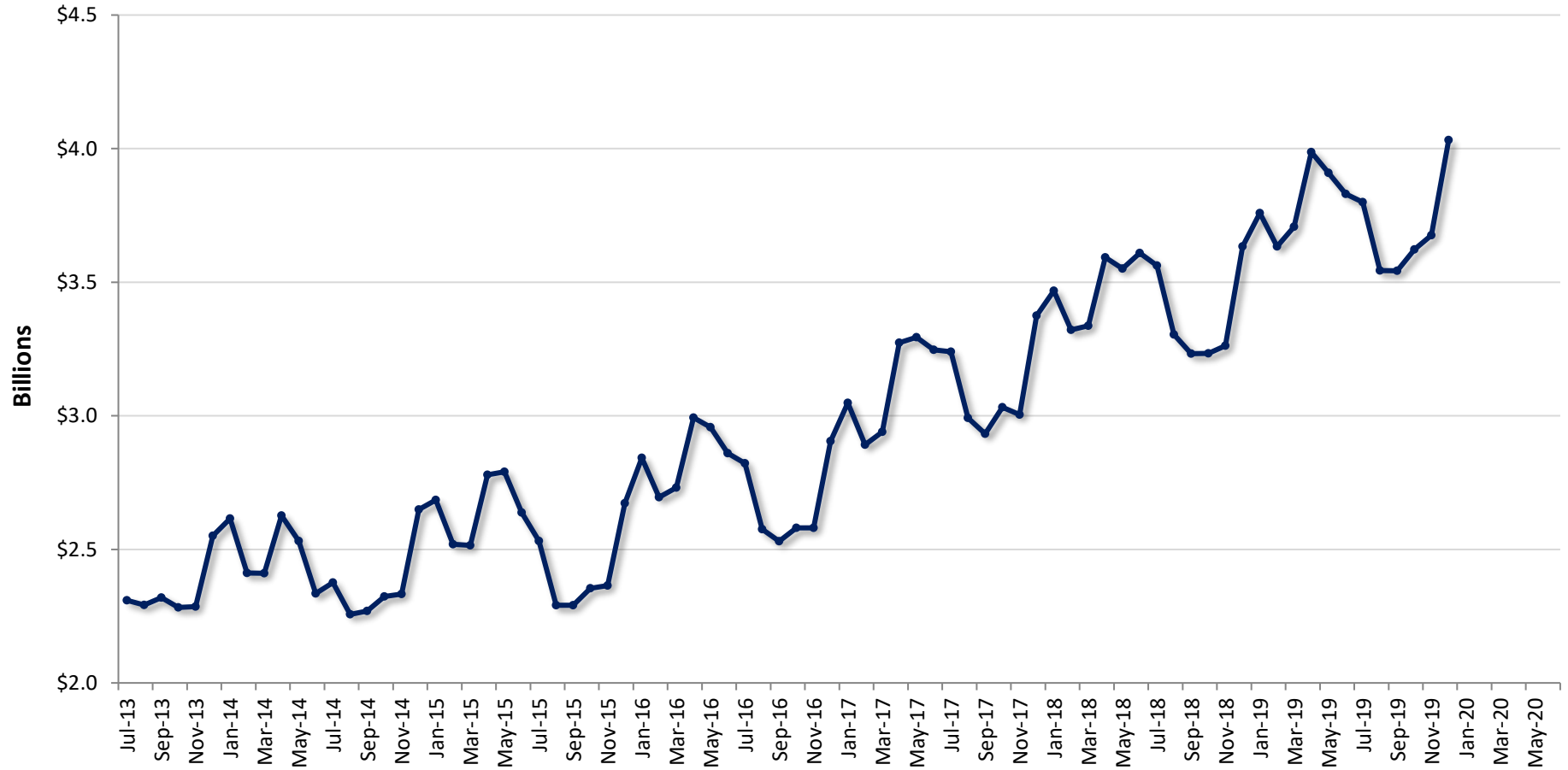
Review and Monitoring

FHN Financial Main Street Advisors, the County’s investment advisor, currently monitors the Treasury Department’s investment activities.

Additional Information

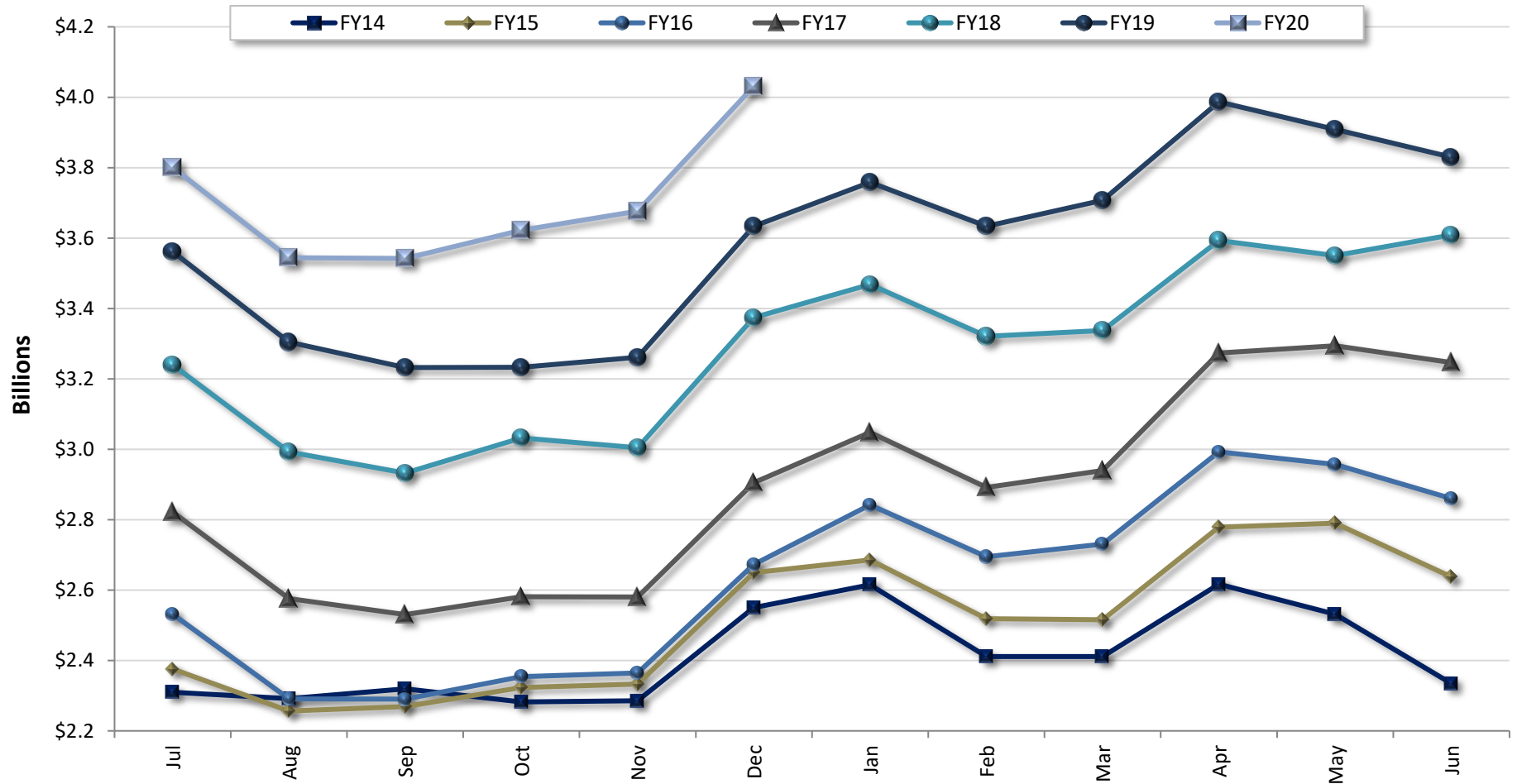
Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Ice Data Services.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
Fiscal Year 2020	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031						

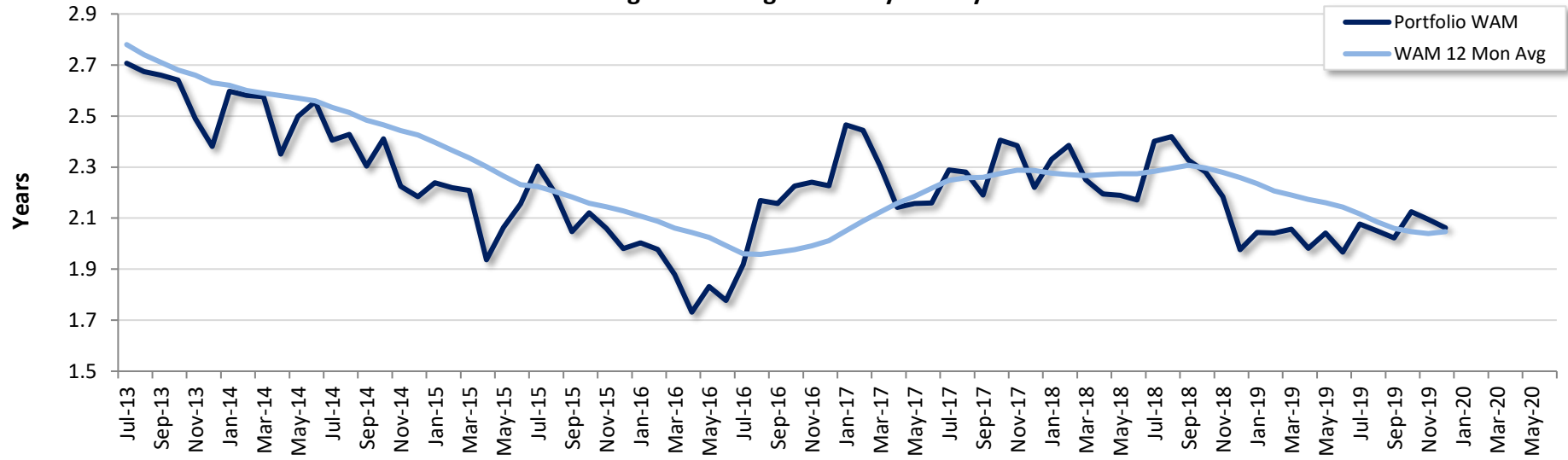
Figures in Billions, Average Daily Balance



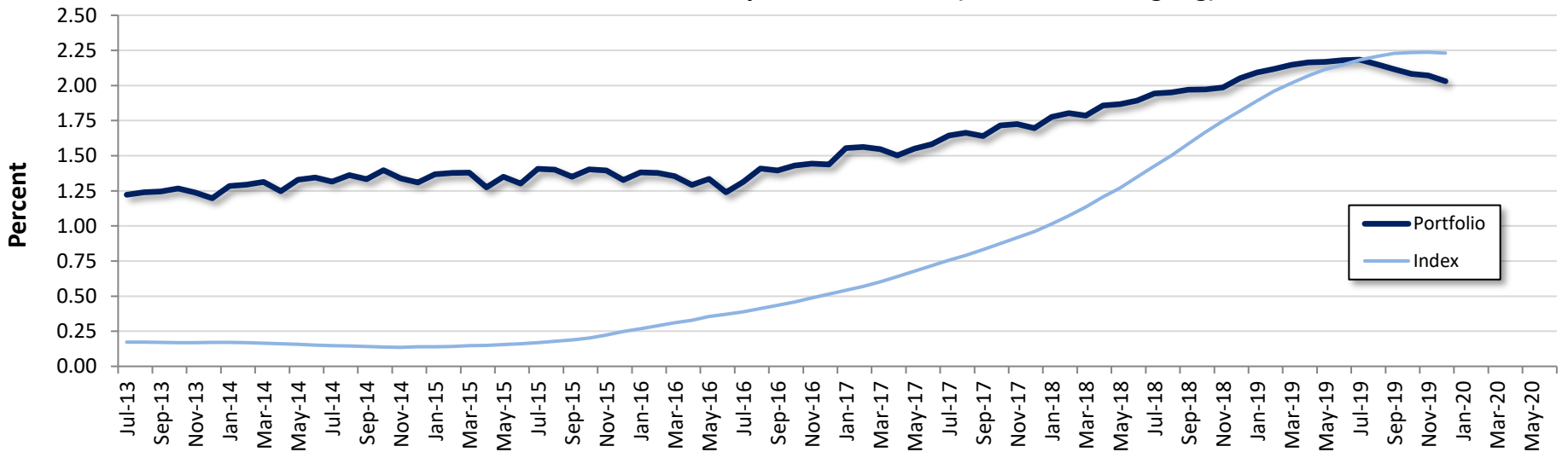
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2014	\$2.310	\$2.291	\$2.319	\$2.282	\$2.285	\$2.551	\$2.615	\$2.411	\$2.411	\$2.617	\$2.531	\$2.335
Fiscal Year 2015	\$2.375	\$2.256	\$2.269	\$2.323	\$2.333	\$2.649	\$2.685	\$2.519	\$2.515	\$2.778	\$2.790	\$2.637
Fiscal Year 2016	\$2.531	\$2.291	\$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
Fiscal Year 2020	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031						

Figures in Billions, Average Daily Balance

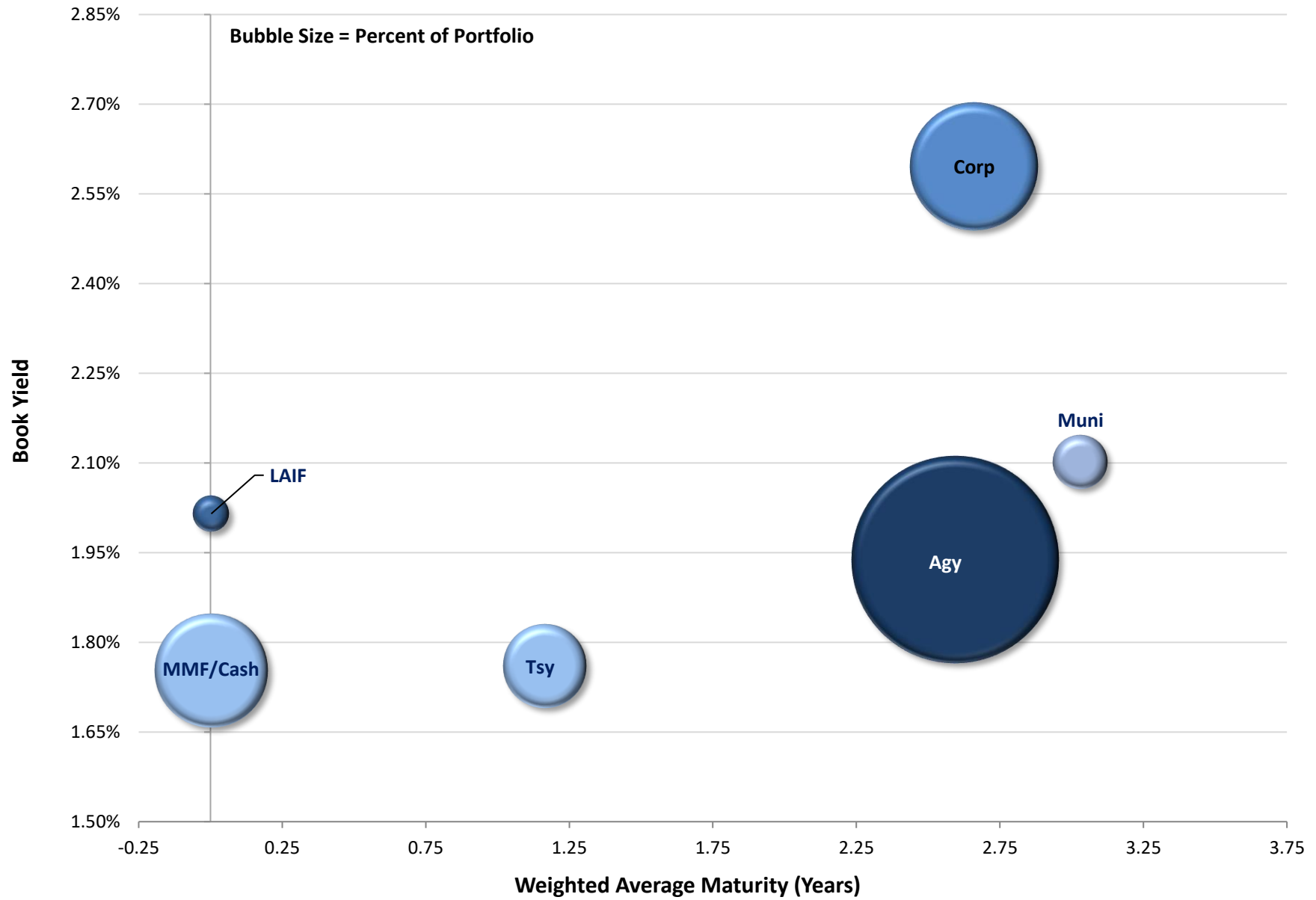
Weighted Average Maturity History



Month-End Book Yield vs 1-Year Treasury Note Index Yield (24 month moving avg)

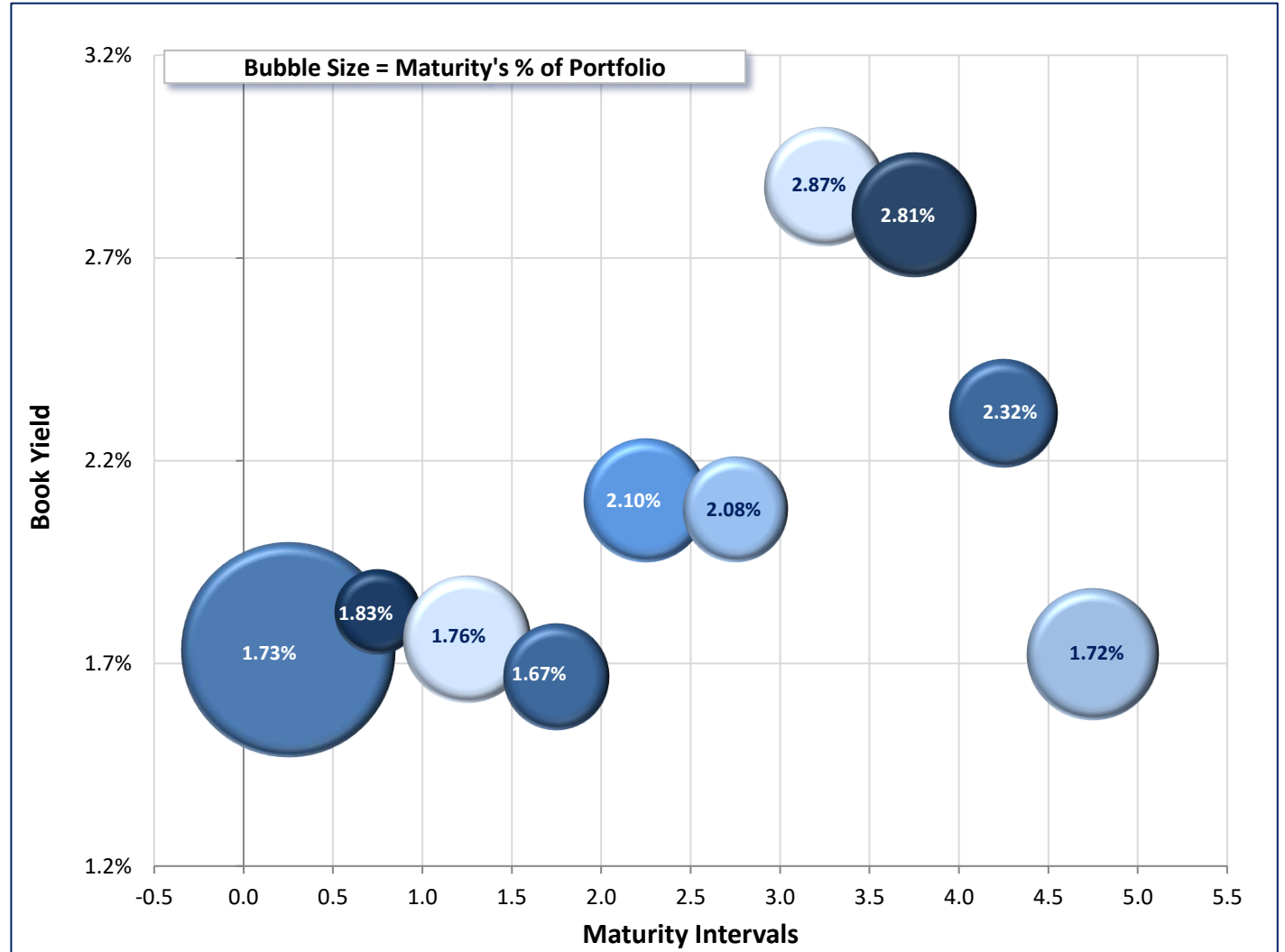


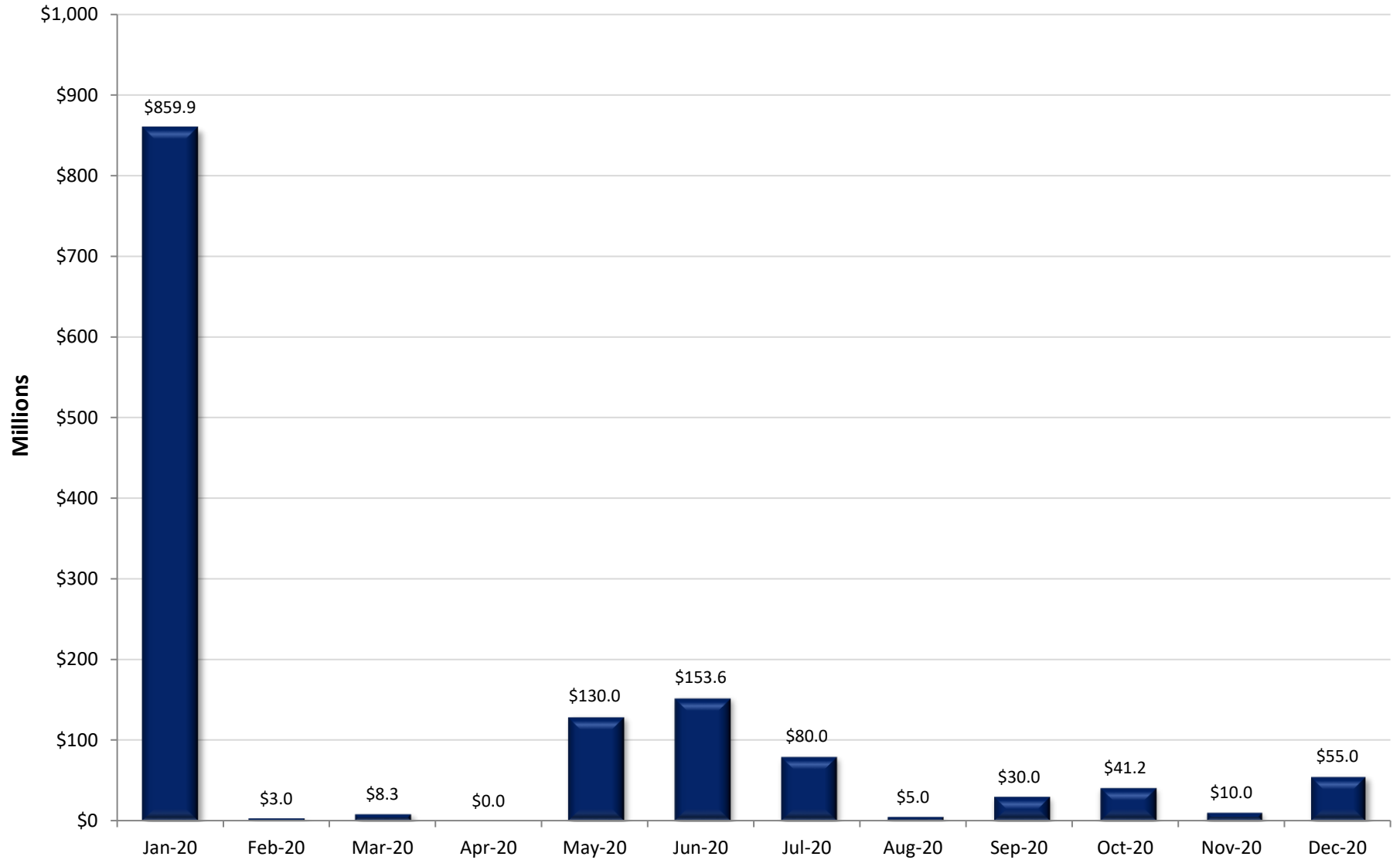
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



Years	Book Yield	% of Portfolio*
0 to .5	1.73%	27.63%
.5 to 1.0	1.83%	4.33%
1.0 to 1.5	1.76%	9.83%
1.5 to 2.0	1.67%	6.80%
2.0 to 2.5	2.10%	9.23%
2.5 to 3.0	2.08%	6.66%
3.0 to 3.5	2.87%	8.67%
3.5 to 4.0	2.81%	9.31%
4.0 to 4.5	2.32%	7.06%
4.5 to 5.0+	1.72%	10.48%
Total	2.03%	100.0%

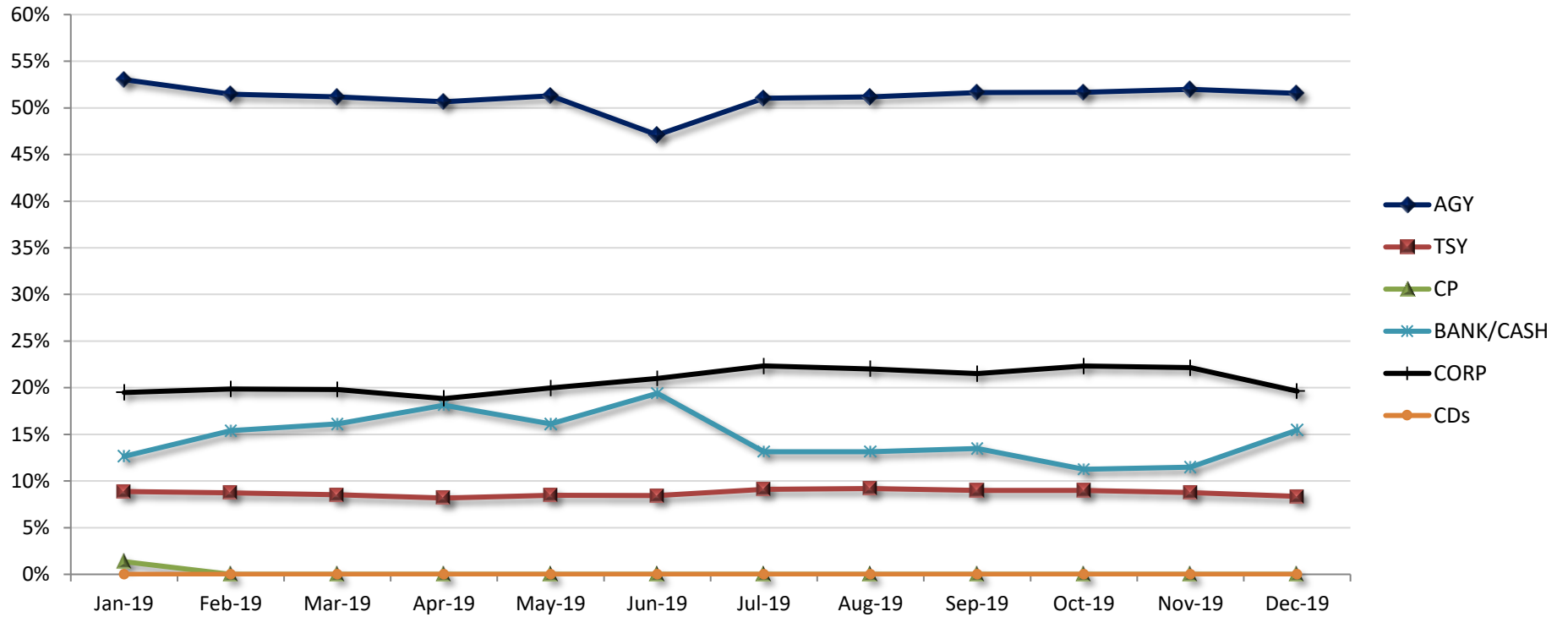
*Based on Book Value



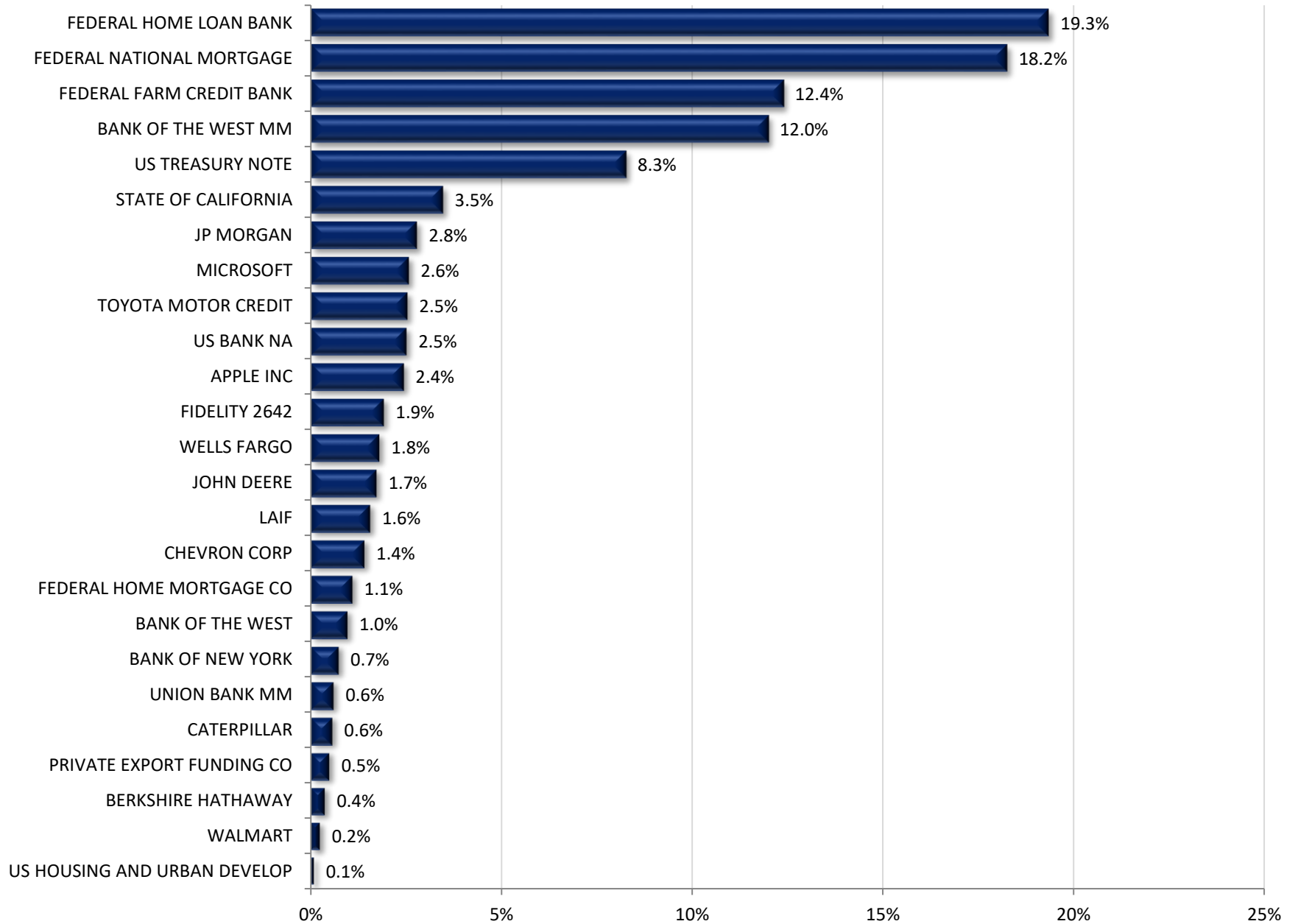


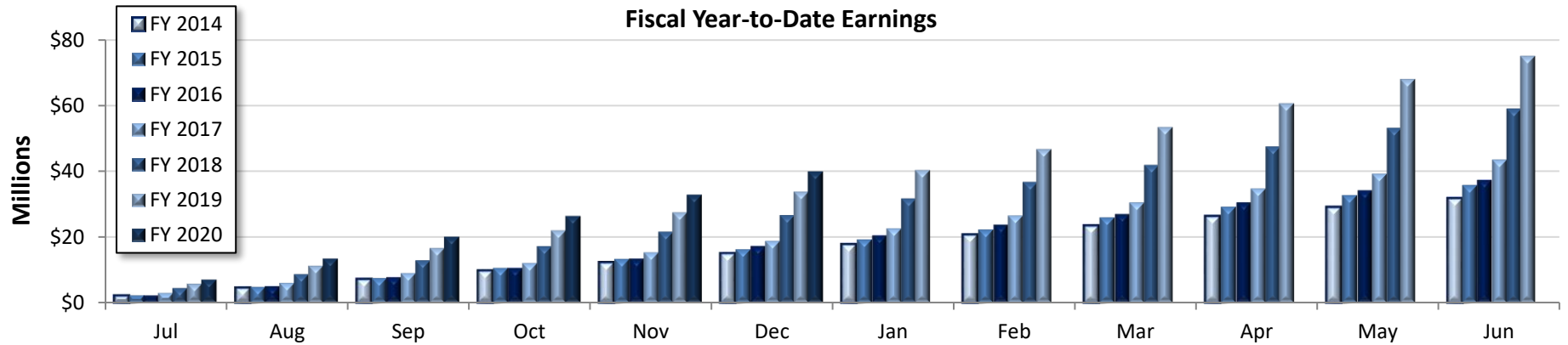
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Maturities	\$859.9	\$3.0	\$8.3	\$0.0	\$130.0	\$153.6	\$80.0	\$5.0	\$30.0	\$41.2	\$10.0	\$55.0

Par Value in Millions

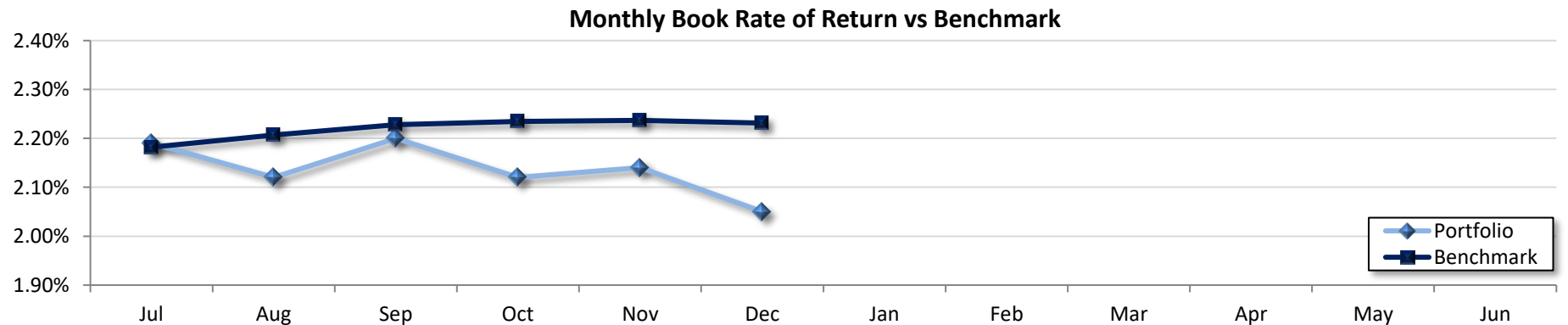


Sector	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Agency	53.0%	51.5%	51.2%	50.7%	51.3%	47.1%	51.0%	51.2%	51.7%	51.7%	52.0%	51.5%
Treasury	8.9%	8.7%	8.5%	8.2%	8.5%	8.4%	9.1%	9.2%	9.0%	9.0%	8.8%	8.3%
Commercial Paper	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LAIF	1.8%	1.7%	1.7%	1.6%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%
Muni	2.8%	2.8%	2.7%	2.6%	2.4%	2.4%	2.6%	2.6%	2.6%	4.0%	3.9%	3.5%
Corporates	19.5%	19.9%	19.8%	18.8%	20.0%	21.0%	22.3%	22.0%	21.5%	22.3%	22.2%	19.6%
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%
Bank/Cash	12.6%	15.4%	16.1%	18.1%	16.1%	19.4%	13.1%	13.2%	13.5%	11.3%	11.5%	15.5%
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%





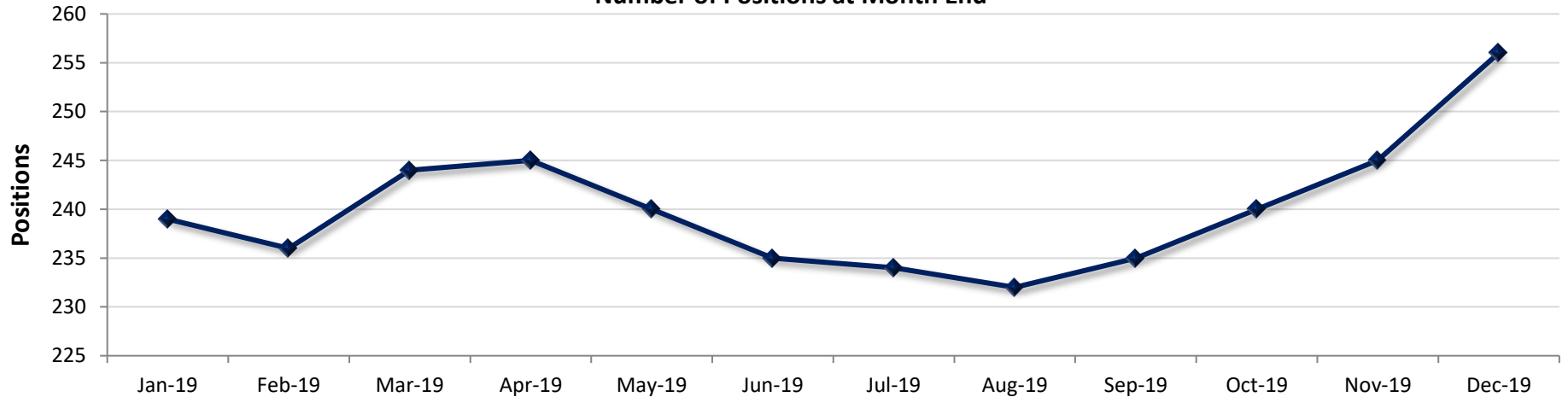
Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	\$2.3	\$4.7	\$7.3	\$9.8	\$12.2	\$15.0	\$17.7	\$20.7	\$23.4	\$26.2	\$29.0	\$31.6
FY 2015	\$2.3	\$4.9	\$7.5	\$10.5	\$13.3	\$16.2	\$19.2	\$22.1	\$25.8	\$29.0	\$32.5	\$35.5
FY 2016	\$2.3	\$5.1	\$7.8	\$10.6	\$13.4	\$17.2	\$20.5	\$23.7	\$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
FY 2020	\$7.1	\$13.5	\$20.0	\$26.4	\$32.9	\$39.9						



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	2.19%	2.12%	2.20%	2.12%	2.14%	2.05%						
Benchmark*	2.18%	2.21%	2.23%	2.23%	2.24%	2.23%						
Variance	0.01%	-0.09%	-0.03%	-0.11%	-0.10%	-0.18%						

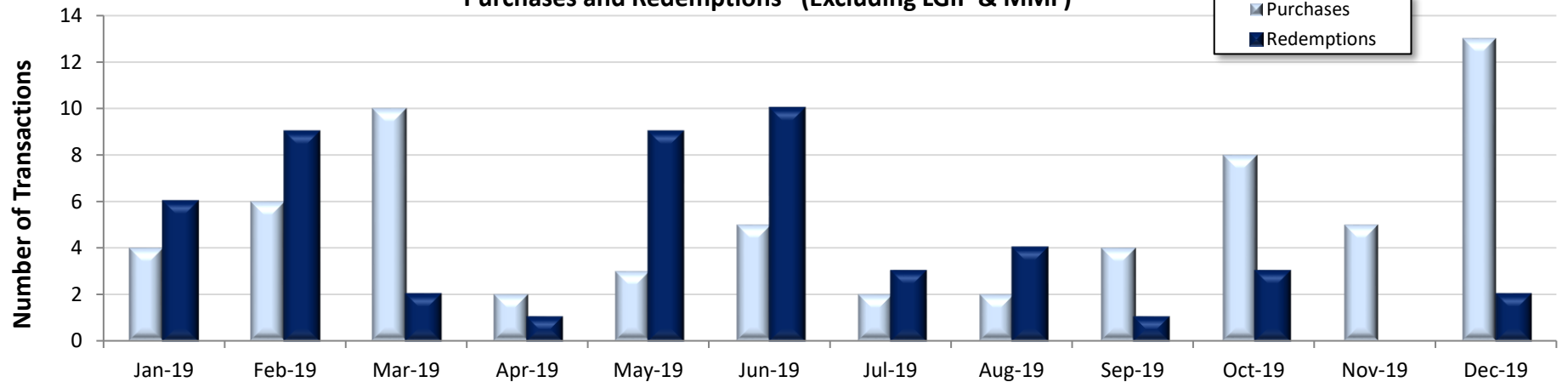
*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)

Number of Positions at Month End



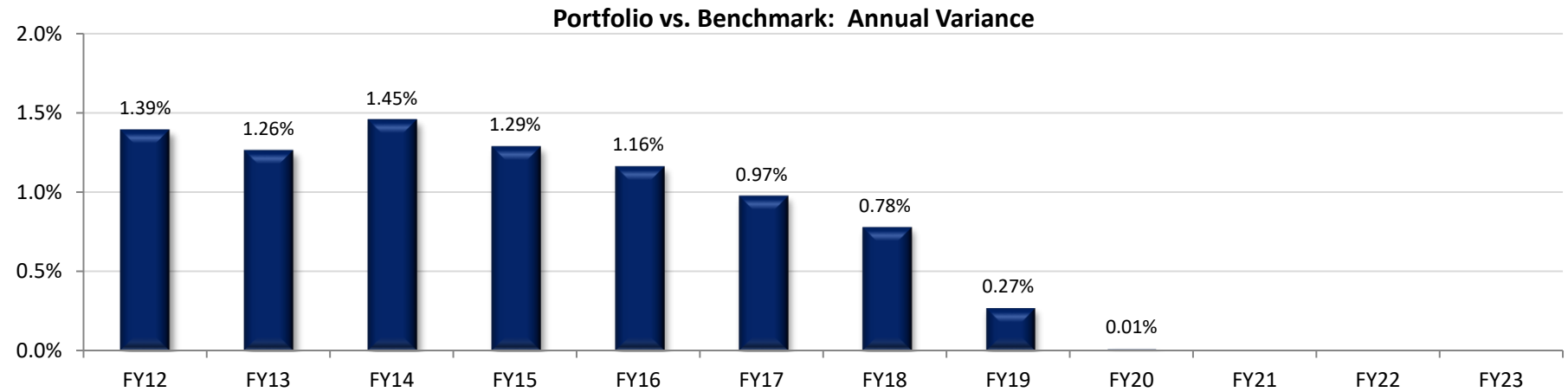
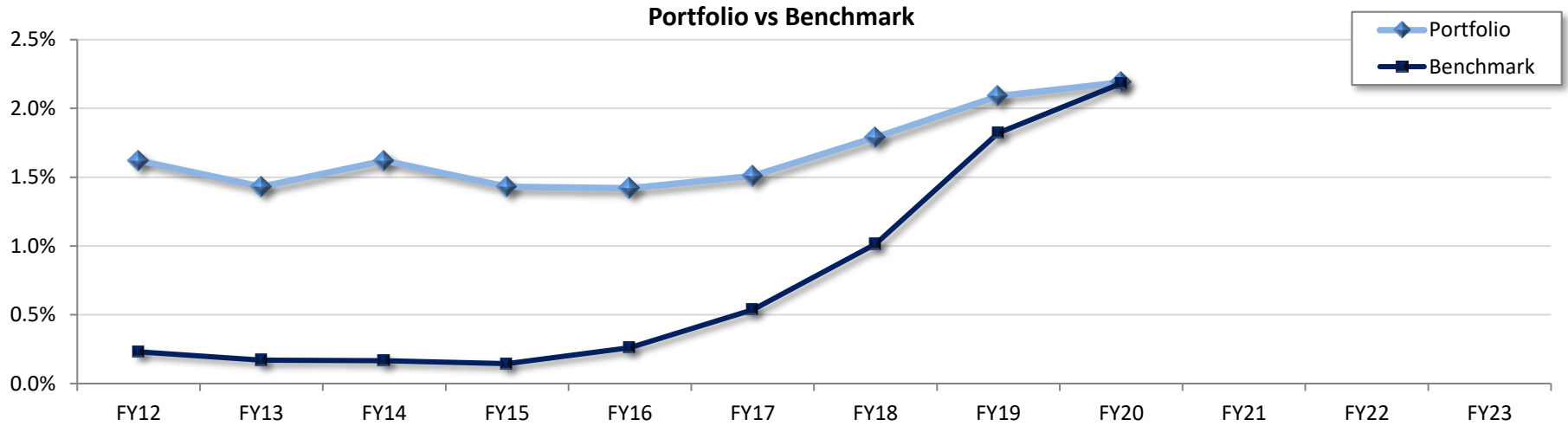
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Positions	239	236	244	245	240	235	234	232	235	240	245	256

Purchases and Redemptions* (Excluding LGIP & MMF)



*Redemptions include maturities, calls, and sells

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Purchases	4	6	10	2	3	5	2	2	4	8	5	13
Redemptions	6	9	2	1	9	10	3	4	1	3	0	2
Total Transactions	10	15	12	3	12	15	5	6	5	11	5	15



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%	2.19%			
Benchmark*	0.23%	0.17%	0.17%	0.14%	0.26%	0.54%	1.01%	1.82%	2.18%			
Variance	1.39%	1.26%	1.45%	1.29%	1.16%	0.97%	0.78%	0.27%	0.01%			

*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)--Average Builds Over the Fiscal Year Period

Summary of Portfolio

	December 2019	September 2019	June 2019	March 2019	December 2018
Market Value	\$4,216,158,910	\$3,691,845,342	\$3,922,607,201	\$3,849,252,349	\$3,770,988,770
Amortize Cost Value	\$4,179,751,295	\$3,651,702,399	\$3,895,135,225	\$3,857,429,169	\$3,808,681,373
Unrealized Gain/Loss % on cost	0.87%	1.10%	0.71%	-0.21%	-0.99%
Yield (weighted on cost value)	2.03%	2.12%	2.18%	2.15%	2.05%
Years to Maturity (weighted on cost value)	2.06	2.02	1.97	2.06	1.98
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

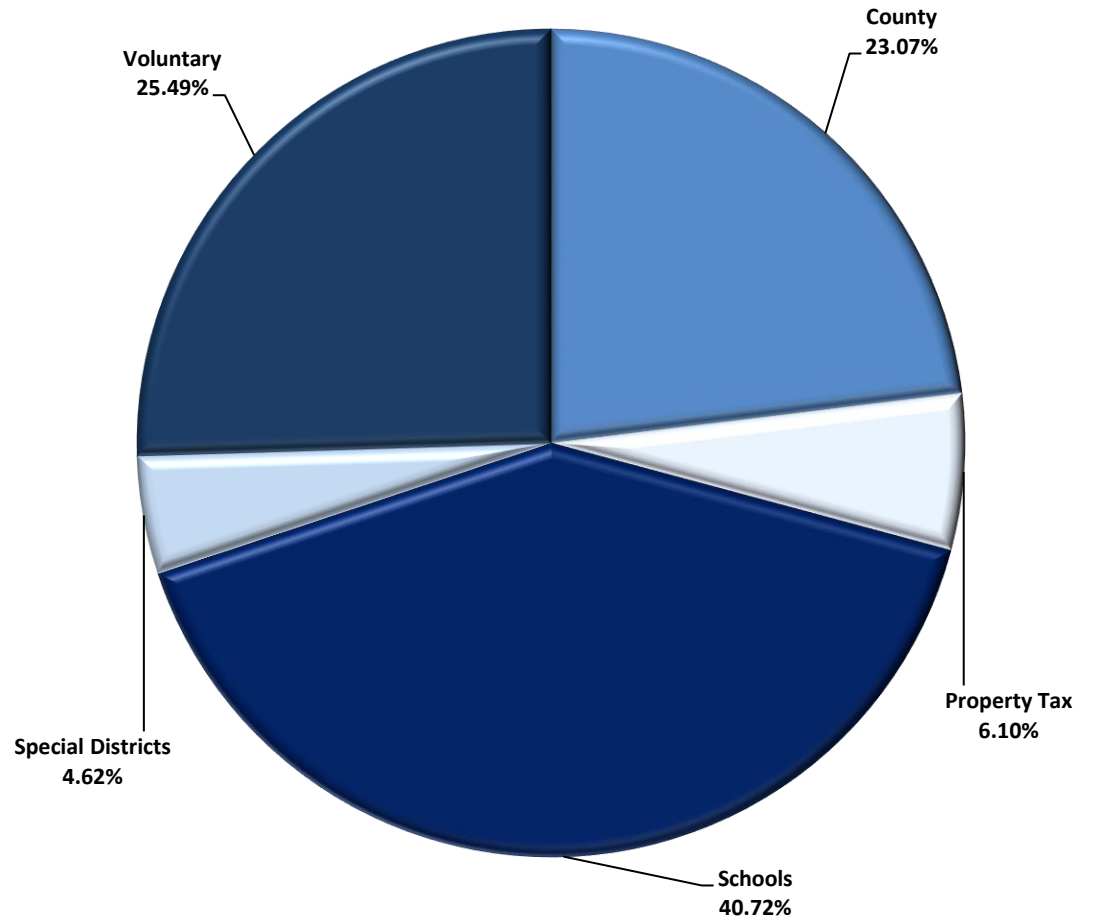
Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					710.9
1/20	476.8	594.1	-117.3	149.0	742.6
2/20	431.1	472.9	-41.8	3.0	703.8
3/20	583.2	487.0	96.2	8.3	808.3
4/20	630.3	508.6	121.7	0.0	930.0
5/20	439.9	540.8	-100.9	75.0	904.1
6/20	563.0	575.6	-12.6	208.6	1,100.1
Totals	3,124.3	3,179.0	-54.7	443.9	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.

Entity	Portfolio \$	Portfolio %
County	976,377,456	23.07%
Property Tax	258,265,114	6.10%
Schools	1,723,835,653	40.72%
Special Districts	195,596,816	4.62%
Voluntary	1,078,863,776	25.49%
Total	4,232,938,814	100.00%





**County of Fresno
Portfolio Management
Portfolio Summary
December 31, 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	40,062,675.13	40,062,675.13	40,062,675.13	0.96	1	1	1.489
Federal Agency Coupons	2,149,924,000.00	2,175,268,592.14	2,154,568,279.16	51.55	1,718	947	1.938
Medium Term Notes	822,517,000.00	834,988,658.10	820,744,382.60	19.64	1,649	971	2.596
Treasury Notes	348,500,000.00	349,539,365.24	348,693,183.33	8.34	1,469	425	1.760
Mutual Funds	80,000,000.00	80,000,000.00	80,000,000.00	1.91	1	1	1.509
Local Agency Investment Funds	65,000,000.00	65,000,000.00	65,000,000.00	1.56	1	1	2.015
Bank Money Market Accounts	525,811,134.82	525,811,134.82	525,811,134.82	12.58	1	1	1.810
Municipal Bonds	143,500,000.00	145,488,485.00	144,871,640.06	3.47	1,658	1,106	2.102
Investments	4,175,314,809.95	4,216,158,910.43	4,179,751,295.10	100.00%	1,390	753	2.031

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	7,027,144.12	39,904,284.46
Average Daily Balance	4,031,470,945.23	3,703,534,865.03
Effective Rate of Return	2.05%	2.14%

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 12/01/2019-12/31/2019

Run Date: 01/21/2020 - 10:23

Portfolio FSNO
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PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

**County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 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											
SYS03400A	03400A	BANK OF THE WEST			40,062,675.13	40,062,675.13	40,062,675.13	1.510	1.510		
Subtotal and Average			18,801,542.86		40,062,675.13	40,062,675.13	40,062,675.13		1.510		
Federal Agency Coupons											
3133EEW55	17316	FEDERAL FARM CREDIT BANK		06/15/2015	10,000,000.00	10,010,145.40	9,996,234.38	1.800	1.887	AA+	Aaa 06/15/2020
3133EFYZ4	17359	FEDERAL FARM CREDIT BANK		02/29/2016	17,800,000.00	17,763,100.60	17,788,411.57	1.375	1.436	AA+	Aaa 02/10/2021
3133EGYQ2	17410	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,971,057.10	9,990,205.67	1.400	1.457	AA+	Aaa 10/14/2021
3133EGZJ7	17411	FEDERAL FARM CREDIT BANK		10/27/2016	10,000,000.00	9,965,900.80	9,985,679.66	1.375	1.457	AA+	Aaa 10/25/2021
3133EG5D3	17447	FEDERAL FARM CREDIT BANK		01/27/2017	50,000,000.00	50,443,163.00	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	5,046,453.60	4,997,286.17	2.000	2.024	AA+	Aaa 05/18/2022
3133EEY20	17495	FEDERAL FARM CREDIT BANK		09/21/2017	10,000,000.00	10,191,606.00	10,110,516.30	2.400	1.928	AA+	Aaa 06/17/2022
3133EHVS9	17499	FEDERAL FARM CREDIT BANK		09/28/2017	5,500,000.00	5,533,081.57	5,481,755.58	1.840	1.972	AA+	Aaa 08/23/2022
3133EJBP3	17535	FEDERAL FARM CREDIT BANK		02/07/2018	10,000,000.00	10,260,926.10	9,973,342.19	2.500	2.593	AA+	Aaa 02/02/2023
3133EJBP3	17536	FEDERAL FARM CREDIT BANK		02/28/2018	51,180,000.00	52,515,419.78	50,795,114.63	2.500	2.762	AA+	Aaa 02/02/2023
3133EH7F4	17557	FEDERAL FARM CREDIT BANK		04/19/2018	19,869,000.00	20,292,910.48	19,617,155.91	2.350	2.797	AA+	Aaa 01/17/2023
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	20,850,253.40	19,998,156.89	2.875	2.878	AA+	Aaa 07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	31,275,380.10	29,931,429.24	2.875	2.945	AA+	Aaa 07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	10,425,126.70	9,949,356.46	2.875	3.029	AA+	Aaa 07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	17,846,466.89	17,172,364.92	3.080	2.775	AA+	Aaa 07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	3,033,711.87	2,919,730.42	2.875	2.774	AA+	Aaa 07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	67,549,528.15	64,962,887.60	2.770	2.787	AA+	Aaa 07/28/2023
3133EJUS6	17615	FEDERAL FARM CREDIT BANK		01/18/2019	20,000,000.00	20,850,253.40	20,130,043.24	2.875	2.679	AA+	Aaa 07/17/2023
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	3,054,558.39	2,952,069.14	2.650	2.583	AA+	Aaa 10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	20,706,480.20	20,015,334.21	2.610	2.590	AA+	Aaa 02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	20,706,480.20	19,986,672.61	2.610	2.627	AA+	Aaa 02/27/2024
3133EKVV4	17647	FEDERAL FARM CREDIT BANK		08/28/2019	4,950,000.00	4,970,391.13	5,044,140.89	1.850	1.455	AA+	Aaa 07/26/2024
3133EKVV4	17648	FEDERAL FARM CREDIT BANK		08/28/2019	15,000,000.00	15,061,791.30	15,278,827.54	1.850	1.464	AA+	Aaa 07/26/2024
3133EKVV4	17649	FEDERAL FARM CREDIT BANK		09/13/2019	17,941,000.00	18,014,906.51	18,097,670.29	1.850	1.705	AA+	Aaa 07/26/2024
3133EKHV1	17655	FEDERAL FARM CREDIT BANK		10/16/2019	2,292,000.00	2,361,491.63	2,385,542.58	2.450	1.646	AA+	Aaa 07/22/2024
3133ELCS1	17666	FEDERAL FARM CREDIT BANK		12/11/2019	20,000,000.00	19,856,813.60	19,939,600.00	1.550	1.625	AA+	Aaa 03/11/2024
3133ELCS1	17667	FEDERAL FARM CREDIT BANK		12/11/2019	25,000,000.00	24,821,017.00	24,921,045.75	1.550	1.628	AA+	Aaa 03/11/2024
3133ELEM2	17674	FEDERAL FARM CREDIT BANK		12/17/2019	25,000,000.00	24,956,578.25	25,000,000.00	1.700	1.700	AA+	Aaa 05/17/2024
313383HU8	17315	FEDERAL HOME LOAN BANK		06/12/2015	20,000,000.00	20,005,613.00	19,999,914.13	1.750	1.751	AA+	Aaa 06/12/2020
313383HU8	17317	FEDERAL HOME LOAN BANK		06/26/2015	12,615,000.00	12,618,540.40	12,610,915.23	1.750	1.826	AA+	Aaa 06/12/2020
3130A7CV5	17363	FEDERAL HOME LOAN BANK		03/03/2016	5,000,000.00	4,987,678.00	4,991,806.42	1.375	1.526	AA+	Aaa 02/18/2021
313376XN0	17364	FEDERAL HOME LOAN BANK		03/03/2016	820,000.00	823,761.61	824,731.79	2.100	1.554	AA+	Aaa 02/08/2021

Portfolio FSNO
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PM (PRF_PM2) 7.3.11

**County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 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	17371	FEDERAL HOME LOAN BANK		04/21/2016	10,000,000.00	9,975,356.00	9,996,930.51	1.375	1.403	AA+ Aaa	02/18/2021
313381CA1	17372	FEDERAL HOME LOAN BANK		04/21/2016	5,000,000.00	4,986,902.35	5,000,268.74	1.375	1.369	AA+ Aaa	12/11/2020
3130A7CV5	17376	FEDERAL HOME LOAN BANK		05/20/2016	5,000,000.00	4,987,678.00	4,994,983.99	1.375	1.467	AA+ Aaa	02/18/2021
3130A7CV5	17379	FEDERAL HOME LOAN BANK		05/25/2016	10,000,000.00	9,975,356.00	9,987,366.99	1.375	1.491	AA+ Aaa	02/18/2021
3130A1W95	17386	FEDERAL HOME LOAN BANK		07/15/2016	30,000,000.00	30,263,110.50	30,418,991.62	2.250	1.250	AA+ Aaa	06/11/2021
3130A7CV5	17388	FEDERAL HOME LOAN BANK		08/08/2016	10,000,000.00	9,975,356.00	10,022,062.90	1.375	1.174	AA+ Aaa	02/18/2021
3130A8QS5	17389	FEDERAL HOME LOAN BANK		08/08/2016	15,000,000.00	14,887,941.30	14,973,470.95	1.125	1.244	AA+ Aaa	07/14/2021
313379RB7	17392	FEDERAL HOME LOAN BANK		08/17/2016	10,000,000.00	10,032,119.90	10,079,243.32	1.875	1.307	AA+ Aaa	06/11/2021
3130A8QS5	17399	FEDERAL HOME LOAN BANK		08/29/2016	3,955,000.00	3,925,453.86	3,943,634.48	1.125	1.319	AA+ Aaa	07/14/2021
3130A8QS5	17400	FEDERAL HOME LOAN BANK		09/13/2016	15,000,000.00	14,887,941.30	14,954,155.95	1.125	1.331	AA+ Aaa	07/14/2021
3130A8QS5	17403	FEDERAL HOME LOAN BANK		09/28/2016	10,000,000.00	9,925,294.20	9,982,887.50	1.125	1.240	AA+ Aaa	07/14/2021
3133752P1	17405	FEDERAL HOME LOAN BANK		10/05/2016	5,700,000.00	5,863,379.61	5,887,310.28	3.500	1.342	AA+ Aaa	07/29/2021
3130A8QS5	17408	FEDERAL HOME LOAN BANK		10/13/2016	10,000,000.00	9,925,294.20	9,956,267.43	1.125	1.420	AA+ Aaa	07/14/2021
3130A8QS5	17414	FEDERAL HOME LOAN BANK		11/14/2016	10,000,000.00	9,925,294.20	9,940,160.79	1.125	1.530	AA+ Aaa	07/14/2021
3130A1W95	17420	FEDERAL HOME LOAN BANK		11/29/2016	18,470,000.00	18,631,988.36	18,574,695.02	2.250	1.839	AA+ Aaa	06/11/2021
3130A7CV5	17457	FEDERAL HOME LOAN BANK		03/20/2017	20,000,000.00	19,950,712.00	19,893,810.00	1.375	1.864	AA+ Aaa	02/18/2021
3130AAX45	17460	FEDERAL HOME LOAN BANK		03/28/2017	15,000,000.00	15,032,150.10	15,016,622.66	1.875	1.768	AA+ Aaa	01/28/2021
3130A8QS5	17464	FEDERAL HOME LOAN BANK		04/06/2017	20,000,000.00	19,850,588.40	19,799,183.84	1.125	1.807	AA+ Aaa	07/14/2021
3130AB3M6	17465	FEDERAL HOME LOAN BANK		04/10/2017	5,000,000.00	5,009,725.20	5,001,595.72	1.875	1.853	AA+ Aaa	06/30/2021
313379RB7	17466	FEDERAL HOME LOAN BANK		04/11/2017	15,000,000.00	15,048,179.85	15,005,980.00	1.875	1.846	AA+ Aaa	06/11/2021
313379Q69	17485	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,057,595.00	5,027,006.31	2.125	1.892	AA+ Aaa	06/10/2022
313379Q69	17486	FEDERAL HOME LOAN BANK		06/28/2017	5,000,000.00	5,057,595.00	5,027,030.98	2.125	1.892	AA+ Aaa	06/10/2022
313379Q69	17487	FEDERAL HOME LOAN BANK		06/28/2017	3,820,000.00	3,864,002.58	3,841,000.26	2.125	1.888	AA+ Aaa	06/10/2022
313379Q69	17488	FEDERAL HOME LOAN BANK		07/07/2017	13,470,000.00	13,625,160.93	13,507,997.94	2.125	2.003	AA+ Aaa	06/10/2022
3130AC5A8	17494	FEDERAL HOME LOAN BANK		09/19/2017	10,000,000.00	10,050,986.70	9,988,379.07	1.850	1.896	AA+ Aaa	08/15/2022
3130AC5A8	17496	FEDERAL HOME LOAN BANK		09/27/2017	9,280,000.00	9,327,315.66	9,262,439.50	1.850	1.926	AA+ Aaa	08/15/2022
313379Q69	17498	FEDERAL HOME LOAN BANK		09/27/2017	20,000,000.00	20,230,380.00	20,113,911.75	2.125	1.880	AA+ Aaa	06/10/2022
3130ACKC7	17500	FEDERAL HOME LOAN BANK		10/18/2017	50,000,000.00	50,425,383.50	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	15,126,728.55	14,991,853.13	1.950	1.973	AA+ Aaa	07/11/2022
3130ACM27	17509	FEDERAL HOME LOAN BANK		10/19/2017	4,455,000.00	4,492,638.38	4,449,164.26	1.950	2.005	AA+ Aaa	07/11/2022
3130ACUV4	17512	FEDERAL HOME LOAN BANK		11/30/2017	50,000,000.00	50,580,770.00	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	23,244,038.05	22,988,482.68	2.060	2.082	AA+ Aaa	05/24/2022
3130ACYP3	17515	FEDERAL HOME LOAN BANK		12/05/2017	20,000,000.00	20,246,884.80	19,989,942.49	2.100	2.121	AA+ Aaa	07/27/2022
313379Q69	17516	FEDERAL HOME LOAN BANK		12/01/2017	2,000,000.00	2,023,038.00	1,999,626.60	2.125	2.133	AA+ Aaa	06/10/2022
3130ACUV4	17517	FEDERAL HOME LOAN BANK		12/06/2017	8,890,000.00	8,993,260.91	8,869,545.33	2.070	2.165	AA+ Aaa	07/29/2022
313379Q69	17527	FEDERAL HOME LOAN BANK		12/20/2017	1,900,000.00	1,921,886.10	1,895,485.54	2.125	2.228	AA+ Aaa	06/10/2022

**County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 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											
3130A5P45	17528	FEDERAL HOME LOAN BANK		12/20/2017	1,925,000.00	1,962,488.76	1,931,550.75	2.375	2.228	AA+ Aaa	06/10/2022
3130ACXH2	17567	FEDERAL HOME LOAN BANK		12/04/2017	25,000,000.00	25,242,131.75	24,954,909.50	2.020	2.099	AA+ Aaa	05/25/2022
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,947,606.90	21,061,480.54	2.760	2.893	AA+ Aaa	05/30/2023
3130AEAP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	52,075,653.00	49,982,623.31	2.875	2.886	AA+ Aaa	05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	13,147,987.63	12,646,176.22	3.125	2.774	AA+ Aaa	07/25/2023
3130AOF70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,622,759.00	10,236,059.32	3.375	2.730	AA+ Aaa	12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	10,373,574.00	9,979,163.89	2.640	2.699	AA+ Aaa	10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	5,088,238.05	4,915,037.60	2.640	2.583	AA+ Aaa	10/27/2023
3130AFRW9	17621	FEDERAL HOME LOAN BANK		02/28/2019	20,000,000.00	20,779,745.00	20,086,515.52	2.700	2.574	AA+ Aaa	08/28/2023
3130AFRW9	17623	FEDERAL HOME LOAN BANK		03/01/2019	20,000,000.00	20,779,745.00	20,064,750.46	2.700	2.606	AA+ Aaa	08/28/2023
3130AOF70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,897,490.08	11,615,372.85	3.375	2.373	AA+ Aaa	12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	51,423,602.00	49,968,040.95	2.320	2.337	AA+ Aaa	01/29/2024
3133X8EW8	17651	FEDERAL HOME LOAN BANK		09/26/2019	3,760,000.00	4,368,743.74	4,401,958.34	5.375	1.653	AA+ Aaa	08/15/2024
3130A2UW4	17654	FEDERAL HOME LOAN BANK		10/15/2019	10,000,000.00	10,523,297.00	10,567,895.15	2.875	1.668	AA+ Aaa	09/13/2024
3130AGWK7	17658	FEDERAL HOME LOAN BANK		10/23/2019	10,000,000.00	9,922,704.60	9,956,014.96	1.500	1.662	AA+ Aaa	08/15/2024
3130AGWK7	17662	FEDERAL HOME LOAN BANK		11/05/2019	12,500,000.00	12,403,380.75	12,457,498.39	1.500	1.651	AA+ Aaa	08/15/2024
3130AGWK7	17676	FEDERAL HOME LOAN BANK		12/18/2019	10,000,000.00	9,922,704.60	9,948,631.78	1.500	1.731	AA+ Aaa	08/15/2024
3137EADR7	17303	FEDERAL HOME MORTGAGE CO		05/06/2015	10,000,000.00	9,990,775.00	9,991,797.21	1.375	1.632	AA+ Aaa	05/01/2020
3137EADR7	17309	FEDERAL HOME MORTGAGE CO		05/08/2015	10,000,000.00	9,990,775.00	9,991,328.95	1.375	1.647	AA+ Aaa	05/01/2020
3134G44G0	17328	FEDERAL HOME MORTGAGE CO		10/29/2015	5,000,000.00	4,997,387.80	4,999,546.28	1.500	1.524	AA+ Aaa	05/22/2020
3137EAEC9	17393	FEDERAL HOME MORTGAGE CO		08/17/2016	10,000,000.00	9,926,230.50	9,969,250.70	1.125	1.322	AA+ Aaa	08/12/2021
3134G9M79	17463	FEDERAL HOME MORTGAGE CO		04/06/2017	4,410,000.00	4,428,399.49	4,409,519.95	1.875	1.882	AA+ Aaa	07/26/2021
3134G9N86	17476	FEDERAL HOME MORTGAGE CO		05/11/2017	6,170,000.00	6,195,789.86	6,167,696.42	1.875	1.900	AA+ Aaa	07/27/2021
3135G0A78	17299	FEDERAL NATIONAL MORTGAGE		03/04/2015	20,000,000.00	20,000,541.00	19,999,180.42	1.625	1.702	AA+ Aaa	01/21/2020
3135G0A78	17307	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	10,000,270.50	10,000,014.18	1.625	1.622	AA+ Aaa	01/21/2020
3135G0A78	17308	FEDERAL NATIONAL MORTGAGE		05/08/2015	10,000,000.00	10,000,270.50	10,000,025.63	1.625	1.620	AA+ Aaa	01/21/2020
3135G0A78	17312	FEDERAL NATIONAL MORTGAGE		06/03/2015	15,000,000.00	15,000,405.75	14,999,918.88	1.625	1.635	AA+ Aaa	01/21/2020
3135G0D75	17327	FEDERAL NATIONAL MORTGAGE		10/29/2015	20,000,000.00	19,985,942.20	19,996,790.56	1.500	1.535	AA+ Aaa	06/22/2020
3135G0A78	17329	FEDERAL NATIONAL MORTGAGE		10/29/2015	10,000,000.00	10,000,270.50	10,000,981.60	1.625	1.442	AA+ Aaa	01/21/2020
3135G0RM7	17330	FEDERAL NATIONAL MORTGAGE		10/30/2015	10,060,000.00	10,052,750.56	10,064,311.38	1.630	1.576	AA+ Aaa	10/30/2020
3135G0D75	17331	FEDERAL NATIONAL MORTGAGE		10/30/2015	5,950,000.00	5,945,817.80	5,948,119.66	1.500	1.569	AA+ Aaa	06/22/2020
3135G0A78	17332	FEDERAL NATIONAL MORTGAGE		11/04/2015	10,000,000.00	10,000,270.50	10,000,540.54	1.625	1.524	AA+ Aaa	01/21/2020
3135G0D75	17333	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,996,485.55	4,997,124.37	1.500	1.626	AA+ Aaa	06/22/2020
3135G0D75	17334	FEDERAL NATIONAL MORTGAGE		11/04/2015	5,000,000.00	4,996,485.55	4,997,103.87	1.500	1.627	AA+ Aaa	06/22/2020
3135G0A78	17335	FEDERAL NATIONAL MORTGAGE		11/06/2015	10,000,000.00	10,000,270.50	10,000,191.68	1.625	1.589	AA+ Aaa	01/21/2020
3135G0D75	17336	FEDERAL NATIONAL MORTGAGE		11/06/2015	5,000,000.00	4,996,485.55	4,995,930.28	1.500	1.679	AA+ Aaa	06/22/2020

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Federal Agency Coupons											
3135G0D75	17338	FEDERAL NATIONAL MORTGAGE		12/17/2015	30,000,000.00	29,978,913.30	29,962,631.50	1.500	1.774	AA+	Aaa 06/22/2020
3135G0D75	17339	FEDERAL NATIONAL MORTGAGE		12/17/2015	20,000,000.00	19,985,942.20	19,973,361.88	1.500	1.793	AA+	Aaa 06/22/2020
3135G0D75	17340	FEDERAL NATIONAL MORTGAGE		12/22/2015	10,000,000.00	9,992,971.10	9,990,799.78	1.500	1.702	AA+	Aaa 06/22/2020
3135G0A78	17341	FEDERAL NATIONAL MORTGAGE		12/22/2015	20,000,000.00	20,000,541.00	20,000,116.54	1.625	1.614	AA+	Aaa 01/21/2020
3135G0A78	17342	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	10,000,270.50	10,000,036.78	1.625	1.618	AA+	Aaa 01/21/2020
3135G0D75	17343	FEDERAL NATIONAL MORTGAGE		12/23/2015	10,000,000.00	9,992,971.10	9,990,071.65	1.500	1.718	AA+	Aaa 06/22/2020
3135G0A78	17344	FEDERAL NATIONAL MORTGAGE		12/23/2015	20,000,000.00	20,000,541.00	20,000,052.32	1.625	1.620	AA+	Aaa 01/21/2020
3135G0H55	17374	FEDERAL NATIONAL MORTGAGE		05/20/2016	10,000,000.00	10,024,372.50	10,043,804.63	1.875	1.417	AA+	Aaa 12/28/2020
3135G0K69	17380	FEDERAL NATIONAL MORTGAGE		05/25/2016	10,000,000.00	9,952,851.70	9,964,699.30	1.250	1.523	AA+	Aaa 05/06/2021
3135G0N82	17396	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,993,150.22	1.250	1.294	AA+	Aaa 08/17/2021
3135G0N82	17397	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,986,267.67	1.250	1.337	AA+	Aaa 08/17/2021
3135G0N82	17398	FEDERAL NATIONAL MORTGAGE		08/29/2016	10,000,000.00	9,947,165.00	9,983,088.59	1.250	1.358	AA+	Aaa 08/17/2021
3135G0K69	17402	FEDERAL NATIONAL MORTGAGE		09/28/2016	25,000,000.00	24,882,129.25	25,004,876.25	1.250	1.235	AA+	Aaa 05/06/2021
3135G0Q89	17406	FEDERAL NATIONAL MORTGAGE		10/07/2016	20,000,000.00	19,924,028.80	19,988,410.67	1.375	1.409	AA+	Aaa 10/07/2021
3135G0Q89	17407	FEDERAL NATIONAL MORTGAGE		10/13/2016	10,000,000.00	9,962,014.40	9,979,083.61	1.375	1.498	AA+	Aaa 10/07/2021
3135G0Q89	17409	FEDERAL NATIONAL MORTGAGE		10/27/2016	5,000,000.00	4,981,007.20	4,993,461.35	1.375	1.452	AA+	Aaa 10/07/2021
3135G0K69	17412	FEDERAL NATIONAL MORTGAGE		11/02/2016	10,000,000.00	9,952,851.70	9,983,072.78	1.250	1.380	AA+	Aaa 05/06/2021
3135G0K69	17413	FEDERAL NATIONAL MORTGAGE		11/14/2016	8,000,000.00	7,962,281.36	7,971,333.25	1.250	1.526	AA+	Aaa 05/06/2021
3135G0S38	17440	FEDERAL NATIONAL MORTGAGE		01/09/2017	20,000,000.00	20,154,141.20	19,981,738.75	2.000	2.048	AA+	Aaa 01/05/2022
3135G0S38	17441	FEDERAL NATIONAL MORTGAGE		01/09/2017	10,000,000.00	10,077,070.60	9,990,492.06	2.000	2.050	AA+	Aaa 01/05/2022
3135G0S38	17459	FEDERAL NATIONAL MORTGAGE		03/28/2017	10,000,000.00	10,077,070.60	10,002,825.16	2.000	1.985	AA+	Aaa 01/05/2022
3136G2CS4	17461	FEDERAL NATIONAL MORTGAGE		03/28/2017	5,000,000.00	5,033,386.75	5,001,451.29	2.000	1.985	AA+	Aaa 01/27/2022
3135G0S38	17480	FEDERAL NATIONAL MORTGAGE		06/02/2017	5,000,000.00	5,038,535.30	5,016,117.45	2.000	1.832	AA+	Aaa 01/05/2022
3135G0S38	17481	FEDERAL NATIONAL MORTGAGE		06/12/2017	5,000,000.00	5,038,535.30	5,016,028.56	2.000	1.833	AA+	Aaa 01/05/2022
3135G0T78	17501	FEDERAL NATIONAL MORTGAGE		10/10/2017	20,000,000.00	20,215,078.20	19,987,905.87	2.000	2.023	AA+	Aaa 10/05/2022
3135G0T78	17531	FEDERAL NATIONAL MORTGAGE		01/11/2018	5,000,000.00	5,053,769.55	4,950,749.17	2.000	2.379	AA+	Aaa 10/05/2022
3135G0T94	17533	FEDERAL NATIONAL MORTGAGE		01/23/2018	40,000,000.00	40,903,187.60	39,854,129.84	2.375	2.503	AA+	Aaa 01/19/2023
3135G0U43	17631	FEDERAL NATIONAL MORTGAGE		03/27/2019	20,000,000.00	20,877,142.20	20,440,930.03	2.875	2.245	AA+	Aaa 09/12/2023
3135G0V75	17652	FEDERAL NATIONAL MORTGAGE		09/26/2019	35,000,000.00	35,039,901.75	35,312,600.60	1.750	1.631	AA+	Aaa 07/02/2024
3135G0V75	17656	FEDERAL NATIONAL MORTGAGE		10/16/2019	10,000,000.00	10,011,400.50	10,095,427.81	1.750	1.639	AA+	Aaa 07/02/2024
3135G0V75	17659	FEDERAL NATIONAL MORTGAGE		10/23/2019	10,000,000.00	10,011,400.50	10,086,196.93	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17660	FEDERAL NATIONAL MORTGAGE		10/28/2019	8,632,000.00	8,641,840.91	8,702,502.79	1.750	1.684	AA+	Aaa 07/02/2024
3135G0V75	17661	FEDERAL NATIONAL MORTGAGE		11/05/2019	23,000,000.00	23,026,221.15	23,220,184.99	1.750	1.660	AA+	Aaa 07/02/2024
3135G0V75	17663	FEDERAL NATIONAL MORTGAGE		11/08/2019	25,000,000.00	25,028,501.25	25,054,567.35	1.750	1.835	AA+	Aaa 07/02/2024
3135G0V75	17668	FEDERAL NATIONAL MORTGAGE		12/06/2019	25,000,000.00	25,028,501.25	25,262,831.49	1.750	1.673	AA+	Aaa 07/02/2024
3135G0V75	17669	FEDERAL NATIONAL MORTGAGE		12/06/2019	15,000,000.00	15,017,100.75	15,160,963.55	1.750	1.668	AA+	Aaa 07/02/2024

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Federal Agency Coupons											
3135G0V75	17670	FEDERAL NATIONAL MORTGAGE		12/09/2019	15,000,000.00	15,017,100.75	15,132,154.90	1.750	1.716	AA+	Aaa 07/02/2024
3135G0V75	17671	FEDERAL NATIONAL MORTGAGE		12/09/2019	25,000,000.00	25,028,501.25	25,221,984.72	1.750	1.714	AA+	Aaa 07/02/2024
3135G0V75	17673	FEDERAL NATIONAL MORTGAGE		12/12/2019	25,000,000.00	25,028,501.25	25,219,523.36	1.750	1.720	AA+	Aaa 07/02/2024
3135G0V75	17675	FEDERAL NATIONAL MORTGAGE		12/13/2019	20,000,000.00	20,022,801.00	20,134,078.94	1.750	1.769	AA+	Aaa 07/02/2024
742651DP4	17643	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	10,189,086.40	10,192,993.56	2.450	2.001		Aaa 07/15/2024
742651DP4	17644	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	10,189,086.40	10,189,099.19	2.450	2.010		Aaa 07/15/2024
Subtotal and Average			2,088,081,127.29		2,149,924,000.00	2,175,268,592.14	2,154,568,279.16		1.965		
Medium Term Notes											
037833BD1	17348	APPLE INC		12/28/2015	10,000,000.00	10,007,273.10	9,999,697.07	2.000	2.009	AA+	Aa1 05/06/2020
037833CC2	17425	APPLE INC		12/13/2016	5,000,000.00	4,981,244.05	4,949,146.68	1.550	2.226	AA+	Aa1 08/04/2021
037833BS8	17443	APPLE INC		01/19/2017	10,000,000.00	10,059,515.20	10,000,000.00	2.250	2.250	AA+	Aa1 02/23/2021
037833CM0	17448	APPLE INC		02/21/2017	15,000,000.00	15,226,275.15	14,984,356.71	2.500	2.553	AA+	Aa1 02/09/2022
037833AY6	17470	APPLE INC		04/18/2017	10,000,000.00	10,084,882.30	9,990,993.64	2.150	2.195	AA+	Aa1 02/09/2022
037833CQ1	17475	APPLE INC		05/11/2017	20,000,000.00	20,240,127.20	19,977,333.33	2.300	2.351	AA+	Aa1 05/11/2022
037833BU3	17540	APPLE INC		03/01/2018	10,000,000.00	10,285,976.10	9,938,093.75	2.850	3.064	AA+	Aa1 02/23/2023
037833DE7	17541	APPLE INC		03/01/2018	2,500,000.00	2,541,521.83	2,453,727.12	2.400	3.060	AA+	Aa1 01/13/2023
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	5,085,317.50	4,865,643.11	2.400	3.279	AA+	Aa1 05/03/2023
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	5,085,317.50	4,865,509.56	2.400	3.280	AA+	Aa1 05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	10,170,635.00	9,740,516.28	2.400	3.246	AA+	Aa1 05/03/2023
084670BF4	17520	BERKSHIRE HATHAWAY		12/14/2017	15,000,000.00	15,537,648.75	15,308,849.09	3.400	2.355	AA	Aa2 01/31/2022
06406HCZ0	17297	BANK OF NEW YORK		03/04/2015	3,000,000.00	3,000,250.95	3,000,267.37	2.150	2.086	A	A1 02/24/2020
06406HDD8	17347	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,020,206.75	5,005,247.15	2.600	2.422	A	A1 08/17/2020
06406HBP3	17350	BANK OF NEW YORK		12/28/2015	5,000,000.00	5,004,151.25	5,004,283.45	4.600	2.281	A	A1 01/15/2020
06406RAA5	17469	BANK OF NEW YORK		04/18/2017	10,000,000.00	10,152,070.30	10,034,835.47	2.600	2.423	A	A1 02/07/2022
06406FAB9	17490	BANK OF NEW YORK		07/18/2017	7,500,000.00	7,523,857.88	7,476,906.37	2.050	2.291	A	A1 05/03/2021
14912L6J5	17360	CATERPILLAR		03/04/2016	8,278,000.00	8,279,258.67	8,276,805.49	2.000	2.085	A	A3 03/05/2020
14912L6U0	17401	CATERPILLAR		09/16/2016	15,294,000.00	15,272,021.45	15,239,145.29	1.700	1.935	A	A3 08/09/2021
166764AY6	17346	CHEVRON CORP		12/28/2015	10,000,000.00	10,044,455.30	9,995,706.42	2.419	2.471	AA	Aa2 11/17/2020
166764BG4	17471	CHEVRON CORP		04/25/2017	20,000,000.00	20,126,300.80	19,996,815.20	2.100	2.112	AA	Aa2 05/16/2021
166764BK5	17571	CHEVRON CORP		06/08/2018	10,000,000.00	10,201,786.90	9,769,252.50	2.566	3.313	AA	Aa2 05/16/2023
166764BK5	17579	CHEVRON CORP		06/22/2018	5,000,000.00	5,100,893.45	4,892,148.09	2.566	3.262	AA	Aa2 05/16/2023
166764BK5	17585	CHEVRON CORP		07/25/2018	6,288,000.00	6,414,883.60	6,148,001.00	2.566	3.284	AA	Aa2 05/16/2023
166764BK5	17626	CHEVRON CORP		03/04/2019	7,966,000.00	8,126,743.44	7,888,864.94	2.566	2.872	AA	Aa2 05/16/2023
24422ERY7	17349	JOHN DEERE		12/28/2015	9,000,000.00	8,999,205.93	8,998,076.71	1.700	2.278	A	A2 01/15/2020
24422ETF6	17362	JOHN DEERE		03/04/2016	5,000,000.00	5,035,581.00	5,019,249.61	2.550	2.150	A	A2 01/08/2021

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Medium Term Notes											
24422ERH4	17427	JOHN DEERE		12/13/2016	8,707,000.00	8,922,053.67	8,813,191.21	3.150	2.423	A	A2 10/15/2021
24422ERT8	17635	JOHN DEERE		05/28/2019	11,125,000.00	11,397,931.74	11,172,024.81	2.800	2.654	A	A2 01/27/2023
24422EUA5	17637	JOHN DEERE		06/06/2019	10,000,000.00	10,225,554.80	10,038,858.14	2.700	2.564	A	A2 01/06/2023
24422EUA5	17638	JOHN DEERE		06/06/2019	5,000,000.00	5,112,777.40	5,019,639.34	2.700	2.562	A	A2 01/06/2023
24422ETT6	17650	JOHN DEERE		09/19/2019	7,059,000.00	7,259,639.44	7,182,455.27	2.650	2.236	A	A2 06/24/2024
24422EUR8	17665	JOHN DEERE		11/26/2019	5,000,000.00	5,270,916.30	5,339,099.92	3.450	2.024	A	A2 01/10/2024
24422EUR8	17672	JOHN DEERE		12/12/2019	3,306,000.00	3,485,129.86	3,535,232.99	3.450	2.025	A	A2 01/10/2024
24422EUR8	17678	JOHN DEERE		12/27/2019	6,413,000.00	6,760,477.25	6,856,378.73	3.450	2.067	A	A2 01/10/2024
46625HNX4	17361	JP MORGAN		03/04/2016	6,181,000.00	6,209,114.40	6,182,033.68	2.550	2.528	A-	A2 10/29/2020
46625HJH4	17559	JP MORGAN		04/26/2018	10,000,000.00	10,320,437.80	9,900,711.06	3.200	3.554	A-	A2 01/25/2023
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	31,218,000.00	30,000,000.00	3.450	3.450	A+	Aa2 07/14/2023
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	30,033,000.00	30,000,000.00	3.050	3.050	A+	Aa2 01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	40,440,000.00	40,000,000.00	2.775	2.775	A+	Aa2 05/15/2024
594918BP8	17394	MICROSOFT		08/22/2016	15,000,000.00	14,980,152.90	14,996,753.16	1.550	1.564	AAA	Aaa 08/08/2021
594918BP8	17424	MICROSOFT		12/13/2016	5,000,000.00	4,993,384.30	4,951,773.13	1.550	2.186	AAA	Aaa 08/08/2021
594918BW3	17449	MICROSOFT		02/21/2017	6,725,000.00	6,820,066.62	6,722,604.96	2.400	2.418	AAA	Aaa 02/06/2022
594918BA1	17450	MICROSOFT		02/21/2017	6,450,000.00	6,537,771.54	6,444,496.84	2.375	2.418	AAA	Aaa 02/12/2022
594918BW3	17525	MICROSOFT		12/21/2017	17,375,000.00	17,620,618.21	17,375,000.00	2.400	2.400	AAA	Aaa 02/06/2022
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	10,171,737.40	9,758,339.62	2.375	3.162	AAA	Aaa 05/01/2023
594918BQ6	17616	MICROSOFT		02/07/2019	2,880,000.00	2,900,576.13	2,809,187.16	2.000	2.730	AAA	Aaa 08/08/2023
594918BQ6	17617	MICROSOFT		02/11/2019	20,000,000.00	20,142,889.80	19,530,609.52	2.000	2.696	AAA	Aaa 08/08/2023
594918BQ6	17624	MICROSOFT		03/04/2019	10,000,000.00	10,071,444.90	9,752,154.20	2.000	2.735	AAA	Aaa 08/08/2023
594918BQ6	17625	MICROSOFT		03/04/2019	5,000,000.00	5,035,722.45	4,876,223.56	2.000	2.734	AAA	Aaa 08/08/2023
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	10,376,598.60	10,000,000.00	2.875	2.875	AAA	Aaa 02/06/2024
89233P7F7	17538	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,098,366.20	4,940,108.11	2.625	3.054	AA-	Aa3 01/10/2023
89236TEL5	17539	TOYOTA MOTOR CREDIT		03/01/2018	5,000,000.00	5,102,319.05	4,950,532.69	2.700	3.054	AA-	Aa3 01/11/2023
89236TEL5	17542	TOYOTA MOTOR CREDIT		04/02/2018	20,000,000.00	20,409,276.20	19,757,397.32	2.700	3.134	AA-	Aa3 01/11/2023
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,861,779.09	12,195,216.69	3.350	3.472	AA-	Aa3 01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	3,029,497.08	2,914,207.38	2.250	3.063	AA-	Aa3 10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	5,049,161.80	4,932,745.85	2.250	2.627	AA-	Aa3 10/18/2023
89236TFQ3	17639	TOYOTA MOTOR CREDIT		06/10/2019	9,000,000.00	9,108,874.44	9,073,369.63	3.050	2.231	AA-	Aa3 01/08/2021
89236TCZ6	17640	TOYOTA MOTOR CREDIT		06/10/2019	7,000,000.00	7,009,678.62	6,970,246.38	1.900	2.243	AA-	Aa3 04/08/2021
89236TGM1	17653	TOYOTA MOTOR CREDIT		10/15/2019	30,000,000.00	29,574,291.60	30,000,000.00	1.875	1.875	AA-	Aa3 07/31/2024
89236TGL3	17664	TOYOTA MOTOR CREDIT		11/12/2019	10,000,000.00	10,001,354.00	9,995,916.28	2.000	2.052	AA-	Aa3 10/07/2024
91159HHL7	17395	US BANK NA		08/22/2016	5,000,000.00	5,027,577.70	5,034,593.22	2.350	1.681	A+	A1 01/29/2021
91159HHL7	17426	US BANK NA		12/13/2016	4,634,000.00	4,659,559.01	4,639,771.48	2.350	2.228	A+	A1 01/29/2021

**County of Fresno
Portfolio Management
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Medium Term Notes											
91159HHL7	17431	US BANK NA		12/22/2016	5,000,000.00	5,027,577.70	4,996,770.17	2.350	2.413	A+	A1 01/29/2021
91159HHL7	17432	US BANK NA		12/22/2016	7,522,000.00	7,563,487.89	7,517,534.26	2.350	2.408	A+	A1 01/29/2021
91159HHL7	17458	US BANK NA		03/22/2017	10,000,000.00	10,055,155.40	10,002,489.69	2.350	2.325	A+	A1 01/29/2021
91159HHL7	17482	US BANK NA		06/27/2017	4,803,000.00	4,829,491.14	4,817,465.70	2.350	2.058	A+	A1 01/29/2021
91159HHP8	17483	US BANK NA		06/27/2017	20,000,000.00	20,317,201.40	20,139,036.19	2.625	2.268	A+	A1 01/24/2022
91159JAA4	17529	US BANK NA		12/21/2017	10,004,000.00	10,237,580.39	10,084,424.13	2.950	2.606	A-	A1 07/15/2022
90331HNL3	17534	US BANK NA		01/24/2018	10,000,000.00	10,241,442.70	9,988,667.59	2.850	2.890	AA-	A1 01/23/2023
90331HNL3	17537	US BANK NA		03/01/2018	5,000,000.00	5,120,721.35	4,959,985.27	2.850	3.134	AA-	A1 01/23/2023
90331HNL3	17556	US BANK NA		04/20/2018	10,000,000.00	10,241,442.70	9,911,228.85	2.850	3.164	AA-	A1 01/23/2023
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	10,448,335.70	9,990,871.37	3.400	3.428	AA-	A1 07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,567,250.36	1,497,855.13	3.400	3.444	AA-	A1 07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,306,041.96	1,248,573.65	3.400	3.435	AA-	A1 07/24/2023
931142EK5	17604	WALMART		11/13/2018	10,000,000.00	10,514,987.30	9,964,078.17	3.400	3.512	AA	Aa2 06/26/2023
949746SA0	17445	WELLS FARGO		01/25/2017	10,000,000.00	10,014,690.60	9,894,145.28	2.100	2.823	A-	A2 07/26/2021
949746SA0	17467	WELLS FARGO		04/17/2017	5,000,000.00	5,007,345.30	4,972,686.16	2.100	2.469	A-	A2 07/26/2021
949746SA0	17477	WELLS FARGO		05/15/2017	13,232,000.00	13,251,438.60	13,158,377.19	2.100	2.475	A-	A2 07/26/2021
949746SA0	17491	WELLS FARGO		07/18/2017	12,275,000.00	12,293,032.71	12,215,943.94	2.100	2.424	A-	A2 07/26/2021
95000U2B8	17508	WELLS FARGO		10/20/2017	5,000,000.00	5,074,720.55	4,998,762.68	2.625	2.635	A-	A2 07/22/2022
94988J5R4	17591	WELLS FARGO		08/14/2018	10,000,000.00	10,480,729.80	9,988,200.61	3.550	3.586	A+	Aa2 08/14/2023
94988J5R4	17602	WELLS FARGO		11/13/2018	10,000,000.00	10,480,729.80	9,907,860.92	3.550	3.830	A+	Aa2 08/14/2023
94988J5N3	17641	WELLS FARGO		06/13/2019	10,000,000.00	10,070,123.10	10,009,081.92	2.600	2.510	A+	Aa2 01/15/2021
Subtotal and Average			823,514,917.38		822,517,000.00	834,988,658.10	820,744,382.60		2.632		
Treasury Notes											
911759MW5	17630	US HOUSING AND URBAN DEVELOP		03/28/2019	3,500,000.00	3,606,395.24	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	40,267,200.00	40,264,821.85	3.500	1.637	AA+	Aaa 05/15/2020
912828XE5	17416	US TREASURY NOTE		11/15/2016	15,000,000.00	14,991,720.00	15,005,611.04	1.500	1.407	AA+	Aaa 05/31/2020
912828XE5	17428	US TREASURY NOTE		12/13/2016	40,000,000.00	39,977,920.00	39,986,198.12	1.500	1.586	AA+	Aaa 05/31/2020
912828N48	17429	US TREASURY NOTE		12/16/2016	40,000,000.00	40,037,520.00	39,935,086.38	1.750	1.919	AA+	Aaa 12/31/2020
912828XM7	17433	US TREASURY NOTE		12/22/2016	40,000,000.00	39,998,440.00	39,973,339.03	1.625	1.744	AA+	Aaa 07/31/2020
912828WN6	17434	US TREASURY NOTE		12/28/2016	40,000,000.00	40,220,320.00	40,002,496.13	2.000	1.995	AA+	Aaa 05/31/2021
912828XM7	17435	US TREASURY NOTE		12/28/2016	40,000,000.00	39,998,440.00	39,968,668.95	1.625	1.765	AA+	Aaa 07/31/2020
912828L65	17436	US TREASURY NOTE		12/28/2016	30,000,000.00	29,939,070.00	29,903,930.17	1.375	1.820	AA+	Aaa 09/30/2020
912828XR6	17497	US TREASURY NOTE		09/27/2017	20,000,000.00	20,078,120.00	19,958,066.05	1.750	1.841	AA+	Aaa 05/31/2022
912828L24	17510	US TREASURY NOTE		10/23/2017	20,000,000.00	20,146,880.00	19,930,544.10	1.875	2.012	AA+	Aaa 08/31/2022
912828XT2	17677	US TREASURY NOTE		12/18/2019	20,000,000.00	20,277,340.00	20,264,421.51	2.000	1.711	AA+	Aaa 05/31/2024

**County of Fresno
Portfolio Management
Portfolio Details - Investments
December 31, 2019**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Subtotal and Average			337,595,731.13		348,500,000.00	349,539,365.24	348,693,183.33		1.784		
Mutual Funds											
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2019	0.00	0.00	0.00	1.580	1.580	AAA	Aaa
SYS02642	02642	FIDELITY 2642			80,000,000.00	80,000,000.00	80,000,000.00	1.530	1.530	AAA	Aaa
SYS15497	15497	FIDELITY 2644		07/01/2019	0.00	0.00	0.00	1.540	1.540	AAA	Aaa
Subtotal and Average			54,677,419.35		80,000,000.00	80,000,000.00	80,000,000.00		1.530		
Local Agency Investment Funds											
SYS05291	05291	LAIF			65,000,000.00	65,000,000.00	65,000,000.00	2.043	2.043		
Subtotal and Average			65,000,000.00		65,000,000.00	65,000,000.00	65,000,000.00		2.043		
Bank Money Market Accounts											
SYS16800	16800	BANK OF THE WEST MM			500,776,784.64	500,776,784.64	500,776,784.64	1.850	1.850		
SYS16500	16500	UNION BANK MM			25,034,350.18	25,034,350.18	25,034,350.18	1.540	1.540		
Subtotal and Average			498,913,893.27		525,811,134.82	525,811,134.82	525,811,134.82		1.835		
Municipal Bonds											
13063DAD0	17472	STATE OF CALIFORNIA		04/27/2017	5,000,000.00	5,070,050.00	5,000,000.00	2.367	2.367	AA-	Aa2 04/01/2022
13063DAD0	17473	STATE OF CALIFORNIA		04/27/2017	10,500,000.00	10,647,105.00	10,526,176.61	2.367	2.249	AA-	Aa2 04/01/2022
13063DAD0	17474	STATE OF CALIFORNIA		05/03/2017	8,000,000.00	8,112,080.00	8,013,671.04	2.367	2.286	AA-	Aa2 04/01/2022
13063DDF2	17504	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,185,500.00	10,077,694.08	2.500	2.200	AA-	Aa2 10/01/2022
13063DDF2	17505	STATE OF CALIFORNIA		10/26/2017	10,000,000.00	10,185,500.00	10,077,694.08	2.500	2.200	AA-	Aa2 10/01/2022
13063DDE5	17518	STATE OF CALIFORNIA		12/11/2017	25,000,000.00	25,105,000.00	25,045,044.55	2.300	2.051	AA-	Aa2 10/01/2020
13063DDF2	17519	STATE OF CALIFORNIA		12/14/2017	20,000,000.00	20,371,000.00	20,035,770.70	2.500	2.430	AA-	Aa2 10/01/2022
13063DDF2	17532	STATE OF CALIFORNIA		01/16/2018	5,000,000.00	5,092,750.00	4,990,392.04	2.500	2.574	AA-	Aa2 10/01/2022
13063DRK6	17657	STATE OF CALIFORNIA		10/24/2019	50,000,000.00	50,719,500.00	51,105,196.96	2.400	1.910	AA-	Aa2 10/01/2024
Subtotal and Average			144,886,313.95		143,500,000.00	145,488,485.00	144,871,640.06		2.131		
Total and Average			4,031,470,945.23		4,175,314,809.95	4,216,158,910.43	4,179,751,295.10		2.059		

**County of Fresno
Portfolio Management
Portfolio Details - Cash
December 31, 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			4,031,470,945.23		4,175,314,809.95	4,216,158,910.43	4,179,751,295.10		2.059	



County of Fresno Inventory by Maturity Report December 31, 2019

Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

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	
24422ERY7	17349	TREAS	MTN	JOHN DEERE	12/28/2015	8,998,076.71	1.700	01/15/2020	9,076,500.00	1,479	9,000,000.00	2.247	2.278	14
06406HBP3	17350	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,004,283.45	4.600	01/15/2020	5,115,000.00	1,479	5,000,000.00	2.250	2.281	14
3135G0A78	17299	TREAS	FAC	FEDERAL NATIONAL	03/04/2015	19,999,180.42	1.625	01/21/2020	20,162,500.00	1,784	20,000,000.00	1.679	1.702	20
3135G0A78	17307	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,014.18	1.625	01/21/2020	10,081,250.00	1,719	10,000,000.00	1.600	1.622	20
3135G0A78	17308	TREAS	FAC	FEDERAL NATIONAL	05/08/2015	10,000,025.63	1.625	01/21/2020	10,081,250.00	1,719	10,000,000.00	1.598	1.620	20
3135G0A78	17312	TREAS	FAC	FEDERAL NATIONAL	06/03/2015	14,999,918.88	1.625	01/21/2020	15,121,875.00	1,693	15,000,000.00	1.613	1.635	20
3135G0A78	17329	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	10,000,981.60	1.625	01/21/2020	10,081,250.00	1,545	10,000,000.00	1.422	1.442	20
3135G0A78	17332	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	10,000,540.54	1.625	01/21/2020	10,081,250.00	1,539	10,000,000.00	1.503	1.524	20
3135G0A78	17335	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	10,000,191.68	1.625	01/21/2020	10,081,250.00	1,537	10,000,000.00	1.567	1.589	20
3135G0A78	17341	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	20,000,116.54	1.625	01/21/2020	20,162,500.00	1,491	20,000,000.00	1.592	1.614	20
3135G0A78	17342	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	10,000,036.78	1.625	01/21/2020	10,081,250.00	1,490	10,000,000.00	1.596	1.618	20
3135G0A78	17344	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	20,000,052.32	1.625	01/21/2020	20,162,500.00	1,490	20,000,000.00	1.598	1.620	20
06406HCZ0	17297	TREAS	MTN	BANK OF NEW YORK	03/04/2015	3,000,267.37	2.150	02/24/2020	3,000,000.00	1,818	3,000,000.00	2.057	2.086	54
14912L6J5	17360	TREAS	MTN	CATERPILLAR	03/04/2016	8,276,805.49	2.000	03/05/2020	8,278,000.00	1,462	8,278,000.00	2.056	2.085	64
3137EADR7	17303	TREAS	FAC	FEDERAL HOME	05/06/2015	9,991,797.21	1.375	05/01/2020	10,000,000.00	1,822	10,000,000.00	1.610	1.632	121
3137EADR7	17309	TREAS	FAC	FEDERAL HOME	05/08/2015	9,991,328.95	1.375	05/01/2020	10,000,000.00	1,820	10,000,000.00	1.624	1.647	121
037833BD1	17348	TREAS	MTN	APPLE INC	12/28/2015	9,999,697.07	2.000	05/06/2020	10,000,000.00	1,591	10,000,000.00	1.981	2.009	126
912828ND8	17345	TREAS	TRC	US TREASURY NOTE	12/23/2015	40,264,821.85	3.500	05/15/2020	40,000,000.00	1,605	40,000,000.00	1.614	1.637	135
3134G44G0	17328	TREAS	FAC	FEDERAL HOME	10/29/2015	4,999,546.28	1.500	05/22/2020	5,000,000.00	1,667	5,000,000.00	1.503	1.524	142
912828XE5	17416	TREAS	TRC	US TREASURY NOTE	11/15/2016	15,005,611.04	1.500	05/31/2020	15,000,000.00	1,293	15,000,000.00	1.388	1.407	151
912828XE5	17428	TREAS	TRC	US TREASURY NOTE	12/13/2016	39,986,198.12	1.500	05/31/2020	40,000,000.00	1,265	40,000,000.00	1.564	1.586	151
313383HU8	17315	TREAS	FAC	FEDERAL HOME LOAN	06/12/2015	19,999,914.13	1.750	06/12/2020	20,000,000.00	1,827	20,000,000.00	1.727	1.751	163
313383HU8	17317	TREAS	FAC	FEDERAL HOME LOAN	06/26/2015	12,610,915.23	1.750	06/12/2020	12,615,000.00	1,813	12,615,000.00	1.801	1.826	163
3133EEW55	17316	TREAS	FAC	FEDERAL FARM CREDIT	06/15/2015	9,996,234.38	1.800	06/15/2020	10,000,000.00	1,827	10,000,000.00	1.861	1.887	166
3135G0D75	17327	TREAS	FAC	FEDERAL NATIONAL	10/29/2015	19,996,790.56	1.500	06/22/2020	20,000,000.00	1,698	20,000,000.00	1.514	1.535	173
3135G0D75	17331	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	5,948,119.66	1.500	06/22/2020	5,950,000.00	1,697	5,950,000.00	1.548	1.569	173
3135G0D75	17333	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,997,124.37	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.604	1.626	173
3135G0D75	17334	TREAS	FAC	FEDERAL NATIONAL	11/04/2015	4,997,103.87	1.500	06/22/2020	5,000,000.00	1,692	5,000,000.00	1.605	1.627	173
3135G0D75	17336	TREAS	FAC	FEDERAL NATIONAL	11/06/2015	4,995,930.28	1.500	06/22/2020	5,000,000.00	1,690	5,000,000.00	1.656	1.679	173
3135G0D75	17338	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	29,962,631.50	1.500	06/22/2020	30,000,000.00	1,649	30,000,000.00	1.750	1.774	173
3135G0D75	17339	TREAS	FAC	FEDERAL NATIONAL	12/17/2015	19,973,361.88	1.500	06/22/2020	20,000,000.00	1,649	20,000,000.00	1.769	1.793	173
3135G0D75	17340	TREAS	FAC	FEDERAL NATIONAL	12/22/2015	9,990,799.78	1.500	06/22/2020	10,000,000.00	1,644	10,000,000.00	1.679	1.702	173
3135G0D75	17343	TREAS	FAC	FEDERAL NATIONAL	12/23/2015	9,990,071.65	1.500	06/22/2020	10,000,000.00	1,643	10,000,000.00	1.695	1.718	173
912828XM7	17433	TREAS	TRC	US TREASURY NOTE	12/22/2016	39,973,339.03	1.625	07/31/2020	40,000,000.00	1,317	40,000,000.00	1.720	1.744	212
912828XM7	17435	TREAS	TRC	US TREASURY NOTE	12/28/2016	39,968,668.95	1.625	07/31/2020	40,000,000.00	1,311	40,000,000.00	1.740	1.765	212
06406HDD8	17347	TREAS	MTN	BANK OF NEW YORK	12/28/2015	5,005,247.15	2.600	08/17/2020	5,000,000.00	1,694	5,000,000.00	2.389	2.422	229

Portfolio FSNO
AC
IM (PRF_IM) 7.3.11
Report Ver. 7.3.11

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	
912828L65	17436	TREAS	TRC	US TREASURY NOTE	12/28/2016	29,903,930.17	1.375	09/30/2020	30,000,000.00	1,372	30,000,000.00	1.795	1.820	273
13063DDE5	17518	TREAS	MUN	STATE OF CALIFORNIA	12/11/2017	25,045,044.55	2.300	10/01/2020	25,000,000.00	1,025	25,000,000.00	2.023	2.051	274
46625HNX4	17361	TREAS	MFN	JP MORGAN	03/04/2016	6,182,033.68	2.550	10/29/2020	6,181,000.00	1,700	6,181,000.00	2.493	2.528	302
3135GORM7	17330	TREAS	FAC	FEDERAL NATIONAL	10/30/2015	10,064,311.38	1.630	10/30/2020	10,060,000.00	1,827	10,060,000.00	1.555	1.576	303
166764AY6	17346	TREAS	MTN	CHEVRON CORP	12/28/2015	9,995,706.42	2.419	11/17/2020	10,000,000.00	1,786	10,000,000.00	2.437	2.471	321
313381CA1	17372	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	5,000,268.74	1.375	12/11/2020	5,000,000.00	1,695	5,000,000.00	1.350	1.369	345
3135G0H55	17374	TREAS	FAC	FEDERAL NATIONAL	05/20/2016	10,043,804.63	1.875	12/28/2020	10,000,000.00	1,683	10,000,000.00	1.398	1.417	362
912828N48	17429	TREAS	TRC	US TREASURY NOTE	12/16/2016	39,935,086.38	1.750	12/31/2020	40,000,000.00	1,476	40,000,000.00	1.893	1.919	365
24422ETF6	17362	TREAS	MTN	JOHN DEERE	03/04/2016	5,019,249.61	2.550	01/08/2021	5,000,000.00	1,771	5,000,000.00	2.121	2.150	373
89236TFQ3	17639	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	9,073,369.63	3.050	01/08/2021	9,000,000.00	578	9,000,000.00	2.200	2.231	373
94988J5N3	17641	TREAS	MFN	WELLS FARGO	06/13/2019	10,009,081.92	2.600	01/15/2021	10,000,000.00	582	10,000,000.00	2.475	2.510	380
3130AAX45	17460	TREAS	FAC	FEDERAL HOME LOAN	03/28/2017	15,016,622.66	1.875	01/28/2021	15,000,000.00	1,402	15,000,000.00	1.744	1.768	393
91159HHL7	17395	TREAS	MTN	US BANK NA	08/22/2016	5,034,593.22	2.350	01/29/2021	5,000,000.00	1,621	5,000,000.00	1.658	1.681	394
91159HHL7	17426	TREAS	MTN	US BANK NA	12/13/2016	4,639,771.48	2.350	01/29/2021	4,634,000.00	1,508	4,634,000.00	2.198	2.228	394
91159HHL7	17431	TREAS	MTN	US BANK NA	12/22/2016	4,996,770.17	2.350	01/29/2021	5,000,000.00	1,499	5,000,000.00	2.380	2.413	394
91159HHL7	17432	TREAS	MTN	US BANK NA	12/22/2016	7,517,534.26	2.350	01/29/2021	7,522,000.00	1,499	7,522,000.00	2.375	2.408	394
91159HHL7	17458	TREAS	MTN	US BANK NA	03/22/2017	10,002,489.69	2.350	01/29/2021	10,000,000.00	1,409	10,000,000.00	2.293	2.325	394
91159HHL7	17482	TREAS	MTN	US BANK NA	06/27/2017	4,817,465.70	2.350	01/29/2021	4,803,000.00	1,312	4,803,000.00	2.030	2.058	394
313376XN0	17364	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	824,731.79	2.100	02/08/2021	820,000.00	1,803	820,000.00	1.533	1.554	404
3133EFYZ4	17359	TREAS	FAC	FEDERAL FARM CREDIT	02/29/2016	17,788,411.57	1.375	02/10/2021	17,800,000.00	1,808	17,800,000.00	1.416	1.436	406
3130A7CV5	17363	TREAS	FAC	FEDERAL HOME LOAN	03/03/2016	4,991,806.42	1.375	02/18/2021	5,000,000.00	1,813	5,000,000.00	1.505	1.526	414
3130A7CV5	17371	TREAS	FAC	FEDERAL HOME LOAN	04/21/2016	9,996,930.51	1.375	02/18/2021	10,000,000.00	1,764	10,000,000.00	1.384	1.403	414
3130A7CV5	17376	TREAS	FAC	FEDERAL HOME LOAN	05/20/2016	4,994,983.99	1.375	02/18/2021	5,000,000.00	1,735	5,000,000.00	1.447	1.467	414
3130A7CV5	17379	TREAS	FAC	FEDERAL HOME LOAN	05/25/2016	9,987,366.99	1.375	02/18/2021	10,000,000.00	1,730	10,000,000.00	1.471	1.491	414
3130A7CV5	17388	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	10,022,062.90	1.375	02/18/2021	10,000,000.00	1,655	10,000,000.00	1.158	1.174	414
3130A7CV5	17457	TREAS	FAC	FEDERAL HOME LOAN	03/20/2017	19,893,810.00	1.375	02/18/2021	20,000,000.00	1,431	20,000,000.00	1.838	1.864	414
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	419
89236TCZ6	17640	TREAS	MTN	TOYOTA MOTOR CREDIT	06/10/2019	6,970,246.38	1.900	04/08/2021	7,000,000.00	668	7,000,000.00	2.212	2.243	463
06406FAB9	17490	TREAS	MTN	BANK OF NEW YORK	07/18/2017	7,476,906.37	2.050	05/03/2021	7,500,000.00	1,385	7,500,000.00	2.260	2.291	488
3135G0K69	17380	TREAS	FAC	FEDERAL NATIONAL	05/25/2016	9,964,699.30	1.250	05/06/2021	10,000,000.00	1,807	10,000,000.00	1.502	1.523	491
3135G0K69	17402	TREAS	FAC	FEDERAL NATIONAL	09/28/2016	25,004,876.25	1.250	05/06/2021	25,000,000.00	1,681	25,000,000.00	1.218	1.235	491
3135G0K69	17412	TREAS	FAC	FEDERAL NATIONAL	11/02/2016	9,983,072.78	1.250	05/06/2021	10,000,000.00	1,646	10,000,000.00	1.361	1.380	491
3135G0K69	17413	TREAS	FAC	FEDERAL NATIONAL	11/14/2016	7,971,333.25	1.250	05/06/2021	8,000,000.00	1,634	8,000,000.00	1.505	1.526	491
166764BG4	17471	TREAS	MTN	CHEVRON CORP	04/25/2017	19,996,815.20	2.100	05/16/2021	20,000,000.00	1,482	20,000,000.00	2.083	2.112	501
912828WN6	17434	TREAS	TRC	US TREASURY NOTE	12/28/2016	40,002,496.13	2.000	05/31/2021	40,000,000.00	1,615	40,000,000.00	1.968	1.995	516
3130A1W95	17386	TREAS	FAC	FEDERAL HOME LOAN	07/15/2016	30,418,991.62	2.250	06/11/2021	30,000,000.00	1,792	30,000,000.00	1.233	1.250	527
313379RB7	17392	TREAS	FAC	FEDERAL HOME LOAN	08/17/2016	10,079,243.32	1.875	06/11/2021	10,000,000.00	1,759	10,000,000.00	1.289	1.307	527
3130A1W95	17420	TREAS	FAC	FEDERAL HOME LOAN	11/29/2016	18,574,695.02	2.250	06/11/2021	18,470,000.00	1,655	18,470,000.00	1.814	1.839	527
313379RB7	17466	TREAS	FAC	FEDERAL HOME LOAN	04/11/2017	15,005,980.00	1.875	06/11/2021	15,000,000.00	1,522	15,000,000.00	1.821	1.846	527
3130AB3M6	17465	TREAS	FAC	FEDERAL HOME LOAN	04/10/2017	5,001,595.72	1.875	06/30/2021	5,000,000.00	1,542	5,000,000.00	1.828	1.853	546
3130A8QS5	17389	TREAS	FAC	FEDERAL HOME LOAN	08/08/2016	14,973,470.95	1.125	07/14/2021	15,000,000.00	1,801	15,000,000.00	1.227	1.244	560

**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	
3130A8QS5	17399	TREAS	FAC	FEDERAL HOME LOAN	08/29/2016	3,943,634.48	1.125	07/14/2021	3,955,000.00	1,780	3,955,000.00	1.301	1.319	560
3130A8QS5	17400	TREAS	FAC	FEDERAL HOME LOAN	09/13/2016	14,954,155.95	1.125	07/14/2021	15,000,000.00	1,765	15,000,000.00	1.313	1.331	560
3130A8QS5	17403	TREAS	FAC	FEDERAL HOME LOAN	09/28/2016	9,982,887.50	1.125	07/14/2021	10,000,000.00	1,750	10,000,000.00	1.223	1.240	560
3130A8QS5	17408	TREAS	FAC	FEDERAL HOME LOAN	10/13/2016	9,956,267.43	1.125	07/14/2021	10,000,000.00	1,735	10,000,000.00	1.401	1.420	560
3130A8QS5	17414	TREAS	FAC	FEDERAL HOME LOAN	11/14/2016	9,940,160.79	1.125	07/14/2021	10,000,000.00	1,703	10,000,000.00	1.509	1.530	560
3130A8QS5	17464	TREAS	FAC	FEDERAL HOME LOAN	04/06/2017	19,799,183.84	1.125	07/14/2021	20,000,000.00	1,560	20,000,000.00	1.782	1.807	560
949746SA0	17445	TREAS	MTN	WELLS FARGO	01/25/2017	9,894,145.28	2.100	07/26/2021	10,000,000.00	1,643	10,000,000.00	2.784	2.823	572
3134G9M79	17463	TREAS	FAC	FEDERAL HOME	04/06/2017	4,409,519.95	1.875	07/26/2021	4,410,000.00	1,572	4,410,000.00	1.856	1.882	572
949746SA0	17467	TREAS	MTN	WELLS FARGO	04/17/2017	4,972,686.16	2.100	07/26/2021	5,000,000.00	1,561	5,000,000.00	2.435	2.469	572
949746SA0	17477	TREAS	MTN	WELLS FARGO	05/15/2017	13,158,377.19	2.100	07/26/2021	13,232,000.00	1,533	13,232,000.00	2.441	2.475	572
949746SA0	17491	TREAS	MTN	WELLS FARGO	07/18/2017	12,215,943.94	2.100	07/26/2021	12,275,000.00	1,469	12,275,000.00	2.390	2.424	572
3134G9N86	17476	TREAS	FAC	FEDERAL HOME	05/11/2017	6,167,696.42	1.875	07/27/2021	6,170,000.00	1,538	6,170,000.00	1.874	1.900	573
3133752P1	17405	TREAS	FAC	FEDERAL HOME LOAN	10/05/2016	5,887,310.28	3.500	07/29/2021	5,700,000.00	1,758	5,700,000.00	1.324	1.342	575
037833CC2	17425	TREAS	MTN	APPLE INC	12/13/2016	4,949,146.68	1.550	08/04/2021	5,000,000.00	1,695	5,000,000.00	2.195	2.226	581
594918BP8	17394	TREAS	MTN	MICROSOFT	08/22/2016	14,996,753.16	1.550	08/08/2021	15,000,000.00	1,812	15,000,000.00	1.543	1.564	585
594918BP8	17424	TREAS	MTN	MICROSOFT	12/13/2016	4,951,773.13	1.550	08/08/2021	5,000,000.00	1,699	5,000,000.00	2.156	2.186	585
14912L6U0	17401	TREAS	MTN	CATERPILLAR	09/16/2016	15,239,145.29	1.700	08/09/2021	15,294,000.00	1,788	15,294,000.00	1.909	1.935	586
3137EAEC9	17393	TREAS	FAC	FEDERAL HOME	08/17/2016	9,969,250.70	1.125	08/12/2021	10,000,000.00	1,821	10,000,000.00	1.304	1.322	589
3135G0N82	17396	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,993,150.22	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.276	1.294	594
3135G0N82	17397	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,986,267.67	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.319	1.337	594
3135G0N82	17398	TREAS	FAC	FEDERAL NATIONAL	08/29/2016	9,983,088.59	1.250	08/17/2021	10,000,000.00	1,814	10,000,000.00	1.339	1.358	594
3135G0Q89	17406	TREAS	FAC	FEDERAL NATIONAL	10/07/2016	19,988,410.67	1.375	10/07/2021	20,000,000.00	1,826	20,000,000.00	1.390	1.409	645
3135G0Q89	17407	TREAS	FAC	FEDERAL NATIONAL	10/13/2016	9,979,083.61	1.375	10/07/2021	10,000,000.00	1,820	10,000,000.00	1.478	1.498	645
3135G0Q89	17409	TREAS	FAC	FEDERAL NATIONAL	10/27/2016	4,993,461.35	1.375	10/07/2021	5,000,000.00	1,806	5,000,000.00	1.432	1.452	645
3133EGYQ2	17410	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,990,205.67	1.400	10/14/2021	10,000,000.00	1,813	10,000,000.00	1.437	1.457	652
24422ERH4	17427	TREAS	MTN	JOHN DEERE	12/13/2016	8,813,191.21	3.150	10/15/2021	8,707,000.00	1,767	8,707,000.00	2.390	2.423	653
3133EGZJ7	17411	TREAS	FAC	FEDERAL FARM CREDIT	10/27/2016	9,985,679.66	1.375	10/25/2021	10,000,000.00	1,824	10,000,000.00	1.437	1.457	663
3135G0S38	17440	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	19,981,738.75	2.000	01/05/2022	20,000,000.00	1,822	20,000,000.00	2.020	2.048	735
3135G0S38	17441	TREAS	FAC	FEDERAL NATIONAL	01/09/2017	9,990,492.06	2.000	01/05/2022	10,000,000.00	1,822	10,000,000.00	2.022	2.050	735
3135G0S38	17459	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	10,002,825.16	2.000	01/05/2022	10,000,000.00	1,744	10,000,000.00	1.958	1.985	735
3135G0S38	17480	TREAS	FAC	FEDERAL NATIONAL	06/02/2017	5,016,117.45	2.000	01/05/2022	5,000,000.00	1,678	5,000,000.00	1.807	1.832	735
3135G0S38	17481	TREAS	FAC	FEDERAL NATIONAL	06/12/2017	5,016,028.56	2.000	01/05/2022	5,000,000.00	1,668	5,000,000.00	1.808	1.833	735
91159HHP8	17483	TREAS	MTN	US BANK NA	06/27/2017	20,139,036.19	2.625	01/24/2022	20,000,000.00	1,672	20,000,000.00	2.237	2.268	754
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	757
3136G2CS4	17461	TREAS	FAC	FEDERAL NATIONAL	03/28/2017	5,001,451.29	2.000	01/27/2022	5,000,000.00	1,766	5,000,000.00	1.958	1.985	757
084670BF4	17520	TREAS	MTN	BERKSHIRE HATHAWAY	12/14/2017	15,308,849.09	3.400	01/31/2022	15,000,000.00	1,509	15,000,000.00	2.323	2.355	761
594918BW3	17449	TREAS	MTN	MICROSOFT	02/21/2017	6,722,604.96	2.400	02/06/2022	6,725,000.00	1,811	6,725,000.00	2.385	2.418	767
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	767
06406RAA5	17469	TREAS	MTN	BANK OF NEW YORK	04/18/2017	10,034,835.47	2.600	02/07/2022	10,000,000.00	1,756	10,000,000.00	2.390	2.423	768
037833CM0	17448	TREAS	MTN	APPLE INC	02/21/2017	14,984,356.71	2.500	02/09/2022	15,000,000.00	1,814	15,000,000.00	2.518	2.553	770
037833AY6	17470	TREAS	MTN	APPLE INC	04/18/2017	9,990,993.64	2.150	02/09/2022	10,000,000.00	1,758	10,000,000.00	2.165	2.195	770

**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	
594918BA1	17450	TREAS	MTN	MICROSOFT	02/21/2017	6,444,496.84	2.375	02/12/2022	6,450,000.00	1,817	6,450,000.00	2.385	2.418	773
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	821
13063DAD0	17473	TREAS	MUN	STATE OF CALIFORNIA	04/27/2017	10,526,176.61	2.367	04/01/2022	10,500,000.00	1,800	10,500,000.00	2.219	2.249	821
13063DAD0	17474	TREAS	MUN	STATE OF CALIFORNIA	05/03/2017	8,013,671.04	2.367	04/01/2022	8,000,000.00	1,794	8,000,000.00	2.255	2.286	821
037833CQ1	17475	TREAS	MTN	APPLE INC	05/11/2017	19,977,333.33	2.300	05/11/2022	20,000,000.00	1,826	20,000,000.00	2.319	2.351	861
3133EHJT1	17479	TREAS	FAC	FEDERAL FARM CREDIT	05/18/2017	4,997,286.17	2.000	05/18/2022	5,000,000.00	1,826	5,000,000.00	1.996	2.024	868
3130ACUZ5	17513	TREAS	FAC	FEDERAL HOME LOAN	11/24/2017	22,988,482.68	2.060	05/24/2022	23,000,000.00	1,642	23,000,000.00	2.053	2.082	874
3130ACXH2	17567	TREAS	FAC	FEDERAL HOME LOAN	12/04/2017	24,954,909.50	2.020	05/25/2022	25,000,000.00	1,633	25,000,000.00	2.070	2.099	875
912828XR6	17497	TREAS	TRC	US TREASURY NOTE	09/27/2017	19,958,066.05	1.750	05/31/2022	20,000,000.00	1,707	20,000,000.00	1.816	1.841	881
313379Q69	17485	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,027,006.31	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	891
313379Q69	17486	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	5,027,030.98	2.125	06/10/2022	5,000,000.00	1,808	5,000,000.00	1.866	1.892	891
313379Q69	17487	TREAS	FAC	FEDERAL HOME LOAN	06/28/2017	3,841,000.26	2.125	06/10/2022	3,820,000.00	1,808	3,820,000.00	1.862	1.888	891
313379Q69	17488	TREAS	FAC	FEDERAL HOME LOAN	07/07/2017	13,507,997.94	2.125	06/10/2022	13,470,000.00	1,799	13,470,000.00	1.976	2.003	891
313379Q69	17498	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	20,113,911.75	2.125	06/10/2022	20,000,000.00	1,717	20,000,000.00	1.854	1.880	891
313379Q69	17516	TREAS	FAC	FEDERAL HOME LOAN	12/01/2017	1,999,626.60	2.125	06/10/2022	2,000,000.00	1,652	2,000,000.00	2.104	2.133	891
313379Q69	17527	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,895,485.54	2.125	06/10/2022	1,900,000.00	1,633	1,900,000.00	2.197	2.228	891
3130A5P45	17528	TREAS	FAC	FEDERAL HOME LOAN	12/20/2017	1,931,550.75	2.375	06/10/2022	1,925,000.00	1,633	1,925,000.00	2.197	2.228	891
3133EEY20	17495	TREAS	FAC	FEDERAL FARM CREDIT	09/21/2017	10,110,516.30	2.400	06/17/2022	10,000,000.00	1,730	10,000,000.00	1.901	1.928	898
3130ACM27	17502	TREAS	FAC	FEDERAL HOME LOAN	10/12/2017	14,991,853.13	1.950	07/11/2022	15,000,000.00	1,733	15,000,000.00	1.946	1.973	922
3130ACM27	17509	TREAS	FAC	FEDERAL HOME LOAN	10/19/2017	4,449,164.26	1.950	07/11/2022	4,455,000.00	1,726	4,455,000.00	1.977	2.005	922
91159JAA4	17529	TREAS	MTN	US BANK NA	12/21/2017	10,084,424.13	2.950	07/15/2022	10,004,000.00	1,667	10,004,000.00	2.570	2.606	926
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	929
95000U2B8	17508	TREAS	MTN	WELLS FARGO	10/20/2017	4,998,762.68	2.625	07/22/2022	5,000,000.00	1,736	5,000,000.00	2.599	2.635	933
3130ACY3	17515	TREAS	FAC	FEDERAL HOME LOAN	12/05/2017	19,989,942.49	2.100	07/27/2022	20,000,000.00	1,695	20,000,000.00	2.092	2.121	938
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	940
3130ACUV4	17517	TREAS	FAC	FEDERAL HOME LOAN	12/06/2017	8,869,545.33	2.070	07/29/2022	8,890,000.00	1,696	8,890,000.00	2.135	2.165	940
3130AC5A8	17494	TREAS	FAC	FEDERAL HOME LOAN	09/19/2017	9,988,379.07	1.850	08/15/2022	10,000,000.00	1,791	10,000,000.00	1.870	1.896	957
3130AC5A8	17496	TREAS	FAC	FEDERAL HOME LOAN	09/27/2017	9,262,439.50	1.850	08/15/2022	9,280,000.00	1,783	9,280,000.00	1.899	1.926	957
3133EHVS9	17499	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2017	5,481,755.58	1.840	08/23/2022	5,500,000.00	1,790	5,500,000.00	1.945	1.972	965
912828L24	17510	TREAS	TRC	US TREASURY NOTE	10/23/2017	19,930,544.10	1.875	08/31/2022	20,000,000.00	1,773	20,000,000.00	1.985	2.012	973
13063DDF2	17504	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,077,694.08	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,004
13063DDF2	17505	TREAS	MUN	STATE OF CALIFORNIA	10/26/2017	10,077,694.08	2.500	10/01/2022	10,000,000.00	1,801	10,000,000.00	2.170	2.200	1,004
13063DDF2	17519	TREAS	MUN	STATE OF CALIFORNIA	12/14/2017	20,035,770.70	2.500	10/01/2022	20,000,000.00	1,752	20,000,000.00	2.397	2.430	1,004
13063DDF2	17532	TREAS	MUN	STATE OF CALIFORNIA	01/16/2018	4,990,392.04	2.500	10/01/2022	5,000,000.00	1,719	5,000,000.00	2.539	2.574	1,004
3135G0T78	17501	TREAS	FAC	FEDERAL NATIONAL	10/10/2017	19,987,905.87	2.000	10/05/2022	20,000,000.00	1,821	20,000,000.00	1.995	2.023	1,008
3135G0T78	17531	TREAS	FAC	FEDERAL NATIONAL	01/11/2018	4,950,749.17	2.000	10/05/2022	5,000,000.00	1,728	5,000,000.00	2.346	2.379	1,008
24422EUA5	17637	TREAS	MTN	JOHN DEERE	06/06/2019	10,038,858.14	2.700	01/06/2023	10,000,000.00	1,310	10,000,000.00	2.529	2.564	1,101
24422EUA5	17638	TREAS	MTN	JOHN DEERE	06/06/2019	5,019,639.34	2.700	01/06/2023	5,000,000.00	1,310	5,000,000.00	2.527	2.562	1,101
89233P7F7	17538	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,940,108.11	2.625	01/10/2023	5,000,000.00	1,776	5,000,000.00	3.012	3.054	1,105
89236TEL5	17539	TREAS	MTN	TOYOTA MOTOR CREDIT	03/01/2018	4,950,532.69	2.700	01/11/2023	5,000,000.00	1,777	5,000,000.00	3.012	3.054	1,106
89236TEL5	17542	TREAS	MTN	TOYOTA MOTOR CREDIT	04/02/2018	19,757,397.32	2.700	01/11/2023	20,000,000.00	1,745	20,000,000.00	3.091	3.134	1,106

**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	
037833DE7	17541	TREAS	MTN	APPLE INC	03/01/2018	2,453,727.12	2.400	01/13/2023	2,500,000.00	1,779	2,500,000.00	3.018	3.060	1,108
3133EH7F4	17557	TREAS	FAC	FEDERAL FARM CREDIT	04/19/2018	19,617,155.91	2.350	01/17/2023	19,869,000.00	1,734	19,869,000.00	2.759	2.797	1,112
3135G0T94	17533	TREAS	FAC	FEDERAL NATIONAL	01/23/2018	39,854,129.84	2.375	01/19/2023	40,000,000.00	1,822	40,000,000.00	2.469	2.503	1,114
90331HNL3	17534	TREAS	MTN	US BANK NA	01/24/2018	9,988,667.59	2.850	01/23/2023	10,000,000.00	1,825	10,000,000.00	2.850	2.890	1,118
90331HNL3	17537	TREAS	MTN	US BANK NA	03/01/2018	4,959,985.27	2.850	01/23/2023	5,000,000.00	1,789	5,000,000.00	3.091	3.134	1,118
90331HNL3	17556	TREAS	MTN	US BANK NA	04/20/2018	9,911,228.85	2.850	01/23/2023	10,000,000.00	1,739	10,000,000.00	3.121	3.164	1,118
46625HJH4	17559	TREAS	MTN	JP MORGAN	04/26/2018	9,900,711.06	3.200	01/25/2023	10,000,000.00	1,735	10,000,000.00	3.505	3.554	1,120
24422ERT8	17635	TREAS	MTN	JOHN DEERE	05/28/2019	11,172,024.81	2.800	01/27/2023	11,125,000.00	1,340	11,125,000.00	2.618	2.654	1,122
3133EJBP3	17535	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2018	9,973,342.19	2.500	02/02/2023	10,000,000.00	1,821	10,000,000.00	2.557	2.593	1,128
3133EJBP3	17536	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2018	50,795,114.63	2.500	02/02/2023	51,180,000.00	1,800	51,180,000.00	2.724	2.762	1,128
037833BU3	17540	TREAS	MTN	APPLE INC	03/01/2018	9,938,093.75	2.850	02/23/2023	10,000,000.00	1,820	10,000,000.00	3.022	3.064	1,149
59491BAT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,758,339.62	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	1,216
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,865,643.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	1,218
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,865,509.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	1,218
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,740,516.28	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	1,218
166764BK5	17571	TREAS	MTN	CHEVRON CORP	06/08/2018	9,769,252.50	2.566	05/16/2023	10,000,000.00	1,803	10,000,000.00	3.267	3.313	1,231
166764BK5	17579	TREAS	MTN	CHEVRON CORP	06/22/2018	4,892,148.09	2.566	05/16/2023	5,000,000.00	1,789	5,000,000.00	3.217	3.262	1,231
166764BK5	17585	TREAS	MTN	CHEVRON CORP	07/25/2018	6,148,001.00	2.566	05/16/2023	6,288,000.00	1,756	6,288,000.00	3.239	3.284	1,231
166764BK5	17626	TREAS	MTN	CHEVRON CORP	03/04/2019	7,888,864.94	2.566	05/16/2023	7,966,000.00	1,534	7,966,000.00	2.833	2.872	1,231
3130AEEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,061,480.54	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	1,245
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,982,623.31	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	1,245
931142EK5	17604	TREAS	MTN	WALMART	11/13/2018	9,964,078.17	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	1,272
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	1,290
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,998,156.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	1,293
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,931,429.24	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	1,293
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,949,356.46	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	1,293
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,919,730.42	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	1,293
3133EJUS6	17615	TREAS	FAC	FEDERAL FARM CREDIT	01/18/2019	20,130,043.24	2.875	07/17/2023	20,000,000.00	1,641	20,000,000.00	2.642	2.679	1,293
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,990,871.37	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	1,300
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,497,855.13	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	1,300
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,248,573.65	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	1,300
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,172,364.92	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	1,300
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,646,176.22	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	1,301
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,962,887.60	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	1,304
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	1,308
594918BQ6	17616	TREAS	MTN	MICROSOFT	02/07/2019	2,809,187.16	2.000	08/08/2023	2,880,000.00	1,643	2,880,000.00	2.693	2.730	1,315
594918BQ6	17617	TREAS	MTN	MICROSOFT	02/11/2019	19,530,609.52	2.000	08/08/2023	20,000,000.00	1,639	20,000,000.00	2.659	2.696	1,315
594918BQ6	17624	TREAS	MTN	MICROSOFT	03/04/2019	9,752,154.20	2.000	08/08/2023	10,000,000.00	1,618	10,000,000.00	2.698	2.735	1,315
594918BQ6	17625	TREAS	MTN	MICROSOFT	03/04/2019	4,876,223.56	2.000	08/08/2023	5,000,000.00	1,618	5,000,000.00	2.697	2.734	1,315
94988J5R4	17591	TREAS	MTN	WELLS FARGO	08/14/2018	9,988,200.61	3.550	08/14/2023	10,000,000.00	1,826	10,000,000.00	3.537	3.586	1,321
94988J5R4	17602	TREAS	MTN	WELLS FARGO	11/13/2018	9,907,860.92	3.550	08/14/2023	10,000,000.00	1,735	10,000,000.00	3.778	3.830	1,321

**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	
3130AFRW9	17621	TREAS	FAC	FEDERAL HOME LOAN	02/28/2019	20,086,515.52	2.700	08/28/2023	20,000,000.00	1,642	20,000,000.00	2.539	2.574	1,335
3130AFRW9	17623	TREAS	FAC	FEDERAL HOME LOAN	03/01/2019	20,064,750.46	2.700	08/28/2023	20,000,000.00	1,641	20,000,000.00	2.570	2.606	1,335
3135G0U43	17631	TREAS	FAC	FEDERAL NATIONAL	03/27/2019	20,440,930.03	2.875	09/12/2023	20,000,000.00	1,630	20,000,000.00	2.214	2.245	1,350
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,914,207.38	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	1,386
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,932,745.85	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	1,386
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,952,069.14	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	1,391
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,979,163.89	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	1,395
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,915,037.60	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	1,395
3130A0F70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,236,059.32	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	1,437
3130A0F70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,615,372.85	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	1,437
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,195,216.69	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	1,468
24422EUR8	17665	TREAS	MTN	JOHN DEERE	11/26/2019	5,339,099.92	3.450	01/10/2024	5,000,000.00	1,506	5,000,000.00	1.996	2.024	1,470
24422EUR8	17672	TREAS	MTN	JOHN DEERE	12/12/2019	3,535,232.99	3.450	01/10/2024	3,306,000.00	1,490	3,306,000.00	1.997	2.025	1,470
24422EUR8	17678	TREAS	MTN	JOHN DEERE	12/27/2019	6,856,378.73	3.450	01/10/2024	6,413,000.00	1,475	6,413,000.00	2.039	2.067	1,470
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	1,486
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,968,040.95	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	1,489
594918BX1	17629	TREAS	MTN	MICROSOFT	03/07/2019	10,000,000.00	2.875	02/06/2024	10,000,000.00	1,797	10,000,000.00	2.835	2.875	1,497
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,015,334.21	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	1,518
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,986,672.61	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	1,518
3133ELCS1	17666	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	19,939,600.00	1.550	03/11/2024	20,000,000.00	1,552	20,000,000.00	1.603	1.625	1,531
3133ELCS1	17667	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	24,921,045.75	1.550	03/11/2024	25,000,000.00	1,552	25,000,000.00	1.606	1.628	1,531
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	1,596
3133ELEM2	17674	TREAS	FAC	FEDERAL FARM CREDIT	12/17/2019	25,000,000.00	1.700	05/17/2024	25,000,000.00	1,613	25,000,000.00	1.677	1.700	1,598
912828XT2	17677	TREAS	TRC	US TREASURY NOTE	12/18/2019	20,264,421.51	2.000	05/31/2024	20,000,000.00	1,626	20,000,000.00	1.688	1.711	1,612
24422ETT6	17650	TREAS	MTN	JOHN DEERE	09/19/2019	7,182,455.27	2.650	06/24/2024	7,059,000.00	1,740	7,059,000.00	2.205	2.236	1,636
3135G0V75	17652	TREAS	FAC	FEDERAL NATIONAL	09/26/2019	35,312,600.60	1.750	07/02/2024	35,000,000.00	1,741	35,000,000.00	1.608	1.631	1,644
3135G0V75	17656	TREAS	FAC	FEDERAL NATIONAL	10/16/2019	10,095,427.81	1.750	07/02/2024	10,000,000.00	1,721	10,000,000.00	1.617	1.639	1,644
3135G0V75	17659	TREAS	FAC	FEDERAL NATIONAL	10/23/2019	10,086,196.93	1.750	07/02/2024	10,000,000.00	1,714	10,000,000.00	1.645	1.668	1,644
3135G0V75	17660	TREAS	FAC	FEDERAL NATIONAL	10/28/2019	8,702,502.79	1.750	07/02/2024	8,632,000.00	1,709	8,632,000.00	1.661	1.684	1,644
3135G0V75	17661	TREAS	FAC	FEDERAL NATIONAL	11/05/2019	23,220,184.99	1.750	07/02/2024	23,000,000.00	1,701	23,000,000.00	1.637	1.660	1,644
3135G0V75	17663	TREAS	FAC	FEDERAL NATIONAL	11/08/2019	25,054,567.35	1.750	07/02/2024	25,000,000.00	1,698	25,000,000.00	1.810	1.835	1,644
3135G0V75	17668	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	25,262,831.49	1.750	07/02/2024	25,000,000.00	1,670	25,000,000.00	1.650	1.673	1,644
3135G0V75	17669	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	15,160,963.55	1.750	07/02/2024	15,000,000.00	1,670	15,000,000.00	1.645	1.668	1,644
3135G0V75	17670	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	15,132,154.90	1.750	07/02/2024	15,000,000.00	1,667	15,000,000.00	1.692	1.716	1,644
3135G0V75	17671	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	25,221,984.72	1.750	07/02/2024	25,000,000.00	1,667	25,000,000.00	1.691	1.714	1,644
3135G0V75	17673	TREAS	FAC	FEDERAL NATIONAL	12/12/2019	25,219,523.36	1.750	07/02/2024	25,000,000.00	1,664	25,000,000.00	1.696	1.720	1,644
3135G0V75	17675	TREAS	FAC	FEDERAL NATIONAL	12/13/2019	20,134,078.94	1.750	07/02/2024	20,000,000.00	1,663	20,000,000.00	1.745	1.769	1,644
742651DP4	17643	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,192,993.56	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.974	2.001	1,657
742651DP4	17644	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,189,099.19	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.982	2.010	1,657
3133EKHV1	17655	TREAS	FAC	FEDERAL FARM CREDIT	10/16/2019	2,385,542.58	2.450	07/22/2024	2,292,000.00	1,741	2,292,000.00	1.623	1.646	1,664
3133EKWV4	17647	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	5,044,140.89	1.850	07/26/2024	4,950,000.00	1,794	4,950,000.00	1.435	1.455	1,668

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	
3133EKVV4	17648	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	15,278,827.54	1.850	07/26/2024	15,000,000.00	1,794	15,000,000.00	1.444	1.464	1,668
3133EKVV4	17649	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2019	18,097,670.29	1.850	07/26/2024	17,941,000.00	1,778	17,941,000.00	1.682	1.705	1,668
89236TGM1	17653	TREAS	MTN	TOYOTA MOTOR CREDIT	10/15/2019	30,000,000.00	1.875	07/31/2024	30,000,000.00	1,751	30,000,000.00	1.850	1.875	1,673
3133X8EW8	17651	TREAS	FAC	FEDERAL HOME LOAN	09/26/2019	4,401,958.34	5.375	08/15/2024	3,760,000.00	1,785	3,760,000.00	1.630	1.653	1,688
3130AGWK7	17658	TREAS	FAC	FEDERAL HOME LOAN	10/23/2019	9,956,014.96	1.500	08/15/2024	10,000,000.00	1,758	10,000,000.00	1.640	1.662	1,688
3130AGWK7	17662	TREAS	FAC	FEDERAL HOME LOAN	11/05/2019	12,457,498.39	1.500	08/15/2024	12,500,000.00	1,745	12,500,000.00	1.628	1.651	1,688
3130AGWK7	17676	TREAS	FAC	FEDERAL HOME LOAN	12/18/2019	9,948,631.78	1.500	08/15/2024	10,000,000.00	1,702	10,000,000.00	1.707	1.731	1,688
3130A2UW4	17654	TREAS	FAC	FEDERAL HOME LOAN	10/15/2019	10,567,895.15	2.875	09/13/2024	10,000,000.00	1,795	10,000,000.00	1.645	1.668	1,717
13063DRK6	17657	TREAS	MUN	STATE OF CALIFORNIA	10/24/2019	51,105,196.96	2.400	10/01/2024	50,000,000.00	1,804	50,000,000.00	1.884	1.910	1,735
89236TGL3	17664	TREAS	MTN	TOYOTA MOTOR CREDIT	11/12/2019	9,995,916.28	2.000	10/07/2024	10,000,000.00	1,791	10,000,000.00	2.024	2.052	1,741
Subtotal and Average						3,468,877,485.15			3,465,729,375.00		3,464,441,000.00	2.083	2.112	906
Net Maturities and Average						3,468,877,485.15			3,465,729,375.00		3,464,441,000.00	2.083	2.112	906



Quarterly Economic and Market Update

December 2019

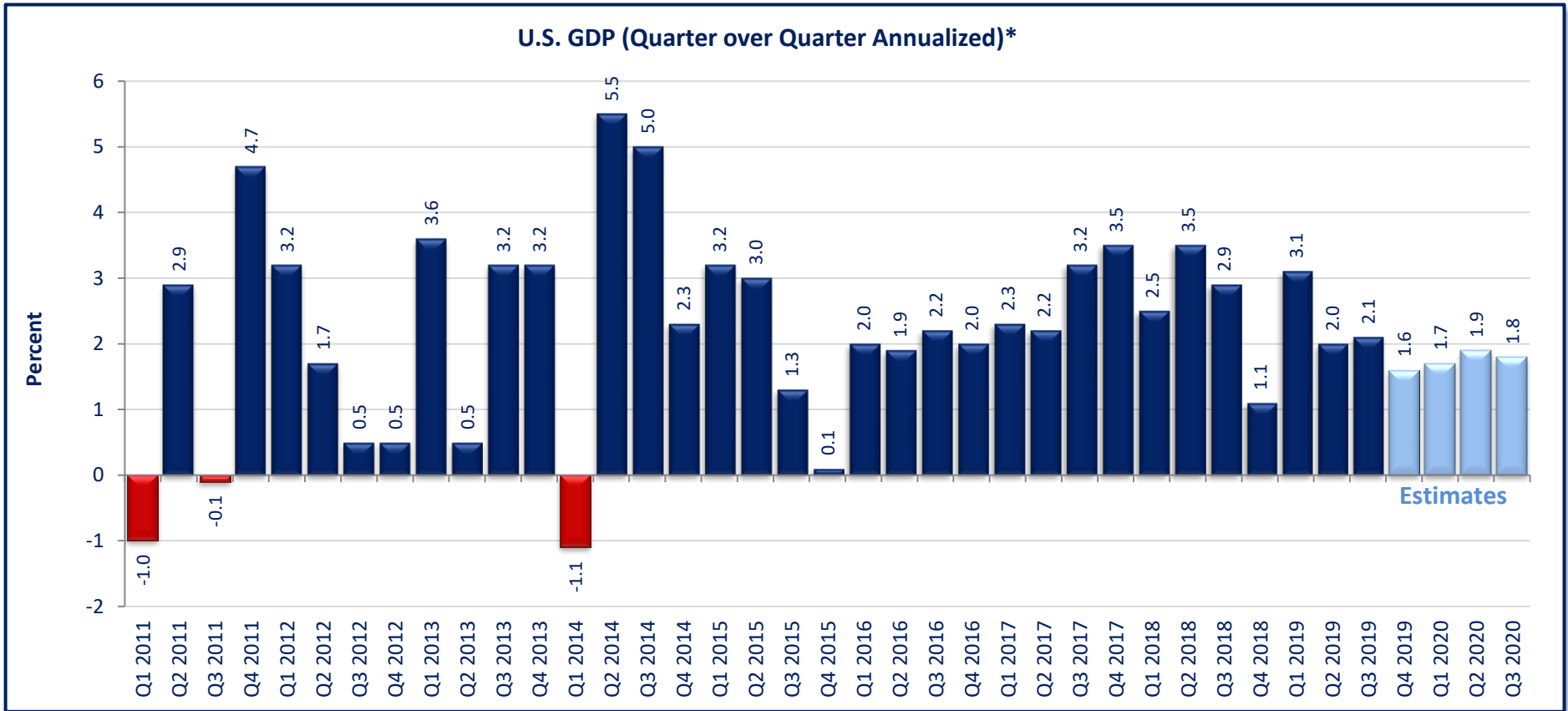
Economic and Market Update
12/31/19

Item	12/31/19	9/30/19	Change
U.S. Payrolls Monthly Change	145,000	193,000	(48,000)
Unemployment Rate	3.5%	3.5%	0.0%
Labor Force Participation	63.2%	63.2%	0.0%
Effective Fed Funds Rate	1.55%	1.90%	(0.35%)
3 Month T-Bill	1.55%	1.82%	(0.27%)
2 Year T-Note	1.57%	1.62%	(0.05%)
3 Year T-Note	1.61%	1.56%	0.05%
5 Year T-Note	1.69%	1.55%	0.15%
10 Year T-Note	1.92%	1.67%	0.25%
U.S. Fed Debt Avg Yield*	2.39%	2.44%	(0.05%)
30 Year Mortgage Rate	3.86%	3.72%	0.14%
1-5 Yr Agency Spread	0.04%	0.05%	(0.01%)
1-5 Yr A-AAA Corporate Spread	0.36%	0.44%	(0.08%)
Dow Jones	28,538	26,917	6.0%
S&P 500	3,231	2,977	8.5%
Consumer Price Index YOY*	1.8%	1.7%	0.1%
U.S. Avg Regular Unleaded	\$2.59	\$2.66	(\$0.07)
Retail Sales YOY*	5.6%	4.0%	1.6%
Case-Shiller Home Prices YOY*	2.2%	2.0%	0.2%
Gold (per ounce)	\$1,517.27	\$1,472.49	\$44.78
Dollar Index	96.39	99.38	(2.99)
Consumer Confidence	126.5	126.3	0.2

*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg

Economic and Market Update
12/31/19



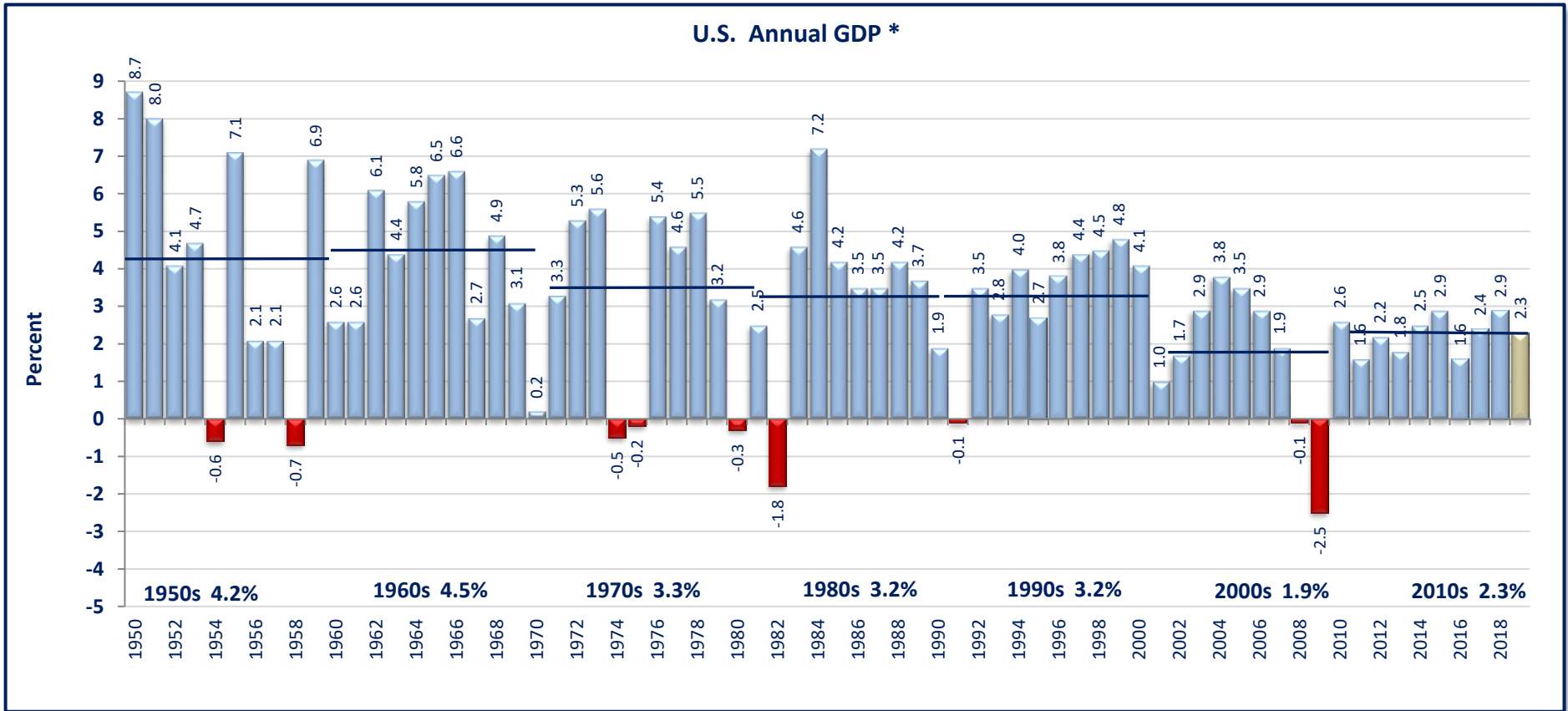
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/19

Economic and Market Update
12/31/19



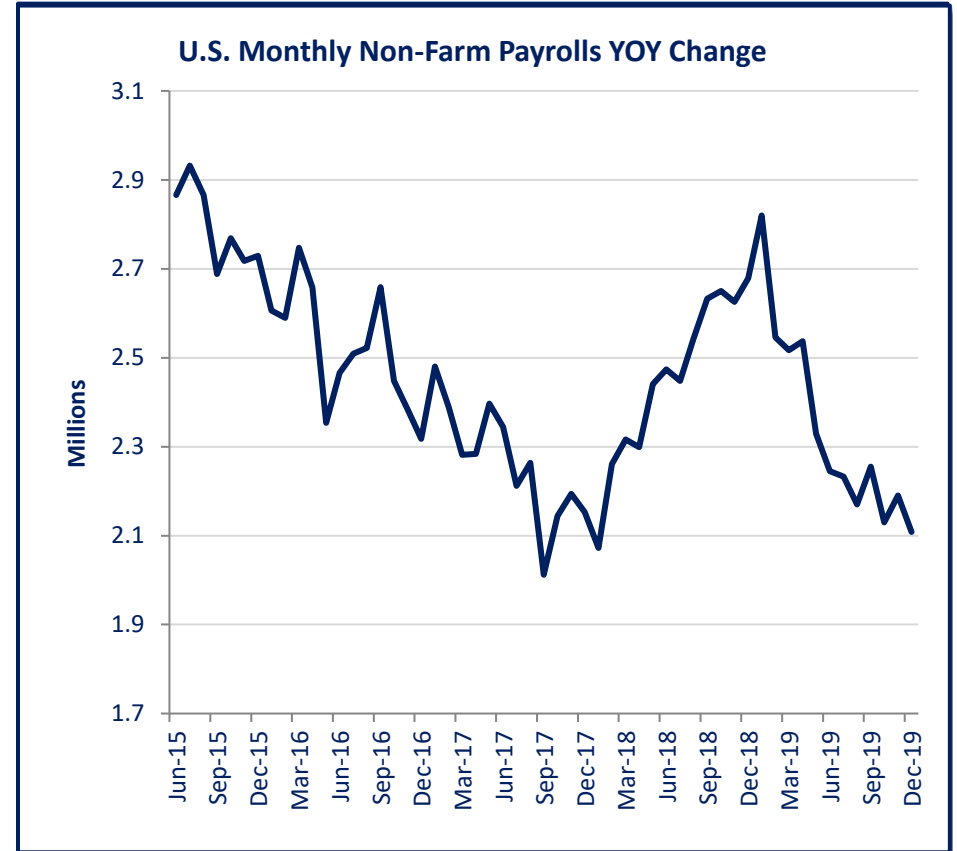
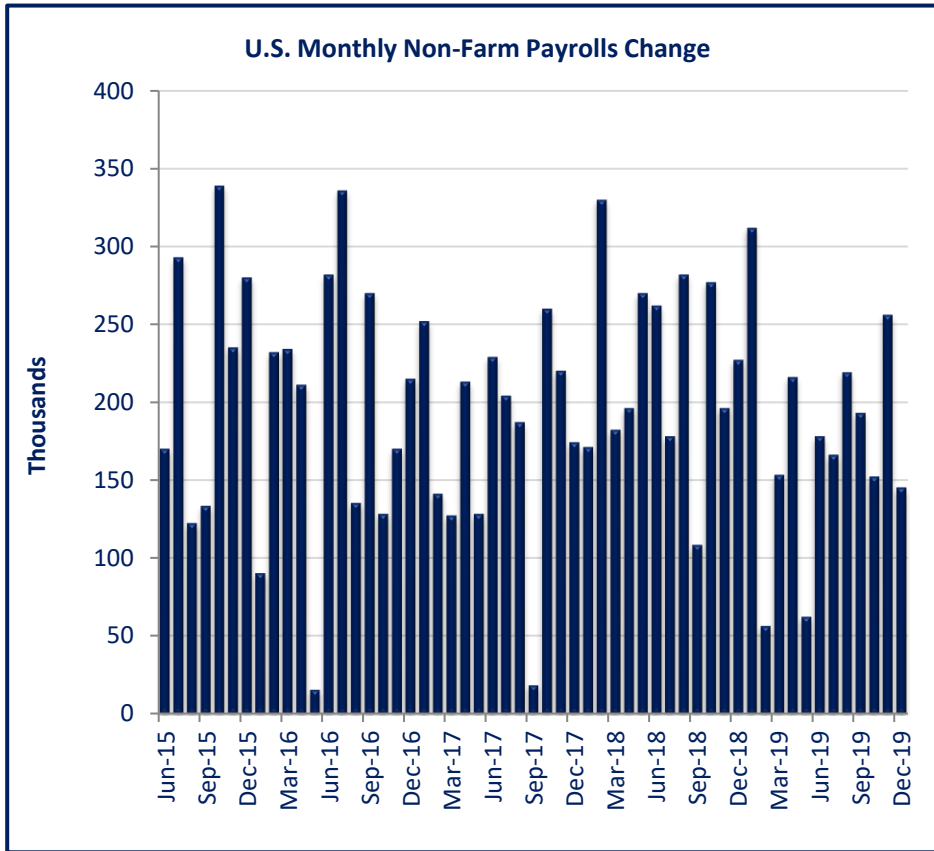
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/19

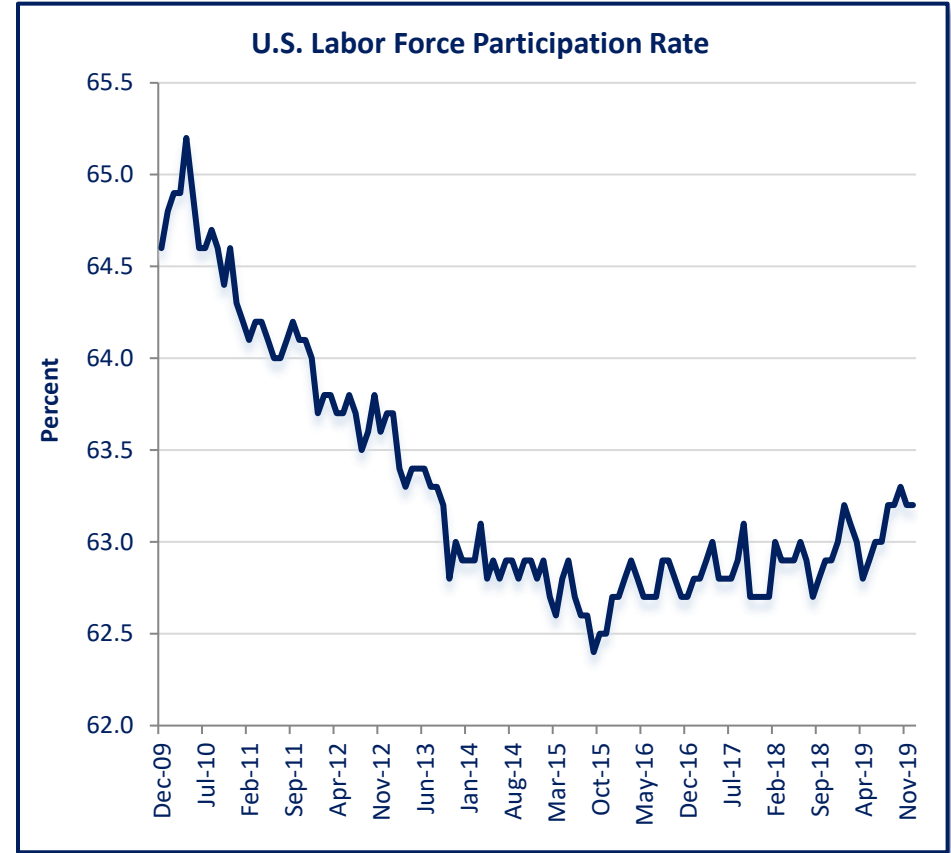
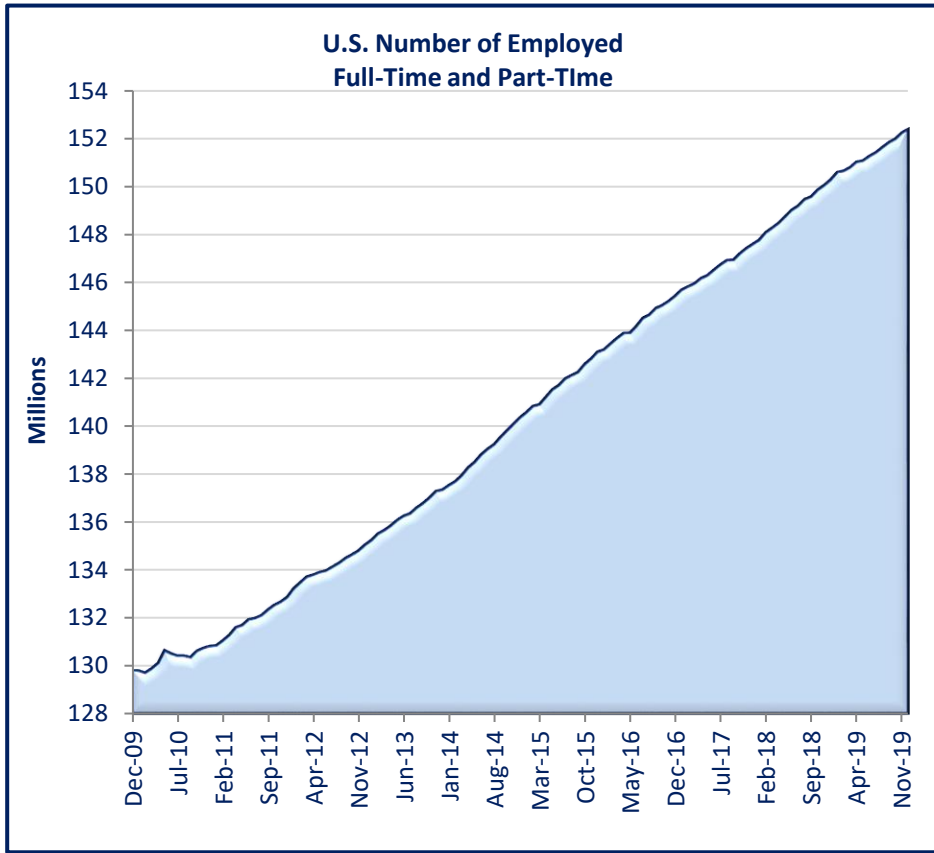
Economic and Market Update
12/31/19



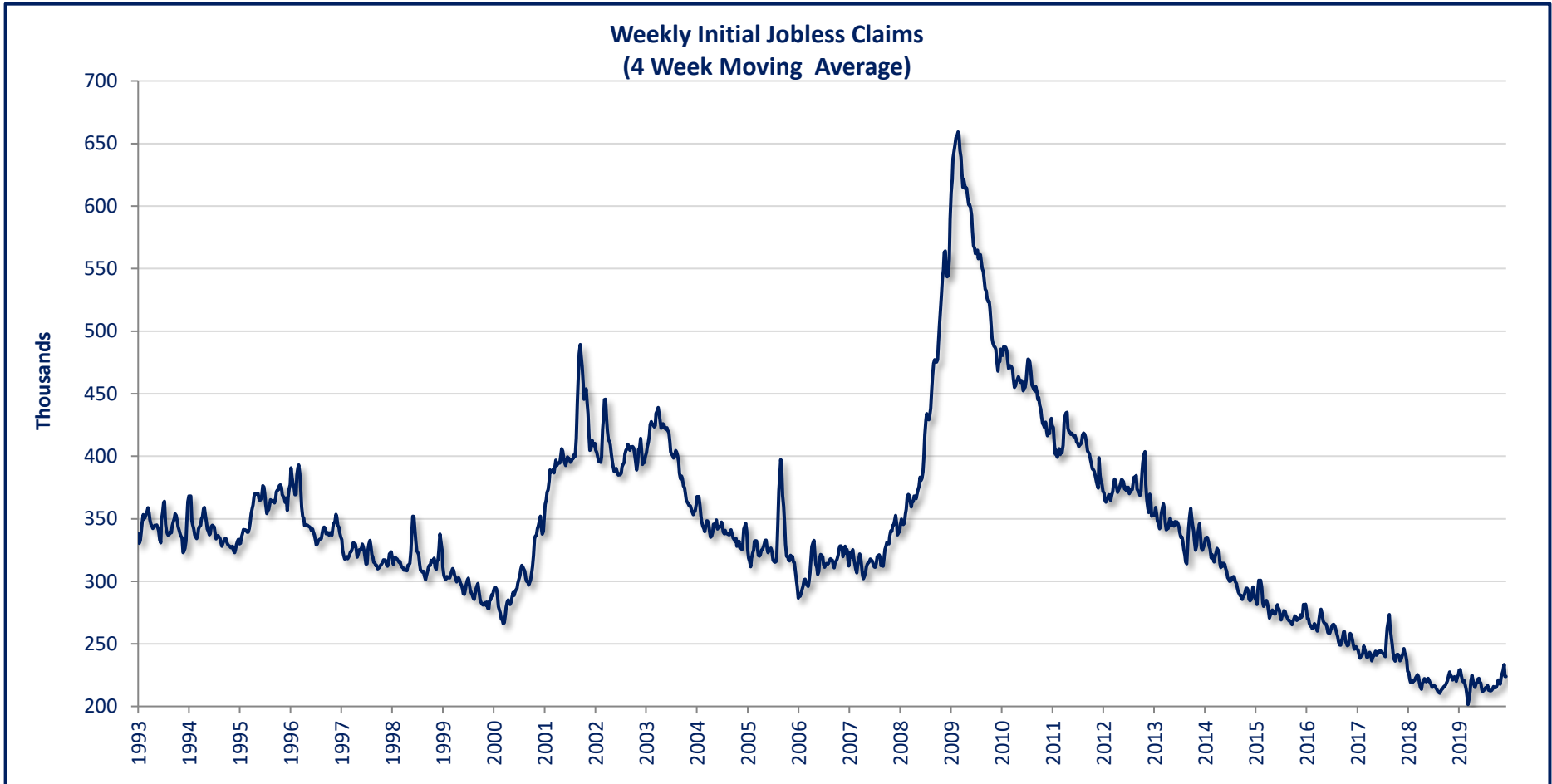
12 Month Average Job Change **175,667**

Source: Bureau of Labor Statistics

Economic and Market Update
12/31/19



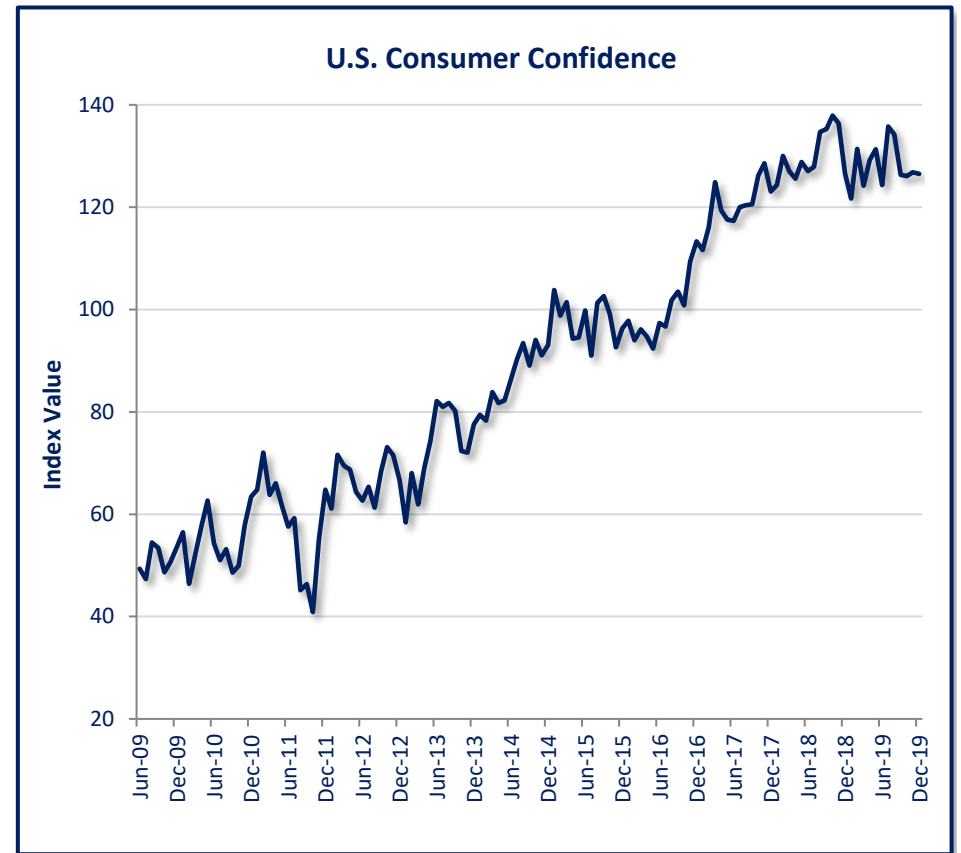
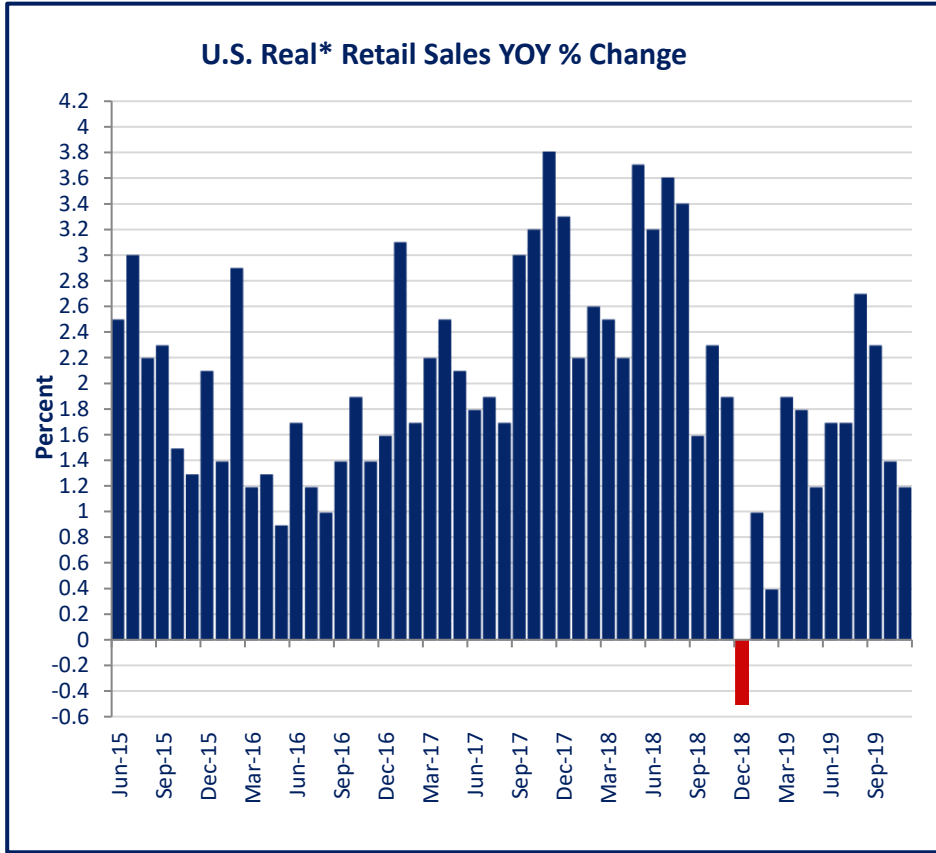
Source: Bureau of Labor Statistics



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

Economic and Market Update
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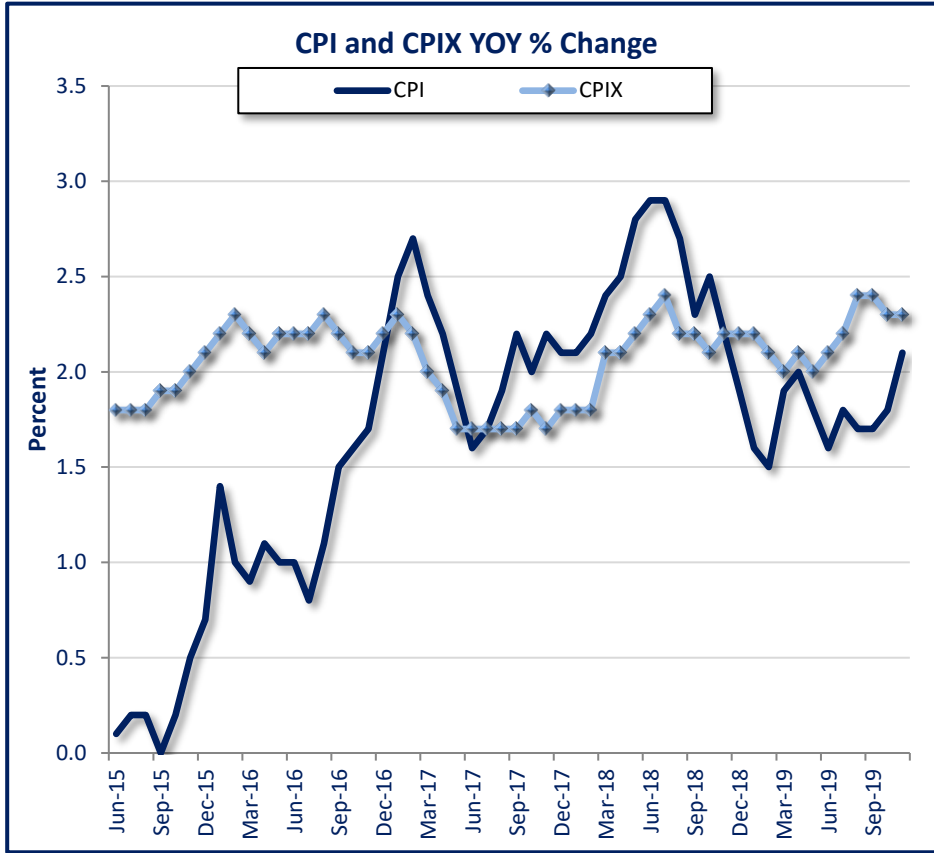


*Real: Inflation Adjusted

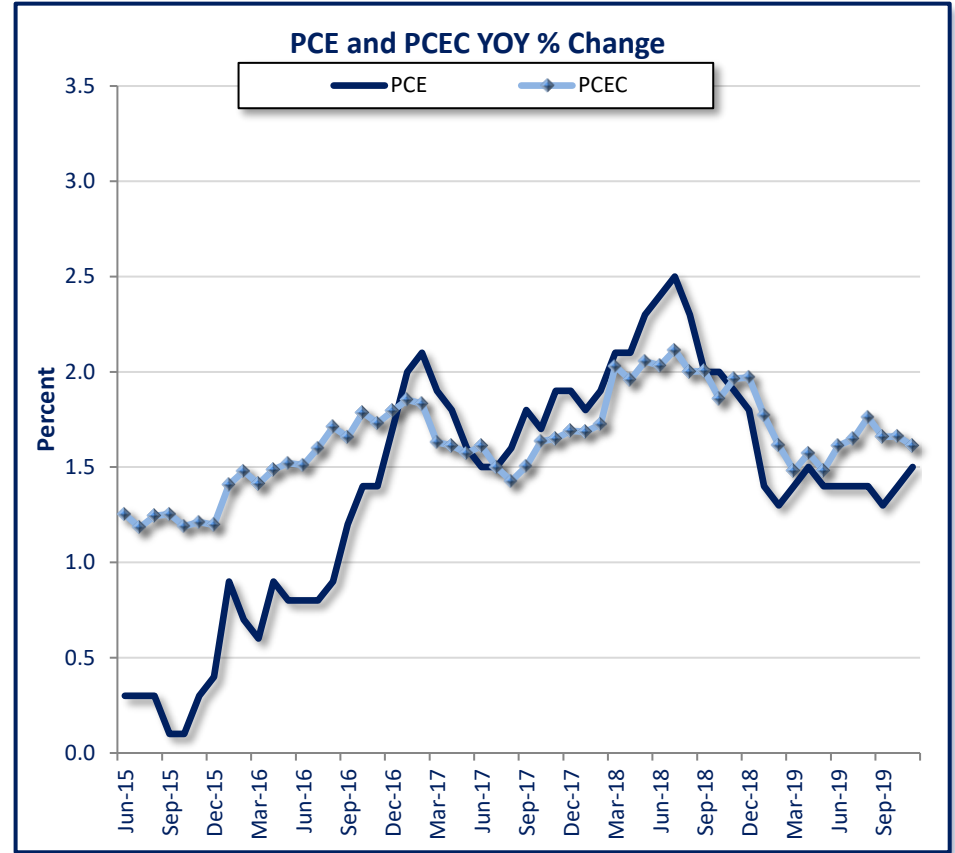
Source: U.S. Census Bureau

Source: Conference Board

Economic and Market Update
12/31/19



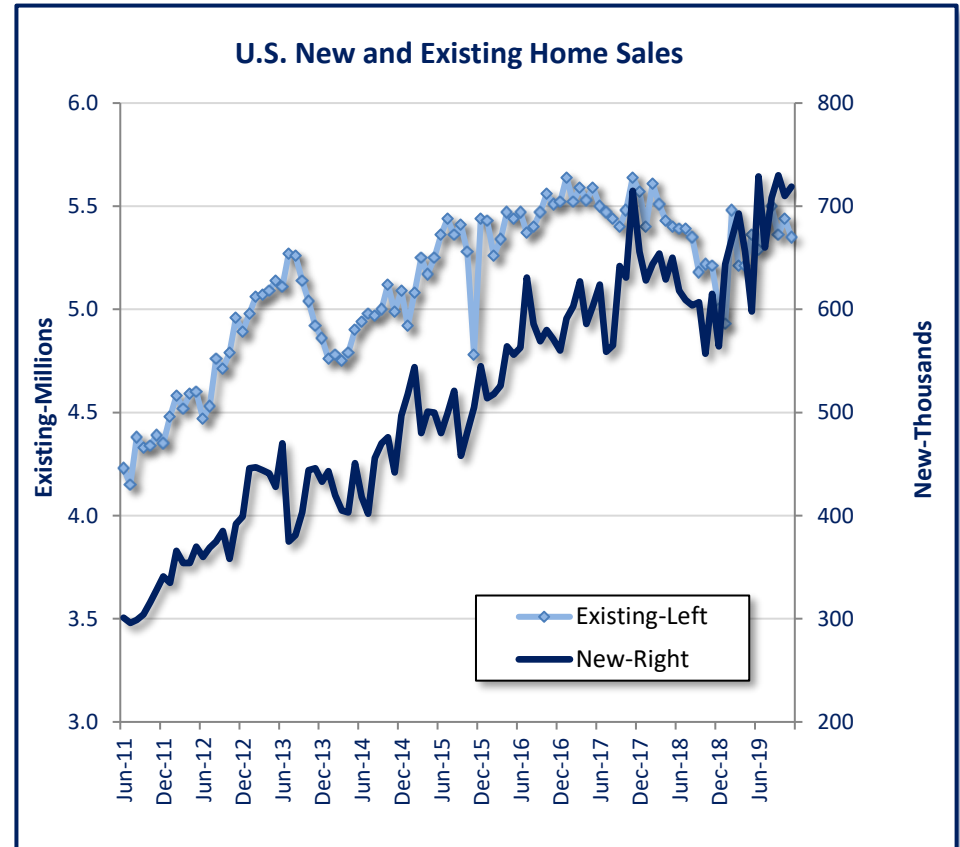
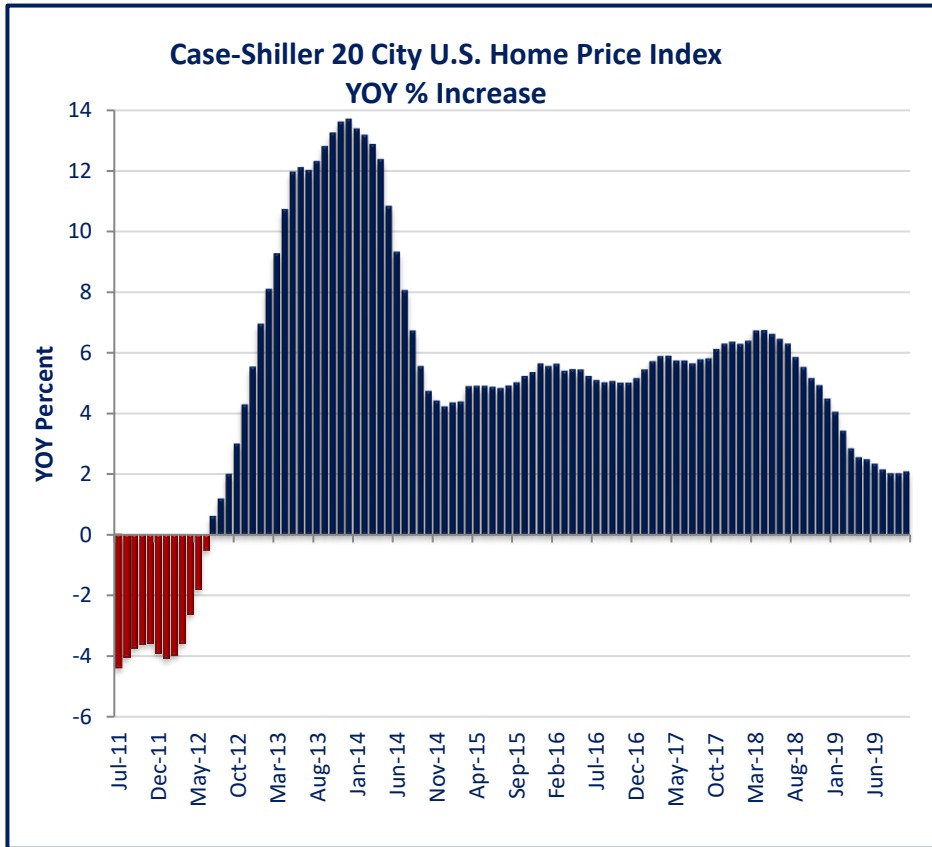
CPIX: Consumer Price Index, excluding food and energy



PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

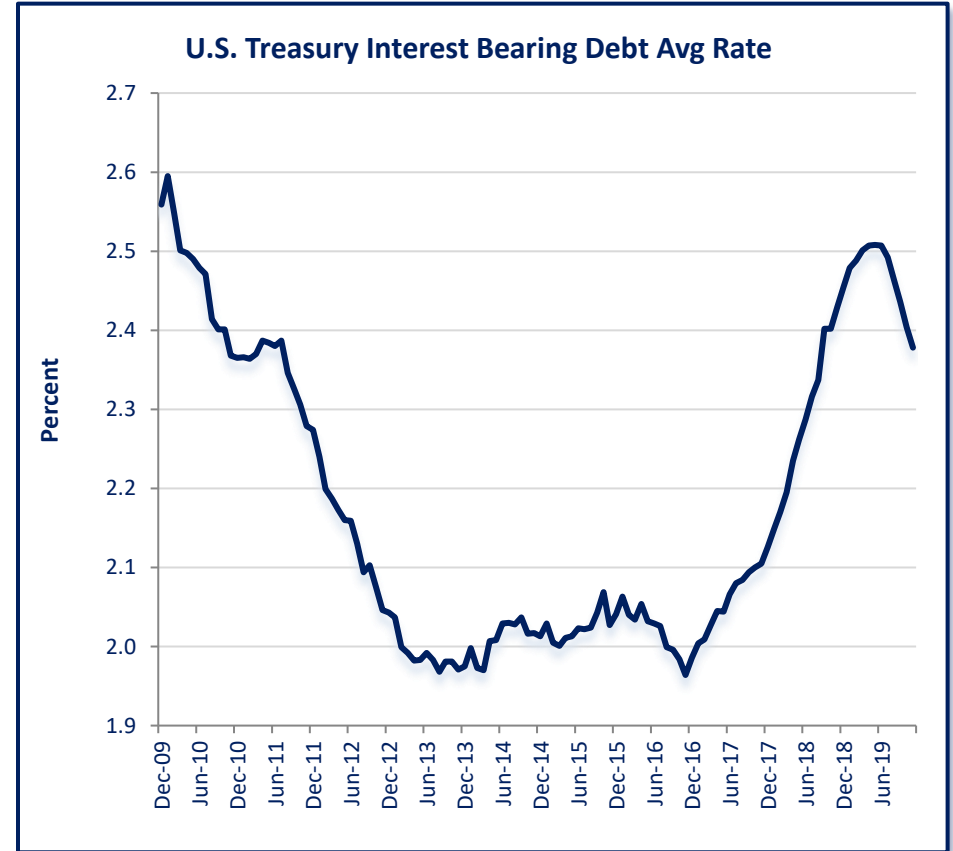
Economic and Market Update
12/31/19



Source: Case-Shiller

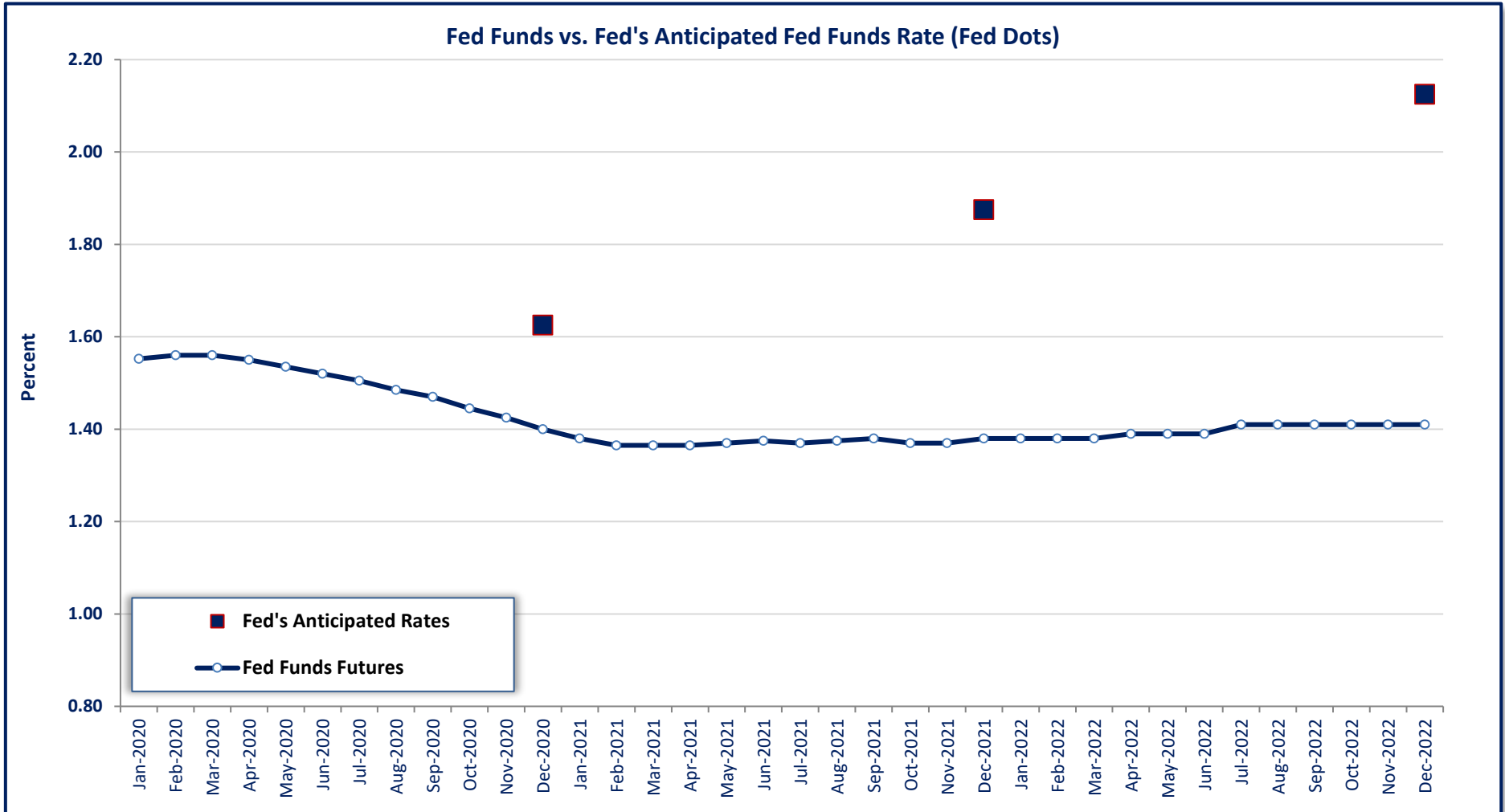
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate

Economic and Market Update
12/31/19



Source: U.S. Treasury

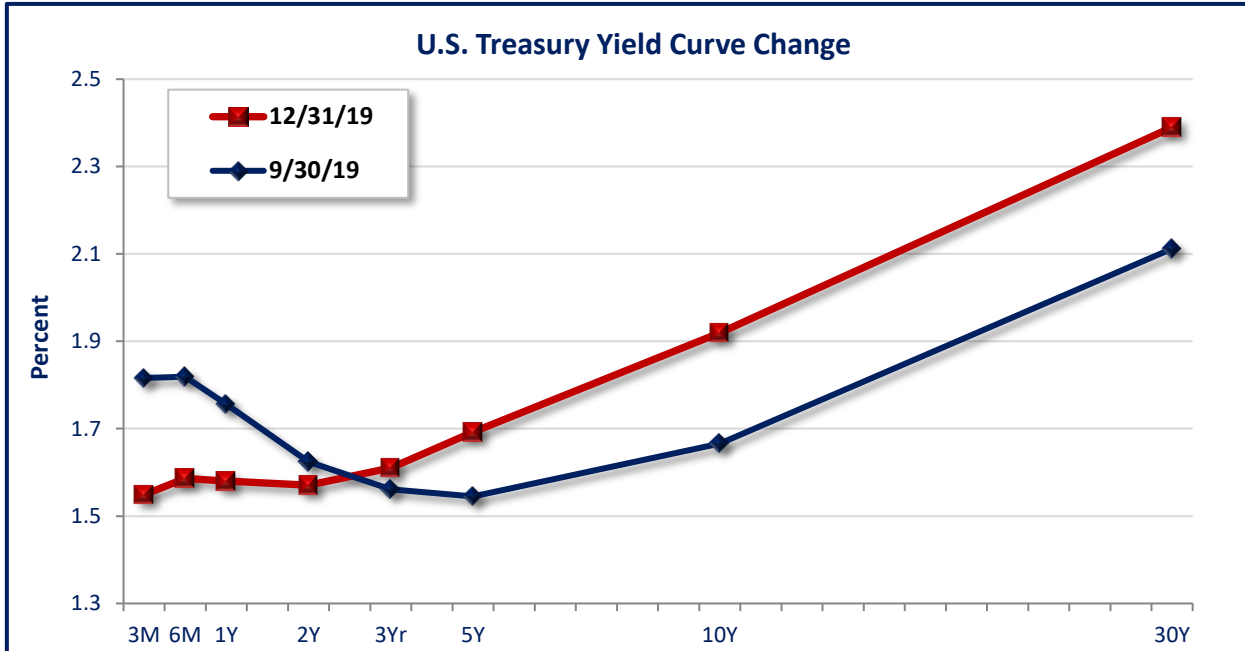
Economic and Market Update
12/31/19



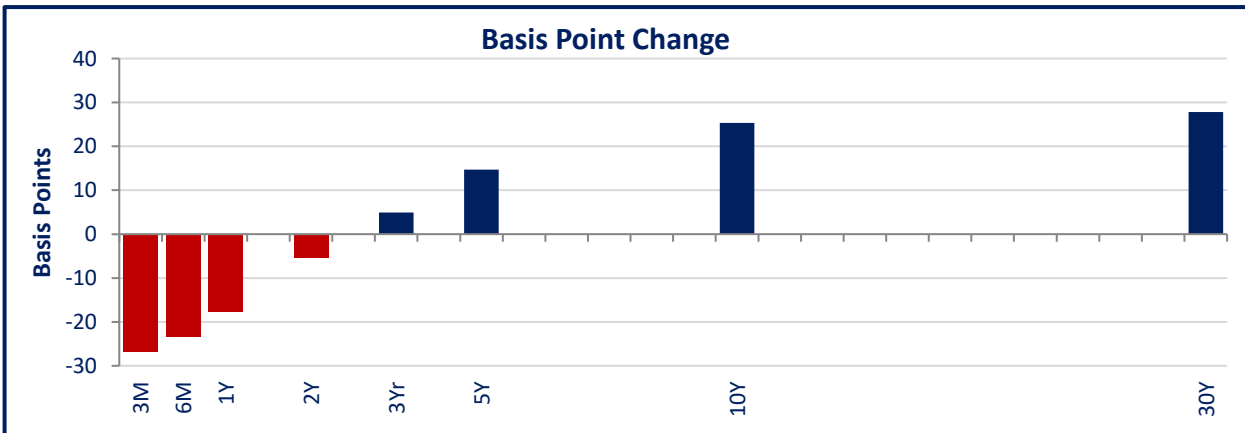
Fed Funds Anticipated Rate from the December 11, 2019 FOMC Meeting

Source: Bloomberg

Economic and Market Update
12/31/19

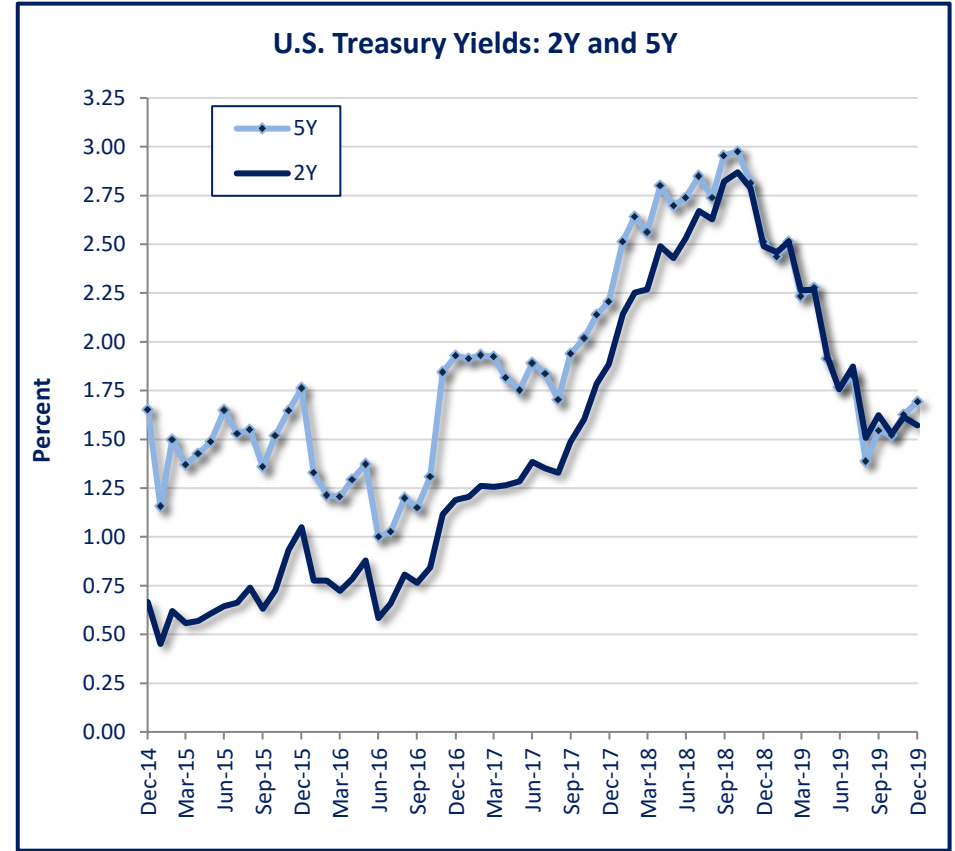
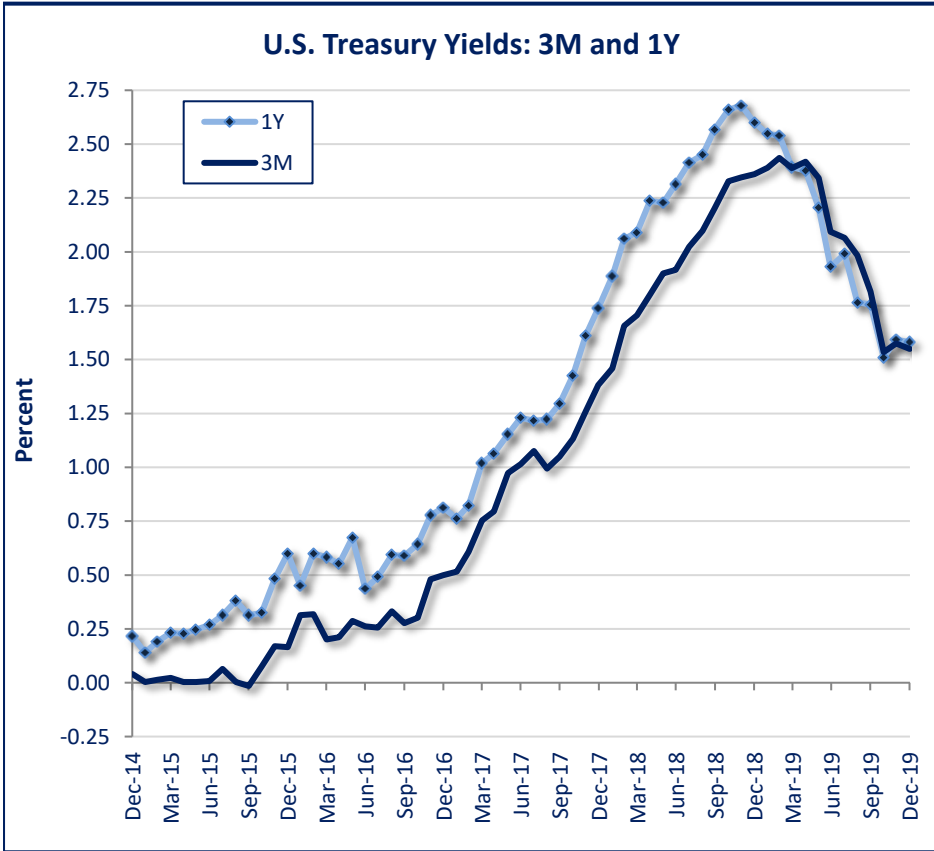


Maturity	9/30/19	12/31/19	Change
3M	1.82	1.55	-0.27
6M	1.82	1.59	-0.23
1Y	1.76	1.58	-0.18
2Y	1.62	1.57	-0.05
3Y	1.56	1.61	0.05
5Y	1.55	1.69	0.15
10Y	1.67	1.92	0.25
30Y	2.11	2.39	0.28



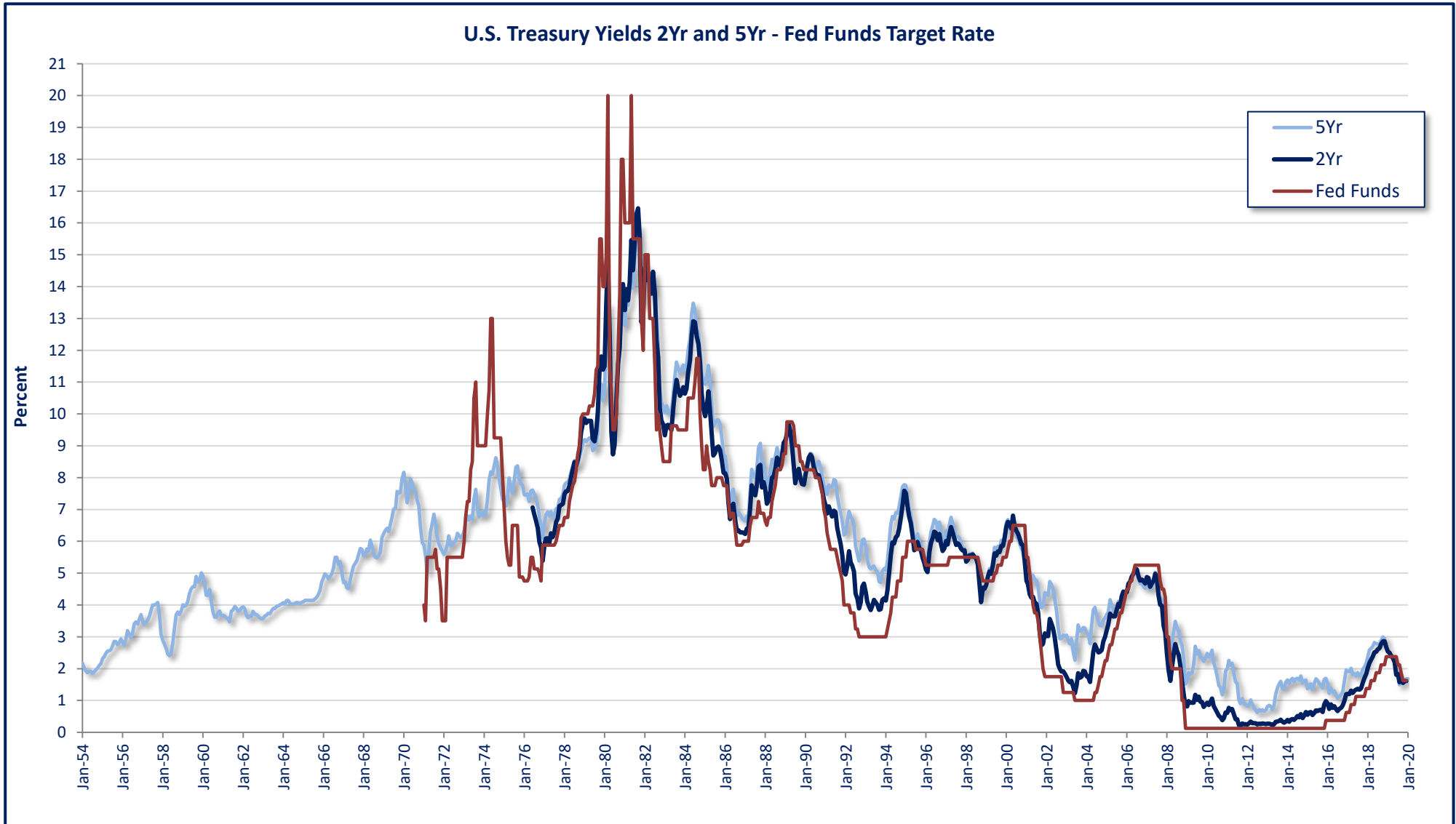
Source: Bloomberg
Figures may not total due to rounding

Economic and Market Update
12/31/19



Source: Bloomberg

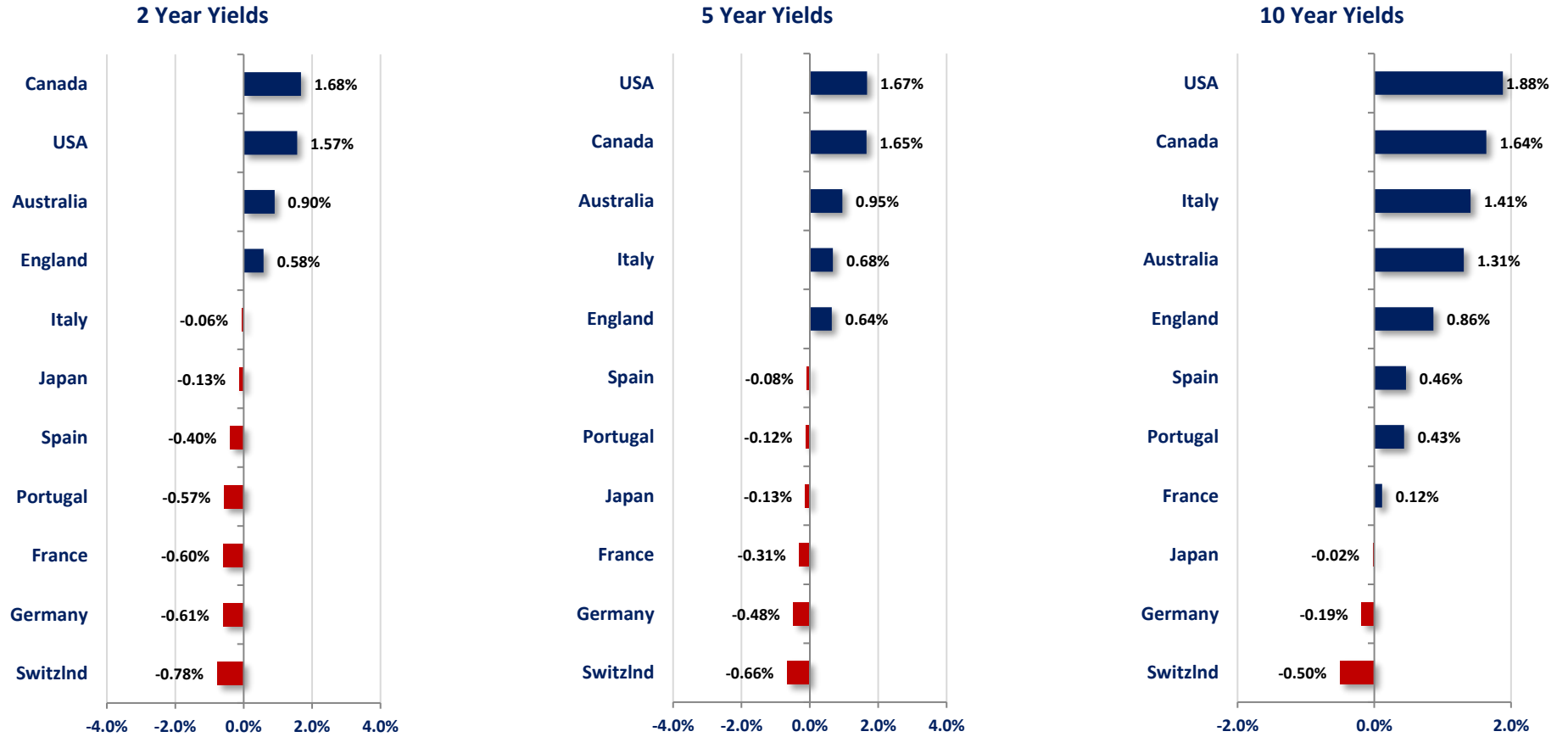
Economic and Market Update
12/31/19



Source: Bloomberg

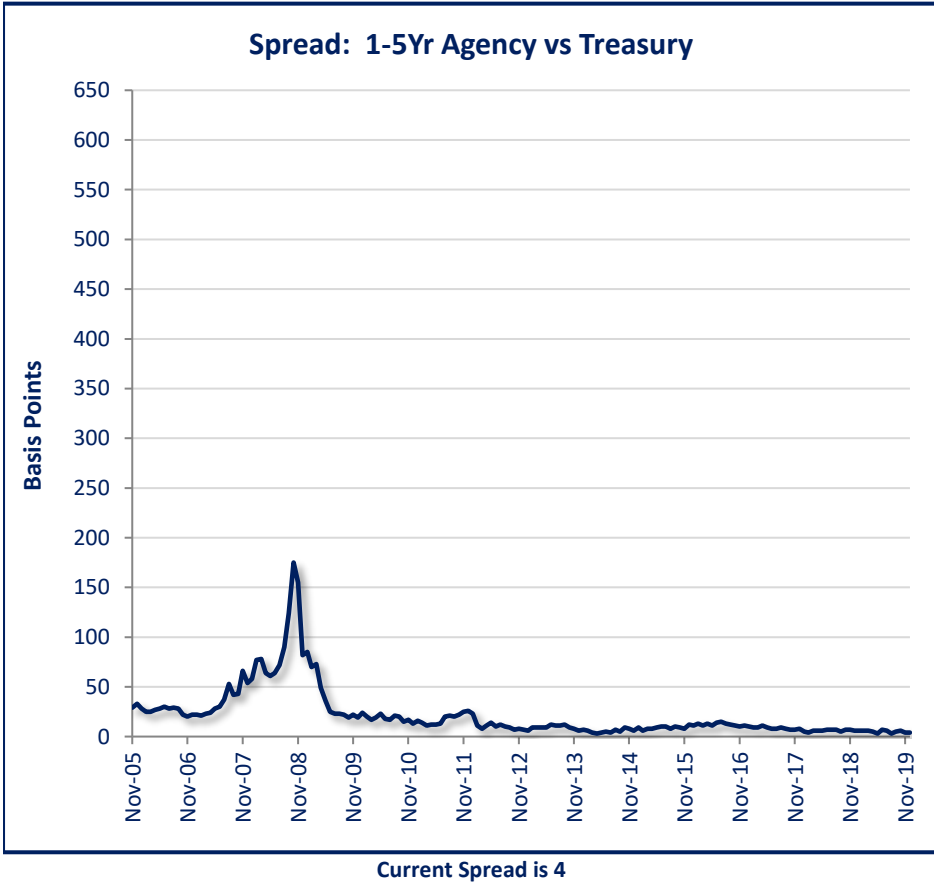
Economic and Market Update
12/31/19

Global Treasury Rates

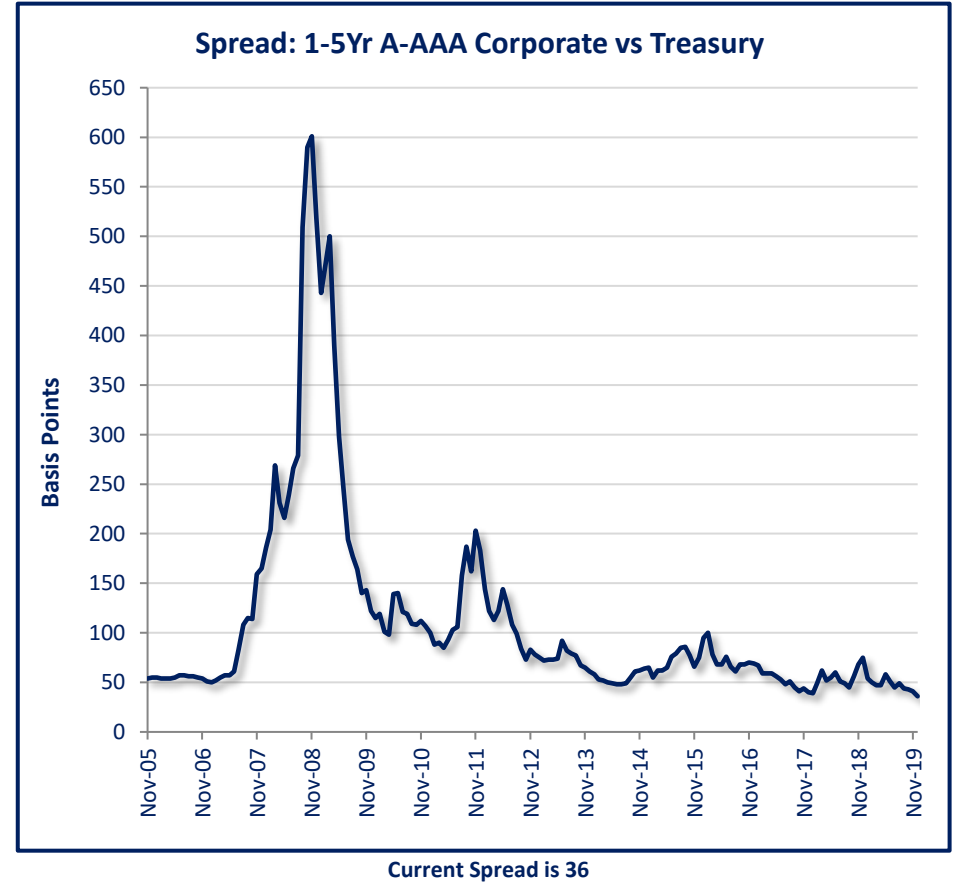


Source: Bloomberg

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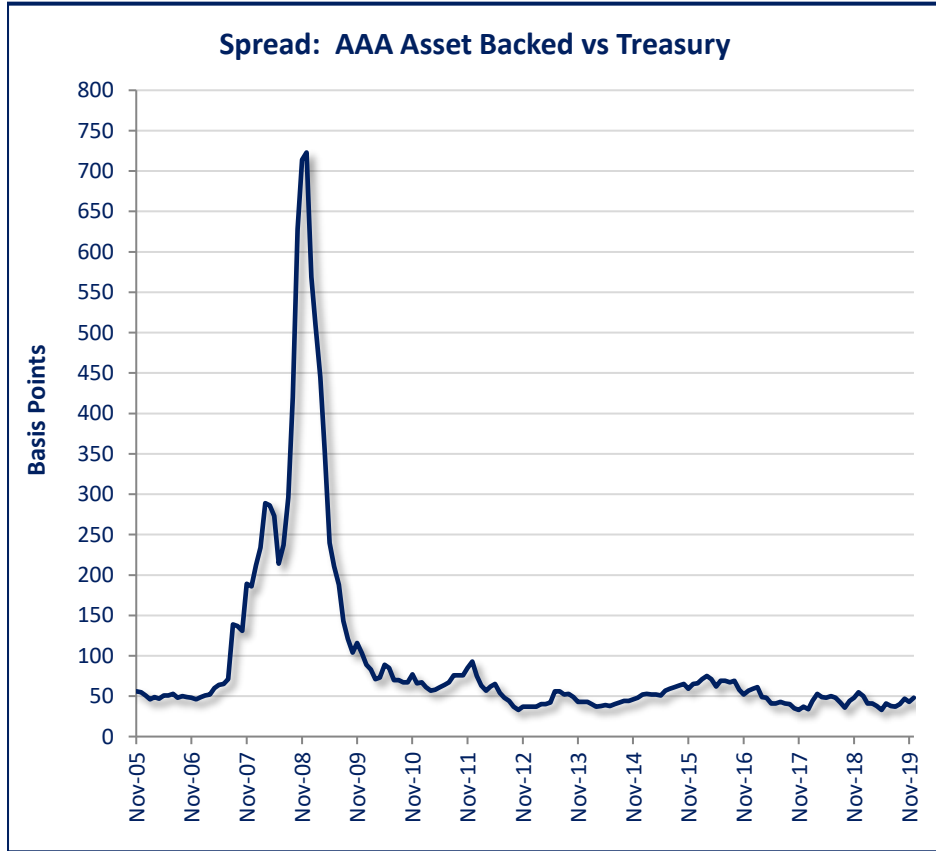
ICE BofAML Index (option adjusted spread vs. Treasury)
1-5Yr Non-Callable Agency (GVPB)



ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

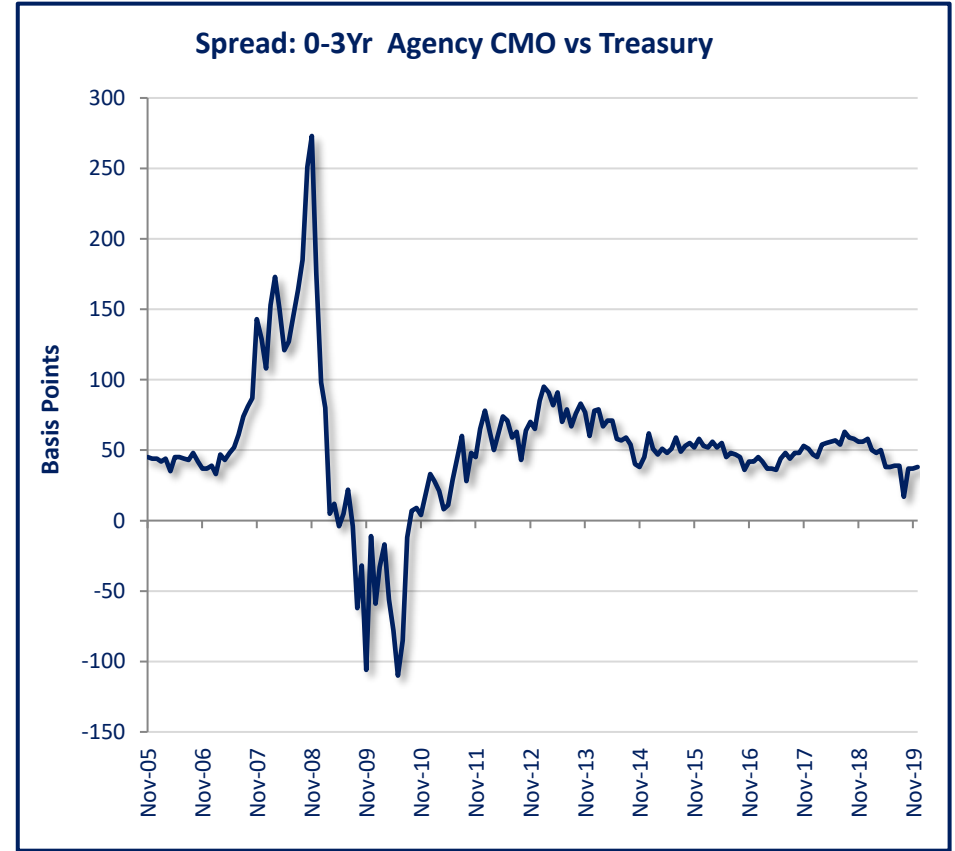
Source: ICE BofAML Indices

Economic and Market Update
12/31/19



Current Spread is 48

*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (ROA1)

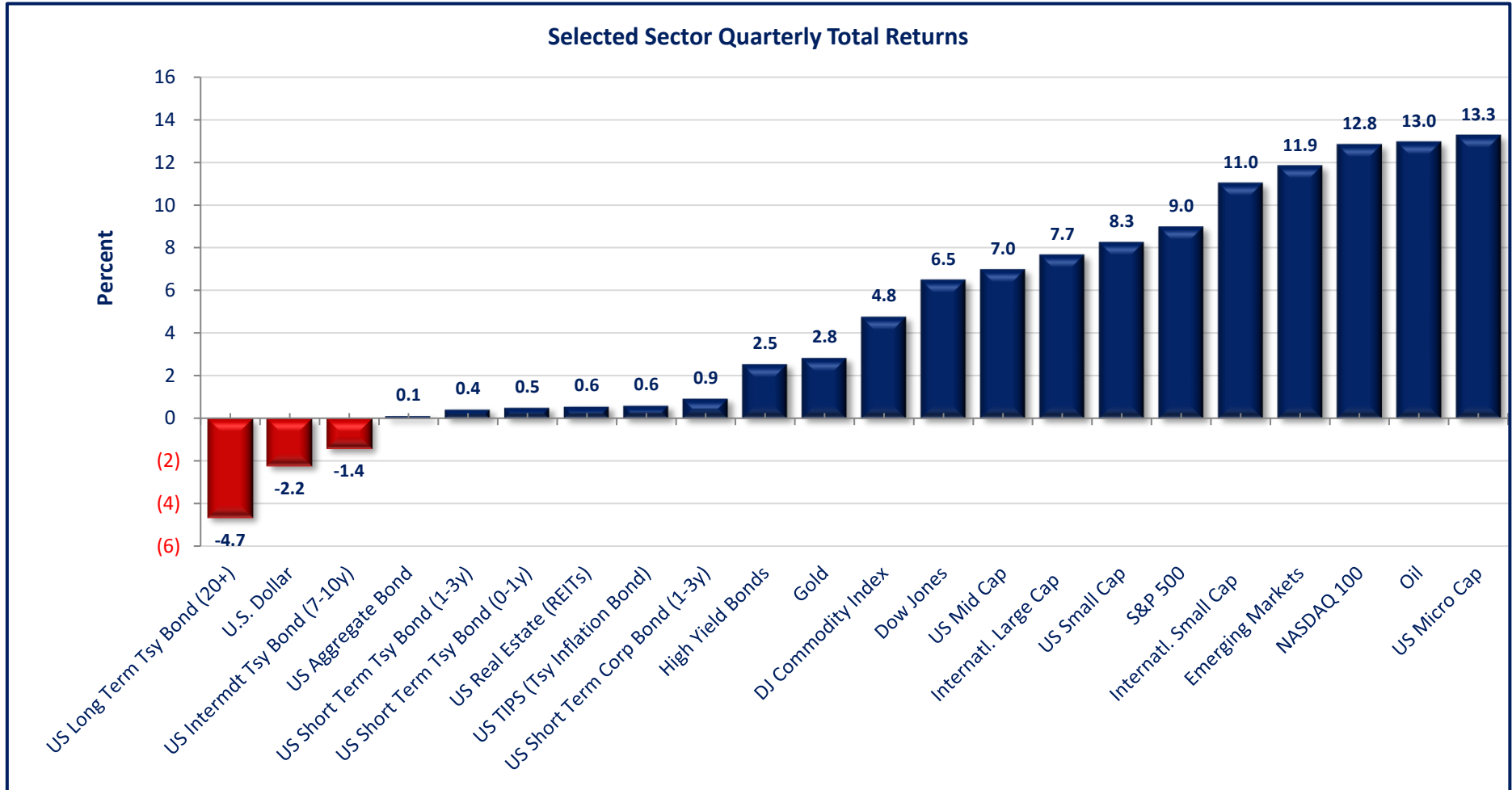


Current Spread is 38

*ICE BofAML Index (option adjusted spread vs. Treasury)
CMO Agency 0-3Yr PAC (CM1P)

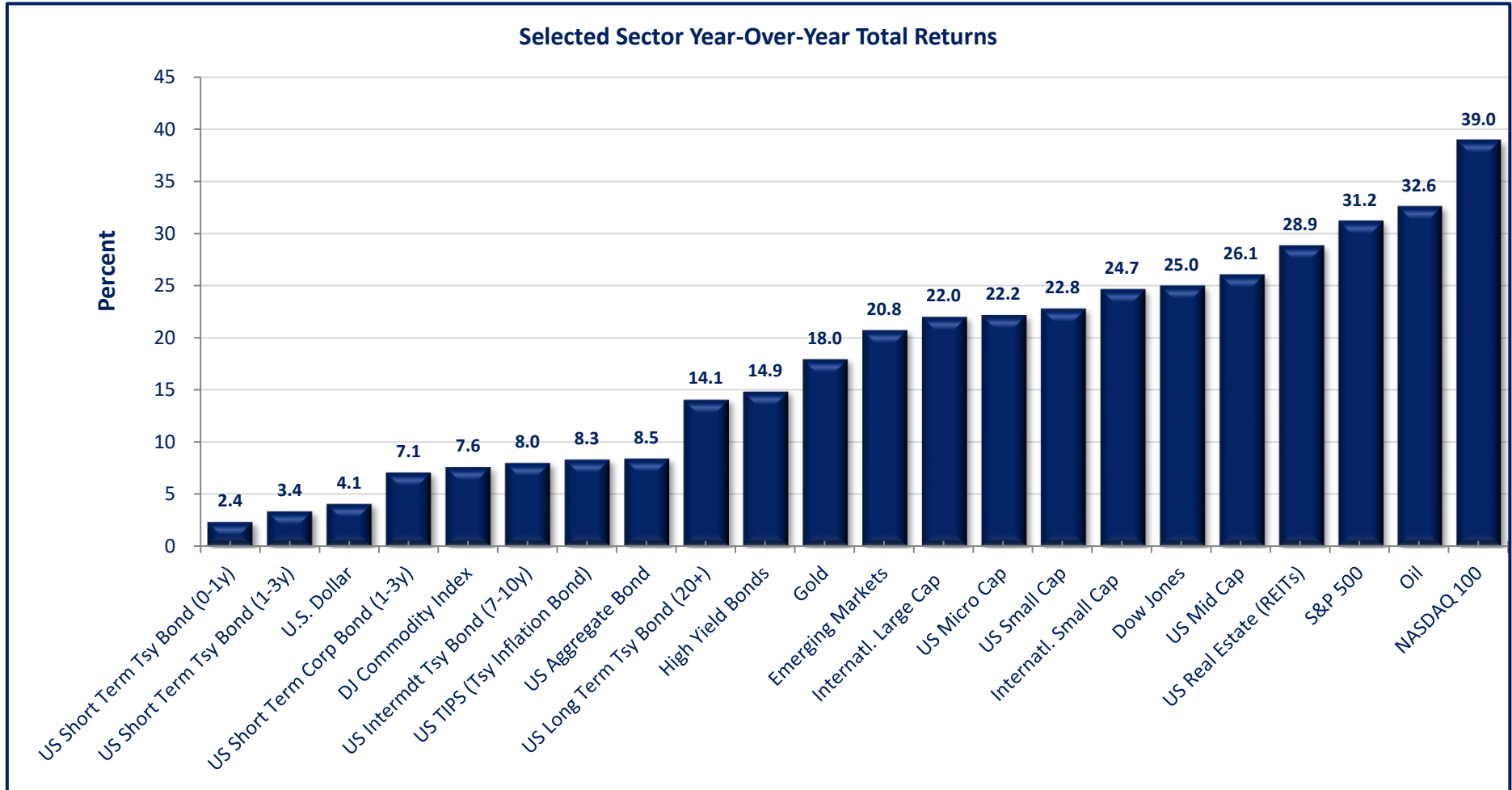
Source: ICE BofAML Indices

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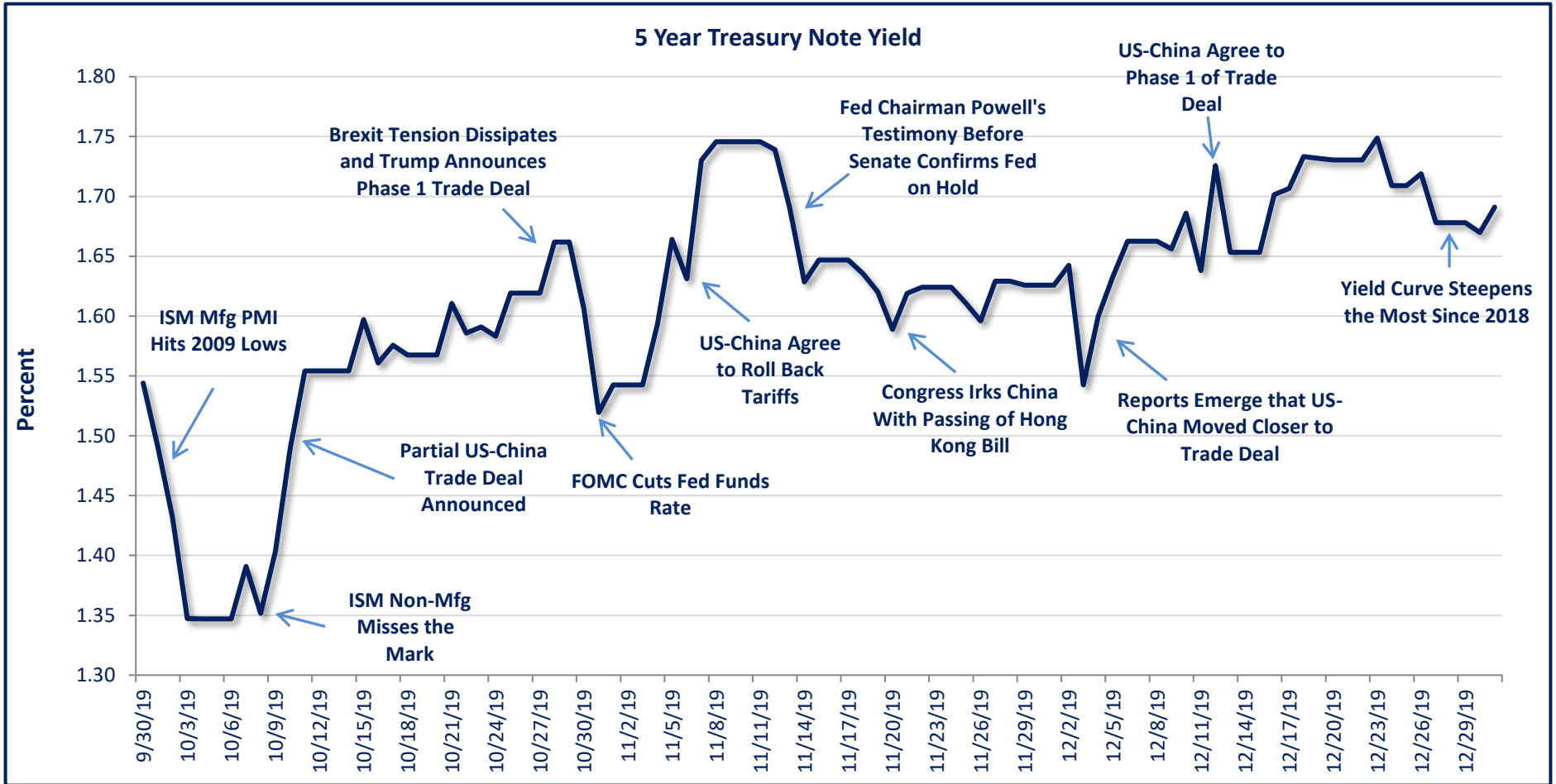
Source: Bloomberg

Economic and Market Update
12/31/19



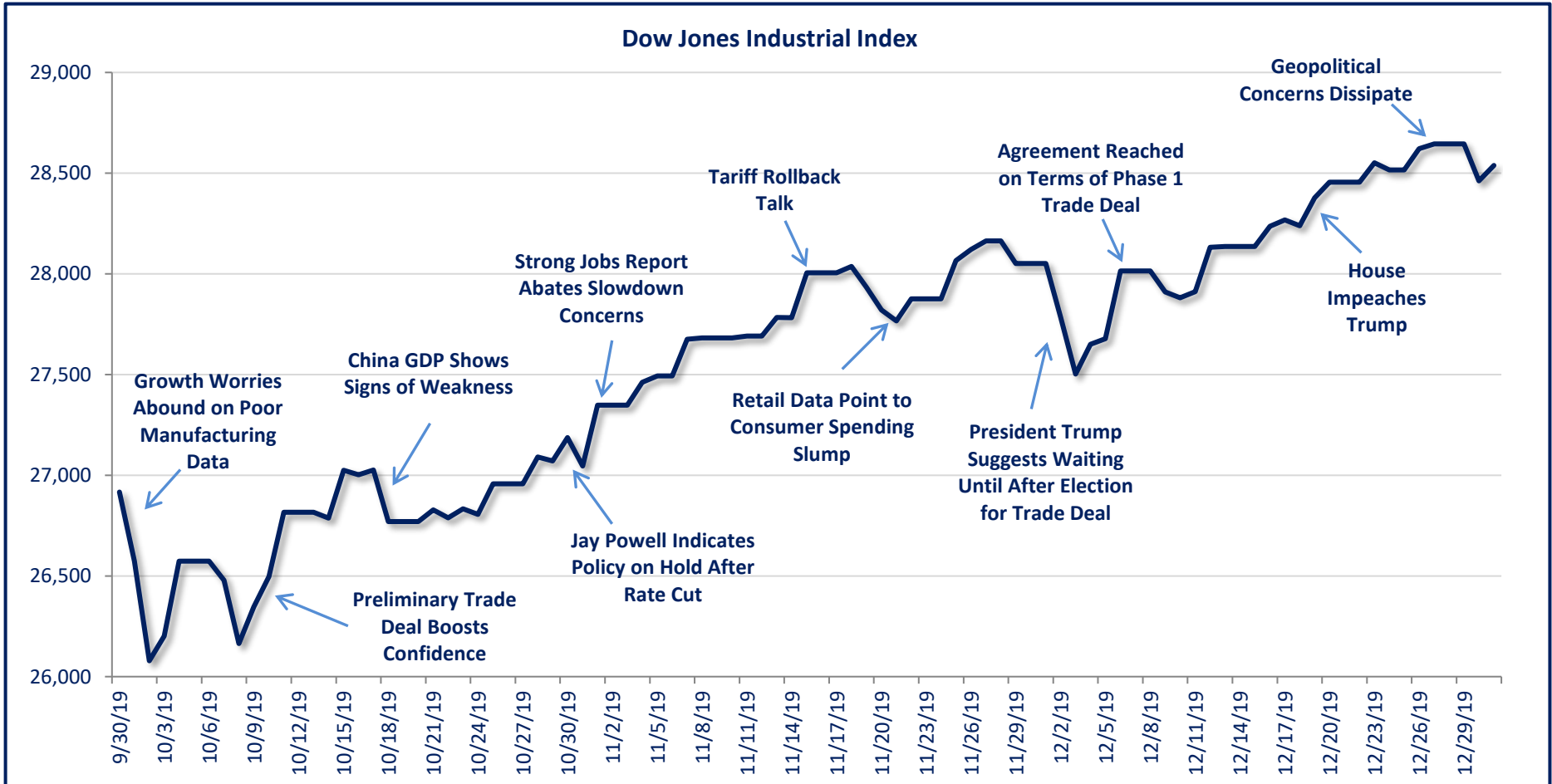
Source: Bloomberg

Economic and Market Update
12/31/19



Sources: Bloomberg, FHN Main Street

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12/31/19



Sources: Bloomberg, FHN Main Street

Disclosure

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APPENDIX H
TABLE OF ACCRETED VALUES

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BOND ACCRETED VALUE TABLE

**Coalinga-Huron Joint Unified School District
General Obligation Bonds Election of 2016, Series C**

Final Numbers
Call Feature: 8/1/2029 at Par

Date	Term CAB 2044 5%
04/09/2020	1,505.05
08/01/2020	1,528.35
02/01/2021	1,566.55
08/01/2021	1,605.70
02/01/2022	1,645.85
08/01/2022	1,687.00
02/01/2023	1,729.15
08/01/2023	1,772.40
02/01/2024	1,816.70
08/01/2024	1,862.15
02/01/2025	1,908.70
08/01/2025	1,956.40
02/01/2026	2,005.30
08/01/2026	2,055.45
02/01/2027	2,106.85
08/01/2027	2,159.50
02/01/2028	2,213.50
08/01/2028	2,268.85
02/01/2029	2,325.55
08/01/2029	2,383.70
02/01/2030	2,443.30
08/01/2030	2,504.35
02/01/2031	2,566.95
08/01/2031	2,631.15
02/01/2032	2,696.95
08/01/2032	2,764.35
02/01/2033	2,833.45
08/01/2033	2,904.30
02/01/2034	2,976.90
08/01/2034	3,051.35
02/01/2035	3,127.60
08/01/2035	3,205.80
02/01/2036	3,285.95
08/01/2036	3,368.10
02/01/2037	3,452.30
08/01/2037	3,538.60
02/01/2038	3,627.10
08/01/2038	3,717.75
02/01/2039	3,810.70
08/01/2039	3,905.95
02/01/2040	4,003.60
08/01/2040	4,103.70
02/01/2041	4,206.30
08/01/2041	4,311.45
02/01/2042	4,419.25
08/01/2042	4,529.75
02/01/2043	4,642.95
08/01/2043	4,759.05
02/01/2044	4,878.00
08/01/2044	5,000.00

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APPENDIX I
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIAL MEMBER

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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