

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE 18, 2025

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

**RATING: S&P: "A+"  
See "RATING" herein.**

*In the opinion of Jones Hall LLP, 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. Interest on the Bonds may be subject to the corporate 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."*

**\$2,000,000\***  
**HEBER ELEMENTARY SCHOOL DISTRICT**  
**(Imperial County, California)**  
**General Obligation Bonds,**  
**Election of 2024, Series A**  
**(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 2024, Series A (the "Bonds") are being issued by the Heber Elementary 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 May 14, 2025. The Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of \$4,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). 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 Imperial County (the "County"). The County is empowered and obligated to annually levy *ad valorem* property 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. See "SECURITY FOR THE BONDS."

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

**Payments.** The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing February 1, 2026. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

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

**Bond Insurance.** The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

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## MATURITY SCHEDULE

(See inside cover)

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**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 LLP, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado is serving as 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 July 10, 2025\*.*

**STIFEL**

The date of this Official Statement is \_\_\_\_\_, 2025.

*\*Preliminary; subject to change.*

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

## MATURITY SCHEDULE\*

**HEBER ELEMENTARY SCHOOL DISTRICT**  
(Imperial County, California)  
**General Obligation Bonds,**  
**Election of 2024, Series A**  
(Bank Qualified)

Base CUSIP<sup>†</sup>: \_\_\_\_\_

\$\_\_\_\_\_ Serial Bonds

<b><u>Maturity Date</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>†</sup></u></b>
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\$\_\_\_\_\_ % Term Bonds maturing August 1, 20\_\_; Yield: \_\_\_\_%;  
CUSIP<sup>†</sup>: \_\_\_\_

*\*Preliminary; subject to change.*

*†CUSIP Global Services is 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 FactSet Research Systems Inc. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.*

**HEBER ELEMENTARY SCHOOL DISTRICT**  
(Imperial County, California)

**BOARD OF TRUSTEES**

Tony Sandoval, *President*  
Angelica Cardenas, *Clerk*  
Helen Diaz Molina, *Trustee*  
Albert Padilla, *Trustee*  
Pompeyo Tabarez, *Trustee*

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**DISTRICT ADMINISTRATION**

Juan Cruz, *Superintendent*  
David Ostermann, *Chief Business Official*\*

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**PROFESSIONAL SERVICES**

**MUNICIPAL ADVISOR**

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

**BOND AND DISCLOSURE COUNSEL**

Jones Hall LLP  
*San Francisco, California*

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

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

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\* David Ostermann will be retiring as of June 30, 2025. Daniela Tabarez has been named as his replacement.

## 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.

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

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

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

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

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

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*INTENTIONALLY LEFT BLANK*

**\$2,000,000\***  
**HEBER ELEMENTARY SCHOOL DISTRICT**  
(Imperial County, California)  
**General Obligation Bonds,**  
**Election of 2024, Series A**  
(Bank Qualified)

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

## **INTRODUCTION**

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

**The District.** The District was established on July 3, 1908 and covers approximately 10.5 square miles. The District is located in and around the community of Heber, a census-designated place in Imperial County (the “**County**”), in the State of California (the “**State**”). The District currently operates two elementary schools: Dogwood Elementary (grades TK-4) and Heber Elementary (grades 5-8). Enrollment in the District is approximately 1,155 students for fiscal year 2024-25 and is budgeted to remain at 1,155 students for fiscal year 2025-26 .

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

**Purpose of Issue.** The net proceeds of the Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (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 \$4,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on May 14, 2025 (the “**Bond Resolution**”). See “THE BONDS – Authority for Issuance” herein.

**Description of the Bonds.** The Bonds will be issued as current interest bonds, will be dated their date of delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2026. See “THE BONDS – Description of the Bonds” herein.

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\* Preliminary; subject to change.

**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 The Depository Trust Company, New York, New York (“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 obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* property 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, there will be \$2,000,000\* unissued authorization remaining under the 2024 Authorization (as defined herein). See “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 LLP, San Francisco, California, Bond Counsel, to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall LLP, San Francisco, California, will serve as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado is serving as counsel to the Underwriter. Payment of the fees of Bond Counsel, Disclosure Counsel, and Underwriter’s counsel is contingent upon issuance of the Bonds.

**Bond Insurance.** The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance. See “BOND INSURANCE.”

**Tax Matters; Bank Qualified.** In the opinion of Bond Counsel, 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. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California 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.

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\* Preliminary; subject to change.



**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.

**Cyber Risks.** The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District’s continuing disclosure undertakings, described in more detail herein. See APPENDIX A “FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks.”

**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 are available from the District, which may impose a charge for copying, mailing and handling.

## THE BONDS

### Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of \$4,000,000 (the “**2024 Authorization**”).

The Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the Bonds, there will be \$2,000,000<sup>\*</sup> unissued authorization remaining under the 2024 Authorization.

### Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 5, 2024, the abbreviated text of which appeared on the ballot as follows:

*“To improve the quality of education; modernize outdated classrooms, restrooms and school facilities; repair or replace leaky roofs; and make health, safety and security improvements; shall the Heber Elementary School District measure be adopted authorizing \$4,000,000 of bonds at legal interest rates, generating approximately \$255,000 annually, while bonds are outstanding, at average rates of approximately \$29 per \$100,000 assessed value, with annual audits, independent citizens’ oversight committee, NO money for salaries and all money staying local?”*

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 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. 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 their interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2026 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication

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<sup>\*</sup> Preliminary; subject to change.

thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15<sup>th</sup>) day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2026, 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 Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

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

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

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\* Preliminary; subject to change.

***Mandatory Sinking Fund Redemption.*** The Bonds maturing on August 1, 20\_\_ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

**Term Bonds Maturing August 1, 20\_\_**

<b>Redemption Date (August 1)</b>	<b>Sinking Fund Redemption</b>
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If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

**Notice of Redemption**

The Paying Agent 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 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 County 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 Los Angeles, California for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the 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 the date established by the Paying Agent for selection of Bonds for redemption 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, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or

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

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

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

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

**“Federal Securities,”** as defined in the Bond Resolution, 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.

## DEBT SERVICE SCHEDULES

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

# Heber Elementary School District General Obligation Bonds, Election of 2024, Series A Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
TOTAL			

**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* property taxes, assuming no optional redemptions. See APPENDIX A – “FINANCIAL INFORMATION – Existing Debt Obligations” for additional information.

**HEBER ELEMENTARY SCHOOL DISTRICT  
Combined General Obligation Bond Debt Service Schedule**

<b>Period Ending August 1</b>	<b>2015 Series A Bonds</b>	<b>2018 Series A Bonds</b>	<b>2018 Series B Bonds</b>	<b>The Bonds</b>	<b>Aggregate Debt Service</b>
2025	\$324,768.76	\$105,900.00	\$106,425.00		
2026	337,768.76	120,900.00	74,925.00		
2027	349,968.76	125,300.00	74,925.00		
2028	366,368.76	129,500.00	79,925.00		
2029	376,768.76	133,500.00	79,750.00		
2030	391,568.76	142,300.00	74,575.00		
2031	410,268.76	145,700.00	79,575.00		
2032	423,025.00	148,900.00	84,400.00		
2033	439,900.00	156,900.00	79,050.00		
2034	456,150.00	159,500.00	83,875.00		
2035	474,900.00	166,900.00	83,525.00		
2036	492,750.00	173,900.00	83,175.00		
2037	509,700.00	180,500.00	87,825.00		
2038	525,750.00	186,700.00	87,300.00		
2039	545,900.00	192,500.00	91,775.00		
2040	--	197,900.00	91,075.00		
2041	--	206,650.00	95,075.00		
2042	--	214,650.00	93,825.00		
2043	--	221,900.00	97,575.00		
2044	--	228,400.00	96,075.00		
2045	--	236,000.00	99,575.00		
2046	--	243,000.00	102,737.50		
2047	--	254,400.00	100,637.50		
2048	--	260,000.00	108,537.50		
2049	--	--	380,912.50		
2050	--	--	393,850.00		
2051	--	--	405,212.50		
<b>TOTAL</b>	<b>\$6,425,556.32</b>	<b>\$4,331,800.00</b>	<b>\$3,316,112.50</b>		



## SOURCES AND USES OF FUNDS

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

### **Sources of Funds**

Principal Amount of Bonds

[Net] Original Issue [Premium]/[Discount]

**Total Sources**

\_\_\_\_\_

### **Uses of Funds**

Building Fund

Debt Service Fund

Costs of Issuance<sup>(1)</sup>

**Total Uses**

\_\_\_\_\_

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, bond insurance premium (if any) and the rating agency.

## SECURITY FOR THE BONDS

### ***Ad Valorem Taxes***

***Bonds Payable from Ad Valorem Property Taxes.*** The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* property 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* property taxes levied on all property in the District. See “PROPERTY TAXATION – Tax Rates” and “- Direct and Overlapping Debt” below.

***Levy, Collection and Pledge of Taxes.*** The County will levy and collect such *ad valorem* property 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 held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

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

***Statutory Lien on Ad Valorem Tax Revenues.*** Under California law, voter-approved general obligation bonds which are secured by *ad valorem* property 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* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

***Natural Disasters.*** Economic and other factors beyond the District’s control, such as economic recession, deflation of property values, pandemics, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought, climate change 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.”

## **Building Fund**

Proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the “Election of 2024, Series A Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the 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 “Election of 2024, Series A Debt Service Fund” (the “**Debt Service Fund**”) for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District and the County. All taxes levied by the County for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by the 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. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the County shall 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**

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

## PROPERTY TAXATION

### Property Tax Collection Procedures

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

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

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, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% 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 County, except for public utility property which is assessed by the SBE, 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 history of the District’s assessed valuation.

### HEBER ELEMENTARY SCHOOL DISTRICT Assessed Valuation Fiscal Years 2015-16 through 2024-25

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2015-16	\$380,115,974	\$73,860	\$63,284,478	\$443,474,312	--%
2016-17	387,746,058	73,860	62,213,059	450,032,977	1.5
2017-18	367,935,855	160,846	98,095,633	466,192,334	3.6
2018-19	375,276,578	160,846	90,247,102	465,684,526	(0.1)
2019-20	385,894,377	160,846	92,220,908	478,276,131	2.7
2020-21	373,646,608	160,846	82,002,283	455,809,737	(4.7)
2021-22	379,961,833	219,542	83,971,748	464,153,123	1.8
2022-23	392,837,454	219,542	85,355,260	478,412,256	3.1
2023-24	394,738,352	219,542	86,691,370	481,649,264	0.7
2024-25	413,636,459	219,542	102,151,084	516,007,085	7.1

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 disasters such as wildfires, earthquakes, droughts, floods, climate change and pandemics, among others. The District cannot predict or make any representations regarding the effects that natural disasters or other conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Seismic Events. The District is located in a seismically active region. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of June 3, 2025, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly no drought conditions in the northern part of the State, some abnormally dry and moderate drought conditions in the central part of the State, with moderate and severe drought conditions in the southern part of the State, with pockets of extreme and exceptional drought conditions on the southeast border, with the County in the severe and extreme drought categories.

During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts. In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing eleven members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-

19 (“COVID-19”), an upper respiratory tract illness, that spread across the globe. The ultimate impact of COVID-19 on the District’s operations and finances and the economy, real estate market, development within the District and tax collections may not be fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District’s operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

**Property Tax Base Transfer Ballot Measure.** On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment (“**Proposition 19**”), which will: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

**Assessed Valuation by Jurisdiction.** The table below shows the assessed valuation by jurisdiction of properties within the District.

**HEBER ELEMENTARY SCHOOL DISTRICT**  
**Assessed Valuation by Jurisdiction**  
**Fiscal Year 2024-25**

<b><u>Jurisdiction:</u></b>	<b><u>Assessed Valuation in School District</u></b>	<b><u>% of School District</u></b>	<b><u>Assessed Valuation of Jurisdiction</u></b>	<b><u>% of Jurisdiction in School District</u></b>
Unincorporated Imperial County	\$516,007,085	100.00%	\$6,893,699,407	7.49%
Total District	\$516,007,085	100.00%		
Imperial County	\$516,007,085	100.00%	\$16,804,752,100	3.07%

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 2024-25. As shown, the majority of the District's assessed valuation is represented by residential property.

**HEBER ELEMENTARY SCHOOL DISTRICT**  
**Local Secured Property Assessed Valuation and Parcels by Land Use**  
**Fiscal Year 2024-25**

	<b>2024-25 Assessed Valuation <sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
<b><u>Non-Residential:</u></b>				
Agricultural	\$ 40,343,224	9.75%	84	4.94%
Commercial	20,709,255	5.01	24	1.41
Vacant Commercial	2,446,494	0.59	17	1.00
Industrial/ Power Generation	43,580,210	10.54	21	1.24
Vacant Industrial	196,673	0.05	3	0.18
Recreational	151,564	0.04	3	0.18
Government/Social/Institutional	<u>1,067,856</u>	<u>0.26</u>	<u>42</u>	<u>2.47</u>
Subtotal Non-Residential	\$108,495,276	26.23%	194	11.42%
<b><u>Residential:</u></b>				
Single Family Residence	\$294,183,546	71.12%	1,376	80.99%
Mobile Home	3,008,840	0.73	44	2.59
Mobile Home Park	1,249,097	0.30	3	0.18
2-4 Residential Units	424,495	0.10	3	0.18
5+ Residential Units/Apartments	1,091,886	0.26	7	0.41
Vacant Residential	<u>5,183,319</u>	<u>1.25</u>	<u>72</u>	<u>4.24</u>
Subtotal Residential	\$305,141,183	73.77%	1,505	88.58%
<b>Total</b>	<b>\$413,636,459</b>	<b>100.00%</b>	<b>1,699</b>	<b>100.00%</b>

(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 2024-25, including the median and average assessed value of single-family parcels in the District.

**HEBER ELEMENTARY SCHOOL DISTRICT**  
**Per Parcel Assessed Valuation of Single Family Homes**  
**Fiscal Year 2024-25**

Single Family Residential	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
	1,376	\$294,183,546	\$213,796	\$204,755

2024-25 Assessed Valuation	No. of Parcels <sup>(1)</sup>	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	11	0.799%	0.799%	\$ 166,508	0.057%	0.057%
\$25,000 - \$49,999	77	5.596	6.395	3,258,079	1.107	1.164
\$50,000 - \$74,999	65	4.724	11.119	3,972,085	1.350	2.514
\$75,000 - \$99,999	52	3.779	14.898	4,547,352	1.546	4.060
\$100,000 - \$124,999	45	3.270	18.169	5,005,136	1.701	5.761
\$125,000 - \$149,999	85	6.177	24.346	11,867,076	4.034	9.795
\$150,000 - \$174,999	190	13.808	38.154	31,230,839	10.616	20.411
\$175,000 - \$199,999	142	10.320	48.474	26,716,414	9.082	29.493
\$200,000 - \$224,999	107	7.776	56.250	22,753,541	7.734	37.227
\$225,000 - \$249,999	115	8.358	64.608	27,219,844	9.253	46.480
\$250,000 - \$274,999	117	8.503	73.110	30,704,830	10.437	56.917
\$275,000 - \$299,999	103	7.485	80.596	29,682,764	10.090	67.007
\$300,000 - \$324,999	65	4.724	85.320	20,319,594	6.907	73.914
\$325,000 - \$349,999	65	4.724	90.044	21,839,260	7.424	81.338
\$350,000 - \$374,999	62	4.506	94.549	22,562,289	7.669	89.008
\$375,000 - \$399,999	23	1.672	96.221	8,937,891	3.038	92.046
\$400,000 - \$424,999	24	1.744	97.965	9,878,330	3.358	95.404
\$425,000 - \$449,999	10	0.727	98.692	4,328,066	1.471	96.875
\$450,000 - \$474,999	6	0.436	99.128	2,751,081	0.935	97.810
\$475,000 - \$499,999	3	0.218	99.346	1,454,340	0.494	98.304
\$500,000 and greater	9	0.654	100.000	4,988,227	1.696	100.000
	1,376	100.000%		\$294,183,546	100.000%	

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

**Reassessments and Appeals of Assessed Value**

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

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article 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 SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed

because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

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

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

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

## Tax Rates

Below are historical typical tax rates in a typical tax rate area (Tax Rate Area 66-001) within the District for fiscal years 2020-21 through 2024-25.

**HEBER ELEMENTARY SCHOOL DISTRICT**  
**Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 66-001) <sup>(1)</sup>**  
**Fiscal Years 2020-21 through 2024-25**

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Central Union High School District	.03520	.01520	.01740	.00980	.02490
Heber School District Bonds	.05230	.07150	.04720	.04120	.03349
Imperial Community College District	.05230	.04690	.04920	.06700	.03400
<b>Total Tax Rate</b>	<b>\$1.13980</b>	<b>\$1.13360</b>	<b>\$1.11380</b>	<b>\$1.11800</b>	<b>\$1.09239</b>

(1) 2024-25 assessed valuation of TRA 66-001 is \$171,382,765 which is 33.21% of the District's total assessed valuation.  
Source: California Municipal Statistics, Inc.

## Tax Levies and Delinquencies

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

So long as the Teeter Plan remains in effect, and the County continues to include the District in the Teeter Plan, the District’s receipt of revenues with respect to the levy of *ad valorem* property taxes on the secured roll will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%.

In the event that the Teeter Plan were terminated with regard to the remainder of the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Notwithstanding the above, the table below shows secured tax charge and delinquency rates for property taxes levied to repay the District’s general obligation bonds for fiscal years 2019-20 through 2023-24.

### HEBER ELEMENTARY SCHOOL DISTRICT Fiscal Years 2019-20 through 2023-24 Secured Tax Charges and Delinquency Rates

Fiscal Year	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent June 30	Percent Delinquent June 30
2019-20	\$206,387.20	\$7,971.92	3.86%
2020-21	194,846.38	7,868.57	4.04
2021-22	270,286.32	13,841.98	5.12
2022-23	183,725.32	1,165.13	0.63
2023-24	161,106.50	6,261.57	3.89

(1) District’s general obligation bond debt service levy only.  
Source: California Municipal Statistics, Inc.

## Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2024-25. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

### HEBER ELEMENTARY SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2024-25

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2024-25 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1.	Second Imperial Geothermal Company	Power Generation	\$34,904,224	8.44%
2.	Imperial Center LLC	Commercial	16,190,429	3.91
3.	ETX LLC	Agricultural	5,545,596	1.34
4.	Meyer Imperial Investments LLC	Agricultural	3,835,305	0.93
5.	Jaime Tamayo	Industrial	3,786,836	0.92
6.	DVOZPC LLC	Agricultural	3,173,216	0.77
7.	Margaret L. Abatti, Trust	Agricultural	3,056,487	0.74
8.	Lucky Quarter LLC	Agricultural	2,866,292	0.69
9.	Alex C. Abatti Jr., Trust	Agricultural	2,030,168	0.49
10.	Imperial Solar I LLC	Power Generation	1,821,579	0.44
11.	Michael and Kerri Abatti, Trustees	Agricultural	1,540,123	0.37
12.	Jose Maria And Martha Silvia Rodriguez	Commercial	1,515,000	0.37
13.	The Coyne Companies LLC	Residential Properties	1,511,495	0.37
14.	The Heber Limited Partnership	Agricultural	1,491,210	0.36
15.	Craig Moiola	Agricultural	1,439,009	0.35
16.	North McCabe LLC	Agricultural	1,408,127	0.34
17.	HWP Heber LLC	Residential Land	1,266,106	0.31
18.	Tierra Partners II LLC	Agricultural	1,171,634	0.28
19.	SBMD Properties LLC	Industrial	1,098,993	0.27
20.	GM Gabrych Family LP	Agricultural	<u>1,093,645</u>	<u>0.26</u>
			\$90,745,474	21.94%

(1) 2024-25 local secured assessed valuation: \$413,636,459.

Source: California Municipal Statistics, Inc.

## Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of June 1, 2025. 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.

### HEBER ELEMENTARY SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt (Debt Issued as of June 1, 2025)

**2024-25 Assessed Valuation:** \$516,007,085

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 6/1/25</u></b>
Imperial Community College District	3.156%	\$ 6,526,729
Central Union High School District	10.481	2,910,574
<b>Heber School District</b>	<b>100.000</b>	<b>9,050,000</b> <sup>(1)</sup>
Heber Public Utility District Community Facilities District No. 2005-1	100.000	1,225,000
Imperial County Community Facilities District No. 06-1	100.000	1,458,000
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$21,170,303</b>
 <b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>		
Imperial County Certificates of Participation	3.071%	\$ 113,627
Imperial County Pension Obligation Bonds	3.071	436,543
Imperial County Office of Education General Fund Obligations	3.071	153,981
<b>Heber School District General Fund Obligations</b>	<b>100.000</b>	<b>3,075,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$3,779,151</b>
 <b>COMBINED TOTAL DEBT</b>		<b>\$24,949,454</b> <sup>(2)</sup>

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

<b>Direct Debt (\$9,050,000)</b> .....	<b>1.75%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	4.10%
<b>Combined Direct Debt (\$12,125,000)</b> .....	<b>2.35%</b>
Combined Total Debt .....	4.84%

(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 District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

## TAX MATTERS

### Tax Exemption

**Federal Tax Status.** In the opinion of Jones Hall LLP, 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. Interest on the Bonds may be subject to the corporate 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 Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and 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 "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

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

offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

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

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

**Other Tax Considerations.** 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 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 investing 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 Material Litigation**

No Litigation Regarding Bonds or Existence of District. 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* property taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

Claims and Lawsuits Against Public School Districts Generally. 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. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including Assembly Bill 218. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

### **Compensation of Certain Professionals**

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District, and Kutak Rock 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 (an **“Annual Report”**) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website (**“EMMA”**) not later than nine months after the end of the District’s fiscal year, commencing March 31, 2026, with the report for the 2024-25 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. 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 Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the **“Rule”**).

In the previous five-years, the District has not failed to materially comply with its existing undertakings. In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Isom Advisors, a Division of Urban Futures, Inc., to serve as its dissemination agent.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability with respect to the performance of the District’s duties regarding continuing disclosure. The County has not reviewed, nor is it responsible for, the content of this Official Statement.

## RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (**“S&P”**) has assigned a rating of **“A+”** to the Bonds. The District has provided certain additional information and materials to S&P (some of which has been determined not to be material to making an investment decision in the Bonds and does not appear in this Official Statement). Such ratings reflect only the views of S&P and explanations of the significance of such ratings may be obtained only from S&P. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in S&P’s judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds on EMMA. See **“APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE”** attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to S&P and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance 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 \$\_\_\_\_\_ which is equal to the aggregate principal amount of the Bonds of \$\_\_\_\_\_, [plus][less] [net] original issue [premium][discount] of \$\_\_\_\_\_ less an Underwriter’s discount of \$\_\_\_\_\_.

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.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

## 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 District and, following delivery of the Bonds, will be on file at the office of the Paying Agent in Los Angeles, California.

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

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

## **EXECUTION**

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

### **HEBER ELEMENTARY SCHOOL DISTRICT**

By: \_\_\_\_\_  
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 property tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.*

### GENERAL INFORMATION

The District was established on July 3, 1908 and covers approximately 10.5 square miles. The District is located in and around the community of Heber, a census-designated place in Imperial County (the "**County**"), in the State of California (the "**State**"). The District currently operates two elementary schools: Dogwood Elementary (grades TK-4) and Heber Elementary (grades 5-8). Enrollment in the District is approximately 1,155 students for fiscal year 2024-25 and is budgeted to remain at 1,155 for fiscal year 2025-26.

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

### District Governance and Administration

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

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Tony Sandoval	President	December 2026
Angelica Cardenas	Clerk	December 2026
Helen Diaz Molina	Trustee	December 2028
Albert Padilla	Trustee	December 2026
Pompeyo Tabarez	Trustee	December 2028

**Administrative Personnel.** The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Juan Cruz currently serves as the Superintendent of the District and David Ostermann serves as the Chief Business Official. David Ostermann will be retiring as of June 30, 2025. Daniela Tabarez has been named as his replacement.

## Recent Enrollment Trends

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

### ANNUAL ENROLLMENT Fiscal Years 2017-18 through 2025-26 Heber Elementary School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2017-18	1,204	--%
2018-19	1,279	6.2
2019-20	1,268	(0.9)
2020-21	1,181	(6.9)
2021-22	1,152	(2.5)
2022-23	1,186	3.0
2023-24	1,186	0.0
2024-25	1,155	(2.6)
2025-26 <sup>(1)</sup>	1,155	0.0

(1) Budgeted.

Source: California Department of Education; Heber Elementary School District.

## Employee Relations

For fiscal year 2025-26, the District has budgeted for 66 full-time equivalent ("FTE") certificated employees, 61 FTE classified employees, and 20 FTE management employees. Two unions represent the District employees as shown in the table below.

<u>Employee Group</u>	<u>Bargaining Group</u>	<u>Contract Expiration Date</u>
Certificated	Heber Teachers' Association	June 30, 2026
Classified	California School Employees' Association	June 30, 2026

Source: Heber Elementary School District.

## FINANCIAL INFORMATION

### Education Funding Generally

School districts in the State 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 impact a school district's revenues and operations.

The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the "**LCFF**"). Under the LCFF, school districts 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 average daily attendance ("**ADA**"), which varies with respect to different grade spans and are 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 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) 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 had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

In 2021, legislation was passed that requires school districts operating a kindergarten program to also provide a transitional kindergarten ("**TK**") program for all 4-year-old children by fiscal year 2025–26.

Funding levels used in the LCFF entitlement calculations for fiscal year 2024-25 are set forth in the following table.

**Fiscal Year 2024-25 Base Grant Funding\* Under LCFF  
by Grade Span**

<b>Entitlement Factor</b>	<b>TK/K-3</b>	<b>4-6</b>	<b>7-8</b>	<b>9-12</b>
A. 2023-24 Base Grant per ADA	\$9,919	\$10,069	\$10,367	\$12,015
B. 2024-25 COLA for LCFF (A x 1.07%)	\$106	\$108	\$111	\$129
C. 2024-25 Base Grant per ADA before Grade Span Adjustments (A+B)	\$10,025	\$10,177	\$10,478	\$12,144
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	\$1,043	n/a	n/a	\$316
E. 2024-25 Base Grant/Adjusted Base Grant per ADA (C + D)	\$11,068	\$10,177	\$10,478	\$12,460

\*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of \$3,077 times the school district's current year TK ADA.

Source: California Department of Education.

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 State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system. When a school district's share of local property taxes exceeds its funding entitlement under LCFF, it is deemed a Basic Aid District and is entitled to keep its local property taxes in lieu of lower funding per ADA available under LCFF. The District is not a Basic Aid District.

### **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 audited financial statements for fiscal year 2023-24 were prepared by Wilkinson Hadley King & Co. LLP, El Cajon, 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 Chief Business Official. 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 2019-20 through 2023-24.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Fiscal Years 2019-20 through 2023-24 (Audited)**  
**Heber Elementary School District <sup>(1)</sup>**

	<b>Audited 2019-20</b>	<b>Audited 2020-21</b>	<b>Audited 2021-22</b>	<b>Audited 2022-23</b>	<b>Audited 2023-24</b>
<b><u>Revenues</u></b>					
State Apportionment	\$11,365,625	\$7,830,910	\$7,782,840	\$13,504,988	\$13,502,234
Education Protection Account Funds	993,984	4,329,355	5,241,778	939,946	1,702,480
Property Taxes	1,205,661	1,139,089	1,135,123	1,161,623	1,183,800
Federal Revenue	804,335	2,441,932	1,861,148	2,427,160	2,089,171
Other State Revenue	1,468,237	2,032,117	3,227,002	6,752,622	4,548,050
Interest Income	71,657	109,626	59,546	189,528	347,502
Fair Market Value Adjustment	--	--	(239,921)	(143,006)	134,458
Other Local Revenue	318,727	611,798	876,745	644,878	1,080,397
Total Revenues	16,228,226	18,494,827	19,944,261	25,477,739	24,588,092
<b><u>Expenditures</u></b>					
Instruction	9,388,063	10,514,826	12,847,966	14,988,277	14,700,628
Instruction-Related Services	1,666,032	1,593,058	1,765,431	1,946,175	2,004,979
Pupil Services	904,495	798,032	860,034	683,530	1,285,847
Ancillary Services	166,641	19,507	48,927	137,921	247,054
General Administration	1,430,417	1,357,649	1,726,584	1,988,873	2,241,488
Plant services	1,741,477	1,522,270	1,876,890	2,102,880	2,762,712
Other Outgo	127,576	125,209	--	--	--
Payment to County Office of Education	--	--	105,167	99,620	176,002
Capital Outlay	28,400	217,029	502,430	805,241	482,952
Debt Service:					
Principal	--	--	21,664	39,294	43,015
Interest	178,430	42,473	3,194	6,225	3,881
Total Expenditures	15,631,531	16,190,053	19,758,287	22,798,036	23,948,558
Excess (Deficiency) of Revenues over expenditures	596,695	2,304,774	185,974	2,679,703	639,534
Operating Transfers in <sup>(2)</sup>	100,000	787,600	--	--	--
Operating Transfers out <sup>(2)</sup>	(262,558)	(83,459)	(14,287)	--	--
Proceeds from Leases <sup>(3)</sup>	--	--	189,778	--	--
Total other financing sources (uses)	(162,558)	704,141	175,491	--	--
Net Change in Fund Balance	434,137	3,008,915	361,465	2,679,703	639,534
<b>Fund Balance, July 1</b>	<b>5,104,119</b>	<b>5,578,122</b>	<b>8,586,561</b>	<b>8,948,026</b>	<b>11,627,729</b>
<b>Fund Balance, June 30</b>	<b>\$5,538,256</b>	<b>\$8,587,037</b>	<b>\$8,948,026</b>	<b>\$11,627,729</b>	<b>\$12,267,263</b>

(1) Totals may not foot due to rounding.

(2) Transfers in and transfers out generally attributed to interfund transfers for capital expenditures.

(3) The proceeds of the equipment lease were used to finance photocopy machines.

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

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of 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 governing board approval.

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

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

***District's General Fund.*** The following table shows the general fund figures for fiscal year 2024-25 (estimated actuals) and fiscal year 2025-26 (adopted budget).

**HEBER ELEMENTARY SCHOOL DISTRICT  
Revenues, Expenditures, and Changes in General Fund Balance  
Fiscal Year 2024-25 (Estimated Actuals)  
Fiscal Year 2025-26 (Adopted Budget)**

	<b>Estimated Actuals 2024-25</b>	<b>Adopted Budget 2025-26</b>
<b>Revenues</b>		
Total LCFF Sources	\$15,839,086	\$16,009,167
Federal Revenues	1,496,459	943,777
Other state revenues	4,588,977	4,418,660
Other local revenues	1,731,756	1,634,230
Total Revenues	23,656,278	23,005,834
<b>Expenditures</b>		
Certificated Salaries	9,487,755	9,385,090
Classified Salaries	4,500,960	4,607,104
Employee Benefits	6,006,474	5,953,874
Books and Supplies	2,089,323	2,327,621
Services and Other Operating Expenditures	2,614,582	2,191,653
Capital Outlay	903,412	--
Other Outgo (excluding transfers of indirect costs)	15,850,00	262,171
Other Outgo	(110,000)	(110,000)
Total Expenditures	25,508,356	24,617,513
Excess of Revenues Over/(Under) Expenditures	(1,852,078)	(1,611,679)
<b>Other Financing Sources (Uses)</b>		
Operating transfers in	--	--
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	--	--
Net change in fund balance	(1,852,078)	(1,611,679)
Fund Balance, July 1	11,845,724	9,993,646
Fund Balance, June 30 <sup>(1)</sup>	\$9,993,646	\$8,381,967

(1) Fund balances do not reflect all funds included in the District's general fund in the audited financial statements shown above.

Source: Heber Elementary 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.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2024-25.

#### Attendance - LCFF Funding

**Funding Trends under LCFF.** As described herein, 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 2019-20 through 2025-26.

#### HEBER ELEMENTARY SCHOOL DISTRICT ADA and LCFF Funding Fiscal Years 2019-20 through 2025-26

Fiscal Year	ADA	LCFF Funding Per ADA
2019-20	1,214	\$11,172
2020-21	1,214	10,953
2021-22	1,054	13,438
2022-23	1,101	14,176
2023-24	1,111	14,746
2024-25 <sup>(1)</sup>	1,102	14,373
2025-26 <sup>(2)</sup>	1,093	14,647

(1) Estimated actual

(2) Budgeted.

Source: California Department of Education for fiscal years 2019-20 through 2023-24; Heber Elementary School District for fiscal years 2024-25 and 2025-26.

**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 81% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment,

including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low income students.

If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts, which the Trump administration has signaled are a priority in the State.

## **Revenue Sources**

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

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

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

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

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. The District is not a Community Supported District. 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.

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President

Trump has signed an executive order aimed at dismantling the federal Department of Education, from which California school districts receive funding aimed at low-income and special needs students. The District cannot predict the types of possible federal funding cuts that may occur, the extent of such cuts, if any, and the impact on the District's revenues or operations, if any, as a result of the reduction or elimination of federal funding or the possible termination of the Department of Education.

**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. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget ("**AB 1469**"), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service

credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized in the following table:

**STRS EMPLOYER CONTRIBUTION RATES**  
**Effective Dates of July 1, 2020 through July 1, 2025**

<b>Effective Date</b>	<b>Employer Contribution Rate</b>
July 1, 2020	16.15%
July 1, 2021	16.92
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
July 1, 2025	19.10

*Source: STRS.*

The State also continues to contribute to STRS, and its contribution rate is 8.328% in fiscal year 2024-25 and will be 8.328% for fiscal year 2025-26.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

**STRS CONTRIBUTIONS**  
**Heber Elementary School District**  
**Fiscal Years 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Amount</b>
2019-20	\$1,124,337
2020-21	1,099,952
2021-22	1,274,270
2022-23	1,508,096
2023-24	1,701,041
2024-25 <sup>(1)</sup>	2,678,117
2025-26 <sup>(2)</sup>	2,603,122

(1) Estimated actual.

(2) Budgeted.

*Source: Heber Elementary School District.*

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately \$88.7 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

**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, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, PERS has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (“**AB 84**”) of June 2020, directed contributions of \$430 million and \$330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (PERS)**  
**Fiscal Years 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Employer Contribution Rate<sup>(1)</sup></b>
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810

(1) Expressed as a percentage of covered payroll.

Source: PERS

The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

**PERS EMPLOYER CONTRIBUTIONS**  
**Heber Elementary School District**  
**Fiscal Years 2019-20 through 2025-26**

<b>Fiscal Year</b>	<b>Amount</b>
2019-20	\$450,725
2020-21	484,152
2021-22	654,152
2022-23	885,640
2023-24	1,017,111
2024-25 <sup>(1)</sup>	965,952
2025-26 <sup>(2)</sup>	1,029,567

(1) Estimated actual.

(2) Budgeted.

Source: Heber Elementary School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately \$40.8 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

**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 - STRS and PERS.** Additional information regarding the District's retirement programs is available in Note M to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, [www.calstrs.com](http://www.calstrs.com) and [www.calpers.ca.gov](http://www.calpers.ca.gov), respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

### **No Post-Employment Retirement Benefits**

The District currently does not provide other post-employment benefits to employees.

### **Insurance – Joint Powers Agreement**

The District participates in two joint powers agreements (“JPAs”) entities, the Imperial County Schools Risk Management and the Imperial County Schools Fringe Benefits Consortium for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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

### **Disclaimer Regarding Cyber Risks**

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District’s current efforts to manage cyber threats and security will, in all cases, be successful.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third-party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

## Existing Debt Obligations

**General Obligation Bonds.** The District has other series of general obligation bonds currently outstanding, as summarized in the following table. See also “DEBT SERVICE SCHEDULES” in the body of this Official Statement for the annual debt service requirements of the District’s outstanding bonds.

Dated Date	Series	Outstanding as of June 1, 2025
08/11/2016	General Obligation Bonds Election of 2015, Series A	\$5,050,000
06/13/2019	General Obligation Bonds Election of 2018, Series A	2,500,000
04/17/2024	General Obligation Bonds Election of 2018, Series B	1,500,000
	Total	<u>\$9,050,000</u>

Source: District’s Audit; the Municipal Advisor.

## Leases.

**Copier Leases.** The District has entered into three lease agreements with Fruth Group for the use of copy machines. The first agreement began December 2020 extending for 60 months to November 2026 with monthly payments of \$498. The second agreement began October 2021 extending for 60 months to September 2027 with monthly payments of \$263. The third agreement began January 2022 extending for 60 months to December 2027 with monthly payments of \$3,147 per month. The leases have been recorded at the present value of lease payments discounted at a 3% rate. Future payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$44,323	\$2,573	\$46,896
2026	42,158	1,252	43,410
2027	19,503	168	19,671
<b>Total</b>	<b>\$105,984</b>	<b>\$3,993</b>	<b>\$109,977</b>

Source: Heber Elementary School District.

**Energy Leases.** On March 21, 2024, the District entered into a lease agreement with Bank of America, National Association, for the purpose of financing solar projects at District sites. The lease financing is in the principal amount of \$3,075,000, with payments made each March 1 and September 1 until March 1, 2044. Future payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	--	\$136,205	\$136,205
2026	\$103,000	143,022	246,022
2027	108,000	138,121	246,121
2028	113,000	133,008	246,008
2029	119,000	127,615	246,615
2030-2034	683,000	548,191	1,231,191
2035-2039	862,000	369,830	1,231,830
2040-2044	1,087,000	144,898	1,231,898
<b>Total</b>	<b>\$3,075,000</b>	<b>\$1,740,890</b>	<b>\$4,815,890</b>

Source: Heber Elementary School District.

**Compensated Absences.** Total unpaid employee compensated absences as of June 30, 2023 was \$8,705. This amount is included as part of long-term liabilities in the government-wide financial statements.

## **Impact of COVID-19**

As described in this Official Statement, while indications are that the COVID-19 pandemic is transitioning to an endemic stage, many variables will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery. The ultimate impact of COVID-19 on the District's operations and finances is not fully known, and it may be some time before the full impact of the COVID-19 pandemic is known. The Bonds described in this Official Statement are not secured by the District's funds, but rather 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.

## **Investment of District Funds**

In accordance with California Government Code Sections 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the California Government Code. See APPENDIX G to the Official Statement for the County's current investment policy and recent investment report.

## **Effect of State Budget on Revenues**

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

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

## **STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS**

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the "LAO"). Neither the District, the Underwriter nor the County is responsible for the information provided in this section.*

### **State Funding of Education Generally**

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive the majority of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

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's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

### **The State 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. Under State law, the annual proposed State budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the State 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.

## Resources Relating to State Budgets

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- [www.treasurer.ca.gov](http://www.treasurer.ca.gov): The California State Treasurer internet home page, under the link to “Bond Finance” and sub-heading “-Public Finance Division”, includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.
- [www.dof.ca.gov](http://www.dof.ca.gov): The California Department of Finance’s (the “**DOF**”) internet home page, under the link to “California Budget”, includes the text of proposed and adopted State Budgets.
- [www.lao.ca.gov](http://www.lao.ca.gov): The LAO’s internet home page includes a link to “-The Budget” which includes analyses and commentary on fiscal outlooks.

*The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is not incorporated herein by reference.*

## The 2024-25 State Budget

The Governor signed the fiscal year 2024-25 State budget on June 29, 2024, which was amended through a series of legislative trailer bills (the “**2024-25 State Budget**”). The 2024-25 State Budget notes that the State has experienced significant revenue volatility and unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. The 2024-25 State Budget also notes that the unprecedented Internal Revenue Service tax filing and payment postponement in the year 2023 significantly clouded the State’s revenue forecast, and indicates that, with the revenue picture now clearer, the 2024-25 State Budget takes steps to ensure California is on sound fiscal footing by setting the State on a fiscally responsible long-term path that protects vital programs.

The 2024-25 State Budget includes provisions intended to address a budget deficit of approximately \$46.8 billion while also creating positive fund balance in State’s Special Fund for Economic Uncertainties (the “**SFEU**”) in fiscal years 2024-25 and 2025-26 and maintaining core programs for vulnerable populations. The 2024-25 State Budget includes approximately \$16.0 billion in budgetary reductions, comprising (a) an approximately 7.95% reduction in the State’s operations budget resulting in State general fund savings of approximately \$2.2 billion, (b) a \$1.5 billion permanent reduction in State departments’ budgets for vacant positions, (c) a reduction of approximately \$0.4 billion in State Department of Corrections and Rehabilitation budget in fiscal year 2024-25 and a total reduction of approximately \$0.7 billion in fiscal years 2022-23 through 2024-25, (d) \$1.1 billion reduction in various affordable housing programs, and (e) \$0.7 billion for various healthcare workforce housing programs.

The 2024-25 State Budget includes a \$13.6 billion increase in revenues by means of additional revenue sources and internal borrowing from special funds, which incorporates suspension of net operating loss deductions for companies with over \$1.0 million in taxable income and limits business tax credits to \$5.0 million in fiscal years 2023-2024 through 2025-2026, and increased managed care organization tax generating \$5.1 billion in fiscal year 2024-25, \$4.6 billion in fiscal year 2025-26, and \$4.0 billion in fiscal year 2026-27. Significantly, the

2024-25 State Budget provides for the withdrawal of approximately \$12.2 billion from the State Rainy Day Fund (the “Rainy Day Fund”) over fiscal years 2024-25, and 2025-26 and approximately \$0.9 billion from the State Safety Net Reserve in fiscal year 2024-25.

Additional balancing measures include \$6.0 billion in fund shifts, such as (a) applying a prior CalPERS supplemental pension payment to the State’s overall pension liability which reduces the State’s required employer contributions in fiscal year 2024-25 by \$1.7 billion, (b) shifts approximately \$1.0 billion in expenditures from the State general fund to the State’s greenhouse gas reduction fund for the Formula and Competitive Transit and Intercity Rail Capital Program, and (c) shifts approximately \$3.0 billion in expenditures from the State general fund to the State’s greenhouse gas reduction fund for clean energy and other climate programs. The 2024-25 State Budget also delays funding for programs such as the State food assistance program expansion, developmental services, childcare slots and the State’s broadband program by a total amount of approximately \$3.1 billion and includes approximately \$2.1 billion in payroll and University of California and California State University compact deferrals. Some of the core programs maintained in the 2024-25 State Budget include funding of the Proposition 98 minimum guarantee at approximately \$115.3 billion for school districts and community colleges, Medi-Cal expansion of health care, multiple programs supporting the expansion of the continuum of behavioral health treatment and infrastructure capacity for providing behavioral health services, State supplemental payment base grants, CalWORKs base grants, in-home supportive services and certain broadband programs.

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

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

Proposition 98 Minimum Guarantee. The 2024-25 State Budget suspends the Proposition 98 minimum guarantee in fiscal year 2023-24 and projects the Proposition 98 minimum guarantee to be in Test 1 in fiscal year 2024-25. In Test 1 years, the Proposition 98 minimum guarantee is equal to the percentage of State general fund appropriated for K-14 schools in the fiscal year 1986-87. Suspending the Proposition 98 minimum guarantee is projected to create a maintenance factor obligation of approximately \$8.3 billion in fiscal year 2023-24 and is projected to result in a \$4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 minimum guarantee level in fiscal year 2024-25. The 2024-25 State Budget reflects Proposition 98 funding levels of \$103.7 billion in fiscal year 2022-23, \$98.5 billion in fiscal year 2023-24, and



\$115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State's general fund revenues, plus local property tax revenues and a \$4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to approximately 39.2% to increase the percentage of State general fund revenues due to the minimum guarantee.

Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes a withdrawal of the entire \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 and a discretionary payment of approximately \$1.1 billion in fiscal year 2024-25, leaving a projected balance of \$1.1 billion at the end of fiscal year 2024-25. Because there is no ending balance at the end of the 2023-24 fiscal year and a balance of \$1.1 billion at the end of the 2024-25 fiscal year, school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26.

Local Control Funding Formula. The 2024-25 State Budget includes LCFF cost-of-living adjustment of 1.07%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local agencies by approximately \$983 million. To fully fund the LCFF, the 2024-25 State Budget withdraws approximately \$5.3 billion from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2023-24 and uses available reappropriation and reversion funding of \$253.9 million to support ongoing LCFF costs in fiscal year 2024-25.

Deferrals. The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately \$3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately \$246 million. Additionally, the 2024-25 State Budget reflects approximately \$2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using Proposition 98 Rainy Day Fund resources.

Learning Recovery Emergency Block Grant. The 2024-25 State Budget focuses the use of allocated but unexpended Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs, and incorporates the use of these funds into the existing Local Control and Accountability Plan development process.

Employee Protections. To ensure stable employment for school staff, the 2024-25 State Budget includes a suspension of the August 15, 2024, layoff window for certificated and classified staff.

Instructional Continuity and Attendance Program. The 2024-25 State Budget includes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to local educational agencies. Beginning in fiscal year 2024-25, the 2024-25 State Budget allows local educational agencies to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education for funding purposes. Beginning July 1, 2025, the 2024-25 State Budget requires local educational agencies to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application (J-13A waiver). The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The 2024-

25 State Budget also includes a \$4.0 million in one-time Proposition 98 general fund resources to research and develop new models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for local educational agencies to develop their own hybrid and remote learning programs to enable instructional continuity.

Teacher Professional Development and Preparation. To expand the state's educator training infrastructure, the 2024-25 State Budget (a) provides \$25 million of one-time Proposition 98 general fund resources to support necessary costs, including training for educators to administer literacy screenings to meet the requirement to screen students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year; and (b) provides \$20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training aligned with the new California Mathematics Framework for mathematics coaches and leaders who in turn can provide training and support to mathematics teachers to deliver high-quality instruction.

State Preschool Program. The 2024-25 State Budget provides approximately \$53.7 billion of State's general fund resources to support reimbursement rate increases previously supported by available one-time federal stimulus funding. The 2024-25 State Budget reflects one-time savings of \$190.7 million general fund and \$522.3 million Proposition 98 general fund. The 2024-25 State Budget authorized State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027. The 2024-25 State Budget maintains that the State Preschool Program continue to require providers to reserve 5% of funded enrollment for children with disabilities. However, the 2024-25 State Budget suspends provisions to increase this requirement to 7.5% in fiscal year 2025-26 and 10% in fiscal year 2026-27.

Transitional Kindergarten. The 2024-25 State Budget provides approximately \$988.7 million in Proposition 98 general fund resources for the 2023-24 school year to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2024-25 State Budget also provides approximately \$390.2 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2024-25 State Budget provides approximately \$1.5 billion in ongoing Proposition 98 general fund resources beginning in fiscal year 2024-25 to support the third year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and June 2. The 2024-25 State Budget also provides approximately \$515.5 million in ongoing Proposition 98 general fund resources to support the third year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

The 2024-25 State Budget solution-oriented measures that directly impact funding for school districts include forgoing planned investments of (a) \$875.0 million to support the school facility program, (b) \$550.0 million support to the State preschool, transitional kindergarten and full-day kindergarten facilities grant program, and (c) \$500.0 million one-time investment in zero-emission school buses. The 2024-25 State Budget provides approximately \$907.1 million to support arts and music in schools, an additional \$179.4 million in ongoing Proposition 98 general fund resources and an additional \$120.8 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25, \$9.0 million in one-time Proposition 98 general fund resources for the classified school employee summer

assistance program, \$7.0 million in one-time Proposition 98 general fund resources to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks, and \$5.0 million each for the State teachers collaborative for holocaust and genocide education and school programs in rural districts.

## **The 2025-26 State Budget Proposal**

The Governor sent the fiscal year 2025-26 budget proposal to the legislature on January 10, 2025 (the “**2025-26 State Budget Proposal**”). The 2025-26 State Budget Proposal presents a balanced budget with what are noted as significant reserves in the coming fiscal year, resulting in an upgrade to the State’s financial forecast in the near term and modest upward revisions in the long term. A stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, are noted as contributors to an upgraded revenue forecast, with General Fund revenues, before accounting for transfers and tax policy proposals, projected to be higher by approximately \$16.5 billion (2.7%) than was assumed in the 2024-25 State Budget for the three-year budget window of fiscal years 2023-24 through 2025-26.

The 2025-26 State Budget Proposal provides for \$228.9 billion in general fund spending and nearly \$17 billion in combined reserves—including nearly \$11 billion in the State’s Rainy Day Fund and an additional discretionary set-aside of \$4.5 billion in the Special Fund for Economic Uncertainties. Although the proposal is noted as balanced, it anticipates shortfalls in subsequent fiscal years that are driven by expenditures exceeding revenues, noting additional decisions may be necessary at the May Revision to maintain a balanced budget in the coming year, and also on an ongoing basis. Noted risk factors relating to the economy and State revenues include stock market and asset price volatility and declines, particularly those affecting high-income earners - as well as geopolitical instability.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget Proposal include Proposition 98 funding for K-14 schools set at \$118.9 billion for fiscal year 2025-26, and a LCFF cost-of-living adjustment of 2.43%. The proposal also reflects full implementation of universal transitional kindergarten, increased funding for universal school meals, and implementation of grants that will be fully disbursed in fiscal year 2025-26 to support the community school model to support improved educational outcomes at more than 2,000 public schools.

The 2025-26 State Budget Proposal includes a \$100 million one-time Proposition 98 General Fund for California community colleges to expand Credit for Prior Learning and to begin building the infrastructure for the State’s first “Career Passport.” The Career Passport system will allow students to create formal documentation of their marketable skills and abilities developed through work, classes, apprenticeships, internships or other experiences both inside and outside the classroom, with the intent of scaling the system in future years to be applicable at both the secondary and higher education levels. The 2025-26 State Budget Proposal also allocates \$500 million in one-time funding for literacy and mathematics coaches in high-poverty schools.

The proposal notes that it is maintaining efficiency reductions included in the 2024-25 State Budget intended to address ongoing statewide General Fund budget pressures, and that California State University should continue planning for a reduction of 7.95% in ongoing General Fund support starting in the 2025-26 fiscal year, with the University of California subject to a similar reduction of 7.95%.

For the full text of the 2025-26 State Budget Proposal, see the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) or [www.ebudget.ca.gov](http://www.ebudget.ca.gov). *The 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.*

**LAO Analysis of the 2025-26 State Budget Proposal.** The LAO released its report on the 2025-26 State Budget Proposal entitled “The 2025-26 Budget: Overview of the Governor’s Budget” on January 13, 2025 (the “**2025-26 State Budget Proposal Analysis**”). In the 2025-26 State Budget Proposal Analysis, the LAO notes that the underlying condition of the Governor’s budget is roughly balanced. However, the LAO (and the 2025-26 State Budget Proposal) anticipates budget deficits in future years and recommends action from the Governor and the State legislature. In addition, while the 2025-26 State Budget Proposal’s upgraded revenue forecast is reasonable considering recent collection trends, the LAO is concerned that these gains are largely tied to gains in the stock market and not to improvements in the State’s broader economy. Furthermore, the 2025-26 State Budget Proposal Analysis recommends that the State legislature continue to develop a plan to address future budget problems as existing underlying budget dynamics (i.e., revenues have not caught up with expenditures, expenditure growth exceeds estimated revenue growth, and the legislature’s use of one-time funds) pose especially challenging trade-offs in addressing future deficits. Finally, the LAO notes that while the Governor’s proposals for rethinking the State’s reserve policies are merited, it believes that further changes are warranted, including, increases to the amount of funds that are saved each year.

The 2025-26 State Budget Proposal Analysis is available on the LAO website at <https://lao.ca.gov/Publications/Report/4951>. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

### **May Revision to the 2025-26 State Budget Proposal**

On May 14, 2025, the Governor released the May Revision to the 2025-26 State Budget Proposal (the “**May Revision**”). The May Revision reflects a budget shortfall of \$27.6 billion, which is a decrease of \$10.4 billion from the \$38 billion shortfall projected in the 2025-26 State Budget Proposal. The May Revision notes that the State faces a \$12 billion shortfall largely due to substantial changes in federal policy, specially, broad-based tariffs and increased expenditure growth above the Governor’s Budget, most notably in Medi-Cal.

**Budget Shortfall Solutions.** The May Revision solves a \$12 billion deficit for 2025-26 through the following categories of solutions. Unlike the last two years during which the State also faced budget deficits, this year’s approach includes a significant number of reductions to ongoing programs that result in greater savings in future years.

**Reductions.** The May Revision includes \$5 billion in total solutions in 2025-26. This category grows to \$14.8 billion in 2028-29, including:

- Enrollment Freeze for Full-Scope Medi-Cal Expansion for Undocumented Adults, Adults 19 and Older—\$86.5 million in 2025-26, growing to \$3.3 billion in 2028-29.
- Medi-Cal Premiums, Adults 19 and Older—Implementation cost of \$30 million in 2025-26, growing to savings of \$2.1 billion in 2028-29 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.

- Medi-Cal Asset Test Limits—\$94 million in 2025-26, growing to \$791 million in 2028-29.
- Elimination of Long-Term Care Benefits—\$333.3 million in 2025-26, growing to \$800 million in 2026-27 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.
- Prospective Payment System Payments to Federally Qualified Health Centers and Rural Health Clinics—\$452.5 million in 2025-26, growing to \$1.1 billion in 2026-27.
- Specialty Drug Coverage for Weight Loss—\$85 million in 2025-26, growing to \$680 million in 2028-29.
- Cap In-Home Supportive Services Overtime and Travel Hours at 50 Hours—\$707.5 million in 2025-26, growing to \$893.4 million in 2028-29.
- Require Provider Mandates for Quality Incentive Payment Incentive Eligibility—\$221.7 million ongoing beginning in 2026-27.

*Revenue/Internal Borrowing.* The May Revision includes \$5.3 billion in total solutions for 2025-26 under revenue/internal borrowing, including:

- Proposition 35 Support for Medi-Cal Rate Increases—\$1.3 billion in 2025-26 and \$263.7 million in 2026-27.
- Medical Providers Interim Payment Fund Loan—\$3.4 billion due to extending the repayment deadline.
- Unfair Competition Law Fund Loan—\$150 million in 2025-26.
- Labor and Workforce Development Fund Loan—\$400 million in 2025-26.

*Fund Shifts.* The May Revision shows a \$1.5 billion greenhouse gas reduction fund for CalFire operations in 2025-26, growing to \$1.9 billion in 2028-29.

*Triggers.* In addition to these solution categories, the May Revision includes triggers for two future spending commitments:

- California Food Assistance Program Expansion—\$117.2 million in 2027-28, growing to \$163.2 million in 2028-29.
- Foster Care Tiered Rate Structure Trigger—\$338.9 million in 2027-28, growing to \$522.1 million in 2028-29.

**Education.** Important education highlights from the May Revision include:

- \$8.4 billion withdrawal from the Public School System Stabilization Account to support TK-12 schools and community colleges.

- A reduction of \$177.5 million in remaining, unused General Fund from a \$2 billion one-time allocation provided to the Office of Public School Construction in the 2023 Budget Act for TK-12 school facilities.
- A reduction of \$19.3 million ongoing Proposition 98 General Fund and \$10.2 million ongoing General Fund to reflect the suspension of the statutory cost-of-living adjustment for the California State Preschool Program in 2025-26.
- \$2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK.
- \$1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

The 2025-26 State Budget is required to be passed by the Legislature by June 15, 2025, prior to the start of the new fiscal year, though the trend in recent years has been for the approval of a largely symbolic bill by that deadline with a substantive agreement emerging later.

For the full text of the 2025-26 State Budget Proposal and the May Revision to the 2025-26 State Budget Proposal, see the DOF website at [www.dof.ca.gov](http://www.dof.ca.gov). *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

***LAO Publications on the May Revision and the Multiyear Budget Outlook.*** The LAO's initial comments on the May Revision as of May 17, 2025 included the following key takeaways:

- A Budget Problem Has Emerged Since January. Since January, when the 2025-26 State Budget Proposal was roughly balanced, a budget problem has emerged. The LAO estimates the administration solved a \$14 billion budget problem (similar to the \$12 billion budget problem cited by the Governor in the May Revision). The budget problem is driven by two key factors: higher baseline spending, most notably in Medi-Cal, and lower revenues, reflecting diminished expectations for both the personal income tax and the corporation tax.
- The Governor Mainly Proposes Addressing the Budget Problem With Spending Solutions. The May Revision proposes \$9.5 billion in spending solutions, including about \$5 billion in spending reductions. A significant share of these spending solutions are ongoing and grow to \$17.5 billion by the last year of the administration's forecast, helping to address, but not fully solve, the State's persistent multiyear deficits. Notably, the administration does not propose using any more in reserves to address this new budget problem, which the LAO notes is prudent.
- Recommend Legislature Maintain Overall May Revision Structure. The LAO recommends the Legislature address the budget shortfall with a similar approach that the administration took, namely adopting solutions that primarily put the State on more solid fiscal footing, rather than those that delay or exacerbate future problems. Moreover, the LAO recommends avoiding committing to new activities. Finally, the State's persistent fiscal imbalance and the added downside risks,

particularly from potential federal actions, suggest a need for a more proactive approach. As such, the LAO views the Governor's focus on reducing multiyear spending as a reasonable and appropriate step. That said, the Legislature could allocate the mix of solutions differently, for example, by changing the types of programs, types of reductions, or mix of spending and revenue solutions adopted.

In addition, the LAO prepared a Multiyear Budget Outlook dated May 24, 2025, which presents its forecast of the condition of the state General Fund budget through fiscal year 2028-29 under its revenue and spending estimates and assuming the Governor's May Revision policies are adopted. It notes that its assessment and that of the administration are very similar, being that the State is likely to face persistent future deficits. These deficits range from \$10 billion to \$20 billion through fiscal year 2028-29. As such, the LAO notes that the Governor's approach to the May Revision reflects the reality of the budget challenge before the Legislature. While the Governor focuses solutions in Medi-Cal, constituting \$11 billion of the total \$16 billion in solutions, the LAO notes that the Legislature could pursue a different mix of spending and/or revenue solutions than those proposed. Either way, the LAO recommends the Legislature maintain at least the level of ongoing solutions proposed by the Governor in the May Revision. This is important because, going forward, the budget problems will become more difficult to solve. The LAO notes that the Legislature likely will need to adopt additional solutions that increase ongoing revenues or reduce ongoing spending, both of which involve the most difficult and consequential trade-offs for policy makers.

### **Disclaimer Regarding State Budgets**

The execution of 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, (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 2024-25 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

### **Legal Challenges to State Funding of Education**

The application of Proposition 98 and other statutory provisions relating to education funding in the State 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, and how such events could impact the District and its finances.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article 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, 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 County, 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 XIIB 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 XIIB 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 XIIC and XIID 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 XIIC and XIID (respectively, "**Article XIIC**" and "**Article XIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

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

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

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

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

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

## **Proposition 98**

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

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

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

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

### **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).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting

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

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

## **Proposition 2**

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act (“**Proposition 2**”) was approved by California voters on November 4, 2014. Proposition 2 triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in fiscal year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the BSA in an amount equal to 1.5% of estimated State general fund revenues (the “Annual Stabilization Account Transfer”). For a fiscal year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the BSA (a “**Supplemental Stabilization Account Transfer**”) are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the BSA.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the BSA to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold. For the period from fiscal year 2015-16 through fiscal year 2029-30, Proposition 2 requires that half of any such transfer to the BSA (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After fiscal year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities and any amount not so applied shall be transferred to the BSA or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA are impacted by Proposition 2. Unilateral discretion to suspend transfers to the BSA are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the BSA for any reason, as was previously provided by law. Instead, the Governor must declare a “budget emergency” (defined as an emergency within the meaning of Article XIII B of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the “**Public School System Stabilization Account**”) into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to school districts and community college districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a Public School System Stabilization Account transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the “Public School System Stabilization Account”) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.



## **Proposition 2 (2024)**

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as “Proposition 2 (2024)”) is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of \$10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

**K-12 School Facilities.** Proposition 2 (2024) includes \$3.3 billion for the new construction of K-12 facilities and an additional \$4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the \$4 billion available in modernization funds, up to \$115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of \$1.2 billion will be available for the modernization and new construction of charter school (\$600 million) and technical education (\$600 million) facilities. The State will award funds to career technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

**Community College Facilities.** Proposition 2 (2024) includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must prepare a plan listing their Statewide project priorities. The Governor and State Legislature will select specific projects to fund.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding

## **Future Initiatives**

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

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**APPENDIX B**

**HEBER ELEMENTARY SCHOOL DISTRICT  
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-24**

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# Heber Elementary School District

County of Imperial  
Heber, California

Audit Report  
June 30, 2024



# Heber Elementary School District

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June 30, 2024

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## Independent Auditor's Report

To the Board of Education  
Heber Elementary School District

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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



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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Information

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



El Cajon, California  
January 31, 2025

**HEBER ELEMENTARY SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**  
**(Unaudited)**

The discussion and analysis of Heber Elementary School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

### **FINANCIAL HIGHLIGHTS**

- The increase in Local Control Funding Formula (LCFF) sources from 2022-23 to 2023-24 was \$781,957 (5%).
- The general fund expenditures increased by \$1,150,522 (5%) over the previous year amount.
- General Fund revenues and other sources exceeded expenses and other uses by \$639,534.
- The General Fund ended the fiscal year with 22.96% reserves in unassigned fund balance.

### **Overview of the Financial Statements**

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the Heber Elementary School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

### **The Basic Financial Statements**

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's more significant funds with all other non-major funds presented in total in one column.

The financial statements also include notes that explain some of the supplementary 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. A comparison of the District's general fund budget is included.

## Reporting the district as a Whole

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

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2023-2024?"

The change in net position is important because it tells the reader that, for the district as a whole, the financial position of the district has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

## Reporting the district's Most Significant Funds

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

### *Governmental Funds*

Most of the district's activities are reported in governmental funds. The District's reports four major funds, the General Fund, the Cafeteria Fund, the Building Fund, and the County School Facilities Fund. All other governmental funds are aggregated into one nonmajor governmental funds column. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

## FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

### *The district as a Whole*

The District's net position was \$37.3 million at June 30, 2024. Of this amount, unrestricted net position was \$(6.5) million, net investment in capital assets was \$29.6 million, and restricted net position was \$14.3 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District's net position increased \$2.8 million this fiscal year (See Table 2). The District's expenses for instruction, instruction related, and pupil services represented 75.9% of total expenses. The administrative activities of the District accounted for just 9.0% of total costs. The remaining 15.1% was spent on plant services and other expenses. (See Figure 2).

(Table 1)  
Comparative Statement of Net Position

	Governmental Activities			
	6/30/2024	6/30/2023	Change	% Change
<b>Assets</b>				
Cash and Investments	\$ 22,334,498	\$ 15,148,709	\$ 7,185,789	47.43%
Accounts receivable	2,270,342	2,665,229	(394,887)	-14.82%
Prepaid expenses	-	59,047	(59,047)	-100.00%
Inventory	61,350	105,339	(43,989)	-41.76%
Lease receivable	112,314	120,806	(8,492)	-7.03%
Capital assets, net	39,387,362	37,603,190	1,784,172	4.74%
Lease assets, net	102,012	145,512	(43,500)	-29.89%
Total Assets	<u>\$ 64,267,878</u>	<u>\$ 55,847,832</u>	<u>\$ 8,420,046</u>	<u>15.08%</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources - pensions	\$ 6,855,556	5,127,568	\$ 1,727,988	33.70%
Deferred outflows of resources - debt related	37,754	29,911	7,843	26.22%
Total Deferred Outflows of Resources	<u>\$ 6,893,310</u>	<u>\$ 5,157,479</u>	<u>\$ 1,735,831</u>	<u>33.66%</u>
<b>Liabilities</b>				
Accounts payable and other current liabilities	\$ 2,288,068	1,336,635	\$ 951,433	71.18%
Unearned revenue	388,185	485,580	(97,395)	-20.06%
Long-term liabilities	29,961,506	23,090,816	6,870,690	29.76%
Total Liabilities	<u>\$ 32,637,759</u>	<u>\$ 24,913,031</u>	<u>\$ 7,724,728</u>	<u>31.01%</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources - pensions	\$ 1,044,154	1,394,568	\$ (350,414)	-25.13%
Deferred inflows of resources - GASB 87	106,194	115,848	(9,654)	-8.33%
Total Deferred Inflows of Resources	<u>\$ 1,150,348</u>	<u>\$ 1,510,416</u>	<u>\$ (360,068)</u>	<u>-23.84%</u>
<b>Net Position</b>				
Net investment in capital assets	\$ 29,630,615	30,215,756	\$ (585,141)	-1.94%
Restricted	14,275,220	8,760,629	5,514,591	62.95%
Unrestricted	(6,532,754)	(4,394,521)	(2,138,233)	48.66%
Total Net Position	<u>\$ 37,373,081</u>	<u>\$ 34,581,864</u>	<u>\$ 2,791,217</u>	<u>8.07%</u>

**(Table 2)**  
**Comparative Statement of Change in Net Position**

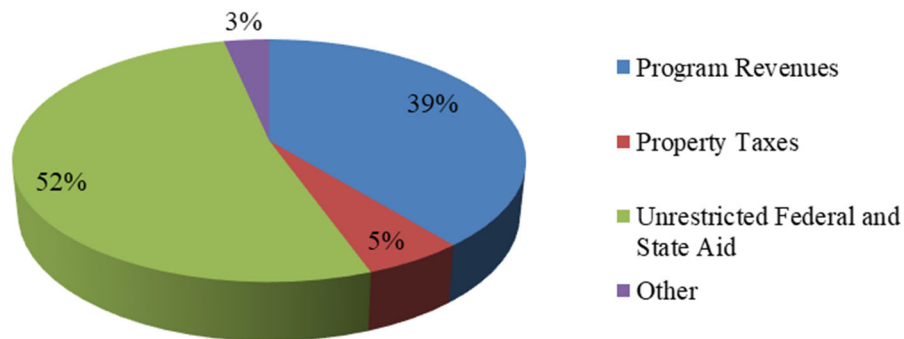
	<b>Governmental Activities</b>			
	<b>Year Ended 6/30/2024</b>	<b>Year Ended 6/30/2023</b>	<b>Change</b>	<b>% Change</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 295,755	\$ 4,482	\$ 291,273	100.00%
Operating grants and contributions	8,249,405	13,286,820	(5,037,415)	-37.91%
Capital grants and contributions	3,145,768	731,150	2,414,618	100.00%
General revenues				
Taxes levied for general purposes	1,183,800	1,161,623	22,177	1.91%
Taxes levied for debt service	440,250	456,242	(15,992)	-3.51%
Federal and state aid not restricted	15,607,991	14,834,736	773,255	5.21%
Interest and investment earnings	607,885	97,760	510,125	521.81%
Miscellaneous	391,220	588,597	(197,377)	-33.53%
Total Revenues	29,922,074	31,161,410	(1,239,336)	-3.98%
<b>Expenses</b>				
Instruction	15,193,070	16,678,098	(1,485,028)	-8.90%
Instruction Related Services	1,971,838	2,079,784	(107,946)	-5.19%
Pupil Support Services	3,428,638	2,995,606	433,032	14.46%
General Administration	2,442,477	2,132,355	310,122	14.54%
Plant Services	2,856,461	2,315,346	541,115	23.37%
Other Expenses	1,238,373	521,347	717,026	137.53%
Total Expenses	27,130,857	26,722,536	408,321	1.53%
Increase (Decrease) in Net Position	2,791,217	4,438,874	(1,647,657)	-37.12%
Net Position - Beginning Balance	34,581,864	30,142,990	4,438,874	14.73%
Net Position - Ending Balance	\$ 37,373,081	\$ 34,581,864	\$ 2,791,217	8.07%

## GOVERNMENTAL ACTIVITIES

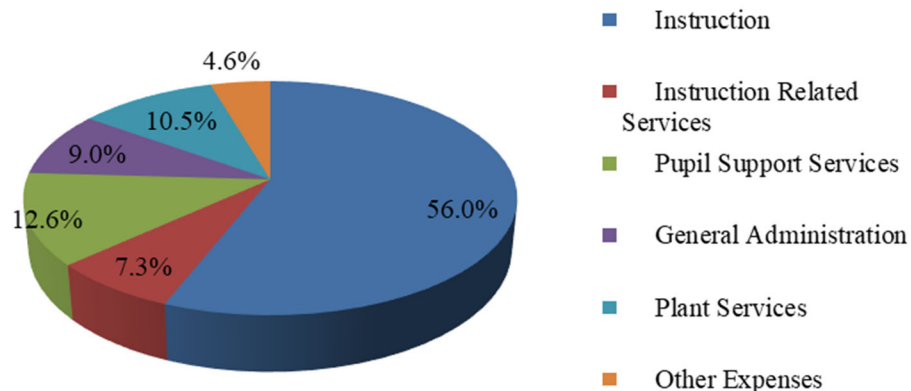
As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$0.9 million. The amount that our local taxpayers financed for these activities through property taxes was \$0.3 million. Federal and State aid not restricted to specific purposes totaled \$0.8 million. Operating grants and contributions revenue was \$0.4 million. Operating grants and unrestricted federal and state aid and covered 100% of the expenses of the entire District (See Figure 1).



**Sources of Revenue for the 2023-24 Fiscal Year  
Figure 1**



**Expenses for the 2023-24 Fiscal Year  
Figure 2**



## FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's governmental funds reported a combined fund balance of \$22.2 million, an increase of \$5.9 million from the previous fiscal year's combined ending balance of \$16.3 million.

## General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a decrease in ending fund balance of 10% over the originally budgeted ending fund balance. The most significant changes resulted from increases in capital outlay, salaries, books and supplies and other expenditures.

The District ended the year with an increase of \$621 thousand to the general fund ending balance. The State recommends available reserves of 3% of total general fund expenditures and other financing uses of the general fund, or \$80,000 whichever is greater.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, and equipment. Table 3 demonstrates a comparative Schedule of Capital Assets.

<b>(Table 3)</b> <b>Comparative Schedule of Capital Assets</b> <b>June 30, 2024 and 2023</b>				
	<b>2024</b>	<b>2023</b>	<b>Net \$ Change</b>	<b>Net % Change</b>
Land	\$ 657,527	\$ 657,527	\$ -	0.0%
Work in Progress	2,478,412	5,532,526	(3,054,114)	-55.2%
Land Improvements	2,912,943	2,836,728	76,215	2.7%
Buildings & Improvements	43,122,338	38,318,548	4,803,790	12.5%
Equipment	2,086,248	2,284,316	(198,068)	-8.7%
Less Accumulated Depreciation for				
Land Improvements	(831,504)	(766,876)	(64,628)	8.4%
Buildings & Improvements	(10,087,826)	(9,206,730)	(881,096)	9.6%
Equipment	(950,776)	(1,010,062)	59,286	-5.9%
Lease Assets	217,494	217,494	-	0.0%
Less Accumulated Amortization	(115,482)	(71,982)	(43,500)	60.4%
Total	<u>\$ 39,489,374</u>	<u>\$ 38,791,489</u>	<u>\$ 697,885</u>	<u>1.8%</u>



## Long-Term Debt

As of June 30, 2024, the District had general obligation bonds, leases payable, and an energy efficiency loan that are considered debt. A comparative schedule of long-term debt is presented below:

<b>(Table 4)</b> <b>Comparative Schedule of Long-Term Debt</b> <b>June 30, 2024 and 2023</b>				
	<b>2024</b>	<b>2023</b>	<b>Net \$ Change</b>	<b>Net % Change</b>
General Obligation Bonds	\$ 9,752,775	\$ 8,239,666	\$ 1,513,109	18.36%
Leases Payable	105,984	148,999	(43,015)	-28.87%
Energy Efficiency Loan	3,075,000	0	3,075,000	100.00%
<b>Total Long-Term Debt</b>	<b>\$ 12,933,759</b>	<b>\$ 8,388,665</b>	<b>\$ 4,545,094</b>	<b>54.18%</b>

## FACTORS BEARING ON THE DISTRICT'S FUTURE

The state's minimum guarantee for schools is increased by \$3 billion for 2024-25; however, this increase will likely be placed into Proposition 98 reserves based on requirements in the California Constitution. The Legislative Analyst's Office (LAO) 2025-26 Budget Fiscal Outlook (Fiscal Outlook) for the state of California indicates that while better than expected state revenues are offset by higher spending, the state's budget is anticipated to be balanced for the upcoming fiscal year.

The California 2024-25 budget enacted a 1.07% cost of living adjustment (COLA) with anticipated COLAs set at 2.46% for 2025-26 and COLAs in excess of 3% for the 2026-27 through 2028-29 fiscal years.

Despite positive outlooks for school funding, costs of salaries, pensions, and other employee benefits continue to rise. The District is monitoring the budget closely and making necessary changes to ensure financial obligations are met.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Office, at Heber Elementary School District, 1052 Heber Avenue, Heber California 92249.

## Basic Financial Statements

# Heber Elementary School District

## Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 22,334,498
Accounts Receivable	2,270,342
Stores Inventory	61,350
Lease Receivable	112,314
Capital Assets:	
Land	657,527
Land Improvements	2,912,943
Buildings & Improvements	43,122,338
Equipment	2,086,248
Work In Progress	2,478,412
Less Accumulated Depreciation	(11,870,106)
Lease Assets:	
Equipment	217,494
Less Accumulated Amortization	(115,482)
Total Assets	<u>64,267,878</u>
<b>Deferred Outflows of Resources</b>	<u>6,893,310</u>
<b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	2,288,068
Unearned Revenue	388,185
Long-Term Liabilities:	
Due Within One Year	217,373
Due In More Than One Year	29,744,133
Total Liabilities	<u>32,637,759</u>
<b>Deferred Inflows of Resources</b>	<u>1,150,348</u>
<b>Net Position</b>	
Net Investment in Capital Assets	29,630,615
Restricted For:	
Capital Projects	6,781,482
Debt Service	653,016
Educational Programs	3,963,188
Other Purposes (Expendable)	2,815,184
Other Purposes (Nonexpendable)	62,350
Unrestricted	(6,532,754)
Total Net Position	<u>\$ 37,373,081</u>

The accompanying notes to the financial statements are an integral part of this statement.

# Heber Elementary School District

## Statement of Activities

For the Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital Grants	Revenue and
		Services	Grants and	and	Changes in Net
			Contributions	Contributions	Position
					Governmental
					Activities
<b>Governmental Activities</b>					
Instruction	\$ 15,193,070	\$ 197,913	\$ 4,551,248	\$ 3,145,768	\$ (7,298,141)
Instruction-Related Services:					
Instructional Supervision and Administration	190,676	-	73,191	-	(117,485)
Instructional Library, Media and Technology	96,022	-	-	-	(96,022)
School Site Administration	1,685,140	-	102,616	-	(1,582,524)
Pupil Services:					
Home-to-School Transportation	511,431	-	-	-	(511,431)
Food Services	2,282,492	-	2,292,331	-	9,839
All Other Pupil Services	634,715	39,098	294,697	-	(300,920)
General Administration:					
Centralized Data Processing	387,226	-	-	-	(387,226)
All Other General Administration	2,055,251	-	60,107	-	(1,995,144)
Plant Services	2,856,461	58,744	659,693	-	(2,138,024)
Ancillary Services	248,690	-	215,522	-	(33,168)
Interest on Long-Term Debt	321,117	-	-	-	(321,117)
Debt Issuance Costs	492,564	-	-	-	(492,564)
Payments to County Office of Education	176,002	-	-	-	(176,002)
Total Governmental Activities	<u>\$ 27,130,857</u>	<u>\$ 295,755</u>	<u>\$ 8,249,405</u>	<u>\$ 3,145,768</u>	<u>(15,439,929)</u>
<b>General Revenues</b>					
Taxes and Subventions:					
Property Taxes, Levied for General Purposes				\$ 1,183,800	
Property Taxes, Levied for Debt Service				440,250	
Federal and State Aid Not Restricted for Specific Purposes				15,607,991	
Interest and Investment Earnings				607,885	
Miscellaneous				391,220	
Total General Revenues				<u>18,231,146</u>	
Change in Net Position					2,791,217
Net Position - Beginning of Year					<u>34,581,864</u>
Net Position - Ending					<u>\$ 37,373,081</u>

The accompanying notes to the financial statements are an integral part of this statement.

# Heber Elementary School District

## Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Cafeteria Fund	Building Fund	County School Facilities Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>						
Cash and Investments	\$ 12,059,349	\$ 2,108,846	\$ 4,445,871	\$ 2,671,301	\$ 1,049,134	\$ 22,334,501
Accounts Receivable	1,489,600	380,027	373,399	18,817	8,496	2,270,339
Lease Receivable	112,314	-	-	-	-	112,314
Stores Inventories	-	61,350	-	-	-	61,350
<b>Total Assets</b>	<u>\$ 13,661,263</u>	<u>\$ 2,550,223</u>	<u>\$ 4,819,270</u>	<u>\$ 2,690,118</u>	<u>\$ 1,057,630</u>	<u>\$ 24,778,504</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 989,621	\$ 10,090	\$ -	\$ 1,119,690	\$ 971	\$ 2,120,372
Unearned Revenue	298,185	90,000	-	-	-	388,185
<b>Total Liabilities</b>	<u>1,287,806</u>	<u>100,090</u>	<u>-</u>	<u>1,119,690</u>	<u>971</u>	<u>2,508,557</u>
<b>Deferred Inflows of Resources:</b>						
Deferred Rent Income	<u>106,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,194</u>
<b>Fund Balance:</b>						
Nonspendable	1,000	61,350	-	-	-	62,350
Restricted	4,389,589	2,388,783	4,819,270	1,570,428	1,044,800	14,212,870
Committed	-	-	-	-	2,449	2,449
Assigned	2,376,950	-	-	-	9,410	2,386,360
Unassigned	5,499,724	-	-	-	-	5,499,724
<b>Total Fund Balance</b>	<u>12,267,263</u>	<u>2,450,133</u>	<u>4,819,270</u>	<u>1,570,428</u>	<u>1,056,659</u>	<u>22,163,753</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balance</b>	<u>\$ 13,661,263</u>	<u>\$ 2,550,223</u>	<u>\$ 4,819,270</u>	<u>\$ 2,690,118</u>	<u>\$ 1,057,630</u>	<u>\$ 24,778,504</u>

The accompanying notes to the financial statements are an integral part of this statement.

## Heber Elementary School District

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2024

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**Total fund balances governmental funds:** \$ 22,163,753

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, lease assets, accumulated depreciation, and accumulated amortization.

Capital assets relating to governmental activities, at historical cost	51,257,468	
Accumulated depreciation	(11,870,106)	
	<u>Net</u>	39,387,362
Lease assets relating to governmental activities, at historical cost	217,494	
Accumulated amortization	(115,482)	
	<u>Net</u>	102,012

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: (167,696)

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	9,752,775	
Energy loan payable	3,075,000	
Leases payable	105,984	
Net pension liability	17,019,042	
Compensated absences	8,705	
	<u>Total</u>	(29,961,506)

## Heber Elementary School District

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued June 30, 2024

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Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are:

37,754

Deferred outflows and inflows of resources relating to pensions: 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

6,855,556

Deferred inflows of resources relating to pensions

(1,044,154)

Net

5,811,402

**Total net position governmental activities:**

**\$ 37,373,081**

# Heber Elementary School District

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2024

	General Fund	Cafeteria Fund	Building Fund	County School Facilities Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>						
State Apportionment	\$ 13,502,234	\$ -	\$ -	\$ -	\$ -	\$ 13,502,234
Education Protection Account Funds	1,702,480	-	-	-	-	1,702,480
Property Taxes	1,183,800	-	-	-	440,250	1,624,050
Federal Revenue	2,089,171	1,644,768	-	-	-	3,733,939
Other State Revenue	4,548,050	586,493	-	3,145,768	-	8,280,311
Interest Income	347,502	64,519	23,557	35,655	18,600	489,833
Fair Market Value Adjustment	134,458	20,229	(12,109)	(21,269)	(3,257)	118,052
Other Local Revenue	1,080,397	4,910	18,469	-	295,754	1,399,530
Total Revenues	<u>\$ 24,588,092</u>	<u>\$ 2,320,919</u>	<u>\$ 29,917</u>	<u>\$ 3,160,154</u>	<u>\$ 751,347</u>	<u>\$ 30,850,429</u>
<b>Expenditures</b>						
Current Expenditures:						
Instruction	14,700,628	-	-	-	-	14,700,628
Instruction - Related Services	2,004,979	-	-	-	-	2,004,979
Pupil Services	1,285,847	2,105,409	-	-	-	3,391,256
Ancillary Services	247,054	-	-	-	-	247,054
General Administration	2,241,488	-	-	-	-	2,241,488
Plant Services	2,762,712	13,134	-	-	7,368	2,783,214
Payments to County Office of Education	176,002	-	-	-	-	176,002
Debt Issuance Costs	-	-	408,681	-	-	408,681
Capital Outlay	482,952	58,189	297,869	2,355,378	-	3,194,388
Debt Service:						
Principal	43,015	-	-	-	140,000	183,015
Interest	3,881	-	-	-	264,869	268,750
Total Expenditures	<u>23,948,558</u>	<u>2,176,732</u>	<u>706,550</u>	<u>2,355,378</u>	<u>412,237</u>	<u>29,599,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>639,534</u>	<u>144,187</u>	<u>(676,633)</u>	<u>804,776</u>	<u>339,110</u>	<u>1,250,974</u>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Bonds & Other Financing	-	-	4,640,184	-	-	4,640,184
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,640,184</u>	<u>-</u>	<u>-</u>	<u>4,640,184</u>
Net Change in Fund Balance	639,534	144,187	3,963,551	804,776	339,110	5,891,158
Fund Balance, Beginning of Year	11,627,729	2,305,946	855,719	765,652	717,549	16,272,595
Fund Balance, End of Year	<u>\$ 12,267,263</u>	<u>\$ 2,450,133</u>	<u>\$ 4,819,270</u>	<u>\$ 1,570,428</u>	<u>\$ 1,056,659</u>	<u>\$ 22,163,753</u>

The accompanying notes to the financial statements are an integral part of this statement.



## Heber Elementary School District

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

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**Total change in fund balances, governmental funds:** \$ 5,891,158

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 or amortization expense. The difference between capital outlay expenditures and depreciation or amortization expense for the period is:

Expenditures for capital outlay	3,194,388	
Depreciation expense	(1,194,695)	
Amortization expense	<u>(43,500)</u>	
Net		1,956,193

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is: (215,521)

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: (4,640,184)

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: 183,015

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 that 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: (147,894)

## Heber Elementary School District

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

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Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is: 7,843

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 amounts earned. The difference between compensated absences paid and compensated absences earned was: 3,598

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (250,792)

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: 3,801

**Change in net position of governmental activities:** \$ 2,791,217

# Heber Elementary School District

## Notes to the Financial Statements

For the Year Ended June 30, 2024

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### A. Summary of Significant Accounting Policies

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

#### 1. Reporting Entity

The District operates under a locally elected Governing Board of Trustees form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, and student-related activities.

#### 2. 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. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB.

#### 3. 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. 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 general revenues of the District.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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**Fund Financial Statements.** The fund financial statements provide information about the District's funds. 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 programs, construction and maintenance of school facilities, and repayment of long-term debt.

### *Major Governmental Funds*

The District reports the following major governmental funds:

**General Fund:** The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another 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 §38091 through §38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code §38091 and §38100*).

**Building Fund:** This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code §15146*) and may not be used for any purpose other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

**County School Facilities Fund:** The County School Facilities Fund is established pursuant to *Education Code §17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account 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 §17070.10 et seq.*).

### *Non-Major Governmental Funds*

The District reports the following non-major governmental funds categorized by the fund type:

**Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following nonmajor special revenue funds:

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

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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**Capital Projects Funds:** Capital projects 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). The District maintains the following nonmajor capital projects funds:

**Capital Facilities Fund:** The Capital Facilities 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 §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

**State School Building Lease-Purchase Fund:** This fund is used primarily to account separately for state apportionments for the reconstruction, remodeling, or replacement of existing school buildings or the acquisition of new school sites and buildings, as provided by the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (*Education Code §1700 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 §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt. The District maintains the following nonmajor debt service funds:

**Bond Interest and Redemption Fund:** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of Imperial Auditor maintains control over the District'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.

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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## 4. Basis of Accounting – Measurement Focus

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

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

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

## 5. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or at year end, whichever is sooner.

## Heber Elementary School District

### Notes to the Financial Statements, Continued

June 30, 2024

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#### 6. Budgets and Budgetary Accounting

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

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

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

#### 7. Revenues and Expenses

##### a. Revenues – Exchange and Non-Exchange

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

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

##### b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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8. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

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

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

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

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

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

c. Capital Assets

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



## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. SBITA Assets & SBITA Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for SBITA assets and liabilities of \$5,000. The SBITA assets are amortized over the subscription term. The SBITA liabilities are reduced as principal payments on the agreements are paid.

f. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

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

g. 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 occurrence 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.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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h. Interfund Activity

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

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

*Nonspendable Fund Balance* represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

*Restricted Fund Balance* represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

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

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

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

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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

j. Minimum Fund Balance Policy

The District has adopted a policy to maintain a minimum economic uncertainty reserve of at least 3% of total general fund expenditures and other financing uses. The reserve may be increased from time to time in order to address specific anticipated revenue or cash flow shortfalls. It is the District's intent to continuously sustain a 6% economic uncertainty reserve. The primary purpose of this reserve is to avoid the need for service level reductions in the event of economic downturn. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Special Reserve Fund for Other Than Capital Outlay (Fund 17) does not have continuing revenue sources that are either restricted or committed in nature. As such this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

l. Deferred Inflows and Deferred Outflows of Resources

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

m. Pensions

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

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

### 9. Property Taxes

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

### 10. Use of 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.

### 11. Fair Value Measurements

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

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

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## 12. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2024. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to leases, PPPs, and SBITAs)	Apr-22
GASB Implementation Guide No. 2021-1 <i>Implementation Guidance Update 2021 (Portion Related to Question 5.1)</i>	May-21

Implementation of these standards did not result in any additional changes to financial accounting or reporting for the District.

## B. **Compliance and Accountability**

### 1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

Violation	Action Taken
None Reported	Not Applicable

### 2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None	Not Applicable	Not Applicable

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### C. Fair Value Measurements

The District's investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
Imperial County Treasury	\$ 19,481,512	\$ -	\$ 19,481,512	\$ -
Other investments measured at fair value				
U.S. Government Money Market Funds	2,823,229	2,823,229	-	-
Total investments by fair value level	<u>\$ 22,304,741</u>	<u>\$ 2,823,229</u>	<u>\$ 19,481,512</u>	<u>\$ -</u>

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

The Imperial County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## D. Cash and Investments

As of June 30, 2024, the District held the following cash and investments:

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Cafeteria Fund	Building Fund	County School Facilities Fund		
Cash in County Treasury	\$ 12,227,128	\$ 2,143,475	\$ 1,649,287	\$ 2,715,167	\$ 1,055,731	\$ 19,790,788
Fair Market Value Adjustment	(197,539)	(34,629)	(26,645)	(43,866)	(6,597)	(309,276)
Cash in Banks	28,760	-	-	-	-	28,760
Revolving Cash	1,000	-	-	-	-	1,000
Cash with Fiscal Agent/Trustee	-	-	2,823,229	-	-	2,823,229
Total Cash and Cash Equivalents	<u>\$ 12,059,349</u>	<u>\$ 2,108,846</u>	<u>\$ 4,445,871</u>	<u>\$ 2,671,301</u>	<u>\$ 1,049,134</u>	<u>\$ 22,334,501</u>

### 1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the Imperial County Treasury as part of the common investment pool (\$19,790,788 as of June 30, 2024). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$19,481,512. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances in hand and in banks (\$28,760 as of June 30, 2024) and in revolving fund (\$1,000 as of June 30, 2024) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

### 3. Cash with Fiscal Agents & Investments

The District's cash with fiscal agent & investments at June 30, 2024 are shown below:

<u>Account Type</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. Government Money Market	< 30 days	\$ 2,823,229

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### 4. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

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



5. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2024, credit risk for the District’s investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 19,481,512

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

At June 30, 2024, the District’s bank balances did not exceed FDIC limitations and as such were not exposed to custodial credit risk. Cash with fiscal agent investment balances of \$2,823,229 were not FDIC insured and therefore exposed to custodial credit risk.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the Imperial County Treasury with a fair value of \$19,481,512. The average weighted maturity for this pool was 497 days at June 30, 2024.

e. Foreign Currency Risk

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

6. Investment Accounting Policy

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

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2024, consisted of:

	Major Governmental Funds				Nonmajor Governmental Funds	Total
	General Fund	Cafeteria Fund	Building Fund	County School Facilities Fund		
Federal Government:						
Special Education	\$ 184,744	\$ -	\$ -	\$ -	\$ -	\$ 184,744
ESSA	169,786	-	-	-	-	169,786
ESSER	310,866	-	-	-	-	310,866
Capital Projects	-	-	373,399	-	-	373,399
Child Nutrition Program	-	360,163	-	-	-	360,163
State Government:						
Lottery	70,000	-	-	-	-	70,000
Strong Force Program	40,000	-	-	-	-	40,000
Instructional Block Grant	600,000	-	-	-	-	600,000
Child Nutrition Program	-	19,864	-	-	-	19,864
Other State Programs	6,411	-	-	-	-	6,411
Local Sources						
Interest	21,216	-	-	18,817	8,496	48,529
Other Local Sources	86,577	-	-	-	-	86,577
Total Accounts Receivable	<u>\$ 1,489,600</u>	<u>\$ 380,027</u>	<u>\$ 373,399</u>	<u>\$ 18,817</u>	<u>\$ 8,496</u>	<u>\$ 2,270,339</u>

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### F. Capital Assets and Lease Assets

Capital asset and lease asset activity for the year ended June 30, 2024, was as follows:

Governmental activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 657,527	\$ -	\$ -	\$ 657,527
Work in progress	5,532,526	-	3,054,114	2,478,412
Total capital assets not being depreciated	6,190,053	-	3,054,114	3,135,939
Capital assets being depreciated:				
Land improvements	2,836,728	115,105	38,890	2,912,943
Buildings and improvements	38,318,548	4,884,747	80,957	43,122,338
Equipment	2,284,316	205,863	403,931	2,086,248
Total capital assets being depreciated	43,439,592	5,205,715	523,778	48,121,529
Less accumulated depreciation for:				
Land improvements	(766,876)	(133,422)	(68,794)	(831,504)
Buildings and improvements	(9,206,730)	(937,528)	(56,432)	(10,087,826)
Equipment	(1,010,062)	(123,745)	(183,031)	(950,776)
Total accumulated depreciation	(10,983,668)	(1,194,695)	(308,257)	(11,870,106)
Total capital assets, net	38,645,977	4,011,020	3,269,635	39,387,362
Lease assets:				
Equipment	217,494	-	-	217,494
Less accumulated amortization	(71,982)	(43,500)	-	(115,482)
Total lease assets, net	145,512	(43,500)	-	102,012
Total governmental capital and lease assets, net	\$ 38,791,489	\$ 3,967,520	\$ 3,269,635	\$ 39,489,374

Depreciation and amortization were charged to functions as follows:

	Depreciation by Function	Amortization by Function
Instruction	\$ 1,048,346	\$ 43,500
Instruction Related Services	9,754	-
Pupil Services	77,957	-
General Administration	8,503	-
Plant Services	50,135	-
Total	\$ 1,194,695	\$ 43,500

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### G. Lease Receivable

On July 1, 2020 the District entered into an agreement with the Imperial County Office of Education (ICOE) to lease facilities owned by the District for use as a pre-school. The lease extends through June 30, 2035 with monthly rent of \$1,000. The lease receivable is recorded at the present value of future lease payments using a discount rate of 3%.

Activity associated with the lease for the year ended June 30, 2024 is as follows:

Description	Balance Beginning of Year	Current Year Additions	Current Year Principal Collected	Balance End of Year
Little Hawks Preschool	\$ 120,806	\$ -	\$ 8,492	\$ 112,314
Total Leases Receivable	\$ 120,806	\$ -	\$ 8,492	\$ 112,314

Description	Balance Beginning of Year	Current Year Additions	Current Year Amortization	Balance End of Year
Little Hawks Preschool	\$ 115,848	\$ -	\$ 9,654	\$ 106,194
Total Deferred Inflows	\$ 115,848	\$ -	\$ 9,654	\$ 106,194

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### H. Accounts Payable

Accounts payable balances as of June 30, 2024, consisted of:

	Major Governmental Funds			Nonmajor Governmental Fund	Total Governmental Funds
	General Fund	Cafeteria Fund	County Schools Facilities Fund		
Vendors Payable	\$ 198,533	\$ 10,090	\$ 1,119,690	\$ 971	\$ 1,329,284
Payroll and Benefits	791,088	-	-	-	791,088
Total Accounts Payable	<u>\$ 989,621</u>	<u>\$ 10,090</u>	<u>\$ 1,119,690</u>	<u>\$ 971</u>	<u>\$ 2,120,372</u>

### I. Unearned Revenue

Unearned revenue balances as of June 30, 2024, consisted of:

	General Fund	Cafeteria Fund
Federal Programs		
Educational Tech K-12	\$ 75,000	\$ -
ESSER III	63,939	-
State Programs		
Universal Pre-Kindergarten	159,246	-
Child Nutrition	-	90,000
Total Unearned Revenue	<u>\$ 298,185</u>	<u>\$ 90,000</u>

## Heber Elementary School District

### Notes to the Financial Statements, Continued

June 30, 2024

#### J. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2024, consisted of:

	Major Governmental Funds				Nonmajor	Total
	General Fund	Cafeteria Fund	Building Fund	County School Facilities Fund	Governmental Funds	Governmental Funds
Nonspendable Fund Balance						
Revolving Cash	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Stores Inventory	-	61,350	-	-	-	61,350
Total Nonspendable Fund Balance	1,000	61,350	-	-	-	62,350
Restricted Fund Balance						
Child Nutrition Program	66,140	2,388,783	-	-	-	2,454,923
Capital Projects	-	-	4,819,270	1,570,428	391,784	6,781,482
Debt Service	-	-	-	-	653,016	653,016
Educational Programs	3,963,188	-	-	-	-	3,963,188
Associated Student Body Funds	28,760	-	-	-	-	28,760
Other Purposes	331,501	-	-	-	-	331,501
Total Restricted Fund Balance	4,389,589	2,388,783	4,819,270	1,570,428	1,044,800	14,212,870
Committed Fund Balance						
Deferred Maintenance Program	-	-	-	-	2,449	2,449
Total Committed Fund Balance	-	-	-	-	2,449	2,449
Assigned Fund Balance						
Department Carry Over	139,350	-	-	-	-	139,350
Capital Projects	1,187,600	-	-	-	9,410	1,197,010
Textbooks	750,000	-	-	-	-	750,000
Technology	300,000	-	-	-	-	300,000
Other Assignments	-	-	-	-	-	-
Total Assigned Fund Balance	2,376,950	-	-	-	9,410	2,386,360
Unassigned Fund Balance						
For Economic Uncertainties	5,499,724	-	-	-	-	5,499,724
Total Unassigned Fund Balance	5,499,724	-	-	-	-	5,499,724
Total Fund Balance	\$ 12,267,263	\$ 2,450,133	\$ 4,819,270	\$ 1,570,428	\$ 1,056,659	\$ 22,163,753

#### K. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. For the year ended June 30, 2024, the District did not issue any short term debt.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### L. Long Term Obligations

#### 1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 7,850,000	\$ 1,500,000	\$ 140,000	\$ 9,210,000	\$ 160,000
Bond Premiums	389,666	156,910	3,801	542,775	4,345
Total GO Bonds	8,239,666	1,656,910	143,801	9,752,775	164,345
Leases Payable	148,999	-	43,015	105,984	44,323
Energy Efficiency Loan	-	3,075,000	-	3,075,000	-
Net Pension Liability*	14,689,848	2,329,194	-	17,019,042	-
Compensated Absences*	12,306	-	3,601	8,705	8,705
Total Governmental Activities	<u>\$ 23,090,819</u>	<u>\$ 7,061,104</u>	<u>\$ 190,417</u>	<u>\$ 29,961,506</u>	<u>\$ 217,373</u>

\*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for energy efficiency loan are made from the general fund.
- Payments for pension contributions are made from the general fund and the cafeteria fund.
- Payments for compensated absences are made from the general fund and the cafeteria fund.
- Payments for leases payable are made from the general fund and the cafeteria fund.



## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### 2. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

On November 3, 2015 registered voters authorized the issuance of \$6,000,000 principal amount of general obligation bonds. On July 27, 2016 the District issued 2015 Election Series A which consisted of current interest with an initial par amount of \$6,000,000, with stated interest rates of 2.0% to 4.0% maturing through August 1, 2039. No amounts remain unissued from voter authorized amounts.

On November 6, 2018 registered voters authorized the issuance of \$4,000,000 principal amount of general obligation bonds. On May 30, 2019 the District issued 2018 Election Series A general obligation bonds which consisted of current interest bonds with an initial par amount of \$825,000, with stated interest rates of 4.0% and term bonds with an initial par amount of \$1,675,000 with stated interest rates of 4.0% to 5.0%. The bonds mature through August 1, 2048. The District has \$1,500,000 remaining on voter authorized amounts that can be issued at a later date.

General obligation bonds at June 30, 2024 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2015 Election Series A	07/27/16	2.00-4.00%	08/01/39	6,000,000
2018 Election Series A	05/30/19	4.00-5.00%	08/01/48	2,500,000
2018 Election Series B	04/17/24	3.50-5.25%	08/01/48	1,500,000
Total GO Bonds				<u>\$ 10,000,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2015 Election Series A					
Principal	5,350,000	-	140,000	5,210,000	160,000
Premium	145,268	-	3,801	141,467	4,345
2018 Election Series A					
Principal	2,500,000	-	-	2,500,000	-
Premium	244,398	-	-	244,398	-
2018 Election Series B					
Principal	-	1,500,000	-	1,500,000	-
Premium	-	156,910	-	156,910	-
Total	<u>\$ 8,239,666</u>	<u>\$ 1,656,910</u>	<u>\$ 143,801</u>	<u>\$ 9,752,775</u>	<u>\$ 164,345</u>

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

The annual requirements to amortize general obligation bonds outstanding at June 30, 2024 are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 160,000	\$ 322,359	\$ 482,359
2026	205,000	327,844	532,844
2027	210,000	319,394	529,394
2028	235,000	310,494	545,494
2029-2033	270,000	300,406	570,406
2034-2038	1,770,000	1,373,436	3,143,436
2039-2043	2,660,000	1,050,279	3,710,279
2044-2048	1,355,000	665,980	2,020,980
2049-2053	1,280,000	422,584	1,702,584
2050-2054	1,065,000	87,018	1,152,018
Total	<u>\$ 9,210,000</u>	<u>\$ 5,179,794</u>	<u>\$ 14,389,794</u>

### *Bond Premium*

Bond premium arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Premiums issued on general obligation bonds resulted in effective interest rates as follows:

	2015 Election Series A	2018 Election Series A	2018 Election Series B
Total Interest Payments	\$ 2,710,871	\$ 2,414,250	\$ 1,838,208
Less Bond Premium	(162,920)	(244,398)	(156,910)
Net Interest Payments	<u>\$ 2,547,951</u>	<u>\$ 2,169,852</u>	<u>\$ 1,681,298</u>
PAR Amount of Bonds	6,000,000	2,500,000	1,500,000
Periods	23	30	28
Effective Interest Rate	1.85%	2.89%	4.00%

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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### 3. Leases Payable

The District holds three lease agreements with Fruth Group for the use of copy machines. The first agreement began December 2020 extending for 60 months to November 2026 with monthly payments of \$498. The second agreement began October 2021 extending for 60 months to September 2027 with monthly payments of \$263. The third agreement began January 2022 extending for 60 months to December 2027 with monthly payments of \$3,147 per month. The leases have been recorded at the present value of lease payments discounted at a 3% rate.

Leases payable activity for the fiscal year ended June 30, 2024, was as follows:

scription	Balance Beginning of Year	Additions	Principal Payments	Balance End of Year	Due Within One Year
Fruth Group - Copy Machines	\$ 13,915	\$ -	\$ 5,636	\$ 8,279	\$ 5,807
Fruth Group - Copy Machines	9,761	-	2,903	6,858	2,991
Fruth Group - Copy Machines	125,323	-	34,476	90,847	35,525
Total	<u>\$ 148,999</u>	<u>\$ -</u>	<u>\$ 43,015</u>	<u>\$ 105,984</u>	<u>\$ 44,323</u>

Future payment requirements on leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	44,323	2,573	46,896
2026	42,158	1,252	43,410
2027	19,503	168	19,671
Total	<u>\$ 105,984</u>	<u>\$ 3,993</u>	<u>\$ 109,977</u>

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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### 4. Energy Efficiency Loan

The District received a loan on March 21, 2024 for energy efficiency projects that will be paid back over 20 years with annual payments. The interest rate on the loan is 4.69%.

Future payment requirements on the loan are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 136,205	\$ 136,205
2026	103,000	143,022	246,022
2027	108,000	138,121	246,121
2028	113,000	133,008	246,008
2029	119,000	127,615	246,615
2030-2034	683,000	548,191	1,231,191
2035-2039	862,000	369,830	1,231,830
2040-2044	1,087,000	144,898	1,231,898
Total	<u>3,075,000.00</u>	<u>1,740,890.00</u>	<u>4,815,890.00</u>

### 5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024, amounted to \$8,705. This amount is included as part of long-term liabilities in the government-wide financial statements.

### 6. Net Pension Liability

The District's beginning net pension liability was \$14,689,848 and increased by \$2,329,194 during the year ended June 30, 2024 for an ending net pension liability of \$17,019,042. See Note M for additional information regarding the net pension liability.

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## M. Pension Plans

### 1. General Information about the Pension Plans

#### a. Plan Descriptions

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

#### b. Benefits Paid

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

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

Hire Date	CalSTRS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55 - 60	55 - 62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2023-24)	10.250%	10.205%
Required Employer Contribution Rates (2023-24)	19.100%	19.100%
Required State Contribution Rates (2023-24)	10.828%	10.828%

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

\*\*The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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Hire Date	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 62	52 - 67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%*	1.0 - 2.5%*
Required Employee Contribution Rates (2023-24)	7.000%	8.000%
Required Employer Contribution Rates (2023-24)	26.680%	26.680%

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

\*\*The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

*CalSTRS*

For the fiscal year ended June 30, 2024, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2024. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

*CalPERS*

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2024, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 25.37% of covered payroll.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### *On Behalf Payments*

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2024 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the State's contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS		
	On Behalf Contribution	On Behalf Contribution	On Behalf Pension
	Rate	Amount	Expense
2022	10.828%	\$ 701,410	\$ 104,366
2023	10.828%	919,874	2,803,096
2024	10.828%	703,056	(224,189)

#### d. Contributions Recognized

For the fiscal year ended June 30, 2024 (measurement period June 30, 2023), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement)		
	CalSTRS	CalPERS	Total
<i>Governmental Funds</i>			
Contributions - Employer	\$ 1,701,041	\$ 1,017,111	\$ 2,718,152
Contributions - State On Behalf Payments	704,166	-	704,166
Total Governmental Funds	<u>\$ 2,405,207</u>	<u>\$ 1,017,111</u>	<u>\$ 3,422,318</u>

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 1,465,543	\$ 895,375	\$ 2,360,918
Contributions - State On Behalf Payments	703,824	-	703,824
Total Governmental Activities	<u>\$ 2,169,367</u>	<u>\$ 895,375</u>	<u>\$ 3,064,742</u>

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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

As of June 30, 2023 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	CalSTRS	CalPERS	Total
Governmental Activities	\$ 9,747,046	\$ 7,271,996	\$ 17,019,042

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to measurement date June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2023 and June 30, 2024 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	*State's Proportionate Share	Total for District Employees	District's Proportionate Share
<i>Governmental Activities</i>				
Proportion June 30, 2023	0.012050%	0.008285%	0.020335%	0.018358%
Proportion June 30, 2024	0.012798%	0.006122%	0.018920%	0.020089%
Change in Proportion	0.000748%	-0.002163%	-0.001415%	0.001731%

\*Represents State's Proportionate Share on behalf of District employees.

### a. Pension Expense

	<i>Governmental Activities</i>		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability	\$ 1,374,018	\$ 955,176	\$ 2,329,194
State On Behalf Pension Expense	(224,190)	-	(224,190)
Employer Contributions	1,508,096	885,640	2,393,736
Change in Deferrals for:			-
Experience Differences	(844,612)	(285,467)	(1,130,079)
Changes in Assumptions	223,585	132,264	355,849
Changes in Proportionate Share	(331,587)	19,268	(312,319)
Earnings Differences	(290,473)	87,375	(203,098)
Total Pension Expense	\$ 1,414,837	\$ 1,794,256	\$ 3,209,093



# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## b. Deferred Outflows and Inflows of Resources

At June 30, 2024, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 1,701,041	\$ 1,017,111	\$ 2,718,152
Experience Differences	766,015	265,375	1,031,390
Changes in Assumptions	56,439	335,018	391,457
Changes in Proportionate Share	1,130,174	766,394	1,896,568
Earnings Differences	41,235	776,754	817,989
Total Deferred Outflows of Resources	<u>\$ 3,694,904</u>	<u>\$ 3,160,652</u>	<u>\$ 6,855,556</u>
	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Experience Differences	\$ 521,392	\$ 111,688	\$ 633,080
Changes in Proportionate Share	411,074	-	411,074
Total Deferred Inflows of Resources	<u>\$ 932,466</u>	<u>\$ 111,688</u>	<u>\$ 1,044,154</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2025. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period.

Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Governmental Activities					
	Deferred Outflows of Resources		Deferred Inflows of Resources		
Year Ended					Net Effect
June 30,	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2025	\$ 1,874,776	\$ 1,763,046	\$ (282,301)	\$ (60,303)	\$ 3,295,218
2026	(72,648)	615,348	(280,582)	(51,385)	210,733
2027	1,113,729	758,084	(246,812)	-	1,625,001
2028	344,387	24,174	(92,182)	-	276,379
2029	238,198	-	(30,589)	-	207,609
Thereafter	196,462	-	-	-	196,462
Total	\$ 3,694,904	\$ 3,160,652	\$ (932,466)	\$ (111,688)	\$ 5,811,402

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2024, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2024	6/30/2024
Measurement Date	6/30/2023	6/30/2023
Valuation Date	6/30/2022	6/30/2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	Varies <sup>(3)</sup>
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple <sup>(1)</sup>	2.00% - 2.30% <sup>(4)</sup>
Mortality	CalSTRS Data <sup>(2)</sup>	CalPERS Data <sup>(5)</sup>

(1) CalSTRS post-retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (Fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

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

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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

CalSTRS		
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(1)</sup>
Public Equity	38.00%	5.25%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Fixed Income	14.00%	2.45%
Risk Mitigation Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Cash/Liquid	2.00%	0.05%

<sup>(1)</sup> 20-Year Average. Real rates of return are net of assumed 2.75% inflation.  
20 year average

CalPERS		
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(2),(3)</sup>
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>(2)</sup> An expected price inflation of 2.30% used for this period.

<sup>(3)</sup> Figures are based on the 2021-22 Asset Liability Management Study.  
20 year average

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

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

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 16,349,957	\$ 10,513,424
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 9,747,046	\$ 7,271,996
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 4,262,630	\$ 4,593,027

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## 1. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

### CalSTRS Governmental Activities

	Increase (Decrease)				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	State's Share of Net Pension Liability	District's Share of Net Pension Liability
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
<b>Balance at June 30, 2023</b>					
(Previously Reported)	\$ 75,146,365	\$ 61,016,446	\$ 14,129,919	\$ 5,756,891	\$ 8,373,028
<b>Changes for the year</b>					
Change in proportionate share	(5,229,019)	(4,245,796)	(983,223)	(1,502,976)	519,753
Service cost	1,546,710	-	1,546,710	500,474	1,046,236
Interest	4,952,688	-	4,952,688	1,602,556	3,350,132
Experience differences	1,321,184	-	1,321,184	427,499	893,685
Contributions:					
Employer	-	1,465,543	(1,465,543)	(474,210)	(991,333)
Employee	-	814,506	(814,506)	(263,552)	(550,954)
Net investment income	-	3,722,510	(3,722,510)	(1,204,504)	(2,518,006)
Other income	-	57,517	(57,517)	(18,611)	(38,906)
Benefit payments <sup>(1)</sup>	(3,478,253)	(3,478,253)	-	-	-
Administrative expenses	-	(42,002)	42,002	13,591	28,411
Other expenses	-	(1,703)	1,703	551	1,152
Net changes	(775,630)	(1,055,316)	279,686	(1,094,332)	1,374,018
<b>Balance at June 30, 2024</b>	<b>\$ 74,370,735</b>	<b>\$ 59,961,130</b>	<b>\$ 14,409,605</b>	<b>\$ 4,662,559</b>	<b>\$ 9,747,046</b>

(1) – Includes refunds of employee contributions

# Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

## CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at June 30, 2023</b>			
(Previously Reported)	\$ 20,890,412	\$ 14,573,592	\$ 6,316,820
<b>Changes for the year</b>			
Change in proportionate share	1,969,784	1,374,163	595,621
Service cost	551,238	-	551,238
Interest	1,581,674	-	1,581,674
Experience differences	357,144	-	357,144
Contributions:			
Employer	-	895,375	(895,375)
Employee	-	268,040	(268,040)
Net plan to plan resource movement	-	(2)	2
Net investment income	-	978,856	(978,856)
Benefit payments <sup>(1)</sup>	(1,140,285)	(1,140,285)	-
Administrative expenses	-	(11,768)	11,768
Net changes	3,319,555	2,364,379	955,176
<b>Balance at June 30, 2024</b>	<u>\$ 24,209,967</u>	<u>\$ 16,937,971</u>	<u>\$ 7,271,996</u>

(1) – Includes refunds of employee contributions

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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### N. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

### O. Participation in Joint Powers Authorities

The District is a member of two joint powers agreements (JPA) entities, the Imperial County Schools Risk Management (SDCSRM) and the Imperial County Schools Fringe Benefits Consortium (SDCSFBC) for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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

### P. Commitments and Contingencies

#### 1. State and Federal Allowances, Awards, and Grants

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



## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

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### 2 Litigation

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

### 3 Construction Commitments

As of June 30, 2024, the District had outstanding commitments with respect to unfinished capital projects in the amount of \$1,825,998 as identified below:

	<u>Remaining Commitment</u>	<u>Expected Date of Completion*</u>
Construction in Process:		
TK Building	\$ 1,560,998	TBD
Raw Water Project	265,000	TBD

\*Expected date of completion subject to change

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### Q. Deferred Outflows of Resources

Consistent with the requirements of GASB Statement No. 34 as amended by GASB Statement No. 65, prepaid debt issue insurance is recorded as deferred outflows of resources and amortized over the life of the debt utilizing the straight-line method.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2024 is as follows:

Description	Beginning Balance	Additions/ Adjustments	Amortization	Ending Balance
2016 Prepaid Bonds Insurance	19,185	-	502	18,683
2018A Prepaid Bonds Insurance	10,726	-	-	10,726
2018B Prepaid Bonds Insurance	-	8,345	-	8,345
Pension Related				
CalSTRS	2,426,079	3,349,906	2,081,081	3,694,904
CalPERS	2,701,489	2,146,124	1,686,961	3,160,652
Total Deferred Outflows of Resources	<u>\$ 5,157,479</u>	<u>\$ 5,504,375</u>	<u>\$ 3,768,544</u>	<u>\$ 6,893,310</u>

Future amortization of deferred outflows is as follows:

Year Ending June 30,	Pension Related	Bond Insurance	Total
2025	\$ 3,637,822	574	\$ 3,638,396
2026	542,700	795	543,495
2027	1,871,813	763	1,872,576
2028	368,561	857	369,418
2029	238,198	996	239,194
Thereafter	196,462	33,769	230,231
Total	<u>\$ 6,855,556</u>	<u>\$ 37,754</u>	<u>\$ 6,893,310</u>

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### R. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB pronouncement have been recorded as deferred inflows of resources.

Consistent with the requirements of GASB Statement No. 87, income associated with leases receivable are recorded as deferred inflows of resources and amortized over the life of the lease utilizing the straight-line method.

A summary of the deferred inflows of resources as of June 30, 2024 is as follows:

Description	Beginning Balance	Additions/ Adjustments	Amortization	Ending Balance
Deferred Rent Income	\$ 115,848	\$ -	\$ 9,654	\$ 106,194
Pension Related				
CalSTRS	1,238,065	(23,299)	282,300	932,466
CalPERS	156,503	15,488	60,303	111,688
Total Deferred Inflows of Resources	<u>\$ 1,510,416</u>	<u>\$ (7,811)</u>	<u>\$ 352,257</u>	<u>\$ 1,150,348</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	Deferred Rent Income	Total
2025	\$ 342,604	\$ 9,654	\$ 352,258
2026	331,967	9,654	341,621
2027	246,812	9,654	256,466
2028	92,182	9,654	101,836
2029	30,589	9,654	40,243
Thereafter	-	57,924	57,924
Total	<u>\$ 1,044,154</u>	<u>\$ 106,194</u>	<u>\$ 1,150,348</u>

## Heber Elementary School District

Notes to the Financial Statements, Continued

June 30, 2024

### S. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Fiscal Year Effective
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22	2024-25
GASB Statement No. 100 <i>Accounting Changes and Error Corrections (Amendment of GASB Statement No. 62)</i>	Jun-22	2024-25
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22	2024-25
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23	2024-25
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23	2024-25

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Required Supplementary Information

# Heber Elementary School District

## Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Variance to Original to Final Positive (Negative)		Variance to Final to Actual Positive (Negative)
	Original	Final		Actual	
<b>Revenues</b>					
LCFF Sources					
State Apportionment	\$ 11,886,964	\$ 11,437,572	\$ (449,392)	\$ 13,502,234	\$ 2,064,662
Education Protection Account	3,260,293	3,775,199	514,906	1,702,480	(2,072,719)
Property Taxes	1,164,663	1,182,818	18,155	1,183,800	982
Federal Revenue	939,439	2,769,568	1,830,129	2,089,171	(680,397)
Other State Revenue	3,419,939	4,613,520	1,193,581	4,548,050	(65,470)
Interest Income	85,000	290,000	205,000	334,232	44,232
FMV Adjustment	-	-	-	129,606	129,606
Other Local Revenue	560,548	661,388	100,840	1,080,397	419,009
Total Revenues	<u>21,316,846</u>	<u>24,730,065</u>	<u>3,413,219</u>	<u>24,569,970</u>	<u>(160,095)</u>
<b>Expenditures</b>					
Current Expenditures:					
Certificated Salaries	8,637,891	9,425,209	(787,318)	9,043,113	382,096
Classified Salaries	3,949,612	4,115,626	(166,014)	4,151,261	(35,635)
Employee Benefits	5,354,345	5,671,337	(316,992)	5,360,937	310,400
Books and Supplies	2,173,962	3,453,056	(1,279,094)	2,340,193	1,112,863
Services and Other Operating	2,181,739	2,721,963	(540,224)	2,347,204	374,759
Other Outgo	131,556	176,002	(44,446)	176,002	-
Direct Support/Indirect Costs	(78,000)	(78,000)	-	-	(78,000)
Capital Outlay	60,000	1,386,133	(1,326,133)	482,952	903,181
Debt Service:					
Principal	-	-	-	43,015	(43,015)
Interest	-	-	-	3,881	(3,881)
Total Expenditures	<u>22,411,105</u>	<u>26,871,326</u>	<u>(4,460,221)</u>	<u>23,948,558</u>	<u>2,922,768</u>
<b>Net Change in Fund Balance</b>	(1,094,259)	(2,141,261)	1,047,002	621,412	2,762,673
<b>Fund Balance - Beginning of Year</b>	11,230,430	11,230,430	-	11,230,430	-
<b>Fund Balance - End of Year</b>	<u>\$ 10,136,171</u>	<u>\$ 9,089,169</u>	<u>\$ 1,047,002</u>	<u>\$ 11,851,842</u>	<u>\$ 2,762,673</u>

See Accompanying Notes to Required Supplementary Information

# Heber Elementary School District

## Budgetary Comparison Schedule – Cafeteria Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Variance to Original to Final Positive (Negative)	Actual	Variance to Final Budget Positive (Negative)
	Original	Final			
<b>Revenues</b>					
Federal Revenue	\$ 1,835,000	\$ 1,709,790	\$ (125,210)	\$ 1,644,768	\$ (65,022)
Other State Revenue	250,000	560,634	310,634	586,493	25,859
Interest Income	22,000	57,000	35,000	64,519	7,519
FMV Adjustment	-	-	-	20,230	20,230
Other Local Revenue	7,500	7,500	-	4,909	(2,591)
Total Revenues	2,114,500	2,334,924	220,424	2,320,919	(14,005)
<b>Expenditures</b>					
Current Expenditures:					
Classified Salaries	592,160	621,660	(29,500)	583,424	38,236
Employee Benefits	324,545	327,120	(2,575)	287,716	39,404
Books and Supplies	1,243,500	1,448,943	(205,443)	1,159,884	289,059
Services and Other Operating	70,505	80,505	(10,000)	87,519	(7,014)
Transfers of Indirect Costs	78,000	78,000	-	-	78,000
Capital Outlay	-	75,000	(75,000)	58,189	16,811
Total Expenditures	2,308,710	2,631,228	(322,518)	2,176,732	454,496
<b>Net Change in Fund Balance</b>	(194,210)	(296,304)	102,094	144,187	440,491
<b>Fund Balance - Beginning of Year</b>	2,305,946	2,305,946	-	2,305,946	-
<b>Fund Balance - End of Year</b>	\$ 2,111,736	\$ 2,009,642	\$ 102,094	\$ 2,450,133	\$ 440,491

## Heber Elementary School District

### Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0128%	0.0121%	0.0114%	0.0110%	0.0120%	0.0113%	0.0108%	0.0116%	0.0121%	0.0110%
District's proportionate share of the net pension liability (asset)	\$ 9,747,046	\$ 8,373,028	\$ 5,191,463	\$ 10,586,345	\$ 10,825,465	\$ 10,427,768	\$ 9,984,167	\$ 9,400,027	\$ 8,129,805	\$ 6,438,286
State's proportionate share of the net pension liability (asset) associated with the District	4,662,559	5,106,505	4,001,904	7,525,441	6,019,667	6,047,283	6,029,712	5,185,294	4,475,694	3,757,488
Total	<u>\$ 14,409,605</u>	<u>\$ 13,479,533</u>	<u>\$ 9,193,367</u>	<u>\$ 18,111,786</u>	<u>\$ 16,845,132</u>	<u>\$ 16,475,051</u>	<u>\$ 16,013,879</u>	<u>\$ 14,585,321</u>	<u>\$ 12,605,499</u>	<u>\$ 10,195,774</u>
District's covered payroll*	7,694,665	7,692,494	6,702,842	6,724,959	6,442,574	6,025,766	5,708,060	5,774,232	5,580,383	\$ 4,881,939
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	126.67%	108.85%	77.45%	157.42%	168.03%	173.05%	174.91%	162.79%	145.69%	131.88%
Plan fiduciary net position as a percentage of the total pension liability	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.



## Heber Elementary School District

### Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,701,041	\$ 1,469,681	\$ 1,301,570	\$ 1,082,509	\$ 1,149,968	\$ 1,048,851	\$ 869,518	\$ 718,074	\$ 619,575	\$ 495,538
Contributions in relation to the contractually required contribution	(1,701,041)	(1,469,681)	(1,301,570)	(1,082,509)	(1,149,968)	(1,048,851)	(869,518)	(718,074)	(619,575)	(495,538)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 8,905,974	\$ 7,694,665	\$ 7,692,494	\$ 6,702,842	\$ 6,724,959	\$ 6,442,574	\$ 6,025,766	\$ 5,708,060	\$ 5,774,232	\$ 5,580,383
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

\*Covered payroll on this schedule is based on the fiscal year.

## Heber Elementary School District

### Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS

Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0201%	0.0184%	0.0163%	0.0157%	0.0156%	0.0155%	0.0151%	0.0148%	0.0144%	0.0131%
District's proportionate share of the net pension liability (asset)	\$ 7,271,996	\$ 6,316,820	\$ 3,308,819	\$ 4,829,516	\$ 4,534,554	\$ 4,141,853	\$ 3,605,485	\$ 2,932,760	\$ 2,126,584	\$ 1,491,412
District's covered payroll*	\$ 3,477,753	\$ 2,850,388	\$ 2,336,411	\$ 2,287,582	\$ 2,177,395	\$ 2,071,225	\$ 1,939,761	\$ 1,798,209	\$ 1,604,399	\$ 1,381,332
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	209.10%	221.61%	141.62%	211.12%	208.26%	199.97%	185.87%	163.09%	132.55%	107.97%
Plan fiduciary net position as a percentage of the total pension liability	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

**Heber Elementary School District**  
**Schedule of the District's Contributions - CalPERS**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,017,111	\$ 882,306	\$ 653,024	\$ 483,637	\$ 451,134	\$ 393,281	\$ 321,682	\$ 269,394	\$ 213,034	\$ 188,854
Contributions in relation to the contractually required contribution	<u>(1,017,111)</u>	<u>(882,306)</u>	<u>(654,152)</u>	<u>(483,637)</u>	<u>(451,134)</u>	<u>(393,281)</u>	<u>(321,682)</u>	<u>(269,394)</u>	<u>(213,034)</u>	<u>(188,854)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll*	\$ 3,812,260	\$ 3,477,753	\$ 2,850,388	\$ 2,336,411	\$ 2,287,582	\$ 2,177,395	\$ 2,071,225	\$ 1,939,761	\$ 1,798,209	\$ 1,604,399
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.77%

\*Covered payroll on this schedule is based on the fiscal year.

## Heber Elementary School District

### Notes to Required Supplementary Information

For the Year Ended June 30, 2024

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#### Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other than Capital Outlay (Fund 17) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 12,267,263
Less Fund 17 Fund Balance	<u>(415,421)</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 11,851,842</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ 639,534
Less Fund 17 Net Change in Fund Balance	<u>(18,122)</u>
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ 621,412</u>

#### Excess of Expenditures Over Appropriations

As of June 30, 2024, the District's expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
<b>General Fund:</b>		
Direct Support/ Indirect Cost	\$ 78,000	The District underestimated the amounts to be transferred between funds for indirect costs.
Classified Salaries	35,635	The District did not budget appropriately for classified salaries.
Debt Service	46,896	The District did not budget for principal and interest payments resulting from GASB 87

#### **Cafeteria Fund:**

Service and Other Operating	\$ 7,014	The District underestimated the cost of service and other operating expenses.
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Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

## Heber Elementary School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2024

### Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: There were no changes to benefits during the periods being reported.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies. Changes in assumptions effective in fiscal year 2020-21 (measured as of June 30, 2020) were to termination rates and service retirement rates based on the experience study for the period July 1, 2015, through June 30, 2018. Changes in assumptions effective in fiscal year 2017-18 (measured as of June 30, 2017) were to price inflation, wage growth, discount rate and mortality tables based on the experience study for the period July 1, 2010, through June 30, 2015.

### Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2023, was determined with a valuation completed June 30, 2022 (released in May 2023). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	2006 - 2010	2006 - 2010	2006 - 2010	2006 - 2015	2006 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22
Experience Study	2006 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2015 - 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

(1) – Net of investment expenses but gross of administrative expenses.

CalSTRS uses a generational mortality assumption, which involves the use of 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 CalSTRS members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

## Heber Elementary School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2024

### Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: There were no changes to benefits during the periods being reported.
2. Changes in Assumptions. On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016, actuarial valuations and the June 30, 2017 valuations for the School Pool. Subsequently the CalPERS Board decrease from 7.25% to 7.15% for the school pool valuation occurred in the June 30, 2019, valuation. Finally, the CalPERS board decreased the discount rate from 7.15% to 6.90% for measurement date June 30, 2022 as a result of the 2021 experience study. Additional adjustments were made to mortality and other assumptions based upon the experience study completed in 2021.

### Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2023, was determined with a valuation completed June 30, 2022. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.50%	7.65%	7.65%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22
Experience Study	1997 - 2015	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return <sup>(1)</sup>	7.15%	7.15%	7.15%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%	2.75%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

Combining Statements as Supplementary Information

## Heber Elementary School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Fund	Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Deferred Maintenance Fund	Capital Facilities Fund	State School Building Fund	Special Reserve for Capital Outlay	Bond Interest & Redemption Fund	
<b>Assets</b>						
Cash and Investments	\$ 2,426	\$ 385,701	\$ 4,235	\$ 9,322	\$ 647,450	\$ 1,049,134
Accounts Receivable	23	2,779	40	88	5,566	8,496
<b>Total Assets</b>	<u>\$ 2,449</u>	<u>\$ 388,480</u>	<u>\$ 4,275</u>	<u>\$ 9,410</u>	<u>\$ 653,016</u>	<u>\$ 1,057,630</u>
<b>Liabilities and Fund Balance</b>						
Liabilities:						
Accounts Payable	\$ -	\$ 971	\$ -	\$ -	\$ -	\$ 971
Total Liabilities	<u>-</u>	<u>971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>971</u>
Fund Balance:						
Restricted	-	387,509	4,275	-	653,016	1,044,800
Committed	2,449	-	-	-	-	2,449
Assigned	-	-	-	9,410	-	9,410
Total Fund Balance	<u>2,449</u>	<u>387,509</u>	<u>4,275</u>	<u>9,410</u>	<u>653,016</u>	<u>1,056,659</u>
<b>Total Liabilities Fund Balance</b>	<u>\$ 2,449</u>	<u>\$ 388,480</u>	<u>\$ 4,275</u>	<u>\$ 9,410</u>	<u>\$ 653,016</u>	<u>\$ 1,057,630</u>



## Heber Elementary School District

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Fund	Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Deferred Maintenance Fund	Capital Facilities Fund	State School Building Fund	Special Reserve for Capital Outlay	Bond Interest & Redemption Fund	
<b>Revenues</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 440,250	\$ 440,250
Interest Income	78	6,755	137	300	11,330	18,600
Fair Market Value Adjustment	29	(3,445)	49	110	-	(3,257)
Other Local Revenue	-	295,754	-	-	-	295,754
Total Revenues	<u>\$ 107</u>	<u>\$ 299,064</u>	<u>\$ 186</u>	<u>\$ 410</u>	<u>\$ 451,580</u>	<u>\$ 751,347</u>
<b>Expenditures</b>						
Current Expenditures:						
Plant Services	-	7,368	-	-	-	7,368
Debt Service:						
Principal	-	-	-	-	140,000	140,000
Interest	-	-	-	-	264,869	264,869
Total Expenditures	<u>-</u>	<u>7,368</u>	<u>-</u>	<u>-</u>	<u>404,869</u>	<u>412,237</u>
Net Change in Fund Balance	107	291,696	186	410	46,711	339,110
Fund Balance, Beginning of Year	2,342	95,813	4,089	9,000	606,305	717,549
Fund Balance, End of Year	<u>\$ 2,449</u>	<u>\$ 387,509</u>	<u>\$ 4,275</u>	<u>\$ 9,410</u>	<u>\$ 653,016</u>	<u>\$ 1,056,659</u>

## Other Supplementary Information

## Heber Elementary School District

### Schedule of Average Daily Attendance

Year Ended June 30, 2024

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	Second Period Report Certificate #23B23579		Annual Report Certificate #9FC9208C	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA	459.92	N/A	464.47	N/A
Total TK/K-3	459.92	N/A	464.47	N/A
Grades 4-6				
Regular ADA	366.90	N/A	366.81	N/A
Total Grades 4-6	366.90	N/A	366.81	N/A
Grades 7-8				
Regular ADA	278.99	N/A	280.09	N/A
Total Grades 7-8	278.99	N/A	280.09	N/A
Total ADA	1,105.81	N/A	1,111.37	N/A

N/A – There were no audit findings which resulted in revisions to average daily attendance (ADA).

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

## Heber Elementary School District

### Schedule of Instructional Time

Year Ended June 30, 2024

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Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	53,760	0	53,760	180	0	180	Complied
Kindergarten	36,000	54,080	0	54,080	180	0	180	Complied
1st Grade	50,400	56,168	0	56,168	180	0	180	Complied
2nd Grade	50,400	56,168	0	56,168	180	0	180	Complied
3rd Grade	50,400	56,168	0	56,168	180	0	180	Complied
4th Grade	54,000	56,168	0	56,168	180	0	180	Complied
5th Grade	54,000	56,168	0	56,168	180	0	180	Complied
6th Grade	54,000	56,168	0	56,168	180	0	180	Complied
7th Grade	54,000	59,280	0	59,280	180	0	180	Complied
8th Grade	54,000	59,280	0	59,280	180	0	180	Complied

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten 36,000 minutes
- To pupils in grades 1 to 3 50,400 minutes
- To pupils in grades 4 to 8 54,000 minutes
- To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3 230 minutes
- EC §46113: Grades 4 to 8 240 minutes
- EC §46114: Kindergarten 180 minutes
- EC §46141: Grades 9 to 12 240 minutes

## Heber Elementary School District

### Schedule of Financial Trends and Analysis

Year Ended June 30, 2024

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<u>General Fund</u>	<u>Budget 2025 (See Note 1)</u>	<u>2024</u>	<u>2023 (See Note 1)</u>	<u>2022 (See Note 1)</u>
Revenues and Other Financing Sources	\$ 22,995,000	\$ 24,569,970	\$ 25,473,134	\$ 19,952,670
Expenditures and Other Financing Uses	<u>25,083,817</u>	<u>23,948,558</u>	<u>22,798,036</u>	<u>19,582,796</u>
Net Change in Fund Balance	<u>(2,088,817)</u>	<u>621,412</u>	<u>2,675,098</u>	<u>369,874</u>
Ending Fund Balance	<u>\$ 9,763,025</u>	<u>\$ 11,851,842</u>	<u>\$ 11,230,430</u>	<u>\$ 8,555,332</u>
Available Reserves (See Note 2)	<u>\$ 5,011,133</u>	<u>\$ 5,499,724</u>	<u>\$ 5,091,146</u>	<u>\$ 5,091,146</u>
Available Reserves as a Percentage of Total Outgo	<u>19.98%</u>	<u>22.96%</u>	<u>22.33%</u>	<u>26.00%</u>
Long Term Debt (See Note 3)	<u>\$ 12,725,091</u>	<u>\$ 12,933,759</u>	<u>\$ 8,756,352</u>	<u>\$ 8,756,352</u>
Average Daily Attendance at P2	<u>1,106</u>	<u>1,106</u>	<u>1,094</u>	<u>1,039</u>

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

The general fund balance has increased by \$3,296,510 (38.53%) over the past two years. The fiscal year 2024-25 budget projects an decrease of \$2,088,817 (17.62%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has increased by \$4,177,407 over the past two years.

Average daily attendance (ADA) has increased by 67 over the past two years.

## Heber Elementary School District

### Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2024

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#### Notes:

1. AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:
  - a) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
  - b) The supplementary information relates to the same period as the financial statements.
  - c) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
  - d) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the District.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

2. Available reserves consist of all unassigned fund balances contained within the general fund and amounts committed to stabilization of educational programs contained in the Special Reserve Fund for Other Than Capital Outlay.
3. Long term debt consists of general obligation bonds, energy efficiency loan, and leases payable.
4. GASB Statement No. 54 requires the inclusion of the Special Reserve Fund for Other Than Capital Outlay (Fund 17) with the General Fund for reporting purposes only. This schedule has been prepared without the inclusion of Fund 17.

## Heber Elementary School District

### Reconciliation of Annual Financial and Budget Report with Audited Financial Statements Year Ended June 30, 2024

	General Fund (Fund 01)	Special Reserve Fund for Other Than Capital Outlay (Fund 17)	Bond Interest & Redemption Fund (Fund 51)
June 30, 2024, annual financial and budget report fund balances	<u>\$ 11,845,722</u>	<u>\$ 415,421</u>	<u>\$ 473,567</u>
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
GASB 54 Fund Presentation	415,421	(415,421)	-
Understatement of Lease Receivable	112,314	-	-
Understatement of Deferred Inflows	(106,194)	-	-
Understatement of Cash	-	-	178,087
Understatement of Accounts Receivable	<u>-</u>	<u>-</u>	<u>1,362</u>
Net adjustments and reclassifications	<u>421,541</u>	<u>(415,421)</u>	<u>179,449</u>
June 30, 2024, audited financial statement fund balances	<u><u>\$ 12,267,263</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 653,016</u></u>

Note 1: The Special Reserve Fund for Other Than Capital Outlay (Fund 17) does not meet the definition of a special revenue fund under the provisions of GASB Statement No. 54. As a result, the fund is being combined with the General Fund for presentation in the basic financial statements.

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

## **Heber Elementary School District**

Schedule of Charter Schools

Year Ended June 30, 2024

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The Heber Elementary School District has not authorized any charter schools.

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.



**Heber Elementary School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Subrecipient Expenditures</u>	<u>Total Federal Expenditures</u>
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 477,811
National School Lunch Program	10.555	13396	-	865,907
National School Lunch Program - Noncash Commodities	10.555	13396	-	55,569
Total Child Nutrition Cluster			-	1,399,287
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	184,744
Total Special Education (IDEA) Cluster			-	184,744
<b>OTHER PROGRAMS:</b>				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
Migrant Education	84.011	14838	-	99,672
Migrant Education Summer	84.011	10005	-	49,591
Migrant Education Even Start	84.011	14768	-	5,684
Subtotal Migrant Education				154,947
Title III English Learner	84.365	14346	-	62,645
Title III Immigrant Education	84.365	15146	-	3,077
Subtotal Title III				65,722
ESSER III	84.425D	15559	-	823,037
ESSER III - Learning Loss	84.425U	10155	-	216,384
ESSER III - State Emergency Needs	84.425	15620	-	23,852
ESSER III - State Reserve Learning Loss	84.425	15621	-	148,532
GEER II	84.425	15566	-	5,905
Subtotal COVID-19 Funding				1,217,710
Title I	84.010	14329	-	351,375
Title II Supporting Effective Instruction	84.367	14341	-	72,703
Title IV Student Support	84.424	15396	-	41,970
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
Child and Adult Care Food Program	10.558	13666	-	245,481
Total Other Programs			-	2,149,908
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,733,939

## Heber Elementary School District

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

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### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 8.40% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The District charged indirect costs to two programs as detailed below:

<u>Program</u>	<u>AL #</u>	<u>Indirect Cost Rate</u>
Migrant Education	84.011	5.00%
Migrant Education Summer	84.011	2.06%

### Schoolwide Programs

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in it’s schoolwide program:

<u>Program</u>	<u>AL #</u>	<u>Amount Expended</u>
Title I	84.010	\$ 351,375

## Other Information

**Heber Elementary School District**  
Local Education Agency Organization Structure  
June 30, 2024

The Heber Elementary School District was established on July 3, 1908, and is comprised of approximately 10.5 square miles, located in and around the City of Heber in Imperial County. There were no changes to the boundaries of the District during the current fiscal year. The District is currently operating two elementary schools, grades K-3 at Dogwood Elementary and grades 4-8 at Heber Elementary.

**GOVERNING BOARD**

<b>Name</b>	<b>Office</b>	<b>Term and Term Expiration</b>
Pompeyo Tabarez	Member	Four Year Term Expires December 2024
Helen Molina	President	Four Year Term Expires December 2024
Tony Sandoval	Clerk	Four Year Term Expires December 2026
Albert Padilla	Member	Four Year Term Expires November 2026
Angelica Cardenas	Member	Four Year Term Expires November 2026

**ADMINISTRATION**

Juan Cruz  
Superintendent

David Osterman  
Chief Business Official

## Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education  
Heber Elementary School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Heber Elementary School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001.

**Report on Compliance and Other Matters**

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

## Heber Elementary School District's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### Purpose of this Report

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

A handwritten signature in blue ink, reading "William H. Kelly, CPA".

El Cajon, California

January 31, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and on  
Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education  
Heber Elementary School District

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Heber Elementary School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the 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, 2024.

**Basis for Opinion on Each Major Federal Program**

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 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.



## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*William Halley King & Co. LLP*

El Cajon, California  
January 31, 2025

Independent Auditor's Report on State Compliance and on  
Internal Control Over State Compliance

To the Board of Education  
Heber Elementary School District

**Report on Compliance for Applicable State Programs**

**Opinion on Each Applicable State Program**

We have audited the Heber Elementary School District's (the District) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2024.

**Basis for Opinion on Each Applicable State Program**

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each applicable state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following programs:

		Procedures Performed
<b><u>Local Education Agencies Other than Charter Schools</u></b>		
A.	Attendance.....	Yes
B.	Teacher Certification and Misassignments.....	Yes
C.	Kindergarten Continuance.....	Yes
D.	Independent Study.....	N/A
E.	Continuation Education.....	N/A
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.....	N/A
K.	Gann Limit Calculation.....	Yes
L.	School Accountability Report Card.....	Yes
M.	Juvenile Court Schools.....	N/A
N.	Middle or Early College High Schools.....	N/A
O.	K-3 Grade Span Adjustment.....	Yes
P.	(Reserved).....	N/A
Q.	Apprenticeship: Related and Supplemental Instruction.....	N/A
R.	Comprehensive School Safety Plan.....	Yes
S.	District of Choice.....	N/A
TT.	Home to School Transportation Reimbursement.....	Yes

<b><u>School Districts, County Offices of Education, and Charter Schools</u></b>		<b><u>Procedures Performed</u></b>
T.	Proposition 28 Arts & Music in Schools.....	Yes
U.	After/Before School Education and Safety Program.....	N/A
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	Expanded Learning Opportunities Program (ELO-P).....	Yes
EZ.	Transitional Kindergarten.....	Yes

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 and which are described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each applicable state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control over State Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

We did not identify any material weaknesses in internal controls over compliance. However, material weaknesses in internal control over state compliance may exist that were not identified.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.



El Cajon, California  
January 31, 2025

## Auditor's Results, Findings & Recommendations

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?

Yes

X

No

One or more significant deficiencies identified that are not considered material weakness(es)?

X

Yes

No

Noncompliance material to financial statements noted?

Yes

X

No

FEDERAL AWARDS

Internal control over major federal programs:

One or more material weakness(es) identified?

Yes

X

No

One or more significant deficiencies identified that are not considered material weakness(es)?

Yes

X

No

Type of auditor's report issued on compliance for major programs:

Unmodified

Compliance supplement utilized for single audit

May 2024

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?

Yes

X

No

Identification of major programs:

ALN(s)	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
10.558	Child and Adult Care Food Program

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

X

Yes

No



STATE AWARDS

Type of auditor's report issued on compliance for state programs: Unmodified

Internal control over applicable state programs:

One or more material weakness(es) identified?            Yes   X   No

One or more significant deficiencies identified that are  
not considered material weakness(es)?   X   Yes            No

Any audit findings disclosed that are required to be reported  
in accordance with *2023-24 Guide for Annual Audits  
of California K-12 Local Education Agencies?*   X   Yes            No

## Heber Elementary School District

### Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

#### A. Financial Statement Findings

Finding Number: 2024-001  
Repeat Finding: No  
Description: Year End Closing  
Type of Finding: Internal Control (30000)

##### Criteria or Specific Requirement

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls are reliant upon internal controls and information provided by the Imperial County Treasurer.

##### Condition

In our review of information reported by the District for the Bond Interest and Redemption Fund, we identified material misstatements that were not identified by the District prior to finalizing of the financial statements. The material misstatements resulted from the Imperial County Treasury office providing a duplication of the 2022-23 financial information for one fund rather than the 2023-24 activities for the fund.

## Heber Elementary School District

### Schedule of Findings and Questioned Costs, Continued

Year Ended June 30, 2024

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#### Cause

A clerical error at the Imperial County Treasury office was not detected by the internal controls at the county treasury or the internal controls at the District.

#### Effect

The financial statements were materially misstated and required audit adjustments to correct.

#### Context

The Imperial County Treasurer acts as a trustee over the funds received and expended in the Bond Interest and Redemption Fund. Annually, the Imperial County Treasurer provides a copy of the financial statements to the District for inclusion in the District's financial statements. The information provided by the Imperial County Treasurer contained material misstatements which carried into the District's financial statements and required audit adjustments to correct.

#### Recommendation

Implement review processes over information provided by trustees to ensure the information being provided is accurate to prevent misstatements in the District's financial statements. Continue to work with the Imperial County Treasurer's Office to ensure information reported by the District is free of material misstatements.

#### Views of Responsible Officials

See Corrective Action Plan

### **B. Federal Award Findings**

None

### **C. State Award Findings**

Finding Number: 2024-002  
Repeat Finding: No  
Description: Unduplicated Pupil Count  
Type of Finding: State Compliance (40000)

#### Criteria or Specific Requirement

Verify that the District has accurately reported unduplicated pupil counts on the CalPADS Certification Report 1.17 - *Free or Reduced Price Meals (FRPM)/English Learner/Foster Youth – Count*.

#### Condition

During our audit of unduplicated pupil count, we noted one out of the twenty seven students tested for the "Free/Reduced Price Meals" category, which produced an extrapolated error rate 3.7% which was applied to the entire "FRPM" population. The number of students questioned from the extrapolated error rate was rounded up to 5.

**Heber Elementary School District**  
Schedule of Findings and Questioned Costs, Continued  
Year Ended June 30, 2024

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Cause

For one of the students selected for testing, their FRPM application indicated that they did not meet the criteria for free or reduced lunch. The student was erroneously categorized on the CalPADS 1.18 in the FRPM category in the 2023-24 school year.

Potential Fiscal Impact

The unduplicated pupil count funding was overstated by \$14,386.

Effect

The District has overreported the unduplicated pupil percentage for the fiscal year ended June 30, 2024 which results in an overstatement of supplemental and concentration grant funding of \$14,386 with adjusted counts as follows:

	Funded Under LCFF	Audit Adjustments	Adjusted Counts
Total Enrollment	1,181	-	1,181
Free/Reduced Price Meal Program (FRPM)	112	(5)	107
English Learner (ELAS)	131	-	131
Both FRPM & ELAS	162	-	162
Other Funded*	560	-	560
Total Unduplicated Pupil Count	965	(5)	960

Context

Each year on Census Day (first Wednesday in October) the District submits CalPADS Certification Report 1.17 – Free or Reduced Price Meals (FRPM)/English Learner/Foster Youth – Count which calculates the District’s unduplicated pupils percentage that is used to determine supplemental and concentration grant amounts. The percentage is equal to the unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth (EC §2574(b)(2) and §42238.02(b)(1)) with eligible students being counted only once. Accurate reporting is necessary to ensure the District receives the correct amount of supplemental and concentration grants included in the local control funding formula apportionment.

Recommendation

Establish a written process for CalPADS reporting that includes relevant information to ensure accurate and complete reporting. Provide training to all new employees responsible for reporting CalPADS data. Establish a review process over CalPADS reporting to ensure errors are detected and corrected prior to final certification and submission of CalPADS reporting.

Views of Responsible Officials

See Corrective Action Plan



Heber Elementary School District  
1052 Heber Ave. Heber, CA 92249  
[www.hebersd.org](http://www.hebersd.org)

January 31, 2025

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To Whom it May Concern:

The accompanying Corrective Action Plan has been prepared as required by the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

David Ostermann  
Chief of Business Official

# Heber Elementary School District

## Corrective Action Plan

For the Year Ended June 30, 2024

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### Financial Statement Findings

Finding Number: 2024-001  
Program Name: Year End Closing  
Contact Person: David Ostermann  
Anticipated Completion Date: September 2025

#### Planned Corrective Action:

Heber Elementary School District will submit information received from Imperial County to its financial advisors for accuracy verification when closing the fiscal year. Additionally, the District will implement a timelier review process to ensure thorough analysis and prevent rushed decision-making.

### State Compliance Findings

Finding Number: 2024-002  
Program Name: Unduplicated Pupil Count  
Contact Person: David Ostermann  
Anticipated Completion Date: June 30, 2025

#### Planned Corrective Action:

Heber Elementary School District will update its written process for CALPADS reporting. Documented training will be implemented for all employees involved in student registration and the collection of Free and Reduced-Price Meals, English Learner, and Foster Youth data. The training will emphasize the importance of these forms, their financial implications, and the verification process.

Although Heber is a smaller district, multiple individuals must be responsible for overseeing the entire process to ensure accuracy. By involving site staff in reviewing and verifying the forms, the likelihood of errors will be minimized.

**Heber Elementary School District**

Schedule of Prior Year Audit Findings

Year Ended June 30, 2024

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Finding/Recommendation	Status	Explanation if Not Implemented
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There were no audit findings reported for the fiscal year ended June 30, 2023.

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## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT IMPERIAL COUNTY

*The following information concerning Imperial County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Notes are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor.*

#### General Information

**Imperial County.** The County is located in the southeast corner of California. It is bordered on the north by Riverside County, on the west by San Diego County, on the south by Mexico and on the east by the Colorado River which forms the boundary between California and Arizona. It covers an area of 4,284 square miles. The County has an average annual rainfall of less than three inches, and three fourths of the area is desert sand and rugged mountains. Parts of the County are below sea level. The County is one of the State's major agricultural producers. Farming is done in the Imperial Valley, an approximately one thousand square mile area. An extensive irrigation system has been developed and adequate water is supplied from the Colorado River through the All-American Canal. There is a year-round growing season with a mean monthly temperature ranging from 55 degrees to 90 degrees. The City of El Centro, the largest of three major cities in the Imperial Valley, is the County seat and the principal trading center of the County.

#### Population

The following table shows population estimates for the City and County for the past five years as of January 1.

#### COUNTY OF IMPERIAL Population Estimates Calendar Years 2021 through 2025 As of January 1

Area	2021	2022	2023	2024	2025
Brawley	26,760	27,141	27,934	28,710	28,952
Calexico	39,079	38,987	39,022	39,762	40,073
Calipatria	6,406	6,458	6,101	6,387	6,061
El Centro	45,067	44,805	44,799	45,497	46,007
Holtville	5,529	5,605	5,572	5,653	5,685
Imperial	20,850	21,668	21,815	22,422	22,866
Westmoreland	2,026	2,018	2,015	2,076	2,084
Unincorporated	34,779	34,071	34,103	34,487	34,771
<b>Total County</b>	<b>180,496</b>	<b>180,753</b>	<b>181,361</b>	<b>184,994</b>	<b>186,499</b>

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

## Employment and Industry

The District is included in the El Centro Metropolitan Statistical Area (“**MSA**”). The unemployment rate in the County was 16.0% in April 2025, down from a revised 16.6% in March 2025, and above the year-ago estimate of 15.5%. This compares with an unadjusted unemployment rate of 5.0% for California and 3.9% for the nation during the same period.

The table below provides information about employment by industry type for the MSA for calendar years 2020 through 2024.

### EL CENTRO METROPOLITAN STATISTICAL AREA (IMPERIAL COUNTY) Annual Average Civilian Labor Force, Unemployment and Employment by Industry (March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force <sup>(1)</sup>	69,700	67,100	68,100	71,500	73,000
Employment	53,600	55,000	57,600	58,900	59,600
Unemployment	16,200	12,100	10,500	12,600	13,400
Unemployment Rate	23.2%	18.0%	15.4%	17.6%	18.4%
<u>Wage and Salary Employment: <sup>(2)</sup></u>					
Agriculture	10,400	10,700	9,900	9,000	8,700
Mining, Logging, Construction	1,900	2,000	2,100	2,000	2,100
Manufacturing	2,000	2,100	2,300	2,300	2,300
Wholesale Trade	1,700	1,700	1,800	1,700	1,800
Retail Trade	7,200	7,900	8,100	8,200	8,200
Transportation, Warehousing and Utilities	2,200	2,400	2,500	2,500	2,600
Information	200	200	200	200	200
Financial Activities	1,100	1,100	1,100	1,200	1,200
Professional and Business Services	2,700	2,900	3,100	3,200	3,300
Educational and Health Services	9,700	9,500	10,200	11,200	11,600
Leisure and Hospitality	3,400	4,000	4,400	4,400	4,400
Other Services	800	900	1,100	1,100	1,100
Federal Government	2,300	2,400	2,500	2,500	2,600
State Government	2,800	2,700	2,700	2,700	2,700
Local Government	13,300	13,200	14,200	14,600	15,100
<b>Total all Industries <sup>(3)</sup></b>	<b>61,700</b>	<b>63,700</b>	<b>66,200</b>	<b>67,000</b>	<b>67,800</b>

(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) Columns may not sum to totals due to rounding.

Source: California Employment Development Department.

## Major Employers

The following table lists the major employers within the County as of June 2025.

### COUNTY OF IMPERIAL Major Employers (Listed Alphabetically)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
8A Packing LLC	El Centro	Labor Organizations
Academic Services	Imperial	University-College Dept/Facility/Office
Calipatria State Prison	Calipatria	Government Offices-State
Centinela State Prison	Imperial	Government Offices-State
Central Union High School Dist	El Centro	School Districts
Costco Wholesale	El Centro	Wholesale Clubs
El Centro Naval Air Facility	El Centro	Federal Government-National Security
El Centro Regional Medical Ctr	El Centro	Hospitals
Imperial County Behavioral	El Centro	Mental Health Services
Imperial County Coroner	El Centro	Government Offices-County
Imperial County Ofc-Edu Fndtn	El Centro	Educational Associations
Imperial County Sheriff	El Centro	Government Offices-County
Imperial Irrigation District	El Centro	Distribution Services
Jjall LLC	Calexico	Labor Contractors
Pioneers Memorial Healthcare	Brawley	Health Care Management
Quechan Casino Resort	Felicity	Casinos
Spreckels Sugar Co Inc	Brawley	Sugar Refiners (mfrs)
Target	El Centro	Department Stores
United States Gypsum Co	Imperial	Gypsum & Gypsum Products (mfrs)
US Border Patrol	El Centro	Federal Government-Police
Vulcan-Bn Geothermal Power	Calipatria	Power Plants
Walmart Supercenter	El Centro	Department Stores
Walmart Supercenter	Calexico	Department Stores
Walmart Supercenter	Brawley	Department Stores
Western Mesquite Mines Inc	Brawley	Mines

Source: California Employment Development Department, extracted from the America's Labor Market Information System Employer Database, 2025 1st Edition.

## Effective Buying Income

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

The following table summarizes the total effective and median household effective buying income for the County, the State and the United States for the period 2021 through 2025.

### IMPERIAL COUNTY; STATE OF CALIFORNIA; UNITED STATES Effective Buying Income 2021 through 2025

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	Imperial County	\$2,892,697	\$45,004
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Imperial County	\$3,264,811	\$48,853
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	Imperial County	\$3,358,292	\$50,070
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	Imperial County	\$3,651,823	\$55,405
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	Imperial County	\$3,785,804	\$54,476
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

## Commercial Activity

Summaries of historic taxable sales within the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during calendar year 2024 in the County were reported to be \$3,878,548,299, a 2.95% decrease from the total taxable sales of \$3,996,269,436 reported during calendar year 2023.

### IMPERIAL COUNTY Taxable Retail Sales 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>
2020	2,357	\$1,773,476	3,846	\$2,721,031
2021	2,118	2,195,936	3,549	3,215,255
2022	2,194	2,326,278	3,704	3,591,642
2023	2,177	2,436,550	3,699	3,996,269
2024	2,152	2,444,663	3,705	3,878,548

Source: State Department of Tax and Fee Administration.

## Construction Activity

Provided below are the building permits and valuations for the County, for calendar years 2019 through 2023. Annual data for 2024 is not yet available.

### IMPERIAL COUNTY Total Building Permit Valuations (Valuations in Thousands)

<u>Permit Valuation</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
New Single-family	\$49,234.9	\$56,996.2	\$71,015.0	\$48,422.6	\$2,368.8
New Multi-family	36,793.9	7,382.0	6,312.8	23,157.0	300.0
Res. Alterations/Additions	<u>4,984.3</u>	<u>3,702.7</u>	<u>9,311.3</u>	<u>2,872.9</u>	<u>2,728.6</u>
Total Residential	91,013.1	68,080.9	86,639.1	74,452.5	5,397.4
New Commercial	31,212.4	4,824.0	20,112.5	1,758.1	4,340.0
New Industrial	30.0	0.0	13,200.0	1,000.0	0.0
New Other	12,016.5	27,973.5	15,532.6	7,415.5	8,758.9
Com. Alterations/Additions	<u>18,683.1</u>	<u>8,603.8</u>	<u>11,586.4</u>	<u>27,992.4</u>	<u>1,605.7</u>
Total Nonresidential	61,942.0	41,401.3	60,431.5	38,166.0	14,704.6
<b><u>New Dwelling Units</u></b>					
Single Family	267	319	406	276	30
Multiple Family	<u>394</u>	<u>75</u>	<u>58</u>	<u>178</u>	<u>2</u>
TOTAL	661	394	464	454	32

Source: Construction Industry Research Board, Building Permit Summary.

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## APPENDIX D

### PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Trustees  
Heber Elementary School District  
1052 Heber Avenue  
Heber, California 92249

**OPINION:**     \$\_\_\_\_\_ Heber Elementary School District  
                      General Obligation Bonds, Election of 2024, Series A (Bank Qualified)

Members of the Board of Trustees:

We have acted as bond counsel to the Heber Elementary School District (the "District") in connection with the issuance by the District of \$\_\_\_\_\_ principal amount of Heber Elementary School District (Imperial County, California) General Obligation Bonds, Election of 2024, Series A, dated the date hereof (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 adopted by the Board of Trustees of the District (the "Board") on May 14, 2025 (the "Bond 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 Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Imperial is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate 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,

LLP



## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
**HEBER ELEMENTARY SCHOOL DISTRICT**  
(Imperial County, California)  
**General Obligation Bonds,**  
**Election of 2024, Series A**  
(Bank Qualified)

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Heber Elementary School District (the “**District**”) in connection with the execution and delivery of the above-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 May 14, 2025 (the “**Resolution**”). U.S. Bank Trust Company, National Association is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

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

**Section 2. Definitions.** In addition to the definitions set forth above and in the 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.

“*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 U.S. Bank Trust Company, National Association, 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, 2026, with the report for the 2024-25 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(b). 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, and the District's most recently adopted budget. 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, financial information and operating data with respect to the District for the preceding fiscal year which is customarily prepared by the District and is publicly available, or the current fiscal year if available at the time of filing the Annual Report, which shall include:

- (i) the most-recently adopted budget;
- (ii) the assessed valuation of taxable properties in the District;
- (iii) the top twenty property owners in the District based on assessed valuation in the current fiscal year; and
- (iv) property tax levies, collections and delinquencies if the Bonds are no longer included in the Teeter Plan of Imperial County.

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

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

#### **Section 5. 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(b).

**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(b).

**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: \_\_\_\_\_, 2025

**HEBER ELEMENTARY SCHOOL DISTRICT**

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](http://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**

### **IMPERIAL COUNTY INVESTMENT POLICY AND INVESTMENT REPORT**

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2024

# IMPERIAL COUNTY POOLED INVESTMENT FUND ANNUAL INVESTMENT POLICY



Approved: Imperial County Board of Supervisors August 6, 2024

SUZANNE C. BERMUDEZ

TREASURER-TAX COLLECTOR

EFFECTIVE: JULY 1, 2024

# **Imperial County Investment Policy**

## **Authority**

In accordance with the laws and regulations of the State of California and authority granted by the Imperial County Board of Supervisors the County Treasurer-Tax Collector is responsible for investing all the funds in the County Treasury.

## **Policy Statement**

The Treasurer-Tax Collector shall establish investment policy procedures for the operation of the investment program and a system of controls to regulate the activities of the subordinate officials. Each transaction and the entire portfolio must comply with the California Government Code section 53635 et seq., and this policy.

## **Scope**

This investment policy applies to all financial assets of the County of Imperial as accounted for in the comprehensive annual financial report and shall apply to all other funds under the County Treasurer-Tax Collector's span of control unless specifically exempted by resolution.

Outside local agencies, where the County Treasurer-Tax Collector does not serve as the agency's Treasurer-Tax Collector, may invest in the Pooled Investment Fund through California Government Code section 53684 et seq. Deposits are subject to the consent of the County Treasurer-Tax Collector. The local agency legislative body must approve the Imperial County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. This agreement should spell out the exact rules for participating in the pool and provide the County Treasurer-Tax Collector with reasonable predefined discretion to establish the frequency and amount of voluntary funds that can be removed from the pool at a particular time.

The County Treasurer-Tax Collector may honor all requests to withdraw funds for normal cash flow purposes. Any requests to withdraw funds for purposes other than cash flow such as for external investing shall be subject to the consent of the Treasurer-Tax Collector. In accordance with California Government Code section 27136 et seq., and 27133(h) et seq., such requests for withdrawals must first be made in writing to the County Treasurer-Tax Collector. These requests are subject to the County Treasurer-Tax Collector consideration of the stability and predictability of the Pooled Investment Fund, or the adverse affect on the interests of the other depositors in the



Pooled Investment Fund. Any withdrawal for such purposes shall be at the market value of the Pooled Investment Fund as of the date of the withdrawal.

## **Standards**

The County Treasurer-Tax Collector is the trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The County Treasurer-Tax Collector and employees involved in the investment process shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with the California State law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Treasurer-Tax Collector shall act with the care, skill, prudence and diligence in order to meet the investment objectives.

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

## **Objectives**

**Investment Objectives:** The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are listed in order of importance.

**Safety of Principal:** The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they are from securities default or erosion of market value.

**Liquidity:** As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the County Treasurer-Tax Collector to meet all operating requirements that may be reasonably anticipated in any depositor’s fund.

**Public Trust:** In managing the Pooled Investment fund, the County Treasurer-Tax Collector and the authorized investment traders should try and avoid any transactions that might impair public confidence in the Imperial County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

**Return on Investments:** The Pooled Investment Fund shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the County's investment risk constraints and the cash flow characteristics of the portfolio.

### **Calculation of Yield and Costs**

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Auditor/Controller will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

### **Internal Controls**

The County Treasurer-Tax Collector shall establish internal controls to provide reasonable assurance the investment objectives are met and to ensure that the assets are protected from loss, theft or misuse. To assist in implementation and internal controls, the Treasurer-Tax Collector shall establish written policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transaction. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the County Treasurer-Tax Collector.

**Authorized Personnel:** The following is a list of delegated staff responsible for investment transactions, County Treasurer-Tax Collector, Assistant Treasurer Tax-Collector, Accounting Supervisor and the Accounting Technician's. Authorized personnel may be changed from time to time at the discretion of the County Treasurer-Tax Collector.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Auditor/Controller's office on a monthly basis.

An independent audit shall be conducted annually to review internal control, account activity and compliance with policies, procedures and applicable laws.

The County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector or Accounting Supervisor, should, from time to time perform a review of the investment function. This review should consist of:

- Comparison of the investment records to the independent statements and confirmations received from brokers, dealers, banks and other financial institutions.
- Review of the contents of the investment portfolio to assure that it conforms to this policy.
- Review of the financial institution with which investments have been made to assure that the County Treasurer-Tax Collector or authorized staff has approved them.
- Confirmations resulting from securities purchased under a repurchase agreement should clearly state the exact and complete nomenclature of the underlying securities purchased and that said securities have been sold to the County with a promise of resale by the County back to the seller.

The County Treasurer-Tax Collector shall establish and define authorized investments as well as credit, marketability, maturity and diversification criteria for County investments. Where possible, County investments should be placed, confirmed, held and accounted for, and audited by different people.

### **Ethics and Conflicts of Interest**

The Treasurer and all investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair their ability to execute impartial investment decisions.

The Treasurer and all investment personnel may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office. The County Treasurer and designated employees may not accept any honorarium gratuities or gifts. Any violation must be reported to the State Fair Political Practices Commission.

### **Investment Parameters**

**Safekeeping and Custody:** All securities purchased, with the exception of time deposits, LAIF and bank short term Investment Funds (bank's overnight investment fund), can be delivered to the independent third-party custodian selected by the County Treasurer-Tax Collector. This includes all collateral for repurchase agreement. All trades, where applicable, will be executed by delivery versus payment by the designated party.

**Qualified Broker/Dealers:** All financial institutions, whether investment banks and dealers, commercial banks, or savings and loans must be approved by the County Treasurer-Tax Collector or authorized staff before they receive County funds. All firms with whom the County does business should have a strong capital base and be deemed credit-worthy before any investments or deposits are placed with such firms. In accordance with California Government Code section 27133(c) et seq., the County Treasurer-Tax Collector or authorized staff will prescribe minimum standards.

The County Treasurer shall not select brokers and dealers who individually, or as a firm, have contributed more than \$250 or the current limit established under Municipal Securities Regulatory Board (MSRB) Rule G-37.

The Treasurer-Tax Collector's staff shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the County. Receipt of this policy shall be considered confirmation that the broker/dealer understands the County's investments authorized by this investment policy.

The Treasurer-Tax Collector will maintain a list of financial institutions authorized to provide investment services. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer-Tax Collector.

**Collateral Requirements:** Collateral is required for investments in certificates of deposit (over the standard maximum deposit insurance amount "SMDIA" in FDIC regulations), repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value or principal and accrued interest.

The only securities acceptable as collateral shall be direct obligations of, or fully guaranteed as to principal and interest by, the United States or any agency of the United States.

**Diversification:** The County Treasurer-Tax Collector will diversify its investments by security type and institution. With the exception of U.S. Treasury, U.S. Agency securities and authorized pools, no more than 50% of the County's total investment portfolio should be invested in a single security type.

**Investable Fund:** Total investable funds for purposes of this policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. 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.

**Compliance:** The portfolio must be in compliance with statute at the time that the investment is purchased. It is recommended that the portfolio be monitored, as practical, for subsequent changes in percentages resulting from non-purchase activity or changes in credit rating of existing securities.

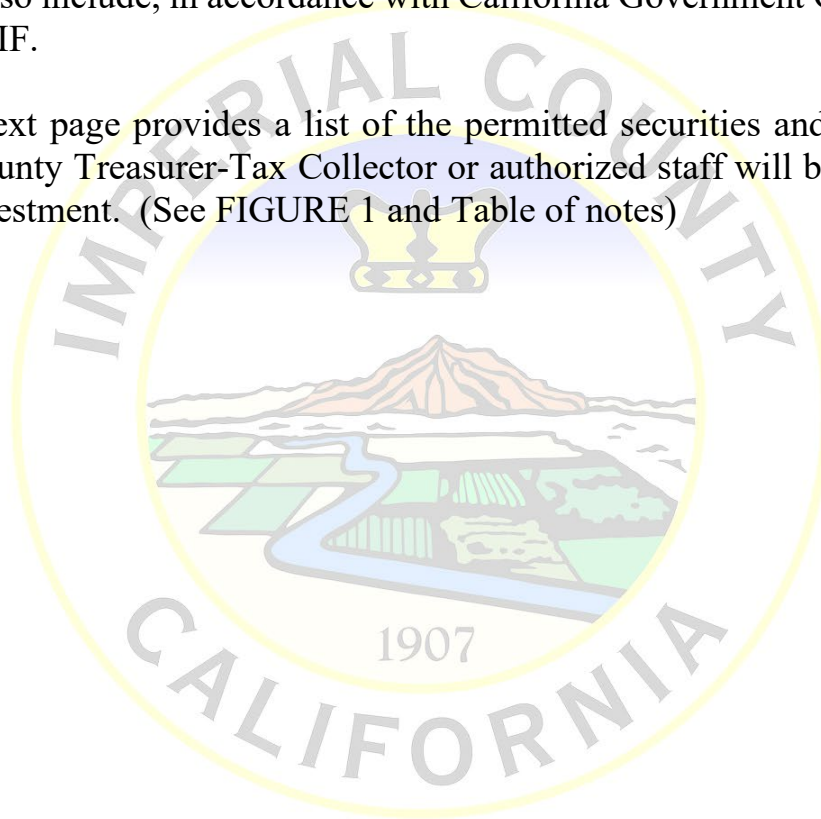


Rebalancing is not required in the case where subsequent maturities, sales, withdrawals, or similar non-purchase activities result in the remaining portfolio having one or more of the categories of investment rise above the percentage restrictions applicable at the time of purchase.

In the event the portfolio or individual investments are deemed to be out of compliance with either statute or the investment policy, the Treasurer-Tax Collector and staff shall analyze and take appropriate course of action to rebalance the portfolio with the preservation of principal being the primary objective.

**Authorized Investments:** As stated earlier, authorized investment shall match the general categories established by the California Government Code section 53635 et seq. Authorized investments shall also include, in accordance with California Government Code section 16429.1, investment into LAIF.

The chart on the next page provides a list of the permitted securities and conditions for using them. Only the County Treasurer-Tax Collector or authorized staff will be authorized to invest in the approved investment. (See FIGURE 1 and Table of notes)



**FIGURE 1**

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT  
CODE (AS OF JANUARY 1, 2024)<sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>B</sup>**

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY <sup>C</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>D</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>E</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>F</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>A</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds <sup>I</sup> (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>A</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper— Pooled Funds <sup>J</sup>	270 days or less	40% of the agency's money <sup>A</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>K</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>L</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>L</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>M</sup>	20% of the base value of the portfolio	None <sup>N</sup>	53601(j)
Medium-Term Notes <sup>O</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% <sup>P</sup>	Multiple <sup>Q, R</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>S</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities <sup>T</sup>	5 years or less <sup>T</sup>	20%	"AA" rating category or its equivalent or better <sup>T</sup>	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>U</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>V</sup>	N/A	None	None	16340
Supranational Obligations <sup>W</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

# TABLE OF NOTES FOR FIGURE 1

- <sup>A</sup> Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- <sup>B</sup> Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- <sup>C</sup> Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years from the settlement date. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- <sup>D</sup> Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- <sup>E</sup> No more than 30% of the agency's money may be in bankers' acceptances of any one commercial bank.
- <sup>F</sup> Applies to local agencies, other than counties or a city and county, with less than \$100 million of investment assets under management. Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- <sup>G</sup> Local agencies, other than counties or a city and county, may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.
- <sup>H</sup> Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.
- <sup>I</sup> Applies to counties or a city and county, and the City of Los Angeles that have \$100 million or more of investment assets under management.
- <sup>J</sup> Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- <sup>K</sup> No more than 30% of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- <sup>L</sup> Effective January 1, 2020, no more than 50% of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30%. Investments made pursuant to 53635.8 remain subject to a maximum of 30% of the portfolio.
- <sup>M</sup> Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- <sup>N</sup> Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- <sup>O</sup> "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- <sup>P</sup> No more than 10% invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- <sup>Q</sup> A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- <sup>R</sup> A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- <sup>S</sup> Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- <sup>T</sup> Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f), are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).
- <sup>U</sup> A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- <sup>V</sup> Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- <sup>W</sup> Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IDB), with a maximum remaining maturity of five years or less.

**Prohibited Investments:** No investment should be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

### **Business Continuity Plan**

In the event that the Treasurer or authorized staff is unable to invest, the Treasurer has an agreement with the custody bank for a daily sweep of all remaining surplus funds into an interest bearing account until normal operations of the Treasurer's Office have been restored. The restriction on the amount and the percentages and investment type would be temporarily allowed to exceed those approved in this Investment Policy.

### **Implementation**

In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy at least annually during open session.

Monthly, the Treasurer-Tax Collector shall present and file with the Board of Supervisors during public session the Imperial County Treasurer-Tax Collector's Portfolio Master Summary.

### **Summary**

The County Treasurer-Tax Collector, or Assistant Treasurer-Tax Collector, is to have express authority to invest County funds in any investments, securities and other instruments as described herein as the County Treasurer-Tax Collector, or Assistant Treasurer-Tax Collector deems appropriate.

The County Treasurer-Tax Collector will develop, interpret, clarify and maintain this Statement of Investment Policy. As the California Government Code and legislation is amended this Policy shall likewise become amended.



**IMPERIAL COUNTY TREASURER**  
**Portfolio Management**  
**Portfolio Summary**  
**February 28, 2025**

Investments	Par Value	Market Value	Book Value	% of Portfolio	YTM 360 Equiv.	YTM 365 Equiv.	Days to Maturity	Term
LAIF / CAMP / ZBA	194,000,000.00	194,000,000.00	194,000,000.00	14.82	5.051	5.121	1	1
Certificates of Deposit - Bank	10,145,000.00	10,145,000.00	10,145,000.00	0.78	4.161	4.219	119	365
Negotiable CD's	181,276,000.00	180,632,670.46	181,276,000.00	13.85	3.720	3.771	640	1,282
Federal Agency Issues - Coupon	625,500,000.00	618,930,630.00	625,389,750.00	47.79	3.049	3.091	683	1,537
Money Market	54,049,582.01	54,049,582.01	54,049,582.01	4.13	3.954	4.009	1	1
US Bank Sweep	243,828,013.81	243,828,013.81	243,828,013.81	18.63	5.106	5.177	1	1
	<b>1,308,798,595.82</b>	<b>1,301,585,896.28</b>	<b>1,308,688,345.82</b>	<b>100.00%</b>	<b>3.868</b>	<b>3.921</b>	<b>416</b>	<b>915</b>
<b>Investments</b>								

**Cash**

Passbook/Checking (not included in yield calculations)	56,842,353.39	56,842,353.39	56,842,353.39		1.231	1.248	1	1
<b>Total Cash and Investments</b>	<b>1,365,640,949.21</b>	<b>1,358,428,249.67</b>	<b>1,365,530,699.21</b>		<b>3.868</b>	<b>3.921</b>	<b>416</b>	<b>915</b>

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	4,047,237.70	32,893,319.05
<b>Average Daily Balance</b>	<b>1,371,063,134.81</b>	<b>1,346,990,763.48</b>
<b>Effective Rate of Return</b>	<b>3.85%</b>	<b>3.67%</b>

In accordance with the provisions of Section 53607 and 53646 of the Government Code, the laws and regulations of the State of California and authority granted by the Imperial County Board of Supervisors the County Treasurer is responsible for investing all the funds in the County Treasury not needed for current commitment. This statement denotes the ability of the local agency to meet its pool's expenditure requirements for the next six months.

3 MONTH HISTORY OF CASH AND INVESTMENTS:

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CURRENT \$ 1,365,530,699.21 ✓

LAST MONTH \$ 1,399,113,603.39 ✓

PREVIOUS MONTH \$ 1,415,978,832.53 ✓

*March 10, 2025*

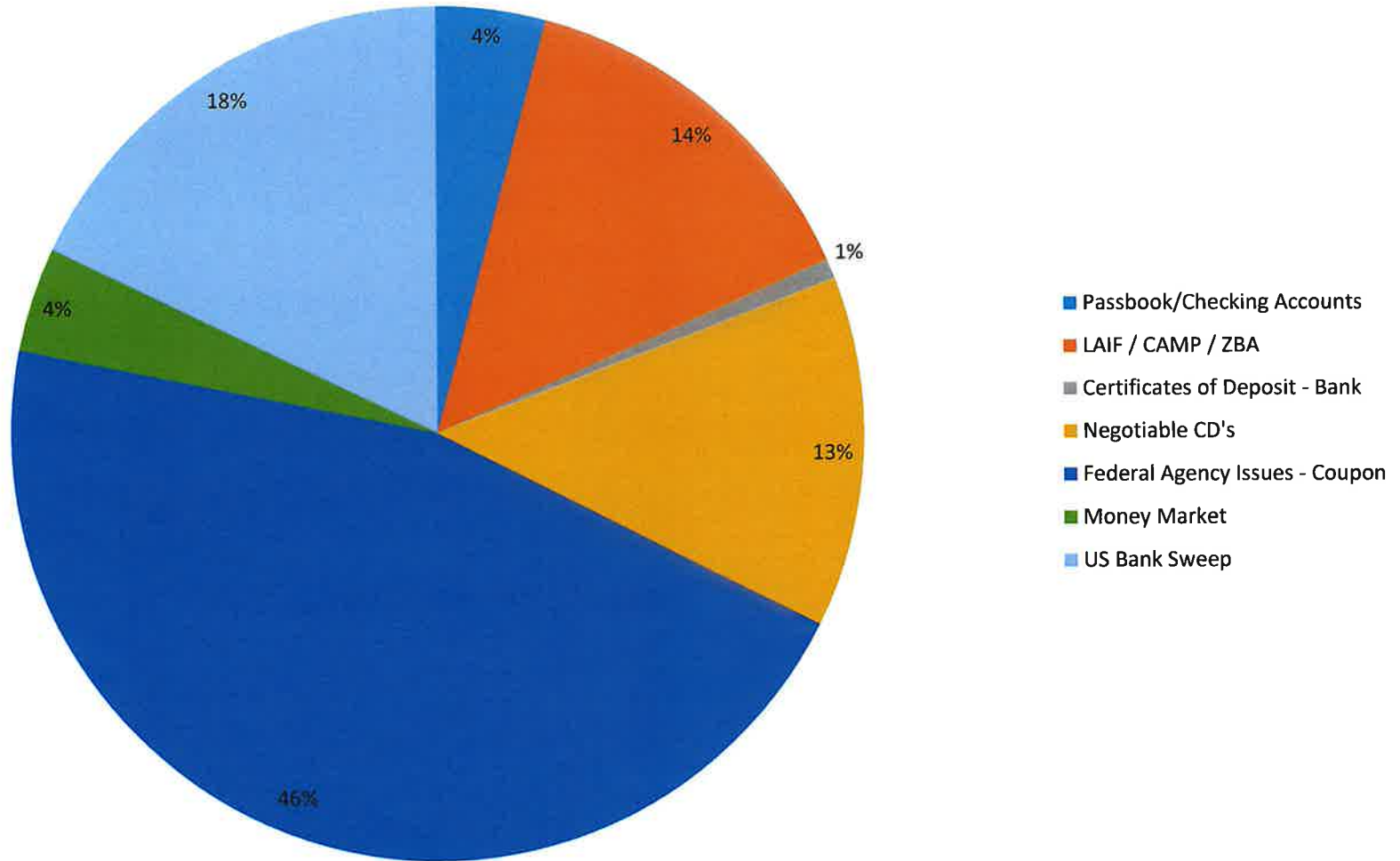
Reporting period 02/01/2025-02/28/2025

Run Date: 03/06/2025 - 12:03

Portfolio PTS  
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Report Ver. 7.3.11

IMPERIAL COUNTY TREASURER  
Portfolio Management  
Portfolio Summary  
**Book Value by Investment Type**

**FEBRUARY 2025**



**IMPERIAL COUNTY TREASURER**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**February 28, 2025**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>LAIF / CAMP / ZBA</b>												
SYS1-101421	1-101421	CALIF ASSET MGMT PORTFOLIO			120,000,000.00	120,000,000.00	120,000,000.00	5.430	5.356	5.430	1	
SYS1-05015	1-05015	Local Agency Invstmnt Fund			74,000,000.00	74,000,000.00	74,000,000.00	4.620	4.557	4.620	1	
SYS17-RABOMM	17-RABOMM	Rabobank, N.A.			0.00	0.00	0.00	0.200	0.197	0.200	1	
<b>Subtotal and Average</b>			<b>194,000,000.00</b>		<b>194,000,000.00</b>	<b>194,000,000.00</b>	<b>194,000,000.00</b>		<b>5.051</b>	<b>5.121</b>	<b>1</b>	
<b>Certificates of Deposit - Bank</b>												
4-031124	4-031124	Midwest Regional Bank		03/11/2024	245,000.00	245,000.00	245,000.00	5.250	5.178	5.250	10	03/11/2025
4-031324	4-031324	First Savings Bank Omaha		03/13/2024	245,000.00	245,000.00	245,000.00	4.670	4.606	4.670	12	03/13/2025
4-032524	4-032524	Great Midwest Bank		03/25/2024	245,000.00	245,000.00	245,000.00	4.800	4.734	4.800	24	03/25/2025
4-083023	4-083023	Dickinson County Bank		08/30/2023	245,000.00	245,000.00	245,000.00	4.950	4.882	4.950	29	03/30/2025
4-100124	4-100124	BMO Harris Bk		10/01/2024	5,000,000.00	5,000,000.00	5,000,000.00	3.667	3.617	3.667	31	04/01/2025
4-050624	4-050624	PARAMOUNT BANK		05/06/2024	245,000.00	245,000.00	245,000.00	4.910	4.843	4.910	66	05/06/2025
4-080924	4-080924	Hingham Institution for Saving		08/09/2024	245,000.00	245,000.00	245,000.00	4.400	4.340	4.400	69	05/09/2025
4-052024	4-052024	Union Bank and Trust		05/20/2024	245,000.00	245,000.00	245,000.00	4.670	4.606	4.670	80	05/20/2025
4-062024	4-062024	Northwest Bank		06/20/2024	245,000.00	245,000.00	245,000.00	5.130	5.060	5.130	111	06/20/2025
4-072524A	4-072524A	Summit State Bank		07/25/2024	245,000.00	245,000.00	245,000.00	4.500	4.438	4.500	145	07/24/2025
4-091323	4-091323	Boone Bank and Trust		09/13/2023	245,000.00	245,000.00	245,000.00	4.900	4.833	4.900	196	09/13/2025
4-092324	4-092324	First N.B of Waterloo		09/23/2024	245,000.00	245,000.00	245,000.00	4.200	4.142	4.200	206	09/23/2025
4-092723A	4-092723A	Brunswick State Bank		09/27/2023	245,000.00	245,000.00	245,000.00	5.150	5.079	5.150	210	09/27/2025
4-050924	4-050924	CEN TRUST BANK		05/09/2024	245,000.00	245,000.00	245,000.00	4.850	4.784	4.850	222	10/09/2025
4-042324	4-042324	Great Plains State Bank		04/23/2024	245,000.00	245,000.00	245,000.00	4.720	4.655	4.720	236	10/23/2025
4-121322	4-121322	Grant County Bank		12/13/2022	245,000.00	245,000.00	245,000.00	5.050	4.981	5.050	287	12/13/2025
4-012225	4-012225	Royal Business Bank		01/22/2025	245,000.00	245,000.00	245,000.00	4.010	3.955	4.010	327	01/22/2026
4-021324	4-021324	Latino Community CU		02/13/2024	245,000.00	245,000.00	245,000.00	5.100	5.030	5.100	349	02/13/2026
4-032124	4-032124	Bank of the Valley		03/21/2024	245,000.00	245,000.00	245,000.00	4.700	4.636	4.700	357	02/21/2026
4-030724	4-030724	Frost State Bank		03/07/2024	245,000.00	245,000.00	245,000.00	4.750	4.685	4.750	371	03/07/2026
4-062724	4-062724	Community Bank of the Bay		06/27/2024	245,000.00	245,000.00	245,000.00	4.500	4.438	4.500	483	06/27/2026
4-072524	4-072524	First Internet Bank of Indiana		07/25/2024	245,000.00	245,000.00	245,000.00	4.650	4.586	4.650	511	07/25/2026
<b>Subtotal and Average</b>			<b>10,363,750.00</b>		<b>10,145,000.00</b>	<b>10,145,000.00</b>	<b>10,145,000.00</b>		<b>4.161</b>	<b>4.219</b>	<b>119</b>	
<b>Negotiable CD's</b>												
03753XCJ7	7-090222	Apex Bk		09/02/2022	245,000.00	244,977.95	245,000.00	3.200	3.060	3.102	2	03/03/2025
67523TAG8	7-030822	Oceanfirst Bank NA		03/08/2022	245,000.00	244,821.15	245,000.00	1.650	1.627	1.650	9	03/10/2025
00435JBH5	7-031320	ACCESS BANK		03/13/2020	245,000.00	244,784.40	245,000.00	1.600	1.579	1.601	12	03/13/2025
065847EF8	7-031320A	BANK OF WISCONSIN DELLS		03/13/2020	245,000.00	244,732.95	245,000.00	1.100	1.086	1.101	12	03/13/2025

Portfolio PTS

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**IMPERIAL COUNTY TREASURER**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**February 28, 2025**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
835104BZ2	7-031920	SOMERSET TRUST COMPANY		03/19/2020	245,000.00	244,585.95	245,000.00	1.000	0.987	1.001	18	03/19/2025
225645DN7	7-032020A	CRESCENT BANK & TRUST		03/20/2020	240,000.00	239,587.20	240,000.00	1.100	1.086	1.101	19	03/20/2025
31911KAB4	7-032020	THE FIRST NB OF ELK RIVER		03/20/2020	245,000.00	244,563.90	245,000.00	1.000	0.987	1.001	19	03/20/2025
856528EB6	7-032522	State Bk of Texas		03/25/2022	245,000.00	244,534.50	245,000.00	1.450	1.432	1.451	24	03/25/2025
030551AP0	7-033023A	AMERICANA COM BK		03/30/2023	245,000.00	245,071.05	245,000.00	4.700	4.643	4.707	26	03/27/2025
740367KJ5	7-032720	PREFERRED BANK		03/27/2020	245,000.00	244,426.70	245,000.00	1.100	1.086	1.101	26	03/27/2025
79772FAF3	7-032720C	SAN FRANCISCO		03/27/2020	245,000.00	244,426.70	245,000.00	1.100	1.086	1.101	26	03/27/2025
064657BB4	7-032720A	THE BANK OF ROMNEY		03/27/2020	245,000.00	244,436.50	245,000.00	1.150	1.135	1.151	26	03/27/2025
15987UBA5	7-033023B	CHARLES SCHWAB BK SSB		03/30/2023	245,000.00	245,129.85	245,000.00	5.050	4.981	5.050	27	03/28/2025
03065AAP8	7-033120	AMERICAS CREDIT UNION A		03/31/2020	245,000.00	244,365.45	245,000.00	1.100	1.086	1.101	30	03/31/2025
060788AW6	7-033022A	Bk Of Buffalo		03/30/2022	245,000.00	244,495.30	245,000.00	2.050	2.024	2.052	30	03/31/2025
06654BES6	7-033123C	BANKWELL BK		03/31/2023	245,000.00	245,271.95	245,000.00	5.150	5.087	5.157	30	03/31/2025
32023HBM9	7-033022	First Fed Svgs and Loan		03/30/2022	245,000.00	244,527.15	245,000.00	2.000	1.976	2.004	30	03/31/2025
44042CA0	7-033020B	HORIZON BANK		03/30/2020	245,000.00	244,323.80	245,000.00	1.100	1.086	1.101	30	03/31/2025
62431LAQ5	7-033123	MOUNTAIN V BK		03/31/2023	245,000.00	245,137.20	245,000.00	5.000	4.939	5.007	30	03/31/2025
90969TAA4	7-033023C	UNITED BUS BK		03/30/2023	245,000.00	245,137.20	245,000.00	5.000	4.757	4.823	30	03/31/2025
55316CAUO	7-040220	M1 BANK		04/02/2020	245,000.00	244,279.70	245,000.00	1.150	1.134	1.150	32	04/02/2025
047617AC9	7-040320	ATKINS SAVINGS BANK & TRUST		04/03/2020	245,000.00	244,294.40	245,000.00	1.100	1.086	1.101	33	04/03/2025
03065QAB4	7-042122	AMERICU CREDIT UNION		04/21/2022	245,000.00	244,326.25	245,000.00	2.300	2.271	2.302	51	04/21/2025
35638CAH2	7-042823	FREEDOM FF CU		04/28/2023	245,000.00	245,164.15	245,000.00	4.750	4.692	4.757	58	04/28/2025
33847E3F2	7-043020	FLAGSTAR BANK FSB		04/30/2020	245,000.00	243,632.90	245,000.00	1.050	1.036	1.050	60	04/30/2025
45791JAA4	7-110222	Insight Financial CU		11/02/2022	245,000.00	245,166.60	245,000.00	4.600	4.536	4.599	62	05/02/2025
29367QCV8	7-051520	ENTERPRISE BANK		05/15/2020	245,000.00	243,236.00	245,000.00	0.850	0.839	0.850	75	05/15/2025
710505HB7	7-082020A	The Peoples BK		08/20/2020	245,000.00	242,868.50	245,000.00	0.400	0.395	0.400	80	05/20/2025
710673AD6	7-052220	THE PEOPLES BANK		05/22/2020	245,000.00	243,042.45	245,000.00	0.800	0.790	0.800	82	05/22/2025
819866AL8	7-112421	Sharonview FCU		11/24/2021	245,000.00	242,991.00	245,000.00	0.750	0.739	0.750	83	05/23/2025
15643VAB8	7-052423	CENTRIS FEDERAL CU		05/24/2023	245,000.00	245,453.25	245,000.00	5.000	4.939	5.008	87	05/27/2025
338386AB1	7-060723A	Flagler Bank		06/07/2023	245,000.00	245,392.00	245,000.00	4.900	4.657	4.722	87	05/27/2025
95763PMV0	7-052623A	WESTERN ALLIANCE BK		05/26/2023	245,000.00	245,365.05	245,000.00	5.000	3.989	4.045	87	05/27/2025
17764PAN4	7-053023	CITY BK AND TRUST CO		05/30/2023	245,000.00	245,254.80	245,000.00	4.850	4.784	4.850	90	05/30/2025
20347MAP6	7-053123B	COMMUN B&T WACO TX		05/31/2023	245,000.00	245,196.00	245,000.00	4.750	4.685	4.750	90	05/30/2025
32050JCG3	7-060723	First Heritage Bank		06/07/2023	245,000.00	245,387.10	245,000.00	4.800	4.741	4.807	97	06/06/2025
02208XAE3	7-060923B	Altra		06/09/2023	245,000.00	245,570.85	245,000.00	5.100	5.037	5.107	100	06/09/2025
86128QCF3	7-061020	STOCKMAN BANK OF MONTANA		06/10/2020	245,000.00	242,721.50	245,000.00	0.600	0.592	0.600	101	06/10/2025
29260MBT1	7-061220	ENCORE BANK		06/12/2020	245,000.00	242,390.75	245,000.00	0.550	0.543	0.550	103	06/12/2025

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# IMPERIAL COUNTY TREASURER

## Portfolio Management

### Portfolio Details - Investments

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
32117YAD0	7-061623E	THE FIRST NB ELDORADO		06/16/2023	245,000.00	245,269.50	245,000.00	4.850	4.783	4.850	104	06/13/2025
45340KFM6	7-061620	INDEPENDENCE BANK OF KENTUCKY		06/16/2020	245,000.00	242,324.60	245,000.00	0.600	0.592	0.600	107	06/16/2025
458657MG5	7-061522	Intercredit Bk NA		06/15/2022	245,000.00	243,836.25	245,000.00	2.650	2.550	2.586	107	06/16/2025
550551GM1	7-061423A	Luther Burbank Savings		06/14/2023	245,000.00	245,379.75	245,000.00	4.900	4.833	4.900	107	06/16/2025
534732BH4	7-061623B	LINCOLN SAVINGS BK		06/16/2023	245,000.00	245,460.60	245,000.00	4.900	4.840	4.907	107	06/16/2025
67117NAC2	7-061623D	OAHU FCU		06/16/2023	245,000.00	245,605.15	245,000.00	5.100	5.037	5.107	107	06/16/2025
78577THG3	7-061722	SACO & BIDDEFORD SVG INST		06/17/2022	245,000.00	243,956.30	245,000.00	2.850	2.814	2.853	108	06/17/2025
14622LAC6	7-062222	Carter Federal Credit Union		06/22/2022	245,000.00	244,032.25	245,000.00	3.000	2.888	2.928	114	06/23/2025
33626PAT6	7-062323D	FIRST SECURITY B&TC		06/23/2023	245,000.00	245,485.10	245,000.00	4.900	4.840	4.907	114	06/23/2025
33600PAA7	7-062323A	FIRST PACIF BK		06/23/2023	245,000.00	245,485.10	245,000.00	4.900	4.840	4.907	114	06/23/2025
49332PAB6	7-122122A	Keypoint Credit Union		12/21/2022	245,000.00	245,597.80	245,000.00	5.000	4.934	5.003	114	06/23/2025
68584JAE9	7-062123	OREGON COMMUNITY CU		06/21/2023	245,000.00	245,715.40	245,000.00	5.150	5.087	5.157	114	06/23/2025
87537YAB0	7-062220	Tandem Bank		06/22/2020	245,000.00	242,251.10	245,000.00	0.550	0.534	0.542	114	06/23/2025
920133AK1	7-122322	Valley Strong		12/23/2022	245,000.00	245,409.15	245,000.00	4.800	4.737	4.803	114	06/23/2025
169894AS1	7-062420	CHIPPEWA VALLEY BANK		06/24/2020	245,000.00	242,238.85	245,000.00	0.600	0.592	0.600	115	06/24/2025
71031EAJ2	7-062420A	PEOPLES BNK		06/24/2020	245,000.00	242,202.10	245,000.00	0.600	0.592	0.600	115	06/24/2025
32022RNJ2	7-062920	1st Financial Bk USA		06/29/2020	245,000.00	242,057.55	245,000.00	0.550	0.542	0.550	118	06/27/2025
128829AH1	7-063020B	Caldwell Bank & Trust Company		06/30/2020	245,000.00	241,893.40	245,000.00	0.550	0.542	0.550	121	06/30/2025
14005LBA6	7-063022C	Capital Community Bank		06/30/2022	245,000.00	243,907.30	245,000.00	3.000	2.962	3.003	121	06/30/2025
32021MFU8	7-062923C	FIRST FIN BK		06/29/2023	245,000.00	245,482.65	245,000.00	4.900	4.833	4.900	121	06/30/2025
36198JFW9	7-063020A	G N B BANK		06/30/2020	245,000.00	241,964.45	245,000.00	0.600	0.592	0.600	121	06/30/2025
444425AA0	7-062923	HUGHES FCU		06/29/2023	245,000.00	245,769.30	245,000.00	5.250	5.186	5.258	121	06/30/2025
587379AJ7	7-063023B	MERCANTILE BK		06/30/2023	245,000.00	245,367.50	245,000.00	4.900	4.833	4.900	121	06/30/2025
70212VAB4	7-063020C	Partners Bank		06/30/2020	245,000.00	241,964.45	245,000.00	0.600	0.592	0.600	121	06/30/2025
33625RAG1	7-123022	The First Security Bank		12/30/2022	245,000.00	244,838.30	245,000.00	4.150	4.095	4.152	121	06/30/2025
91527PBP1	7-122922A	Univest Bank & Trust Co.		12/29/2022	245,000.00	244,946.10	245,000.00	4.250	4.190	4.248	121	06/30/2025
92559TAH1	7-063021C	Vibrant Credit Union		06/30/2021	245,000.00	241,974.25	245,000.00	0.600	0.592	0.600	121	06/30/2025
92834ABN5	7-063020	VISION BANK		06/30/2020	245,000.00	242,273.15	245,000.00	0.600	0.592	0.600	121	06/30/2025
95960NKW6	7-062923A	WESTERN STATE BK		06/29/2023	245,000.00	245,482.65	245,000.00	4.900	4.833	4.900	121	06/30/2025
59522NAE4	7-070323	Mid American Credit Union		07/03/2023	245,000.00	245,820.75	245,000.00	5.250	5.186	5.258	124	07/03/2025
75942DAX2	7-071023	Reliabank Dakota		07/10/2023	245,000.00	245,592.90	245,000.00	4.950	4.889	4.957	131	07/10/2025
02769QDXA	7-071122	American NB of Minnesota		07/11/2022	245,000.00	243,848.50	245,000.00	3.000	2.962	3.003	132	07/11/2025
130162AW0	7-071923	CALIFORNIA CU		07/19/2023	245,000.00	245,989.80	245,000.00	5.400	5.326	5.400	142	07/21/2025
22551KAB8	7-072222	CREDIT UNION OF TEXAS		07/22/2022	245,000.00	243,961.20	245,000.00	3.300	3.255	3.300	143	07/22/2025
780684AF3	7-072220	ROYAL SAVINGS BANK		07/22/2020	245,000.00	241,325.00	245,000.00	0.500	0.493	0.500	143	07/22/2025

Portfolio PTS

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**IMPERIAL COUNTY TREASURER**  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
75102EAB4	7-012523A	Raiz Credit Union		01/25/2023	245,000.00	245,406.70	245,000.00	4.700	4.633	4.697	146	07/25/2025
89235MJZ5	7-072820	Toyota Financial Savings Bank		07/28/2020	245,000.00	241,290.70	245,000.00	0.650	0.641	0.650	149	07/28/2025
62825MAA2	7-080323	Mutual First F.C.U		08/03/2023	245,000.00	245,987.35	245,000.00	5.200	4.947	5.016	156	08/04/2025
20367GAM1	7-102620	COMMUNITY COMMERCE BANK		10/26/2020	245,000.00	240,832.55	245,000.00	0.400	0.395	0.400	159	08/07/2025
56102AAK2	7-080720	Malaga Bank SSB		08/07/2020	245,000.00	240,832.55	245,000.00	0.400	0.395	0.400	159	08/07/2025
27113PDP3	7-081220	East Boston Savings Bank		08/12/2020	245,000.00	240,707.60	245,000.00	0.450	0.444	0.450	164	08/12/2025
549104RV1	7-081420	Luana Savings Bk		08/14/2020	245,000.00	240,656.15	245,000.00	0.450	0.444	0.450	166	08/14/2025
92348DAD1	7-081823	VERIDIAN CU		08/18/2023	245,000.00	246,161.30	245,000.00	5.300	5.235	5.308	170	08/18/2025
664122AF5	7-082020	NorthEast Community Bank		08/20/2020	245,000.00	240,548.35	245,000.00	0.450	0.444	0.450	172	08/20/2025
17463CAC1	7-022223	CITIZENS FIRST BK		02/22/2023	235,000.00	234,887.20	235,000.00	4.200	4.140	4.197	174	08/22/2025
795451CD3	7-082422B	SALLIE MAE BK		08/24/2022	245,000.00	243,811.75	245,000.00	3.350	2.855	2.894	177	08/25/2025
86604XNT9	7-022522A	Summit Community Bank Inc		02/25/2022	245,000.00	241,668.00	245,000.00	1.500	1.479	1.499	177	08/25/2025
914359AA2	7-082323	UNIVERSITY OF ILLINOIS		08/23/2023	245,000.00	246,166.20	245,000.00	5.250	5.186	5.258	177	08/25/2025
08016PEC9	7-022822A	Belmont Bk & Trust Co		02/28/2022	245,000.00	241,312.75	245,000.00	1.300	1.282	1.299	180	08/28/2025
20416TBD3	7-083123A	COMMUNITYWIDE FCU		08/31/2023	245,000.00	246,183.35	245,000.00	5.200	5.135	5.207	181	08/29/2025
32022EAU0	7-122921	First FS&LA of Port Angeles		12/29/2021	245,000.00	240,768.85	245,000.00	0.850	0.839	0.850	181	08/29/2025
859094AZ7	7-083022	STEPHENSON NATL BK & TR		08/30/2022	245,000.00	243,637.80	245,000.00	3.200	3.159	3.203	181	08/29/2025
228212AQ9	7-090420	Crown Bank NA		09/04/2020	245,000.00	240,129.40	245,000.00	0.400	0.395	0.400	187	09/04/2025
768825BD2	7-090420A	Riverside Bank Sparkman		09/04/2020	245,000.00	240,149.00	245,000.00	0.350	0.345	0.350	187	09/04/2025
18508CAA0	7-090823	Clearview Federal Credit Union		09/08/2023	245,000.00	246,538.60	245,000.00	5.500	5.432	5.507	191	09/08/2025
32110YUD5	7-090821	1st National Bank of America		09/08/2021	245,000.00	240,376.85	245,000.00	0.650	0.641	0.650	191	09/08/2025
35633MDS8	7-090623	The Freedom Bank of Virginia		09/06/2023	245,000.00	245,984.90	245,000.00	5.050	4.981	5.050	191	09/08/2025
12574EAC4	7-091223B	CME Federal Credit Union		09/12/2023	245,000.00	246,575.35	245,000.00	5.500	5.432	5.508	195	09/12/2025
62548BAB0	7-091222	Multipli Credit Union		09/12/2022	245,000.00	243,772.55	245,000.00	3.350	3.307	3.353	195	09/12/2025
05290BAU7	7-091523	Availa Bank		09/15/2023	245,000.00	246,004.50	245,000.00	5.050	4.988	5.057	198	09/15/2025
31749TBK2	7-091820A	Financial Federal Bank		09/18/2020	245,000.00	239,710.45	245,000.00	0.350	0.345	0.350	201	09/18/2025
320337DG0	7-091820	FIRST GENERAL BANK		09/18/2020	245,000.00	239,710.45	245,000.00	0.350	0.345	0.350	201	09/18/2025
83407DBK1	7-092023	SOFI Bank National Association		09/20/2023	245,000.00	246,313.20	245,000.00	5.250	5.178	5.250	202	09/19/2025
01025RAB5	7-092022A	ALABAMA CREDIT UNION		09/20/2022	245,000.00	244,083.70	245,000.00	3.600	3.554	3.603	205	09/22/2025
63008MBE0	7-092223	Nano Banc		09/22/2023	245,000.00	246,180.90	245,000.00	5.150	5.086	5.157	205	09/22/2025
063626AC9	7-092320	Bank of Mingo		09/23/2020	245,000.00	239,583.05	245,000.00	0.350	0.345	0.350	206	09/23/2025
43942MAA0	7-092523A	Hope Federal Credit Union		09/25/2023	245,000.00	246,688.05	245,000.00	5.500	5.432	5.507	208	09/25/2025
914242AA0	7-092622	UNIVERSITY CREDIT UNION		09/26/2022	245,000.00	244,603.10	245,000.00	4.000	3.949	4.003	209	09/26/2025
903285BTO	7-100623	USAA Federal Savings Bank		10/06/2023	245,000.00	246,727.25	245,000.00	5.300	5.228	5.301	209	09/26/2025
04046AAA3	7-092923B	ARIZE		09/29/2023	245,000.00	246,798.30	245,000.00	5.600	5.531	5.607	212	09/29/2025

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<b>Negotiable CD's</b>												
20405MAA8	7-092920A	COMMUNITY STATE BK		09/29/2020	245,000.00	239,438.50	245,000.00	0.350	0.345	0.350	212	09/29/2025
31657FAS6	7-092923F	Field Point Private Bank & Tru		09/29/2023	245,000.00	246,585.15	245,000.00	5.450	5.383	5.457	212	09/29/2025
511640BN3	7-092923H	Lakeland Bank		09/29/2023	245,000.00	246,379.35	245,000.00	5.350	5.277	5.350	212	09/29/2025
51507LBY9	7-092920	Landmark Community Bk		09/29/2020	245,000.00	239,470.35	245,000.00	0.400	0.395	0.400	212	09/29/2025
76881TCD0	7-092923A	Riverland Bank		09/29/2023	245,000.00	246,374.45	245,000.00	5.300	5.234	5.307	212	09/29/2025
22258JAA9	7-093022F	COUNTY SCHOOLS FCU		09/30/2022	245,000.00	244,968.15	245,000.00	4.300	4.245	4.304	213	09/30/2025
92891CCN0	7-093022E	VYSTAR CU		09/30/2022	249,000.00	249,097.11	249,000.00	4.350	4.294	4.354	213	09/30/2025
29976HAA9	7-100722A	Ever \$ Green FCU		10/07/2022	245,000.00	244,884.85	245,000.00	4.200	4.146	4.204	220	10/07/2025
19058LAA2	7-101122	Coastlife Credit Union		10/11/2022	245,000.00	244,960.80	245,000.00	4.250	4.196	4.254	223	10/10/2025
06168LAB4	7-101222A	Bank of Crockett		10/12/2022	245,000.00	244,772.15	245,000.00	4.150	4.093	4.150	227	10/14/2025
693963AB6	7-101422B	Pacific Alliance BK		10/14/2022	245,000.00	244,887.30	245,000.00	4.200	4.146	4.204	227	10/14/2025
17017TAB7	7-101620	Chisholm Trail St Bank		10/16/2020	245,000.00	238,992.60	245,000.00	0.400	0.395	0.400	229	10/16/2025
02519ABY2	7-101823A	American Commercial B&T NA		10/18/2023	245,000.00	246,739.50	245,000.00	5.350	5.284	5.358	230	10/17/2025
40449HAB3	7-101722	HABIB AMERICAN BK		10/17/2022	245,000.00	244,914.25	245,000.00	4.300	4.241	4.300	230	10/17/2025
319513CF2	7-041823	FIRST CIT NAT BK		04/18/2023	245,000.00	245,311.15	245,000.00	4.500	4.438	4.500	233	10/20/2025
40216LAD1	7-101920	GULF ATLANTIC BANK		10/19/2020	245,000.00	238,894.60	245,000.00	0.350	0.340	0.345	233	10/20/2025
45332WAR4	7-041823A	INBANK		04/18/2023	245,000.00	245,203.35	245,000.00	4.400	4.347	4.408	233	10/20/2025
66303MAB2	7-101923	North Towns FCU		10/19/2023	245,000.00	247,011.45	245,000.00	5.600	5.328	5.402	233	10/20/2025
74824XDG8	7-102122	QUEENSBOROUGH NB & T CO		10/21/2022	245,000.00	244,968.15	245,000.00	4.250	4.196	4.254	234	10/21/2025
74349KCP3	7-102220	Prospect Bank		10/22/2020	245,000.00	238,855.40	245,000.00	0.350	0.345	0.350	235	10/22/2025
451088AJ7	7-102320	THE IDABEL NATIONAL BANK		10/23/2020	245,000.00	238,924.00	245,000.00	0.400	0.395	0.400	236	10/23/2025
74163LAY7	7-102423	Prime Bank		10/24/2023	245,000.00	246,474.90	245,000.00	5.200	5.136	5.207	237	10/24/2025
320165LH4	7-102623A	First Farmers Bank & Trust Co.		10/26/2023	245,000.00	246,496.95	245,000.00	5.200	4.947	5.016	240	10/27/2025
72348MAN1	7-102623	PinnacleBank		10/26/2023	245,000.00	246,656.20	245,000.00	5.300	5.235	5.308	240	10/27/2025
89820JAF6	7-103023	TruPoint Bank		10/30/2023	245,000.00	246,656.20	245,000.00	5.300	5.234	5.307	240	10/27/2025
20368TDG2	7-042823B	COMM 1ST BK OF INDIANA		04/28/2023	245,000.00	245,318.50	245,000.00	4.500	4.446	4.508	241	10/28/2025
32021JJH0	7-042823C	FIRST FED SAV BK		04/28/2023	245,000.00	245,237.65	245,000.00	4.450	4.396	4.457	241	10/28/2025
06051V4PA8	7-110123	Bank of America NA		11/01/2023	245,000.00	246,793.40	245,000.00	5.350	5.277	5.350	247	11/03/2025
34387AFF1	7-110422A	Flushing Bk		11/04/2022	245,000.00	245,744.80	245,000.00	4.700	4.640	4.704	248	11/04/2025
73317ABE1	7-110922A	Popular Bk		11/09/2022	236,000.00	236,889.72	236,000.00	4.800	4.738	4.804	250	11/06/2025
178180GQ2	7-110922B	City Natl Bk- Bev Hills		11/09/2022	245,000.00	246,009.40	245,000.00	4.850	4.146	4.203	254	11/10/2025
91630PAW1	7-111320	Upper Peninsula State Bank		11/13/2020	245,000.00	238,419.30	245,000.00	0.400	0.395	0.400	257	11/13/2025
20349RBY3	7-051723	COMMUNITY BK OF CAMERON		05/17/2023	245,000.00	245,428.75	245,000.00	4.500	4.451	4.512	261	11/17/2025
33744AAW9	7-111820	First US Bank		11/18/2020	245,000.00	238,299.25	245,000.00	0.400	0.395	0.400	262	11/18/2025
961442AC4	7-111822	WESTREET		11/18/2022	245,000.00	246,215.20	245,000.00	4.950	4.886	4.954	262	11/18/2025

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<b>Negotiable CD's</b>												
30259QAJ6	7-112223	FNBC Bank		11/22/2023	245,000.00	246,352.40	245,000.00	5.000	4.938	5.007	265	11/21/2025
31983VCK1	7-112423	First Community BK Bates		11/24/2023	245,000.00	246,516.55	245,000.00	5.100	5.037	5.107	268	11/24/2025
849061AA4	7-112322	SPOKANE TEACHERS CU		11/23/2022	245,000.00	246,369.55	245,000.00	5.000	4.816	4.883	268	11/24/2025
05220JAD3	7-053123C	AUSTIN CAPITAL BNK SSB		05/31/2023	245,000.00	245,663.95	245,000.00	4.650	4.599	4.663	272	11/28/2025
084601A37	7-112823	Berkshire Bk		11/28/2023	245,000.00	245,967.75	245,000.00	4.850	4.784	4.850	272	11/28/2025
37424PAB0	7-113020A	Gesa Credit Union		11/30/2020	249,000.00	242,117.64	249,000.00	0.500	0.493	0.500	272	11/28/2025
44811LAF7	7-113023	Hustisford State Bk		11/30/2023	245,000.00	246,323.00	245,000.00	5.000	4.938	5.006	272	11/28/2025
50116CCP2	7-113020	KS StateBank		11/30/2020	245,000.00	238,137.55	245,000.00	0.450	0.444	0.450	272	11/28/2025
17801GBZ1	7-112822	THE CITY NATIONAL BK METROPOLI		11/28/2022	245,000.00	245,218.05	245,000.00	4.400	4.343	4.404	272	11/28/2025
211163ME7	7-063021A	Continental BK		06/30/2021	245,000.00	237,645.10	245,000.00	0.600	0.592	0.600	304	12/30/2025
32117BEP9	7-123021	First National Bank/DAMA		12/30/2021	245,000.00	238,441.35	245,000.00	1.000	0.987	1.001	304	12/30/2025
538036MM3	7-011521	LIVEOAK BANKING COMPANY		01/15/2021	245,000.00	236,986.05	245,000.00	0.450	0.444	0.450	320	01/15/2026
01664MAC0	7-011823B	ALL IN		01/18/2023	245,000.00	245,788.90	245,000.00	4.600	4.541	4.604	325	01/20/2026
14008LAC0	7-011923A	CAPITAL EDUCATORS CREDIT UNION		01/19/2023	245,000.00	245,607.60	245,000.00	4.550	4.491	4.554	325	01/20/2026
58958PLW2	7-072023	MERIDIAN B		07/20/2023	245,000.00	246,293.60	245,000.00	4.800	4.747	4.813	325	01/20/2026
89214PEF2	7-011824	Townebank/Portsmouth VA		01/18/2024	245,000.00	245,022.05	245,000.00	4.250	4.192	4.250	325	01/20/2026
91944RAY4	7-012023B	VALLEY CENTRAL BK		01/20/2023	245,000.00	244,791.75	245,000.00	4.150	4.097	4.153	325	01/20/2026
12481GAV9	7-012122	CBC Federal Credit Union		01/21/2022	245,000.00	238,215.95	245,000.00	1.100	1.085	1.100	326	01/21/2026
87270LD3	7-012121	TIAA FSB		01/21/2021	245,000.00	236,728.80	245,000.00	0.400	0.395	0.400	326	01/21/2026
20786ADE2	7-012221	Connectone Bank		01/22/2021	245,000.00	236,799.85	245,000.00	0.450	0.444	0.450	327	01/22/2026
42721JAQ1	7-012224	Heritage Bank NA		01/22/2024	245,000.00	245,222.95	245,000.00	4.350	4.296	4.356	327	01/22/2026
33587UAD7	7-012324	First Option Bank		01/23/2024	245,000.00	245,124.95	245,000.00	4.350	4.290	4.350	328	01/23/2026
300185LK9	7-012523B	Evergreen Bnk Group		01/25/2023	245,000.00	244,487.95	245,000.00	4.000	3.851	3.905	331	01/26/2026
369674CN4	7-012624	General Electric Credit Union		01/26/2024	245,000.00	245,553.70	245,000.00	4.500	4.444	4.506	331	01/26/2026
15258RAV9	7-012721	Central Bank/Storm Lake		01/27/2021	245,000.00	236,674.90	245,000.00	0.450	0.444	0.450	332	01/27/2026
707312AW4	7-102723	Penn Community Bk		10/27/2023	245,000.00	247,087.40	245,000.00	5.250	5.182	5.254	332	01/27/2026
88413QDG0	7-012722	Third FS&LA of Cleveland		01/27/2022	245,000.00	238,311.50	245,000.00	1.200	1.184	1.200	332	01/27/2026
72014LAE6	7-012822A	Piedmont Federal Sav Bk		01/28/2022	245,000.00	238,198.80	245,000.00	1.150	1.135	1.151	333	01/28/2026
882214AB5	7-012821	Texas Bank		01/28/2021	245,000.00	236,670.00	245,000.00	0.450	0.445	0.451	333	01/28/2026
01882MAE2	7-013023	ALLIANT CREDIT UNION		01/30/2023	245,000.00	246,624.35	245,000.00	5.000	4.940	5.009	335	01/30/2026
052392BB2	7-013122A	Austin Telco FCU		01/31/2022	245,000.00	238,287.00	245,000.00	1.200	1.184	1.201	335	01/30/2026
04911LAR4	7-013024A	ATLANTIC UNION BANK		01/30/2024	245,000.00	245,308.70	245,000.00	4.400	4.340	4.400	335	01/30/2026
234553EE1	7-013124B	Dallas Capital Bank NA		01/31/2024	245,000.00	245,245.00	245,000.00	4.350	4.290	4.350	335	01/30/2026
313812EA3	7-013123C	THE FEDERAL SAVINGS BANK		01/31/2023	245,000.00	244,480.60	245,000.00	4.000	3.948	4.003	335	01/30/2026
06251A6L9	7-013124A	BANK HAPOALIM BM		01/31/2024	245,000.00	245,470.40	245,000.00	4.450	4.389	4.450	338	02/02/2026

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<b>Negotiable CD's</b>												
300498AV4	7-020224	Evolve Bank & Trust		02/02/2024	245,000.00	245,355.25	245,000.00	4.400	4.340	4.400	338	02/02/2026
882487AC5	7-020124	Texas Heritage National Bank		02/01/2024	245,000.00	245,247.45	245,000.00	4.350	3.467	3.515	338	02/02/2026
20361LCT9	7-020323A	Community Bankers Bank		02/03/2023	245,000.00	244,448.75	245,000.00	4.000	3.948	4.003	339	02/03/2026
20146AAX8	7-020422	Commercial Bk		02/04/2022	245,000.00	238,154.70	245,000.00	1.200	1.184	1.200	340	02/04/2026
02772JEV8	7-020824	American NB Fox Cities		02/08/2024	245,000.00	245,372.40	245,000.00	4.400	4.345	4.405	342	02/06/2026
35633EAD2	7-020724	Freedom Bank		02/07/2024	245,000.00	245,372.40	245,000.00	4.400	4.345	4.405	342	02/06/2026
41939HDE9	7-020624	Haven Savings Bank		02/06/2024	245,000.00	245,139.65	245,000.00	4.350	4.290	4.350	342	02/06/2026
462595BP3	7-020824A	Iowa Trust & Savings Bank		02/08/2024	245,000.00	245,458.15	245,000.00	4.450	4.395	4.456	342	02/06/2026
90458JCG9	7-020624A	Unibank		02/06/2024	245,000.00	245,362.60	245,000.00	4.450	4.389	4.450	342	02/06/2026
554479EG6	7-020923	Machias Savings Bk		02/09/2023	245,000.00	244,666.80	245,000.00	4.100	4.047	4.103	345	02/09/2026
00790JAC6	7-051123A	Advantage FCU		05/11/2023	245,000.00	245,808.50	245,000.00	4.600	4.552	4.615	347	02/11/2026
062683KE6	7-021624	BK of Hope		02/16/2024	245,000.00	245,379.75	245,000.00	4.400	3.507	3.555	353	02/17/2026
577234CU9	7-021524A	Mauch Chunk Tr Company		02/15/2024	245,000.00	245,382.20	245,000.00	4.400	4.344	4.405	353	02/17/2026
412022DB8	7-021822A	Hardin Cty Sav Bk		02/18/2022	245,000.00	238,370.30	245,000.00	1.400	1.382	1.401	354	02/18/2026
743738DA1	7-022024	Providence BK		02/20/2024	245,000.00	245,360.15	245,000.00	4.400	4.345	4.406	356	02/20/2026
028501AK0	7-022224	American Nat BK Texas		02/22/2024	245,000.00	245,624.75	245,000.00	4.500	3.587	3.637	359	02/23/2026
619165KF9	7-022124	Morton Community BK		02/21/2024	245,000.00	245,744.80	245,000.00	4.550	4.492	4.555	359	02/23/2026
85855TCE1	7-022124B	Stellar Bank		02/21/2024	245,000.00	245,862.40	245,000.00	4.600	4.542	4.605	359	02/23/2026
02554BDD0	7-022421	AMERICAN EAGLE BANK		02/24/2021	245,000.00	236,008.50	245,000.00	0.450	0.444	0.450	360	02/24/2026
12547CAL2	7-022423B	CIBC BK USA		02/24/2023	245,000.00	244,921.60	245,000.00	4.250	4.192	4.250	360	02/24/2026
35634MAC5	7-022624	Freedom BK		02/26/2024	245,000.00	245,984.90	245,000.00	4.700	4.636	4.700	362	02/26/2026
95110MAD0	7-022824	West Alabama Bank & Trust		02/28/2024	245,000.00	245,698.25	245,000.00	4.550	4.493	4.556	363	02/27/2026
20349NAA5	7-030624	Community Bank Delaware		03/06/2024	245,000.00	246,124.55	245,000.00	4.750	4.685	4.750	370	03/06/2026
033537BEO	7-030824	Anderson Brothers Bank		03/08/2024	245,000.00	246,180.90	245,000.00	4.750	4.512	4.575	373	03/09/2026
05549CJA9	7-031224	BLC COMMUNITY BK		03/12/2024	245,000.00	246,129.45	245,000.00	4.700	4.636	4.701	376	03/12/2026
336793CC6	7-032223B	FIRST ST BK		03/22/2023	245,000.00	246,176.00	245,000.00	4.750	4.685	4.750	377	03/13/2026
59524LAA4	7-031323	MID CAROLINA		03/13/2023	245,000.00	246,854.65	245,000.00	4.850	4.789	4.855	377	03/13/2026
552249CH5	7-031423	The Lyons National Bk		03/14/2023	245,000.00	246,433.25	245,000.00	4.850	4.784	4.850	380	03/16/2026
58602GAH7	7-121523	Memorial Credit Union		12/15/2023	245,000.00	246,705.20	245,000.00	4.950	4.722	4.787	380	03/16/2026
62400PKR0	7-031524A	Mountain Commerce Bank		03/15/2024	245,000.00	246,185.80	245,000.00	4.750	3.788	3.841	380	03/16/2026
020080CF2	7-031722	Alma Bank		03/17/2022	245,000.00	238,965.65	245,000.00	1.850	1.826	1.851	381	03/17/2026
27004PBB8	7-031721	EAGLE SAVINGS BANK		03/17/2021	245,000.00	236,131.00	245,000.00	0.700	0.690	0.700	381	03/17/2026
37173RAS2	7-031824	Genesee Regional Bank		03/18/2024	245,000.00	246,158.85	245,000.00	4.750	4.685	4.750	382	03/18/2026
542249BS5	7-031924B	Lone Star Capital BK NA		03/19/2024	245,000.00	246,149.05	245,000.00	4.700	4.636	4.701	383	03/19/2026
74160NKX7	7-031924	Prime Alliance Bk		03/19/2024	245,000.00	246,149.05	245,000.00	4.700	4.636	4.701	383	03/19/2026

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<b>Negotiable CD's</b>												
90520VAXI	7-031921	UnionBank		03/19/2021	245,000.00	235,770.85	245,000.00	0.600	0.592	0.600	383	03/19/2026
20415QJM2	7-032024	Community West Bank NA		03/20/2024	245,000.00	246,406.30	245,000.00	4.800	4.735	4.801	384	03/20/2026
11778TAE3	7-032224A	BTC Bank		03/22/2024	245,000.00	246,100.05	245,000.00	4.700	4.465	4.527	387	03/23/2026
38644ACD9	7-032223A	GRAND RIVR BK		03/22/2023	245,000.00	246,354.85	245,000.00	4.800	4.624	4.688	387	03/23/2026
43733WAS2	7-032224	Home Savings Bk		03/22/2024	245,000.00	245,972.65	245,000.00	4.650	4.417	4.479	387	03/23/2026
22753AAF7	7-032624A	Cross Keys BK		03/26/2024	245,000.00	246,438.15	245,000.00	4.850	4.784	4.850	390	03/26/2026
31958JAD7	7-032624	First Citizens Bank		03/26/2024	245,000.00	246,183.35	245,000.00	4.750	4.685	4.750	390	03/26/2026
59001PAQ2	7-032621	MERITRUST		03/26/2021	245,000.00	235,861.50	245,000.00	0.700	0.691	0.700	390	03/26/2026
37312PDD8	7-032723	GEORGIA BANKING CO		03/27/2023	245,000.00	246,695.40	245,000.00	4.950	4.882	4.950	391	03/27/2026
83542MAH5	7-032724	Sonata Bank		03/27/2024	245,000.00	246,173.55	245,000.00	4.700	4.636	4.701	391	03/27/2026
044936AE2	7-122823	Assemblies of God Credit Union		12/28/2023	245,000.00	246,582.70	245,000.00	4.900	4.832	4.899	392	03/28/2026
20143PEM8	7-032823	COM BK		03/28/2023	245,000.00	246,193.15	245,000.00	4.750	4.690	4.755	394	03/30/2026
75902GBH7	7-093022B	REG MISSOURI BK		09/30/2022	245,000.00	243,917.10	245,000.00	3.850	3.796	3.849	394	03/30/2026
909242BK4	7-032824	United Republic Bank		03/28/2024	245,000.00	246,193.15	245,000.00	4.750	4.686	4.751	394	03/30/2026
42236XAM7	7-033123B	HEARTLND BK		03/31/2023	245,000.00	246,117.20	245,000.00	4.700	4.640	4.705	395	03/31/2026
88553LAJ8	7-033123A	THREAD BK ROGERSVILLE		03/31/2023	245,000.00	246,376.90	245,000.00	4.800	4.739	4.805	395	03/31/2026
64034KAB7	7-040721	Nelnet Bank		04/07/2021	245,000.00	235,609.15	245,000.00	0.700	0.691	0.700	402	04/07/2026
730716AF4	7-041223	Point West Credit Union		04/12/2023	245,000.00	246,930.60	245,000.00	5.000	4.275	4.334	408	04/13/2026
108622MD0	7-102621	Bridgewater BK Bloom MN		10/26/2021	245,000.00	235,155.90	245,000.00	0.700	0.679	0.688	422	04/27/2026
321098AB1	7-050324A	First National Communtiy Bank		05/03/2024	245,000.00	246,705.20	245,000.00	4.850	4.608	4.672	429	05/04/2026
06279WAE0	7-050324	Bank Iowaa		05/03/2024	245,000.00	246,474.90	245,000.00	4.800	3.828	3.882	429	05/04/2026
81423LDB5	7-050423	Security Federal Bank		05/04/2023	245,000.00	245,575.75	245,000.00	4.450	4.394	4.455	429	05/04/2026
87752LAG5	7-110723	Taylorsville Savings Bk		11/07/2023	245,000.00	247,834.65	245,000.00	5.250	5.024	5.094	429	05/04/2026
90954AAT1	7-110623	UnitedBank		11/06/2023	245,000.00	247,567.60	245,000.00	5.200	5.129	5.200	431	05/06/2026
425246BU8	7-112823B	Henderson State Bank		11/28/2023	245,000.00	247,089.85	245,000.00	5.000	4.929	4.998	433	05/08/2026
89269MAR1	7-050824A	TRADITIONS BANKK		05/08/2024	245,000.00	246,876.70	245,000.00	4.950	4.882	4.950	433	05/08/2026
32024FAK7	7-051024A	1ST FIDELITY BANK		05/10/2024	245,000.00	246,734.60	245,000.00	4.850	4.608	4.672	436	05/11/2026
32116QBJ4	7-051123	FNB of Middle Tennessee		05/11/2023	245,000.00	245,619.85	245,000.00	4.500	4.438	4.500	436	05/11/2026
30257YBP6	7-051023A	FNCB Bank		05/10/2023	245,000.00	245,222.95	245,000.00	4.350	3.714	3.766	436	05/11/2026
620476BC4	7-051023	Mound City Bank		05/10/2023	245,000.00	245,443.45	245,000.00	4.400	4.238	4.297	436	05/11/2026
843879EC7	7-050923	Southern States Bk		05/09/2023	245,000.00	245,730.10	245,000.00	4.500	4.443	4.505	436	05/11/2026
73763NAA1	7-051223	Potlatch No 1		05/12/2023	245,000.00	246,161.30	245,000.00	4.650	4.591	4.655	437	05/12/2026
404730FA6	7-051624	HADDON SAVING BANK		05/16/2024	245,000.00	246,656.20	245,000.00	4.850	4.784	4.851	440	05/15/2026
39573LDY1	7-051723A	GREENSTATE CU		05/17/2023	245,000.00	246,629.25	245,000.00	4.800	4.739	4.805	443	05/18/2026
227563CH4	7-051923C	CROSS RIVER BK		05/19/2023	245,000.00	246,063.30	245,000.00	4.650	4.586	4.650	444	05/19/2026

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<b>Negotiable CD's</b>												
33640VDS4	7-051923	FIRST SVC BK		05/19/2023	245,000.00	245,595.35	245,000.00	4.450	4.394	4.455	444	05/19/2026
451245AP9	7-051923A	IDAHO FIRST BK		05/19/2023	245,000.00	245,450.80	245,000.00	4.400	4.344	4.405	444	05/19/2026
29367RLY0	7-052121	ENTERPRISE BANK		05/21/2021	245,000.00	234,308.20	245,000.00	0.600	0.592	0.600	446	05/21/2026
219236AJ5	7-052324	CORNERSTONE BK		05/23/2024	245,000.00	246,844.85	245,000.00	4.900	4.833	4.900	451	05/26/2026
063046AQ9	7-052821	THE BANK OF KREMLIN		05/28/2021	245,000.00	234,087.70	245,000.00	0.600	0.592	0.600	453	05/28/2026
309175DZ7	7-053023A	FARMERS BK		05/30/2023	245,000.00	246,117.20	245,000.00	4.650	4.586	4.650	454	05/29/2026
676071AR4	7-060524	ODIN STATE BANK		06/05/2024	245,000.00	246,979.60	245,000.00	4.900	4.833	4.900	461	06/05/2026
626757AL2	7-060724A	MURPHY-WALL STATE B&TC		06/07/2024	245,000.00	247,175.60	245,000.00	4.950	4.702	4.768	464	06/08/2026
17453FCX8	7-060923	Citizens Deposit BK of Arlingt		06/09/2023	245,000.00	246,232.35	245,000.00	4.650	4.591	4.655	465	06/09/2026
16141BAC5	7-060923A	Chartway		06/09/2023	245,000.00	246,994.30	245,000.00	4.900	4.838	4.905	465	06/09/2026
63970BAQ2	7-060923C	Nebraska State Bk		06/09/2023	245,000.00	245,928.55	245,000.00	4.550	4.492	4.554	465	06/09/2026
91134CCZ2	7-041124	UNITED PRAIRIE BK		04/11/2024	245,000.00	246,237.25	245,000.00	4.650	4.587	4.651	467	06/11/2026
465076UP0	7-061224A	ISRAEL DISCOUNT OF BANK OF NY		06/12/2024	245,000.00	247,305.45	245,000.00	5.050	4.981	5.050	468	06/12/2026
76870LAD2	7-061223	Riverfront Federal Credit Unio		06/12/2023	245,000.00	247,009.00	245,000.00	4.900	4.838	4.905	468	06/12/2026
88709RBG3	7-061224	TIMBERLAND BANK		06/12/2024	245,000.00	247,160.90	245,000.00	4.950	4.882	4.950	468	06/12/2026
06063PDE2	7-121522	Bank of Belleville		12/15/2022	245,000.00	244,397.30	245,000.00	4.050	3.996	4.052	471	06/15/2026
20360UAH8	7-121422	Community Bk		12/14/2022	245,000.00	245,041.65	245,000.00	4.250	4.106	4.163	471	06/15/2026
29259RAH0	7-061323	Encompass Niagara Credit Union		06/13/2023	245,000.00	246,587.60	245,000.00	4.750	4.689	4.755	471	06/15/2026
36733QAD2	7-121323	Gate City Bank		12/13/2023	245,000.00	245,950.60	245,000.00	4.600	4.537	4.600	471	06/15/2026
50625LBU6	7-121323A	Lafayette Federal Credit Union		12/13/2023	245,000.00	247,207.45	245,000.00	4.950	4.885	4.953	471	06/15/2026
55977RBX0	7-061423	Magyar Bank		06/14/2023	245,000.00	245,857.50	245,000.00	4.550	3.887	3.941	471	06/15/2026
098079AU0	7-061623C	B1 BANK		06/16/2023	245,000.00	246,097.60	245,000.00	4.600	4.541	4.605	472	06/16/2026
84133PFD5	7-061721	SouthEast Bank		06/17/2021	245,000.00	233,730.00	245,000.00	0.600	0.592	0.600	473	06/17/2026
23322GT72	7-121823	DMB Community BK		12/18/2023	245,000.00	245,791.35	245,000.00	4.500	4.441	4.503	474	06/18/2026
72143HAE9	7-061824	PILGRIM BANKK		06/18/2024	245,000.00	247,499.00	245,000.00	5.050	4.981	5.050	474	06/18/2026
33649QAD2	7-062124A	THE FIRST BK OF ROSEMOUNT		06/21/2024	245,000.00	247,552.90	245,000.00	5.050	4.798	4.864	478	06/22/2026
024334AC8	7-122223	American Bank of Missouri		12/22/2023	245,000.00	245,967.75	245,000.00	4.600	4.537	4.600	478	06/22/2026
06221LAF0	7-122122	Bank of Frankewing		12/21/2022	245,000.00	244,728.05	245,000.00	4.150	4.009	4.065	478	06/22/2026
07181JAD6	7-062222B	Baxter Federal Credit Union		06/22/2022	245,000.00	241,256.40	245,000.00	3.050	3.010	3.052	478	06/22/2026
146102AG3	7-122023	Carter Bank & Trust		12/20/2023	245,000.00	246,612.10	245,000.00	4.750	4.688	4.753	478	06/22/2026
31944MBH7	7-062321	Fiirst Carolina Bank		06/23/2021	245,000.00	233,558.50	245,000.00	0.600	0.592	0.600	479	06/23/2026
83418NAG6	7-062323C	SOLARITY		06/23/2023	245,000.00	247,525.95	245,000.00	5.050	4.986	5.055	479	06/23/2026
910286GH0	7-062323B	UNITED FIDELITY BK FSB		06/23/2023	245,000.00	246,271.55	245,000.00	4.650	4.591	4.655	479	06/23/2026
67114TAX6	7-062424	OSB COMMUNITY BANK		06/24/2024	245,000.00	247,217.25	245,000.00	4.950	4.882	4.950	480	06/24/2026
74167LAV9	7-062624	PRIME SECURITY BANKK		06/26/2024	245,000.00	247,224.60	245,000.00	4.950	4.882	4.950	482	06/26/2026

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<b>Negotiable CD's</b>												
32021YDT7	7-062821	First Federal Savings Bk		06/28/2021	245,000.00	233,526.65	245,000.00	0.650	0.631	0.640	485	06/29/2026
303117DA0	7-062923B	THE FAHEY BANKING CO		06/29/2023	245,000.00	246,068.20	245,000.00	4.600	4.541	4.604	485	06/29/2026
308862EE7	7-062824	FARMER AND MERCHANTS BANK		06/28/2024	245,000.00	247,212.35	245,000.00	4.950	4.702	4.768	485	06/29/2026
679585CE7	7-122923	Old Dominion National Bank		12/29/2023	245,000.00	244,958.35	245,000.00	4.250	4.194	4.253	485	06/29/2026
06063HPM9	7-122922	Bk of Baroda		12/29/2022	245,000.00	244,154.75	245,000.00	4.000	3.484	3.533	486	06/30/2026
173576AR0	7-063023A	THE CITIZENS BK CO		06/30/2023	245,000.00	245,908.95	245,000.00	4.550	4.492	4.554	486	06/30/2026
73565MAF2	7-063023	PORTAGE BNK		06/30/2023	245,000.00	245,908.95	245,000.00	4.550	4.492	4.554	486	06/30/2026
856188CB1	7-063023D	THE STATE BK		06/30/2023	245,000.00	246,384.25	245,000.00	4.700	4.640	4.705	486	06/30/2026
662228CW3	7-063023F	THE NORTH SALEM ST BK		06/30/2023	245,000.00	246,225.00	245,000.00	4.650	4.591	4.654	486	06/30/2026
956310CE4	7-070324	WEST TOWN BANK & TRUST		07/03/2024	245,000.00	247,273.60	245,000.00	4.950	4.883	4.951	492	07/06/2026
74048CBD3	7-040924	PREMIER COMMUNITY BANK		04/09/2024	245,000.00	246,313.20	245,000.00	4.650	4.585	4.649	495	07/09/2026
10671PAH4	7-071024	BREDA SAVINGS BANK		07/10/2024	245,000.00	246,803.20	245,000.00	4.800	4.735	4.800	496	07/10/2026
292079AR1	7-111221	Empire State Bank, NA		11/12/2021	245,000.00	234,330.25	245,000.00	0.900	0.888	0.900	499	07/13/2026
36759UAL4	7-071321	Gateway Bk		07/13/2021	245,000.00	233,254.70	245,000.00	0.650	0.641	0.650	499	07/13/2026
583626AV8	7-071224	MECHANICS CO BANK		07/12/2024	245,000.00	246,403.85	245,000.00	4.700	3.748	3.800	499	07/13/2026
72741LAR7	7-071524A	PLANTERS BANK AND TRUST COMPAN		07/15/2024	245,000.00	246,242.15	245,000.00	4.650	3.704	3.756	499	07/13/2026
857894P78	7-071224A	STEARNS BANK		07/12/2024	245,000.00	246,403.85	245,000.00	4.700	3.748	3.800	499	07/13/2026
110087BB8	7-071423B	Bristol Morgan Bank		07/14/2023	245,000.00	246,161.30	245,000.00	4.600	4.542	4.605	500	07/14/2026
31987NAT8	7-071524	FIRST COMMUNITY BANK HEARTLAND		07/15/2024	245,000.00	246,379.35	245,000.00	4.700	4.636	4.700	501	07/15/2026
59319LBA2	7-071624	MI BANK		07/16/2024	245,000.00	246,330.35	245,000.00	4.650	4.587	4.650	502	07/16/2026
32114LCV9	7-071724	FIRST NATIONAL BANKK		07/17/2024	245,000.00	246,499.40	245,000.00	4.700	4.636	4.700	503	07/17/2026
05612LAU6	7-072224	BMW BK OF N A		07/22/2024	245,000.00	246,261.75	245,000.00	4.650	3.704	3.756	506	07/20/2026
301074EV8	7-071921	Exchange BK		07/19/2021	245,000.00	232,928.85	245,000.00	0.600	0.583	0.591	506	07/20/2026
321207BC5	7-071924C	FIRST NB & T CO CHICKASHA OKLA		07/19/2024	245,000.00	246,342.60	245,000.00	4.650	4.417	4.478	506	07/20/2026
174178AC7	7-072123E	CITIZENS BK OF PHILADELPHIA		07/21/2023	245,000.00	246,675.80	245,000.00	4.750	4.690	4.755	507	07/21/2026
30960QAQ0	7-072123B	FARMERS INS GROUP FCU		07/21/2023	245,000.00	247,506.35	245,000.00	5.000	4.937	5.005	507	07/21/2026
54342MAB1	7-072123D	LOOKOUT FCU		07/21/2023	245,000.00	247,506.35	245,000.00	5.000	4.937	5.005	507	07/21/2026
68002LCJ5	7-012122A	Old Missouri BK		01/21/2022	245,000.00	234,398.85	245,000.00	1.050	1.035	1.050	507	07/21/2026
173887AV2	7-072624A	CITIZEN BANK OF WEST VIRGINIA		07/26/2024	245,000.00	246,185.80	245,000.00	4.600	4.538	4.601	510	07/24/2026
70337MHH4	7-072423	PATRIOT BK, NA		07/24/2023	245,000.00	246,408.75	245,000.00	4.700	4.636	4.700	510	07/24/2026
20405NAA6	7-072723	COMMUNITY SO CU		07/27/2023	245,000.00	247,535.75	245,000.00	5.000	4.937	5.005	513	07/27/2026
37148LAF5	7-072624C	GENERATIONS COMMUNITY		07/26/2024	245,000.00	246,026.55	245,000.00	4.550	4.322	4.382	513	07/27/2026
43739PAR3	7-072624B	HOME FED SAVINGS BANK		07/26/2024	245,000.00	246,026.55	245,000.00	4.550	4.322	4.382	513	07/27/2026
74316VFD2	7-072722	PROFINIUM FINANCIAL INC		07/27/2022	245,000.00	240,653.70	245,000.00	2.950	2.912	2.952	513	07/27/2026
064520BL2	7-072821	Bank of Princeton		07/28/2021	245,000.00	232,688.75	245,000.00	0.600	0.592	0.600	514	07/28/2026

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<b>Negotiable CD's</b>												
59741QAB8	7-072823	MID-FLORIDA CU		07/28/2023	245,000.00	247,650.90	245,000.00	5.050	4.986	5.055	514	07/28/2026
227507AE0	7-073021	Cross County Bank		07/30/2021	245,000.00	232,688.75	245,000.00	0.600	0.592	0.600	516	07/30/2026
804375DV2	7-073021A	Sauk Valley Bank & Trust		07/30/2021	245,000.00	232,855.35	245,000.00	0.650	0.641	0.650	516	07/30/2026
81424TBC7	7-073124A	SECURITY FINANCIAL BANK		07/31/2024	245,000.00	245,296.45	245,000.00	4.350	4.290	4.350	517	07/31/2026
861821BC9	7-073123B	STONEHAMBANK		07/31/2023	245,000.00	246,737.05	245,000.00	4.750	4.689	4.755	517	07/31/2026
88423MAA3	7-073123A	THIRD COAST BK SSB		07/31/2023	245,000.00	246,641.50	245,000.00	4.750	4.689	4.755	517	07/31/2026
25460FCP9	7-020322	Direct Federal CU		02/03/2022	245,000.00	235,004.00	245,000.00	1.300	1.282	1.300	520	08/03/2026
152465AT7	7-080924A	Central Bank & Trust Company		08/09/2024	245,000.00	245,296.45	245,000.00	4.350	3.466	3.515	527	08/10/2026
220802AN2	7-080923A	Cortrust Bank NA		08/09/2023	245,000.00	246,942.85	245,000.00	4.800	4.623	4.688	527	08/10/2026
43942MAB8	7-080924B	HOPE Credit Union		08/09/2024	245,000.00	245,908.95	245,000.00	4.500	4.274	4.333	527	08/10/2026
973073AD1	7-050924	WINCHESTER SAVINGS BANK		05/09/2024	245,000.00	246,942.85	245,000.00	4.800	4.584	4.647	527	08/10/2026
307811HE2	7-081123	THE FARMERS & MERCHANTS BK		08/11/2023	245,000.00	246,915.90	245,000.00	4.800	4.739	4.805	528	08/11/2026
38647PDR1	7-081221	Grandsouth Bank		08/12/2021	245,000.00	232,590.75	245,000.00	0.650	0.641	0.650	529	08/12/2026
61690DVF2	7-081424	Morgan Stanley Bank N.A.		08/14/2024	245,000.00	243,899.95	245,000.00	3.950	3.896	3.950	531	08/14/2026
843355BS6	7-111423	Southern Michigan Bk & Trust		11/14/2023	245,000.00	247,964.50	245,000.00	5.100	5.031	5.101	531	08/14/2026
09968TB0	7-081624B	Border Bank		08/16/2024	245,000.00	244,875.05	245,000.00	4.200	3.989	4.044	534	08/17/2026
33766NAV6	7-081624C	First Bk		08/16/2024	245,000.00	244,093.50	245,000.00	4.000	3.185	3.230	534	08/17/2026
88172TCE1	7-081624A	TEXANA Bank National Associati		08/16/2024	245,000.00	244,698.65	245,000.00	4.150	3.941	3.996	534	08/17/2026
682325AU9	7-111821	One Community Bank		11/18/2021	245,000.00	233,151.80	245,000.00	0.850	0.838	0.850	535	08/18/2026
14065AAC4	7-081924A	CAPRA Bank		08/19/2024	245,000.00	244,147.40	245,000.00	4.000	3.945	4.000	536	08/19/2026
309287AC4	7-081924B	The Farmers Bank of Milton		08/19/2024	245,000.00	244,238.05	245,000.00	4.050	3.995	4.050	536	08/19/2026
05464LBM2	7-082021	Axiom Bank		08/20/2021	245,000.00	232,260.00	245,000.00	0.600	0.592	0.600	537	08/20/2026
851363AB7	7-082124C	Springfield State Bank		08/21/2024	245,000.00	244,238.05	245,000.00	4.050	3.995	4.050	538	08/21/2026
913109AM6	7-082123	UNITED TR BK		08/21/2023	245,000.00	246,776.25	245,000.00	4.750	4.689	4.755	538	08/21/2026
00782JAA0	7-082223	Advia Credit Union		08/22/2023	245,000.00	247,763.60	245,000.00	5.050	4.981	5.050	541	08/24/2026
05584CJD9	7-082323A	BNY Mellon NA		08/23/2023	245,000.00	246,712.55	245,000.00	4.750	4.059	4.116	541	08/24/2026
38058KES1	7-062222A	Gold Coast BK		06/22/2022	245,000.00	240,631.65	245,000.00	3.000	2.961	3.002	541	08/24/2026
68621KCX7	7-082624	Oriental Bank		08/26/2024	245,000.00	244,056.75	245,000.00	4.000	3.945	4.000	543	08/26/2026
32116PAR9	7-082721A	FirstBank of Nebraska		08/27/2021	245,000.00	232,071.35	245,000.00	0.600	0.592	0.600	544	08/27/2026
46091MBP8	7-082824B	Investar Bank NA		08/28/2024	245,000.00	243,721.10	245,000.00	3.900	3.847	3.900	545	08/28/2026
589227AM9	7-082824	Merchant State Bank		08/28/2024	245,000.00	244,083.70	245,000.00	4.000	3.945	4.000	545	08/28/2026
005594BM7	7-083024B	Adams Community Bank		08/30/2024	245,000.00	243,730.90	245,000.00	3.900	3.847	3.900	548	08/31/2026
107003DC6	7-092023A	Bremer Bank NA		09/20/2023	245,000.00	246,991.85	245,000.00	4.800	4.733	4.799	548	08/31/2026
335857DC9	7-083023	First Oklahoma Bank		08/30/2023	245,000.00	246,776.25	245,000.00	4.700	4.644	4.709	548	08/31/2026
531194BA5	7-082924	Liberty Savings Bank F.S.B.		08/29/2024	245,000.00	243,797.05	245,000.00	3.900	3.842	3.895	548	08/31/2026

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<b>Negotiable CD's</b>												
33610RUN1	7-090123	First Premier		09/01/2023	245,000.00	246,697.85	245,000.00	4.750	4.685	4.750	549	09/01/2026
70962LAE2	7-090121	Pentagon Federal Credit Union		09/01/2021	245,000.00	232,872.50	245,000.00	0.850	0.839	0.850	549	09/01/2026
373337AW4	7-090624	Georgia Primary Bank		09/06/2024	245,000.00	243,966.10	245,000.00	3.950	3.896	3.950	556	09/08/2026
383052FX0	7-090524	Gorham Savings Bk		09/05/2024	245,000.00	243,966.10	245,000.00	3.950	3.896	3.950	556	09/08/2026
351593AL2	7-090924B	Fox Valley Savings Bank		09/09/2024	245,000.00	243,755.40	245,000.00	3.900	3.846	3.900	557	09/09/2026
310567AQ5	7-090924	Farmers State Bk		09/09/2024	245,000.00	244,118.00	245,000.00	4.000	3.945	4.000	557	09/09/2026
52603NBK6	7-091024A	LendingClub Bank N.A.		09/10/2024	245,000.00	244,042.05	245,000.00	4.000	3.945	4.000	557	09/09/2026
31904JAJ9	7-091223C	First B&T of Fullerton		09/12/2023	245,000.00	247,053.10	245,000.00	4.800	4.738	4.804	559	09/11/2026
32109RAC7	7-091124A	The First NB of Williamson		09/11/2024	245,000.00	243,750.50	245,000.00	3.900	3.846	3.900	559	09/11/2026
89388CJG4	7-091324A	Transportation Alliance Bank		09/13/2024	245,000.00	243,951.40	245,000.00	3.950	3.751	3.803	562	09/14/2026
92213MAA9	7-091324	Vantage West		09/13/2024	245,000.00	244,502.65	245,000.00	4.100	3.893	3.947	562	09/14/2026
712608AA6	7-091523A	Peoplestrust Bank		09/15/2023	245,000.00	247,038.40	245,000.00	4.800	4.739	4.804	563	09/15/2026
89841MBR7	7-092024A	Trustone Financial		09/20/2024	245,000.00	244,311.55	245,000.00	4.050	3.994	4.050	566	09/18/2026
42228LAH4	7-092122A	HEALTHCARE SYSTEMS FEDERAL CU		09/21/2022	245,000.00	242,618.60	245,000.00	3.600	3.553	3.602	569	09/21/2026
499724AQ5	7-092123	Knoxville TVA Employees CU		09/21/2023	245,000.00	248,912.65	245,000.00	5.300	5.232	5.305	569	09/21/2026
74909LAB6	7-092322B	QUORUM FEDERAL CREDIT UNION		09/23/2022	245,000.00	243,539.80	245,000.00	3.850	3.801	3.853	571	09/23/2026
749622AS5	7-092321	RIA Federal Credit Union		09/23/2021	245,000.00	231,654.85	245,000.00	0.650	0.641	0.650	571	09/23/2026
14575YAD3	7-092524	Carson Bank		09/25/2024	245,000.00	243,162.50	245,000.00	3.750	3.698	3.750	573	09/25/2026
319137CN3	7-092724	FirstBank		09/27/2024	245,000.00	242,821.95	245,000.00	3.650	3.600	3.650	573	09/25/2026
01749QAE6	7-092723	Allegius FCU		09/27/2023	245,000.00	249,368.35	245,000.00	5.400	5.202	5.274	576	09/28/2026
90372WAD2	7-092723A	Ukrainian Federal Credit Union		09/27/2023	245,000.00	249,179.70	245,000.00	5.350	5.154	5.226	576	09/28/2026
17312Q4A4	7-092923E	Citibank National Association		09/29/2023	245,000.00	248,077.20	245,000.00	5.100	5.030	5.100	577	09/29/2026
86513LAA0	7-092921	Sullivan Bank		09/29/2021	245,000.00	232,931.30	245,000.00	0.750	0.740	0.750	577	09/29/2026
25844MAC2	7-093022C	DORT FINANCIAL CU		09/30/2022	245,000.00	244,081.25	245,000.00	4.000	3.948	4.003	578	09/30/2026
634116CZ8	7-093021	National Bank of New York City		09/30/2021	245,000.00	231,596.05	245,000.00	0.650	0.641	0.650	578	09/30/2026
92891KAA2	7-093021A	Vocality Community Credit Unio		09/30/2021	245,000.00	232,968.05	245,000.00	0.800	0.789	0.800	578	09/30/2026
31938QV43	7-120122	First Business Bank		12/01/2022	245,000.00	244,777.05	245,000.00	4.200	4.144	4.201	579	10/01/2026
78413RAD9	7-100423A	SCE Federal Credit Union		10/04/2023	245,000.00	249,008.20	245,000.00	5.300	5.106	5.177	583	10/05/2026
201593BB5	7-100824	COMMERCIAL BANKING COMPANY		10/08/2024	245,000.00	243,123.30	245,000.00	3.750	3.699	3.750	586	10/08/2026
32065RAV7	7-100824B	FIRST KEYSTONE COMMUNITY BANK		10/08/2024	245,000.00	242,932.20	245,000.00	3.700	3.649	3.700	586	10/08/2026
397129AF4	7-100821	Greenwood FCU		10/08/2021	245,000.00	231,701.40	245,000.00	0.750	0.740	0.750	586	10/08/2026
93974LAH3	7-100924	WASHINGTON STATE BANK		10/09/2024	245,000.00	242,738.65	245,000.00	3.650	3.600	3.650	587	10/09/2026
91330FAP1	7-101123	Unity Bk		10/11/2023	245,000.00	247,905.70	245,000.00	5.000	4.816	4.883	590	10/12/2026
17286TAJ4	7-101321	Citadel FCU		10/13/2021	234,000.00	221,738.40	234,000.00	0.900	0.888	0.901	591	10/13/2026
623337AG7	7-101323A	Mount Vernon B&TC		10/13/2023	245,000.00	247,908.15	245,000.00	5.000	4.936	5.005	591	10/13/2026

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<b>Negotiable CD's</b>												
814898BS0	7-101124	SECURITY STATE BANKK		10/11/2024	245,000.00	242,917.50	245,000.00	3.700	3.649	3.700	591	10/13/2026
97412MAK5	7-101024	WINGS FINANCIAL		10/10/2024	245,000.00	243,463.85	245,000.00	3.850	3.797	3.850	591	10/13/2026
95580RAF5	7-041224	WEST SHORE BANK		04/12/2024	245,000.00	246,565.55	245,000.00	4.550	4.358	4.418	591	10/13/2026
91823MBE4	7-101422A	VCC Bk		10/14/2022	245,000.00	245,029.40	245,000.00	4.250	4.195	4.253	592	10/14/2026
909557JL5	7-101521	United Bankers Bk		10/15/2021	245,000.00	231,348.60	245,000.00	0.700	0.691	0.700	593	10/15/2026
060730BD9	7-101624	BANK OF BRENHAM NA		10/16/2024	245,000.00	243,951.40	245,000.00	4.000	3.945	4.000	594	10/16/2026
06653LBP4	7-101824	BANK 3		10/18/2024	245,000.00	242,897.90	245,000.00	3.700	3.513	3.562	597	10/19/2026
27689NFP0	7-101823	Eastern Savings Bank FSB		10/18/2023	245,000.00	248,537.80	245,000.00	5.050	4.318	4.378	597	10/19/2026
723451CB4	7-102021	Pinnacle Bk		10/20/2021	245,000.00	231,309.40	245,000.00	0.700	0.690	0.700	598	10/20/2026
78474UAA4	7-112223A	SP Trainmen FCU		11/22/2023	245,000.00	248,537.80	245,000.00	5.150	5.081	5.152	600	10/22/2026
81425PBL4	7-102523	Security First Bk		10/25/2023	245,000.00	247,898.35	245,000.00	5.000	4.275	4.335	604	10/26/2026
06651UAL6	7-103123A	BankTennessee		10/31/2023	245,000.00	247,979.20	245,000.00	5.000	4.936	5.004	605	10/27/2026
419700AG4	7-102723C	Hawaii Central FCU		10/27/2023	245,000.00	249,944.10	245,000.00	5.500	5.430	5.505	605	10/27/2026
58853LDC0	7-102723B	Merchants Commercial Bank		10/27/2023	245,000.00	248,175.20	245,000.00	5.050	4.986	5.055	605	10/27/2026
760296FW8	7-103023A	Republic Bank & Trust KY		10/30/2023	245,000.00	248,388.35	245,000.00	5.150	5.079	5.150	605	10/27/2026
82671DAA5	7-102722	SIGNATURE FCU		10/27/2022	245,000.00	246,406.30	245,000.00	4.600	4.540	4.603	605	10/27/2026
90353EAU7	7-102821	USF Federal Credit Union		10/28/2021	245,000.00	231,868.00	245,000.00	0.900	0.888	0.900	606	10/28/2026
42237HAH2	7-102921	Heartland Bank		10/29/2021	245,000.00	231,694.05	245,000.00	0.850	0.838	0.850	607	10/29/2026
64016YAD5	7-103024	NEIGHBORHOOD NATL BANK		10/30/2024	245,000.00	243,228.65	245,000.00	3.800	3.748	3.800	608	10/30/2026
05890QVC4	7-103124	BANC OF CALI		10/31/2024	245,000.00	244,056.75	245,000.00	3.950	3.896	3.950	611	11/02/2026
30002CAB4	7-110321	Everett Co-Operative Bank		11/03/2021	245,000.00	232,201.20	245,000.00	1.000	0.986	1.000	612	11/03/2026
50500LAB9	7-110323A	La Salle State Bank		11/03/2023	245,000.00	248,405.50	245,000.00	5.100	5.035	5.105	612	11/03/2026
83088XAC2	7-110421	SkyOne Federal Credit Union		11/04/2021	245,000.00	232,181.60	245,000.00	1.000	0.986	1.000	613	11/04/2026
493338AA5	7-050523	Keysavings Bank		05/05/2023	245,000.00	244,037.15	245,000.00	4.000	3.953	4.008	614	11/05/2026
485836GJ3	7-050824	Katahdin Trust Company		05/08/2024	245,000.00	247,254.00	245,000.00	4.800	4.742	4.808	615	11/06/2026
61429DAD8	7-110623A	The Monticello Banking Company		11/06/2023	245,000.00	248,672.55	245,000.00	5.200	5.129	5.200	615	11/06/2026
187337AH3	7-111023	Clinton BK		11/10/2023	245,000.00	248,444.70	245,000.00	5.100	5.035	5.105	619	11/10/2026
14042RQB0	7-111721	Capital One NA		11/17/2021	245,000.00	232,318.80	245,000.00	1.100	1.085	1.100	626	11/17/2026
85642NAA2	7-111723	The State Bank of Toledo		11/17/2023	245,000.00	248,792.60	245,000.00	4.900	4.837	4.904	626	11/17/2026
30781JAW0	7-111921	Farm & Merch Bank of Colby		11/19/2021	245,000.00	231,201.60	245,000.00	0.850	0.839	0.850	628	11/19/2026
151342AJ1	7-112024	CENTENNIAL BANKK		11/20/2024	245,000.00	244,130.25	245,000.00	4.050	3.995	4.050	629	11/20/2026
90407LAM5	7-112224	UMASSFIVE College		11/22/2024	245,000.00	244,652.10	245,000.00	4.150	3.941	3.995	632	11/23/2026
02905LBZ7	7-112822A	AMERICAN PLUS BK		11/28/2022	245,000.00	244,387.50	245,000.00	4.100	4.046	4.103	636	11/27/2026
56824JBD5	7-112724	MARINE FEDERAL CREDIT UNION		11/27/2024	245,000.00	244,830.95	245,000.00	4.200	4.142	4.200	636	11/27/2026
84287PHU9	7-052623	SOUTHERN FIRST BK		05/26/2023	245,000.00	246,506.75	245,000.00	4.600	4.452	4.514	636	11/27/2026

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# IMPERIAL COUNTY TREASURER

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
12651HAY5	7-053024B	CTBC BANK CORP (USA)		05/30/2024	245,000.00	246,979.60	245,000.00	4.750	4.690	4.755	639	11/30/2026
20825WAR1	7-123021A	Connexus Credit Union		12/30/2021	245,000.00	232,196.30	245,000.00	1.150	1.135	1.151	662	12/23/2026
33652FAK4	7-062824D	1ST STATE BANK		06/28/2024	245,000.00	247,045.75	245,000.00	4.750	4.685	4.750	667	12/28/2026
23130SEH2	7-062624A	CURRIE STATE BANK		06/26/2024	245,000.00	247,349.55	245,000.00	4.800	4.734	4.800	667	12/28/2026
24951TAL9	7-010722	Department of Commerce Federal		01/07/2022	245,000.00	231,931.70	245,000.00	1.250	1.234	1.251	677	01/07/2027
45776NGU4	7-010725	INS BANK		01/07/2025	245,000.00	243,515.30	245,000.00	3.900	3.846	3.900	677	01/07/2027
51210SSU2	7-010923	Lakeside BK		01/09/2023	245,000.00	243,752.95	245,000.00	3.950	3.898	3.953	681	01/11/2027
39269PAB4	7-011422	Green Belt Bank & Trust		01/14/2022	245,000.00	231,137.90	245,000.00	1.100	1.086	1.101	684	01/14/2027
23020PAJ1	7-071924B	CULLMAN SAVINGS BK		07/19/2024	245,000.00	246,381.80	245,000.00	4.550	4.495	4.557	689	01/19/2027
33625CJA8	7-011725A	First Secty Bk of Washington		01/17/2025	245,000.00	243,740.70	245,000.00	3.950	3.896	3.950	689	01/19/2027
33649XCW3	7-011824B	First ST Bank		01/18/2024	245,000.00	244,184.15	245,000.00	4.050	3.900	3.954	689	01/19/2027
68148BAD7	7-011824A	Olympia Savings & Loan		01/18/2024	245,000.00	243,953.85	245,000.00	4.000	3.413	3.461	689	01/19/2027
564759RS9	7-012023A	MANUF & TRADERS TRUST CO		01/20/2023	245,000.00	243,850.95	245,000.00	4.000	3.945	4.000	690	01/20/2027
88241TQG8	7-012523	Texas Exchange Bank		01/25/2023	245,000.00	243,267.85	245,000.00	3.850	3.799	3.852	690	01/20/2027
10421ABH9	7-012125	Bradesco Bank		01/21/2025	245,000.00	244,071.45	245,000.00	4.050	4.050	4.106	691	01/21/2027
73966LAF9	7-072123C	PRAIRIE SUN BK		07/21/2023	245,000.00	247,055.55	245,000.00	4.700	4.645	4.709	691	01/21/2027
82669LLC5	7-012225	Signature Bk of Arkansas		01/22/2025	245,000.00	243,931.80	245,000.00	4.000	3.945	4.000	692	01/22/2027
395181EP1	7-012425B	Greenfield Savings Bank		01/24/2025	245,000.00	244,627.60	245,000.00	4.150	3.941	3.995	695	01/25/2027
39103QBB1	7-012324A	Great North BK		01/23/2024	245,000.00	243,946.50	245,000.00	4.000	3.945	4.000	695	01/25/2027
726547CQ3	7-012425	Plains St Bank		01/24/2025	245,000.00	243,703.95	245,000.00	3.950	3.751	3.803	695	01/25/2027
31904PDG8	7-072624	FIRST BANK & TR		07/26/2024	245,000.00	247,070.25	245,000.00	4.700	4.700	4.765	696	01/26/2027
958887AM3	7-012624C	Western Nebraska Bank		01/26/2024	245,000.00	244,152.30	245,000.00	4.050	3.998	4.054	696	01/26/2027
33631LAR2	7-012725A	1st Seacoast Bank		01/27/2025	245,000.00	244,541.85	245,000.00	4.150	4.093	4.150	697	01/27/2027
33749VBH0	7-012723A	First Western Bank & Trust		01/27/2023	245,000.00	243,476.10	245,000.00	3.900	3.849	3.902	697	01/27/2027
366526BA8	7-012722A	The Garrett State Bk		01/27/2022	245,000.00	231,559.30	245,000.00	1.250	1.234	1.251	697	01/27/2027
882212AA1	7-012722B	Texas Bk		01/27/2022	245,000.00	231,828.80	245,000.00	1.300	1.282	1.300	697	01/27/2027
25660BAL7	7-012822	Dogwood State Bank		01/28/2022	245,000.00	231,772.45	245,000.00	1.300	1.283	1.301	698	01/28/2027
31033VAE7	7-012825	FARMERS STATE BANK OF HOFFMAN		01/28/2025	245,000.00	244,568.80	245,000.00	4.150	4.093	4.150	698	01/28/2027
35637RDR5	7-012822B	Freedom Financial Bank		01/28/2022	245,000.00	231,549.50	245,000.00	1.250	1.234	1.251	698	01/28/2027
16863LAF2	7-012925	Chief Financial FCU		01/29/2025	245,000.00	244,568.80	245,000.00	4.150	4.093	4.149	699	01/29/2027
25665QDN2	7-012925A	Dollar Bk Federal Svg Bk		01/29/2025	245,000.00	244,287.05	245,000.00	4.100	4.044	4.100	699	01/29/2027
31985HCJ3	7-013124C	First Commerce Bank		01/31/2024	245,000.00	244,794.20	245,000.00	4.200	4.146	4.204	699	01/29/2027
62847NEG7	7-013124	MVB BANK INC		01/31/2024	245,000.00	245,017.15	245,000.00	4.250	4.195	4.254	699	01/29/2027
70320KBR1	7-013122	Pathfinder Bank		01/31/2022	245,000.00	231,306.95	245,000.00	1.200	1.166	1.182	699	01/29/2027
87227MAF2	7-013125A	TC Federal Bank		01/31/2025	245,000.00	244,568.80	245,000.00	4.100	3.892	3.946	699	01/29/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
31943RBL8	7-013123B	FIRST CENTRAL BK		01/31/2023	245,000.00	243,211.50	245,000.00	3.850	3.730	3.782	702	02/01/2027
308693BG4	7-013024	Farmers & Merchants TR		01/30/2024	245,000.00	244,566.35	245,000.00	4.150	4.093	4.150	702	02/01/2027
89786MAF1	7-020422A	True Sky CU		02/04/2022	245,000.00	233,036.65	245,000.00	1.400	1.381	1.400	705	02/04/2027
89545TAP6	7-020525	TRI-COUNTY BANK & TRUST COMPAN		02/05/2025	245,000.00	244,598.20	245,000.00	4.150	4.092	4.149	706	02/05/2027
33742CCS4	7-020823B	First United B&TC		02/08/2023	245,000.00	243,912.20	245,000.00	4.000	3.947	4.002	709	02/08/2027
62880LAE8	7-020725A	NBH BANK		02/07/2025	245,000.00	244,848.10	245,000.00	4.200	3.988	4.043	709	02/08/2027
13135NCG3	7-020924A	Calprivate Bank		02/09/2024	245,000.00	244,367.90	245,000.00	4.100	4.047	4.103	710	02/09/2027
88054RBZ2	7-020924	Tennessee State Bank		02/09/2024	245,000.00	244,507.55	245,000.00	4.150	4.093	4.150	710	02/09/2027
90343DCQ9	7-021325	U.S. CENTURY BANK		02/13/2025	245,000.00	245,068.60	245,000.00	4.250	4.192	4.250	713	02/12/2027
523744BA7	7-081324	Lea County State Bank		08/13/2024	245,000.00	244,122.90	245,000.00	4.100	4.050	4.107	714	02/13/2027
02357QAQ0	7-021422	Amerant Bank NA		02/14/2022	245,000.00	232,882.30	245,000.00	1.600	1.578	1.600	717	02/16/2027
36758PDP4	7-082024A	Gateway Bank F.S.B.		08/20/2024	245,000.00	243,414.85	245,000.00	3.900	3.853	3.906	717	02/16/2027
84229QAA9	7-021424A	Southern Bank of Tennessee		02/14/2024	245,000.00	245,078.40	245,000.00	4.250	4.195	4.253	717	02/16/2027
59161YAP1	7-021822	Metro Credit Union		02/18/2022	245,000.00	233,220.40	245,000.00	1.700	1.678	1.701	719	02/18/2027
712515KW4	7-082224A	Peoples State Bnk Wisc		08/22/2024	245,000.00	243,456.50	245,000.00	3.900	3.852	3.906	720	02/19/2027
84614AAN9	7-022025	Space Coast CU		02/20/2025	245,000.00	245,078.40	245,000.00	4.250	4.190	4.249	723	02/22/2027
919853KM2	7-022124A	Valley Natl Bk Wayne		02/21/2024	245,000.00	246,009.40	245,000.00	4.450	4.079	4.135	723	02/22/2027
06610RBK4	7-022522	Bankers BK		02/25/2022	245,000.00	233,377.20	245,000.00	1.750	1.727	1.751	726	02/25/2027
90984FBQ9	7-083123F	United Community BK of West KY		08/31/2023	245,000.00	246,692.95	245,000.00	4.600	4.545	4.608	726	02/25/2027
32086RCJ7	7-022625	First Mid Bank & Trust NA		02/26/2025	245,000.00	244,823.60	245,000.00	4.200	4.142	4.199	727	02/26/2027
41138NAB4	7-083123C	HAPO Community Credit Union		08/31/2023	245,000.00	248,518.20	245,000.00	5.000	4.931	4.999	727	02/26/2027
50007DAF6	7-082823A	Koda Bank		08/28/2023	245,000.00	246,898.75	245,000.00	4.650	4.595	4.659	727	02/26/2027
81407SBJ5	7-112823A	Security Bk		11/28/2023	245,000.00	247,834.65	245,000.00	4.850	4.790	4.857	727	02/26/2027
501798RX2	7-030422	LCA Bk Corporation		03/04/2022	245,000.00	233,764.30	245,000.00	1.850	1.825	1.850	733	03/04/2027
15721UGD5	7-030524	CF Bank Natl Association		03/05/2024	245,000.00	246,002.05	245,000.00	4.400	4.340	4.401	734	03/05/2027
71032MAC8	7-030524A	Peoples Bank of East Tennessee		03/05/2024	245,000.00	246,474.90	245,000.00	4.550	4.488	4.551	734	03/05/2027
598580AM0	7-030823B	Mifflinburg Bank and Trust Com		03/08/2023	245,000.00	246,955.10	245,000.00	4.650	4.590	4.654	737	03/08/2027
93883MAQ1	7-030824A	Washington Financial Bank		03/08/2024	245,000.00	246,004.50	245,000.00	4.450	4.390	4.451	737	03/08/2027
20402AAU3	7-090924A	Community Partners Savings Ban		09/09/2024	245,000.00	243,387.90	245,000.00	3.900	3.840	3.894	738	03/09/2027
23344RAG2	7-090922B	Dr Bank		09/09/2022	245,000.00	241,721.90	245,000.00	3.550	3.500	3.549	738	03/09/2027
91139LAB2	7-031122	United Roosevelt Savings Bank		03/11/2022	245,000.00	233,840.25	245,000.00	1.900	1.875	1.901	740	03/11/2027
064860MC0	7-031523	Bk of the Sierra		03/15/2023	245,000.00	246,619.45	245,000.00	4.600	4.537	4.600	744	03/15/2027
16514QBK2	7-031524	Chesapeake Bank		03/15/2024	245,000.00	246,729.70	245,000.00	4.600	4.538	4.601	744	03/15/2027
14042TEP8	7-031622	Capital One Bank (USA) NA		03/16/2022	245,000.00	234,293.50	245,000.00	2.000	1.973	2.000	745	03/16/2027
92838DAA4	7-031623	VISIONS FEDERAL CU		03/16/2023	245,000.00	247,692.55	245,000.00	4.800	4.738	4.804	745	03/16/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
710275AC2	7-031723	THE PEOPLES BK CO		03/17/2023	245,000.00	247,214.80	245,000.00	4.700	4.640	4.704	746	03/17/2027
92023LBM4	7-031822	Valliance Bk		03/18/2022	245,000.00	232,289.40	245,000.00	1.600	1.579	1.601	747	03/18/2027
921303AG8	7-031824A	Van Wert Federal Sav Bk		03/18/2024	245,000.00	246,737.05	245,000.00	4.600	4.538	4.601	747	03/18/2027
149447AB0	7-031924A	Cattaraugus County Bank		03/19/2024	245,000.00	246,737.05	245,000.00	4.600	4.538	4.601	748	03/19/2027
46256VAN5	7-032024A	Iowa State Bank/Hull IA		03/20/2024	245,000.00	246,496.95	245,000.00	4.550	4.488	4.550	748	03/19/2027
34965VAD5	7-032024B	Fortifi Bank		03/20/2024	245,000.00	246,445.50	245,000.00	4.550	4.488	4.551	751	03/22/2027
47804GLM3	7-092024	John Marshall Bk		09/20/2024	245,000.00	242,824.40	245,000.00	3.800	3.742	3.794	751	03/22/2027
856285K91	7-032322	State Bk of India- NY		03/23/2022	245,000.00	234,190.60	245,000.00	2.000	1.973	2.000	752	03/23/2027
061256AC7	7-032524	Bank of Clarke		03/25/2024	245,000.00	246,261.75	245,000.00	4.500	4.439	4.501	754	03/25/2027
87165FH98	7-032522A	Synchrony Bk		03/25/2022	245,000.00	234,881.50	245,000.00	2.150	2.121	2.150	754	03/25/2027
864088GH6	7-032624B	Sturgis Bank & Trust Co		03/26/2024	245,000.00	245,291.55	245,000.00	4.300	4.242	4.301	755	03/26/2027
03065YAB7	7-083123B	Americas First Network		08/31/2023	245,000.00	248,988.60	245,000.00	5.050	4.981	5.050	760	03/31/2027
33651MAD6	7-041922	First State Bk		04/19/2022	245,000.00	235,773.30	245,000.00	2.400	2.369	2.401	779	04/19/2027
064455AZ1	7-042823D	BK OF PONTIAC		04/28/2023	245,000.00	244,906.90	245,000.00	4.250	4.192	4.250	788	04/28/2027
856786AS7	7-042823A	THE STATE EXCHANGE BK		04/28/2023	245,000.00	244,973.05	245,000.00	4.250	4.195	4.253	788	04/28/2027
60425SKB4	7-050123	Minnwest Bank		05/01/2023	245,000.00	245,031.85	245,000.00	4.250	4.195	4.254	793	05/03/2027
02589ACK6	7-050422	AMERICAN EXPRESS NATIONAL BANK		05/04/2022	245,000.00	238,630.00	245,000.00	3.000	2.959	3.000	794	05/04/2027
097281BX6	7-111023A	Bogota Savings Bank		11/10/2023	245,000.00	248,736.25	245,000.00	5.000	4.932	5.000	800	05/10/2027
32023WAC9	7-051024	First Fed Savings Bank		05/10/2024	245,000.00	246,825.25	245,000.00	4.600	4.537	4.601	800	05/10/2027
597338AJ1	7-051023C	Middletown Valley Bk		05/10/2023	245,000.00	245,798.70	245,000.00	4.400	4.343	4.404	800	05/10/2027
06740KQE0	7-051122	BARCLAYS BK DELAWARE		05/11/2022	245,000.00	238,573.65	245,000.00	3.000	2.959	3.000	801	05/11/2027
67054NAW3	7-051322A	NUMERICA CREDIT UNION		05/13/2022	245,000.00	239,095.50	245,000.00	3.100	3.059	3.102	803	05/13/2027
42723LAM3	7-051524	HERITAGE COMMUNITY BANK		05/15/2024	245,000.00	247,606.80	245,000.00	4.750	4.686	4.751	804	05/14/2027
397417AQ9	7-051722	THE GREENWOODS STATE BANK		05/17/2022	245,000.00	238,806.40	245,000.00	3.050	3.010	3.052	807	05/17/2027
23248UAA5	7-051923B	CY-FAIR FEDERAL CU		05/19/2023	245,000.00	245,543.90	245,000.00	4.350	4.294	4.354	809	05/19/2027
254673D94	7-051922	DISCOVER BK		05/19/2022	245,000.00	239,553.65	245,000.00	3.200	2.891	2.931	809	05/19/2027
22820LBN4	7-052324A	CROWN BANK		05/23/2024	245,000.00	247,111.90	245,000.00	4.650	4.475	4.537	814	05/24/2027
68405NAD9	7-052224	OPTUS BANK		05/22/2024	245,000.00	246,239.70	245,000.00	4.500	4.438	4.500	814	05/24/2027
85678LAA3	7-052224A	STATE EMPLOYEES		05/22/2024	245,000.00	247,895.90	245,000.00	4.800	4.735	4.801	814	05/24/2027
38150VAV1	7-052522	GOLDMAN SACHS BK USA		05/25/2022	245,000.00	238,975.45	245,000.00	3.100	3.058	3.100	815	05/25/2027
06610TEL5	7-052722A	BANKERS BANK OF THE WEST		05/27/2022	245,000.00	238,728.00	245,000.00	3.050	3.010	3.052	817	05/27/2027
33885WAR1	7-052824	FLATWATER BANK		05/28/2024	245,000.00	247,060.45	245,000.00	4.650	4.587	4.651	818	05/28/2027
805508CE6	7-052924	SAWYER SAVING BANK		05/29/2024	245,000.00	247,058.00	245,000.00	4.650	4.583	4.646	818	05/28/2027
39729LAF8	7-060123A	Greenwood Municipal FCU		06/01/2023	245,000.00	249,581.50	245,000.00	4.500	4.442	4.503	822	06/01/2027
765667AEO	7-053024C	THE RIDDELL NATIONAL BANK		05/30/2024	245,000.00	247,329.95	245,000.00	4.700	4.636	4.701	822	06/01/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
375873AD8	7-060724	GILMER NB GILMER TEXAS		06/07/2024	245,000.00	247,668.05	245,000.00	4.750	4.685	4.750	828	06/07/2027
949764PR9	7-061124	WELLS FARGO BANK NAA		06/11/2024	245,000.00	248,476.55	245,000.00	4.900	4.833	4.900	832	06/11/2027
59541KCR6	7-061623A	MID-MISSOURI BK		06/16/2023	245,000.00	245,546.35	245,000.00	4.350	4.294	4.353	837	06/16/2027
85279AAC6	7-061623	ST VINCENTS MC FCU		06/16/2023	245,000.00	246,886.50	245,000.00	4.600	4.540	4.604	837	06/16/2027
58404DVG3	7-062124	MEDALLION BANKK		06/21/2024	245,000.00	247,702.35	245,000.00	4.750	4.685	4.750	842	06/21/2027
429882GE7	7-062323	HIGHLAND BK		06/23/2023	245,000.00	245,818.30	245,000.00	4.400	4.343	4.403	844	06/23/2027
43710JAB5	7-062824B	HOME FS&LA OF GRAND ISLAND		06/28/2024	245,000.00	246,487.15	245,000.00	4.550	4.488	4.550	849	06/28/2027
96208XAD7	7-062724	WEXFORD COMMUNITY		06/27/2024	245,000.00	247,751.35	245,000.00	4.750	4.571	4.634	849	06/28/2027
97968LAB5	7-062824A	WOODLANDS NATIONAL BANK		06/28/2024	245,000.00	247,026.15	245,000.00	4.650	4.586	4.650	849	06/28/2027
472312AA5	7-062923D	JEEP COUNTRY FCU		06/29/2023	245,000.00	247,391.20	245,000.00	4.700	4.639	4.704	850	06/29/2027
024263DA0	7-070723	American B&TC INC.		07/07/2023	245,000.00	246,492.05	245,000.00	4.550	4.487	4.550	851	06/30/2027
647608AF5	7-063023E	THE NEW ORLEANS FIREMENS FC		06/30/2023	245,000.00	247,391.20	245,000.00	4.700	4.639	4.704	851	06/30/2027
319267MT4	7-010825	FIRST BANK RICHMOND		01/08/2025	245,000.00	243,270.30	245,000.00	3.950	3.896	3.950	859	07/08/2027
95536KAR9	7-071224B	WEST POINT BANK		07/12/2024	245,000.00	246,266.65	245,000.00	4.500	4.438	4.500	863	07/12/2027
35907XFH5	7-071423	Frontier Bk		07/14/2023	245,000.00	246,656.20	245,000.00	4.550	4.491	4.554	865	07/14/2027
15118RZB6	7-071522	Celtic BK		07/15/2022	245,000.00	240,011.80	245,000.00	3.350	3.306	3.352	866	07/15/2027
89846HDB6	7-071924	TRUXTON TRUST COMPANY		07/19/2024	245,000.00	246,104.95	245,000.00	4.450	4.389	4.450	870	07/19/2027
06424QDR5	7-072123	THE BK OF MISSOURI		07/21/2023	245,000.00	247,780.75	245,000.00	4.750	4.689	4.754	872	07/21/2027
15140RCY3	7-072523	CENTIER BK		07/25/2023	245,000.00	247,420.60	245,000.00	4.700	4.165	4.223	877	07/26/2027
00092MAE0	7-020625	ABNB FCU		02/06/2025	245,000.00	244,701.10	245,000.00	4.200	4.135	4.193	888	08/06/2027
71104AAS2	7-080924	PEOPLES EXCHANGE BANK		08/09/2024	245,000.00	244,414.45	245,000.00	4.150	4.093	4.150	891	08/09/2027
88283MCB8	7-080923	Texas Trust Credit Union		08/09/2023	245,000.00	249,253.20	245,000.00	5.000	4.935	5.004	891	08/09/2027
931254AF3	7-021025	WALDO STATE BANK		02/10/2025	245,000.00	244,696.20	245,000.00	4.200	4.135	4.193	892	08/10/2027
560390BW5	7-081723	MAINE COMM BK		08/17/2023	245,000.00	246,124.55	245,000.00	4.450	4.392	4.453	899	08/17/2027
722000AB2	7-081723A	PIMA FCU		08/17/2023	245,000.00	249,277.70	245,000.00	5.000	4.935	5.004	899	08/17/2027
06426JBR1	7-081924C	Bank of Lake Mills		08/19/2024	245,000.00	242,390.75	245,000.00	3.800	3.748	3.800	901	08/19/2027
45822TAW7	7-081924	Integrity Bank & Trust		08/19/2024	245,000.00	241,815.00	245,000.00	3.700	3.649	3.700	901	08/19/2027
33715LFS4	7-082124	First Technology		08/21/2024	245,000.00	244,137.60	245,000.00	4.100	4.044	4.100	902	08/20/2027
45157PBB5	7-082124A	IDEAL Credit Union		08/21/2024	245,000.00	243,554.50	245,000.00	4.000	3.945	4.000	902	08/20/2027
29667RVQ3	7-082124B	Essa Bank and Trust		08/21/2024	245,000.00	242,623.50	245,000.00	3.850	3.797	3.850	905	08/23/2027
30257JBQ7	7-082324	FNB Bank Inc		08/23/2024	245,000.00	242,665.15	245,000.00	3.850	3.797	3.850	905	08/23/2027
45780PCF0	7-082324A	Institution for SVG in Newbury		08/23/2024	245,000.00	242,089.40	245,000.00	3.750	3.699	3.750	905	08/23/2027
14919NAB6	7-082523	Catholic & Community Credit Un		08/25/2023	245,000.00	247,864.05	245,000.00	4.750	4.688	4.754	907	08/25/2027
12640SAB5	7-082924A	CNB Bank		08/29/2024	245,000.00	242,709.25	245,000.00	3.850	3.797	3.850	912	08/30/2027
94789PCH5	7-083024	Webster Five Cents Saving Bank		08/30/2024	245,000.00	242,883.20	245,000.00	3.900	3.847	3.900	912	08/30/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
38731MAA5	7-083123D	Granite Federal Credit Union		08/31/2023	245,000.00	248,971.45	245,000.00	4.950	4.886	4.953	913	08/31/2027
31990KAL6	7-090424	First Federal Bank of Kansas C		09/04/2024	245,000.00	242,949.35	245,000.00	3.900	3.846	3.900	916	09/03/2027
22209WAP7	7-091324B	Coulee Bank		09/13/2024	245,000.00	241,736.60	245,000.00	3.700	3.649	3.700	922	09/09/2027
064240AT1	7-091124	Bank of Ontario		09/11/2024	245,000.00	242,050.20	245,000.00	3.750	3.698	3.750	923	09/10/2027
89789AAG2	7-031023A	TRULIANT		03/10/2023	245,000.00	247,606.80	245,000.00	4.700	4.643	4.708	923	09/10/2027
85508VAG4	7-091323A	Star Bank		09/13/2023	245,000.00	246,038.80	245,000.00	4.450	4.389	4.450	926	09/13/2027
633398AB8	7-091323B	The National Bank of Coxsackie		09/13/2023	245,000.00	247,614.15	245,000.00	4.700	4.639	4.703	926	09/13/2027
732329BA4	7-091422	Ponce Bank/Bronx NY		09/14/2022	245,000.00	239,948.10	245,000.00	3.400	3.355	3.402	927	09/14/2027
19075JAB4	7-091522	Cobalt Credit Union		09/15/2022	245,000.00	241,075.10	245,000.00	3.600	3.553	3.602	928	09/15/2027
55026MAE5	7-091522A	Luminate Bank		09/15/2022	245,000.00	239,943.20	245,000.00	3.400	3.355	3.402	928	09/15/2027
74043RAA2	7-091523B	Preferred Credit Union		09/15/2023	245,000.00	249,390.40	245,000.00	5.000	4.935	5.003	928	09/15/2027
46355PDQ8	7-091823	Iroquois FS&LA		09/18/2023	245,000.00	247,650.90	245,000.00	4.700	4.639	4.703	930	09/17/2027
243594AR9	7-092322C	DECORAH BANK TRUST CO		09/23/2022	245,000.00	238,311.50	245,000.00	3.700	3.651	3.702	936	09/23/2027
52470QBV5	7-092322	LEGACY BANK & TRUST CO		09/23/2022	245,000.00	240,492.00	245,000.00	3.500	3.454	3.502	936	09/23/2027
292457AS7	7-092724A	Emprise Bank		09/27/2024	245,000.00	241,366.65	245,000.00	3.650	3.600	3.650	940	09/27/2027
30246AGQ5	7-092923G	F and M Bank		09/29/2023	245,000.00	248,483.90	245,000.00	4.850	4.787	4.853	942	09/29/2027
472207AE9	7-093022A	JEANNE D'ARC CU		09/30/2022	245,000.00	242,202.10	245,000.00	3.800	3.750	3.802	943	09/30/2027
59013KR32	7-093024A	Merrick Bank		09/30/2024	245,000.00	241,006.50	245,000.00	3.600	3.550	3.600	943	09/30/2027
05465DBQ0	7-100224	AXOS BANKK		10/02/2024	245,000.00	241,641.05	245,000.00	3.700	3.649	3.700	947	10/04/2027
633368HB4	7-100824A	NATIONAL BANK OF COMMERCEE		10/08/2024	245,000.00	240,413.60	245,000.00	3.500	3.452	3.500	951	10/08/2027
410493FR6	7-100924A	HANMI BANKK		10/09/2024	245,000.00	240,700.25	245,000.00	3.550	3.502	3.550	955	10/12/2027
52465JJYA	7-101623	Legends Bk		10/16/2023	245,000.00	248,285.45	245,000.00	4.800	4.738	4.803	956	10/13/2027
76881MAB1	7-101323	Riverland Federal Credit Union		10/13/2023	245,000.00	249,500.65	245,000.00	5.000	4.935	5.004	956	10/13/2027
31944NAE3	7-101724A	FIRST CENTRAL SAVINGS BANK		10/17/2024	245,000.00	240,362.15	245,000.00	3.500	3.366	3.413	961	10/18/2027
35909FAS3	7-101724	FRONTIER BANKK		10/17/2024	245,000.00	240,362.15	245,000.00	3.500	3.366	3.413	961	10/18/2027
80004JAE6	7-102524	SANDIA AREA FCU		10/25/2024	245,000.00	242,785.20	245,000.00	3.900	3.847	3.900	968	10/25/2027
56035JAZ2	7-102723A	Main Street Bk		10/27/2023	245,000.00	248,765.65	245,000.00	4.900	4.833	4.900	970	10/27/2027
428548CC3	7-102824	HIAWATHA NTL BANK		10/28/2024	245,000.00	243,027.75	245,000.00	3.750	3.699	3.750	971	10/28/2027
028402DK8	7-103024B	AMERICAN NATL BANK		10/30/2024	245,000.00	242,746.00	245,000.00	3.900	3.847	3.900	972	10/29/2027
32026UYA8	7-110422	First Foundation Bk		11/04/2022	245,000.00	247,592.10	245,000.00	4.700	4.636	4.700	978	11/04/2027
74339JCX1	7-061124A	PROGROWTH BANK		06/11/2024	245,000.00	248,403.05	245,000.00	4.800	4.737	4.803	990	11/16/2027
89839KAA3	7-112123	Trustar Bank		11/21/2023	245,000.00	247,472.05	245,000.00	4.650	4.507	4.569	996	11/22/2027
058723AP2	7-052424	BALLSTON SPA NATIONAL BANK		05/24/2024	245,000.00	247,447.55	245,000.00	4.650	4.592	4.656	998	11/24/2027
437426AF3	7-112924	Homeland		11/29/2024	245,000.00	244,857.90	245,000.00	4.250	4.191	4.250	1,003	11/29/2027
12526AAM9	7-053024A	CFSBANK		05/30/2024	245,000.00	247,646.00	245,000.00	4.650	4.590	4.654	1,004	11/30/2027

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CD's</b>												
48115LAK0	7-113023A	Jovia Financial Credit Union		11/30/2023	245,000.00	250,884.90	245,000.00	5.200	5.132	5.203	1,004	11/30/2027
914098DJ4	7-113022	UNIVERSITY BNK		11/30/2022	245,000.00	244,539.40	245,000.00	4.200	4.144	4.202	1,004	11/30/2027
42869GAB2	7-020124A	Hickam		02/01/2024	245,000.00	244,561.45	245,000.00	4.150	4.092	4.149	1,038	01/03/2028
979424AC2	7-011123A	Woodford State Bank		01/11/2023	245,000.00	241,913.00	245,000.00	3.800	3.750	3.802	1,046	01/11/2028
06279MAS1	7-012224A	Bank of India NY		01/22/2024	245,000.00	243,152.70	245,000.00	4.000	3.945	4.000	1,047	01/12/2028
150517GT1	7-011224A	Cedar Rapids B & TC		01/12/2024	245,000.00	242,569.60	245,000.00	3.900	3.849	3.903	1,047	01/12/2028
401081EV2	7-011224B	GUARANTY BANK SPRINGFIELD		01/12/2024	245,000.00	242,569.60	245,000.00	3.900	3.849	3.903	1,047	01/12/2028
530520AB1	7-011723	Liberty First Credit Union		01/17/2023	245,000.00	245,891.80	245,000.00	4.400	4.342	4.402	1,052	01/17/2028
94432PAE5	7-011823A	WAYNE COUNTY BANK TN		01/18/2023	245,000.00	242,554.90	245,000.00	3.900	3.848	3.902	1,053	01/18/2028
31943VAW6	7-011923B	FIRST CENTRAL BANK MCCOOK		01/19/2023	245,000.00	243,216.40	245,000.00	4.000	3.947	4.002	1,054	01/19/2028
31033AAK9	7-011923	Farmers St Bk of Oakley Kansas		01/19/2023	245,000.00	242,550.00	245,000.00	3.900	3.848	3.902	1,054	01/19/2028
22282XAB6	7-012424	CoVantage Credit Union		01/24/2024	245,000.00	243,485.90	245,000.00	4.050	3.997	4.053	1,059	01/24/2028
34520LBH5	7-012225A	Forbight Bank		01/22/2025	245,000.00	244,353.20	245,000.00	4.100	4.044	4.100	1,059	01/24/2028
31033MBQ9	7-012225C	Farmers State Bk of Calhan		01/22/2025	245,000.00	243,887.70	245,000.00	4.100	4.044	4.100	1,059	01/24/2028
36830MBB6	7-012725	Gbank		01/27/2025	245,000.00	243,873.00	245,000.00	4.100	4.043	4.099	1,059	01/24/2028
954444BX2	7-012423	WEST MICHIGAN COMMUNITY BANK		01/24/2023	245,000.00	241,868.90	245,000.00	3.800	3.750	3.802	1,059	01/24/2028
176688CY3	7-013123	CITIZENS STATE BK OF LA CROSSE		01/31/2023	245,000.00	241,459.75	245,000.00	3.750	3.700	3.752	1,066	01/31/2028
32063KAY8	7-013123A	FIRST JACKSON BANK INC.		01/31/2023	245,000.00	241,459.75	245,000.00	3.750	3.700	3.752	1,066	01/31/2028
32065TBG5	7-013025	First Kentucky Bank Inc.		01/30/2025	245,000.00	244,142.50	245,000.00	4.150	4.093	4.150	1,066	01/31/2028
38081GBH8	7-073124	GOLDEN BANK NATIONAL ASSOCIATI		07/31/2024	245,000.00	244,142.50	245,000.00	4.150	4.098	4.155	1,066	01/31/2028
32018YBH0	7-020323	First Federal Savings & Loan B		02/03/2023	245,000.00	241,837.05	245,000.00	3.800	3.750	3.802	1,069	02/03/2028
319050AT7	7-020724A	First Bank of Berne		02/07/2024	245,000.00	243,770.10	245,000.00	4.100	4.044	4.100	1,073	02/07/2028
32024DAC0	7-020823	First Financial Credit Union		02/08/2023	245,000.00	246,220.10	245,000.00	4.450	4.391	4.452	1,074	02/08/2028
56064CBV9	7-020923A	Mainstreet Community Bank of F		02/09/2023	245,000.00	247,854.25	245,000.00	3.700	3.651	3.702	1,075	02/09/2028
32114VCF2	7-021023	First National Bank of MI		02/10/2023	245,000.00	241,136.35	245,000.00	3.700	3.651	3.702	1,076	02/10/2028
32024JAM5	7-021723	FIRST FEDERAL CU		02/17/2023	245,000.00	245,882.00	245,000.00	4.400	4.342	4.402	1,083	02/17/2028
70212YBE1	7-022223A	PARTNERS BK OF CA		02/22/2023	245,000.00	242,052.65	245,000.00	3.850	3.797	3.850	1,088	02/22/2028
709771AM1	7-022223B	PEOPLE FST BK		02/22/2023	245,000.00	242,113.90	245,000.00	3.850	3.799	3.852	1,088	02/22/2028
00833JAH4	7-030123A	Affinity Bk		03/01/2023	245,000.00	244,191.50	245,000.00	4.150	4.095	4.152	1,089	02/23/2028
791125AE7	7-022324A	Saint Lawrence Federal CU		02/23/2024	245,000.00	243,483.45	245,000.00	4.050	3.997	4.052	1,089	02/23/2028
89818JAB9	7-022324	TruNorthern FCU		02/23/2024	245,000.00	243,826.45	245,000.00	4.100	4.046	4.102	1,089	02/23/2028
88224MAA4	7-030123	Texas Champion Bank		03/01/2023	245,000.00	244,512.45	245,000.00	4.200	4.146	4.203	1,089	02/23/2028
33767GCF3	7-022423C	FIRSTBK PUERTO RICO		02/24/2023	245,000.00	243,138.00	245,000.00	4.000	3.947	4.002	1,090	02/24/2028
38120MBU9	7-022423D	GOLDEN ST BUS BK		02/24/2023	245,000.00	243,138.00	245,000.00	4.000	3.947	4.002	1,090	02/24/2028
062119BE1	7-022823B	BK FIVE NINE		02/28/2023	245,000.00	244,448.75	245,000.00	4.200	4.144	4.202	1,094	02/28/2028

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<b>Negotiable CD's</b>												
09582YAF9	7-022823	BLUE RDGE BK NA		02/28/2023	245,000.00	244,453.65	245,000.00	4.200	4.142	4.200	1,094	02/28/2028
145150CL0	7-022823A	CARROLL CNTY TC OF		02/28/2023	245,000.00	243,071.85	245,000.00	4.000	3.947	4.002	1,094	02/28/2028
90385LDN6	7-022723	ULTIMA BK MINNESOTA		02/27/2023	245,000.00	243,152.70	245,000.00	4.000	3.890	3.944	1,094	02/28/2028
89677DJA5	7-030323	Tristate Capital Bk		03/03/2023	245,000.00	244,424.25	245,000.00	4.200	4.142	4.200	1,098	03/03/2028
15523RDQ6	7-030623	Central State Bk		03/06/2023	245,000.00	245,543.90	245,000.00	4.350	4.296	4.355	1,101	03/06/2028
011852AE0	7-030823A	Alaska USA		03/08/2023	245,000.00	247,283.40	245,000.00	4.600	4.542	4.606	1,103	03/08/2028
84229LBM3	7-030823	Southern Bk		03/08/2023	245,000.00	244,514.90	245,000.00	4.200	4.147	4.205	1,103	03/08/2028
20033A3M6	7-031023	COMENITY CAPITAL BK		03/10/2023	245,000.00	245,546.35	245,000.00	4.350	4.296	4.355	1,105	03/10/2028
92023CAE3	7-032023	VALLESTAR CU		03/20/2023	245,000.00	248,361.40	245,000.00	4.750	4.691	4.756	1,115	03/20/2028
903572FT7	7-032223	UINTA BK		03/22/2023	245,000.00	245,906.50	245,000.00	4.400	4.345	4.405	1,117	03/22/2028
30191MAJ6	7-032724A	FFB Bank		03/27/2024	245,000.00	245,205.80	245,000.00	4.300	4.244	4.303	1,122	03/27/2028
52171MAG0	7-033023	LEADERS CU		03/30/2023	245,000.00	250,118.05	245,000.00	5.000	4.937	5.006	1,125	03/30/2028
32112UEJ6	7-042823E	FNB OF MCGREGOR TX		04/28/2023	245,000.00	249,483.50	245,000.00	4.300	4.246	4.305	1,154	04/28/2028
804767AB7	7-050323	Savannah Bank NA/NY		05/03/2023	245,000.00	243,762.75	245,000.00	4.100	4.049	4.105	1,159	05/03/2028
065427AC0	7-051023B	Bank of Utah		05/10/2023	245,000.00	244,853.00	245,000.00	4.250	4.197	4.255	1,166	05/10/2028
152577BN1	7-051223A	Central Bk		05/12/2023	245,000.00	243,020.40	245,000.00	3.850	3.802	3.855	1,168	05/12/2028
724468AD5	7-051723B	THE PITNEY BOWES BK INC		05/17/2023	245,000.00	245,847.70	245,000.00	4.400	4.340	4.400	1,173	05/17/2028
81632NBB0	7-052623B	SELF-HELP		05/26/2023	244,000.00	242,660.44	244,000.00	4.100	4.049	4.105	1,182	05/26/2028
06425KCT4	7-053123A	BK OF PERRY CO		05/31/2023	245,000.00	250,840.80	245,000.00	4.250	4.196	4.255	1,187	05/31/2028
81501JAE2	7-053123	SECURITY ST BK OF WARROAD		05/31/2023	245,000.00	250,835.90	245,000.00	4.300	4.246	4.305	1,187	05/31/2028
90355GDT0	7-060123	UBS BK USA		06/01/2023	245,000.00	251,223.00	245,000.00	4.450	4.394	4.455	1,188	06/01/2028
32082BFU8	7-062824C	FIRST MERCHANTS BANK		06/28/2024	245,000.00	247,361.80	245,000.00	4.600	4.537	4.600	1,215	06/28/2028
85231WAW1	7-063023C	ST LOUIS BK		06/30/2023	245,000.00	252,394.10	245,000.00	4.450	4.394	4.455	1,217	06/30/2028
91739JAA3	7-071423A	Utah First Federal CU		07/14/2023	245,000.00	253,232.00	245,000.00	4.750	4.690	4.756	1,231	07/14/2028
939694AC9	7-071423C	Washington Saving BK		07/14/2023	245,000.00	252,693.00	245,000.00	4.450	4.389	4.450	1,231	07/14/2028
05765LBU0	7-071923B	BALBOA T & LA		07/19/2023	245,000.00	252,489.65	245,000.00	4.400	4.345	4.405	1,236	07/19/2028
70086VAU5	7-071923A	PARK STATE BK		07/19/2023	245,000.00	251,296.50	245,000.00	4.450	4.394	4.455	1,236	07/19/2028
560507AQ8	7-072123A	MAINE SAV FCU		07/21/2023	245,000.00	249,111.10	245,000.00	4.800	4.740	4.806	1,238	07/21/2028
71050LBY8	7-072324	PEOPLE BANK		07/23/2024	245,000.00	246,352.40	245,000.00	4.450	3.942	3.996	1,241	07/24/2028
64017ABA1	7-072623A	NEIGHBORS FCU		07/26/2023	245,000.00	250,681.55	245,000.00	5.000	4.937	5.006	1,243	07/26/2028
89854LAD5	7-072623	TTCU FCU		07/26/2023	245,000.00	250,681.55	245,000.00	5.000	4.937	5.006	1,243	07/26/2028
80832MAA5	7-072723A	SCHUYLER SAVINGS BK		07/27/2023	245,000.00	245,534.10	245,000.00	4.350	4.290	4.350	1,244	07/27/2028
02437PAV5	7-073024	AMERICAN BANK NA		07/30/2024	245,000.00	244,022.45	245,000.00	4.150	4.022	4.077	1,248	07/31/2028
68283MAP1	7-073123	ONPATH FCU		07/31/2023	245,000.00	249,559.45	245,000.00	4.850	4.789	4.855	1,248	07/31/2028
320437AD8	7-080423	First GTY BK/Hammond LA		08/04/2023	245,000.00	246,810.55	245,000.00	4.500	4.443	4.505	1,252	08/04/2028

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<b>Negotiable CD's</b>												
898812AB8	7-080823	Tucson Federal Credit Union		08/08/2023	245,000.00	250,343.45	245,000.00	4.950	4.888	4.956	1,256	08/08/2028
071170AC8	7-081023	Bath Savings Institution		08/10/2023	245,000.00	249,601.10	245,000.00	4.300	4.246	4.305	1,258	08/10/2028
034577AX4	7-082024	Aneca		08/20/2024	245,000.00	242,113.90	245,000.00	3.900	3.779	3.831	1,269	08/21/2028
062114AV5	7-082224	Bank First N.A.		08/22/2024	245,000.00	240,898.70	245,000.00	3.750	3.701	3.752	1,270	08/22/2028
61776NCB7	7-082824A	Morgan Stanley Private Bank N.		08/28/2024	245,000.00	241,648.40	245,000.00	3.850	3.797	3.850	1,276	08/28/2028
817178AF3	7-082823B	Seneca Savings		08/28/2023	245,000.00	246,391.60	245,000.00	4.400	4.345	4.405	1,276	08/28/2028
86616RAH8	7-082823	Summit National Bk		08/28/2023	245,000.00	246,391.60	245,000.00	4.450	4.394	4.455	1,276	08/28/2028
849430BX0	7-083123	SPRING BNK		08/31/2023	245,000.00	250,027.40	245,000.00	4.250	4.196	4.254	1,279	08/31/2028
33647BAE5	7-090524A	First Southwest Bank		09/05/2024	245,000.00	241,263.75	245,000.00	3.800	3.750	3.802	1,284	09/05/2028
635573AR9	7-091223A	National Cooperative Bank, N.A		09/12/2023	245,000.00	246,362.20	245,000.00	4.450	4.389	4.450	1,291	09/12/2028
89579NCM3	7-091223	Triad Bk		09/12/2023	245,000.00	246,869.35	245,000.00	4.500	4.443	4.505	1,291	09/12/2028
68405VAN9	7-091323	Optum Bank Inc.		09/13/2023	245,000.00	247,158.45	245,000.00	4.550	4.488	4.550	1,292	09/13/2028
15347VAC5	7-091423	Central FS&LA		09/14/2023	245,000.00	246,871.80	245,000.00	4.500	4.443	4.505	1,293	09/14/2028
59936MAA4	7-092523	Milford B&LA		09/25/2023	245,000.00	247,175.60	245,000.00	4.550	4.488	4.550	1,304	09/25/2028
66405SEW6	7-092424	Northeast Bank		09/24/2024	245,000.00	241,650.85	245,000.00	3.850	3.406	3.453	1,304	09/25/2028
09171LAB3	7-092923C	Bison State Bank		09/29/2023	245,000.00	248,055.15	245,000.00	4.650	4.591	4.655	1,308	09/29/2028
291916AB0	7-092923	Empower Federal Credit Union		09/29/2023	245,000.00	251,776.70	245,000.00	5.100	5.036	5.106	1,308	09/29/2028
40135GAA6	7-092923D	Guardian Credit Union		09/29/2023	245,000.00	251,710.55	245,000.00	5.100	5.035	5.105	1,308	09/29/2028
17670UAA4	7-101223	Citizens State BK		10/12/2023	245,000.00	248,368.75	245,000.00	4.700	4.635	4.700	1,311	10/02/2028
84223QAV9	7-100423	Southern Bancorp Bank		10/04/2023	245,000.00	247,310.35	245,000.00	4.550	4.493	4.555	1,313	10/04/2028
756558AC6	7-101323B	Red Crown FCU		10/13/2023	245,000.00	251,845.30	245,000.00	5.100	5.036	5.106	1,322	10/13/2028
913065AB4	7-101623A	United Teletech FCU		10/16/2023	245,000.00	251,036.80	245,000.00	5.000	4.937	5.006	1,325	10/16/2028
30916PAA2	7-101723	The Farmers Bank of Appomattox		10/17/2023	245,000.00	250,571.30	245,000.00	4.850	4.789	4.855	1,326	10/17/2028
666613MK7	7-102023A	Northpointe Bk		10/20/2023	245,000.00	249,816.70	245,000.00	4.850	4.789	4.855	1,329	10/20/2028
848608EW1	7-102023	Spiritbank		10/20/2023	245,000.00	252,842.45	245,000.00	4.800	4.739	4.805	1,329	10/20/2028
891743AD8	7-102023B	Tower Community Bank		10/20/2023	245,000.00	249,405.10	245,000.00	4.800	4.739	4.805	1,329	10/20/2028
33583FAH5	7-102323	First Northeast Bk of Nebraska		10/23/2023	245,000.00	249,000.85	245,000.00	4.750	4.690	4.755	1,332	10/23/2028
69068AAC5	7-103123	Owen County State Bank		10/31/2023	245,000.00	251,031.90	245,000.00	5.000	4.937	5.005	1,340	10/31/2028
42721ABK2	7-110323	Heritage Bank of the Ozarks		11/03/2023	245,000.00	250,698.70	245,000.00	4.950	4.887	4.955	1,343	11/03/2028
42728MAC8	7-111523	Heritage Community CU		11/15/2023	245,000.00	253,268.75	245,000.00	5.250	5.183	5.255	1,355	11/15/2028
21056RAB5	7-111623	Consumers Federal Credit Union		11/16/2023	245,000.00	251,105.40	245,000.00	5.000	4.937	5.005	1,356	11/16/2028
050574AF9	7-113023B	Auburn Savings Bank FSB		11/30/2023	245,000.00	247,352.00	245,000.00	4.550	4.492	4.555	1,370	11/30/2028
77357DAB4	7-113023D	Rockland		11/30/2023	245,000.00	251,166.65	245,000.00	5.000	4.936	5.005	1,370	11/30/2028
89788RAB7	7-113023C	Trugrocer Federal Credit Union		11/30/2023	245,000.00	251,166.65	245,000.00	5.000	4.936	5.005	1,370	11/30/2028
17783PAJ0	7-011224	CITY FEDERAL CREDIT UNION		01/12/2024	245,000.00	242,253.55	245,000.00	3.950	3.900	3.954	1,413	01/12/2029

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<b>Negotiable CD's</b>												
31764MAB8	7-011724	Financial Plus Credit Union		01/17/2024	245,000.00	243,120.85	245,000.00	4.050	3.999	4.054	1,418	01/17/2029
173477BY5	7-011924	The Citizens Bank		01/19/2024	245,000.00	241,364.20	245,000.00	3.850	3.801	3.854	1,420	01/19/2029
585899AG2	7-011924A	Members Trust of the SW FCU		01/19/2024	245,000.00	242,679.85	245,000.00	4.000	3.949	4.004	1,420	01/19/2029
20403MAC6	7-012225B	Community Resource Crdt Union		01/22/2025	245,000.00	243,995.50	245,000.00	4.150	4.095	4.152	1,423	01/22/2029
66612AJH2	7-012325	North Field Bank		01/23/2025	245,000.00	243,554.50	245,000.00	4.100	4.046	4.102	1,423	01/22/2029
07356PAQ2	7-012624A	Beacon Community Bank		01/26/2024	245,000.00	240,908.50	245,000.00	3.800	3.752	3.804	1,427	01/26/2029
70147AFT6	7-012624B	Parkside Finl Bk & Tr Mo		01/26/2024	245,000.00	241,349.50	245,000.00	3.850	3.801	3.854	1,427	01/26/2029
90352RDM4	7-013125	USAAIlicance Credit Union		01/31/2025	245,000.00	243,958.75	245,000.00	4.150	4.095	4.152	1,432	01/31/2029
06610QFE6	7-020725	THE BANKER BANK		02/07/2025	245,000.00	243,988.15	245,000.00	4.150	4.095	4.152	1,439	02/07/2029
74731SCF4	7-021324	Quad City Bank & Trust Company		02/13/2024	245,000.00	242,202.10	245,000.00	3.950	3.900	3.954	1,445	02/13/2029
60151MBM3	7-021424	The Millyard Bank		02/14/2024	245,000.00	242,202.10	245,000.00	3.950	3.900	3.954	1,446	02/14/2029
02357PAG4	7-021524	Amerasia Bank		02/15/2024	245,000.00	242,645.55	245,000.00	4.000	3.949	4.004	1,447	02/15/2029
31925YBB7	7-022924	First Bank of the Lake		02/29/2024	245,000.00	244,821.15	245,000.00	4.250	4.194	4.252	1,460	02/28/2029
62430JAC2	7-022824A	Mountain Valley Credit Union		02/28/2024	249,000.00	249,286.35	249,000.00	4.300	4.244	4.303	1,460	02/28/2029
654062LP1	7-030824B	Nicolet National Banks		03/08/2024	245,000.00	244,877.50	245,000.00	4.250	4.194	4.253	1,468	03/08/2029
818921AA6	7-031324	THE SEYMOUR BANK		03/13/2024	245,000.00	243,446.70	245,000.00	4.100	4.044	4.100	1,468	03/08/2029
85214EAA0	7-031524C	SPUR SECURITY BANK		03/15/2024	245,000.00	244,338.50	245,000.00	4.200	4.142	4.200	1,472	03/12/2029
04518XAH7	7-031424	ASIAN BANKK		03/14/2024	245,000.00	244,338.50	245,000.00	4.200	4.142	4.200	1,474	03/14/2029
071172AQ3	7-032524A	The Bath State Bank		03/25/2024	245,000.00	245,788.90	245,000.00	4.350	4.293	4.353	1,482	03/22/2029
617504AF2	7-032224B	Morgantown B&TC Incorporated		03/22/2024	245,000.00	243,961.20	245,000.00	4.150	4.096	4.153	1,482	03/22/2029
856412BB6	7-051724	State Bank of Newburg		05/17/2024	245,000.00	246,759.10	245,000.00	4.450	4.392	4.453	1,538	05/17/2029
06644QAB7	7-052024	BANKFIRST		05/20/2024	245,000.00	246,759.10	245,000.00	4.450	4.392	4.453	1,539	05/18/2029
17668UAS9	7-053024	CITIZENS ST B&T CO ELLSWORTH K		05/30/2024	245,000.00	245,284.20	245,000.00	4.300	4.244	4.303	1,551	05/30/2029
02157RAA5	7-071924A	ALTAONE FEDERAL CREDIT UNION		07/19/2024	245,000.00	246,835.05	245,000.00	4.450	4.391	4.452	1,601	07/19/2029
62424PAJ1	7-072224A	MOUNTAIN PACIFIC BANK		07/22/2024	245,000.00	243,311.95	245,000.00	4.100	4.044	4.100	1,601	07/19/2029
29669XAX6	7-073024A	ESSENTIAL		07/30/2024	245,000.00	245,788.90	245,000.00	4.350	4.293	4.353	1,612	07/30/2029
69417ADA4	7-081624	Pacific Crest Savings Bk		08/16/2024	245,000.00	241,376.45	245,000.00	3.900	3.849	3.902	1,629	08/16/2029
02519TBH8	7-091024	American Commerce Bank Nat'l		09/10/2024	245,000.00	238,301.70	245,000.00	3.600	3.552	3.602	1,654	09/10/2029
86804DDG0	7-093024	Sunwest Bank		09/30/2024	245,000.00	237,696.55	245,000.00	3.550	3.503	3.552	1,672	09/28/2029
202291AQ3	7-100424	Commercial Savings Bank		10/04/2024	245,000.00	237,652.45	245,000.00	3.550	3.501	3.550	1,678	10/04/2029
23204HQN1	7-103024A	CUSTOMER BANK		10/30/2024	245,000.00	241,648.40	245,000.00	3.950	3.896	3.950	1,704	10/30/2029
356436AS4	7-111224	FREEDOM N.W CREDIT UNION		11/12/2024	245,000.00	242,263.35	245,000.00	4.000	3.890	3.944	1,718	11/13/2029
64907LAW3	7-112724A	New Valley Bank & Trust		11/27/2024	245,000.00	243,270.30	245,000.00	4.100	4.046	4.102	1,732	11/27/2029
27002YGZ3	7-012425A	Eaglbank		01/24/2025	245,000.00	243,216.40	245,000.00	4.100	4.046	4.102	1,790	01/24/2030
06427HBC7	7-013125B	GREENE COUNTY COMMERCIAL BANK		01/31/2025	245,000.00	243,672.10	245,000.00	4.150	4.093	4.150	1,797	01/31/2030

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Negotiable CD's												
185189AB3	7-011725	Clearwater		01/17/2025	245,000.00	243,762.75	245,000.00	4.150	4.096	4.153	1,814	02/17/2030
Subtotal and Average			182,854,857.14		181,276,000.00	180,632,670.46	181,276,000.00		3.720	3.771	640	
Federal Agency Issues - Coupon												
3133EMSC7	10-030321	Federal Farm Credit Bank		03/03/2021	5,000,000.00	5,000,000.00	5,000,000.00	0.480	0.473	0.480	2	03/03/2025
3133ELQY3	10-032420	Federal Farm Credit Bank		03/24/2020	5,000,000.00	5,000,000.00	5,043,350.00	1.210	1.016	1.030	2	03/03/2025
3133ENWH9	10-050922	Federal Farm Credit Bank		05/09/2022	10,000,000.00	9,971,800.00	10,000,000.00	2.900	2.860	2.900	69	05/09/2025
3133ENXE5	10-052322	Federal Farm Credit Bank		05/23/2022	5,000,000.00	4,982,400.00	5,000,000.00	2.850	2.811	2.850	83	05/23/2025
3130B1HL4	10-052324	Federal Home Loan Bank		05/23/2024	8,000,000.00	8,012,800.00	8,000,000.00	5.125	5.055	5.125	83	05/23/2025
3133ELH80	10-061020	Federal Farm Credit Bank		06/10/2020	10,000,000.00	9,897,500.00	10,000,000.00	0.680	0.671	0.680	101	06/10/2025
3133EMK92	10-062321	Federal Farm Credit Bank		06/23/2021	5,000,000.00	4,940,350.00	5,000,000.00	0.580	0.572	0.580	114	06/23/2025
3133EPAD7	10-020823	Federal Farm Credit Bank		02/08/2023	10,000,000.00	9,983,500.00	10,000,000.00	3.875	3.823	3.876	129	07/08/2025
3133EPRS6	10-072823	Federal Farm Credit Bank		07/28/2023	10,000,000.00	10,021,000.00	10,000,000.00	4.875	4.808	4.875	149	07/28/2025
3133EL3H5	10-081220	Federal Farm Credit Bank		08/12/2020	8,000,000.00	7,867,760.00	8,000,000.00	0.570	0.562	0.570	164	08/12/2025
3133EL3P7	10-081220A	Federal Farm Credit Bank		08/12/2020	5,000,000.00	4,916,450.00	5,000,000.00	0.530	0.523	0.530	164	08/12/2025
3133EPTZ8	10-082223	Federal Farm Credit Bank		08/22/2023	5,000,000.00	5,015,300.00	5,000,000.00	5.000	4.932	5.000	174	08/22/2025
3133EL5R1	10-090220	Federal Farm Credit Bank		09/02/2020	10,000,000.00	9,810,200.00	10,000,000.00	0.450	0.444	0.450	185	09/02/2025
3133EL7K4	10-091620	Federal Farm Credit Bank		09/16/2020	10,000,000.00	9,802,300.00	10,000,000.00	0.550	0.542	0.550	199	09/16/2025
3133EMFR8	10-110420	Federal Farm Credit Bank		11/04/2020	10,000,000.00	9,758,800.00	10,000,000.00	0.540	0.533	0.540	247	11/03/2025
3133EREU1	10-051724	Federal Farm Credit Bank		05/17/2024	5,000,000.00	5,026,450.00	5,000,000.00	5.000	4.932	5.000	261	11/17/2025
3133EMHF2	10-112420	Federal Farm Credit Bank		11/24/2020	5,000,000.00	4,870,550.00	5,000,000.00	0.600	0.592	0.600	268	11/24/2025
3133ERCT6	10-042924	Federal Farm Credit Bank		04/29/2024	10,000,000.00	10,072,600.00	10,000,000.00	5.000	4.936	5.004	334	01/29/2026
3133ENNY2	10-021722	Federal Farm Credit Bank		02/17/2022	10,000,000.00	9,773,300.00	10,000,000.00	1.750	1.726	1.750	353	02/17/2026
3133ENJ35	10-082522	Federal Farm Credit Bank		08/25/2022	5,000,000.00	4,959,400.00	5,000,000.00	3.320	3.275	3.320	361	02/25/2026
3133EP4K8	10-030524	Federal Farm Credit Bank		03/05/2024	5,000,000.00	5,022,700.00	5,000,000.00	4.625	4.562	4.625	369	03/05/2026
3133EPCR4	10-030923	Federal Farm Credit Bank		03/09/2023	10,000,000.00	10,063,500.00	10,000,000.00	4.750	4.685	4.750	373	03/09/2026
3133EMUK6	10-032521	Federal Farm Credit Bank		03/25/2021	7,000,000.00	6,773,760.00	7,000,000.00	1.050	1.036	1.050	389	03/25/2026
3133ERHT1	10-062424	Federal Farm Credit Bank		06/24/2024	10,000,000.00	10,059,400.00	10,000,000.00	4.750	4.688	4.753	419	04/24/2026
3130B1AJ6	10-050124	Federal Home Loan Bank		05/01/2024	10,000,000.00	10,095,900.00	10,000,000.00	5.000	4.932	5.000	426	05/01/2026
3133EMZS4	10-051821	Federal Farm Credit Bank		05/18/2021	10,000,000.00	9,620,300.00	10,000,000.00	0.900	0.888	0.900	443	05/18/2026
3133EMB92	10-060121	Federal Farm Credit Bank		06/01/2021	5,000,000.00	4,799,900.00	5,000,000.00	0.870	0.858	0.870	457	06/01/2026
3130AMMZ2	10-061021	Federal Home Loan Bank		06/10/2021	5,000,000.00	4,802,250.00	5,000,000.00	1.000	0.986	1.000	466	06/10/2026
3133ENZC7	10-062222	Federal Farm Credit Bank		06/22/2022	5,000,000.00	4,985,200.00	5,000,000.00	4.120	4.064	4.120	478	06/22/2026
3133EMV66	10-072721	Federal Farm Credit Bank		07/27/2021	6,000,000.00	5,723,580.00	6,000,000.00	0.680	0.671	0.680	513	07/27/2026
3130ANDW7	10-072921	Federal Home Loan Bank		07/29/2021	10,000,000.00	9,548,600.00	10,000,000.00	0.840	0.828	0.840	515	07/29/2026

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# IMPERIAL COUNTY TREASURER

## Portfolio Management

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3133ENF96	10-081722	Federal Farm Credit Bank		08/17/2022	5,000,000.00	4,976,550.00	5,000,000.00	3.960	3.906	3.960	534	08/17/2026
3133ENH45	10-082422	Federal Farm Credit Bank		08/24/2022	8,000,000.00	7,896,240.00	8,000,000.00	3.125	3.082	3.125	541	08/24/2026
3130ANQ78	10-082721	Federal Home Loan Bank		08/27/2021	4,500,000.00	4,290,390.00	4,500,000.00	0.900	0.888	0.900	544	08/27/2026
3133EM4X7	10-091021	Federal Farm Credit Bank		09/10/2021	10,000,000.00	9,511,000.00	10,000,000.00	0.800	0.789	0.800	558	09/10/2026
3130AP2P9	10-093021	Federal Home Loan Bank		09/30/2021	8,000,000.00	7,609,840.00	8,000,000.00	0.920	0.907	0.920	578	09/30/2026
3130APB46	10-101321	Federal Home Loan Bank		10/13/2021	5,000,000.00	4,754,300.00	4,995,000.00	0.950	0.957	0.971	591	10/13/2026
3133ENBP4	10-102021	Federal Farm Credit Bank		10/20/2021	5,000,000.00	4,762,250.00	5,000,000.00	1.110	1.095	1.110	598	10/20/2026
3133ENCJ7	10-102721	Federal Farm Credit Bank		10/27/2021	5,000,000.00	4,763,900.00	5,000,000.00	1.160	1.144	1.160	605	10/27/2026
3133ENEF3	10-111621	Federal Farm Credit Bank		11/16/2021	5,000,000.00	4,765,350.00	5,000,000.00	1.270	1.253	1.270	625	11/16/2026
3133ENEM8	10-112421A	Federal Farm Credit Bank		11/24/2021	5,000,000.00	4,776,150.00	5,000,000.00	1.430	1.410	1.429	632	11/23/2026
3130APR49	10-112421	Federal Home Loan Bank		11/24/2021	10,000,000.00	9,544,900.00	10,000,000.00	1.400	1.381	1.400	633	11/24/2026
3133ENHA1	10-121421	Federal Farm Credit Bank		12/14/2021	10,000,000.00	9,553,300.00	10,000,000.00	1.500	1.479	1.500	653	12/14/2026
3133ENKV1	10-011322	Federal Farm Credit Bank		01/13/2022	10,000,000.00	9,548,700.00	10,000,000.00	1.500	1.479	1.500	683	01/13/2027
3133ERCU3	10-042924A	Federal Farm Credit Bank		04/29/2024	10,000,000.00	10,124,200.00	10,000,000.00	4.750	4.687	4.752	699	01/29/2027
3133ENNB2	10-020322	Federal Farm Credit Bank		02/03/2022	10,000,000.00	9,553,800.00	10,000,000.00	1.625	1.603	1.625	704	02/03/2027
3133ENPB0	10-021622	Federal Farm Credit Bank		02/16/2022	5,000,000.00	4,818,150.00	5,000,000.00	2.180	2.150	2.180	717	02/16/2027
3130AQWW9	10-022522	Federal Home Loan Bank		02/25/2022	7,000,000.00	6,720,560.00	7,000,000.00	2.050	2.022	2.050	726	02/25/2027
3133EPEE1	10-032923	Federal Farm Credit Bank		03/29/2023	10,000,000.00	9,991,800.00	10,000,000.00	4.000	3.945	4.000	758	03/29/2027
3133ENTS9	10-040522	Federal Farm Credit Bank		04/05/2022	5,000,000.00	4,855,900.00	5,004,500.00	2.600	2.545	2.581	765	04/05/2027
3130ARPR6	10-042922	Federal Home Loan Bank		04/29/2022	10,000,000.00	9,803,600.00	10,000,000.00	3.100	3.058	3.100	789	04/29/2027
3133ERDS7	10-050624	Federal Farm Credit Bank		05/06/2024	15,000,000.00	15,215,550.00	15,000,000.00	4.750	4.685	4.750	796	05/06/2027
3130AVRU8	10-042023A	Federal Home Loan Bank		04/20/2023	5,000,000.00	4,972,800.00	5,000,000.00	3.800	3.749	3.801	825	06/04/2027
3133ENZK9	10-062822	Federal Farm Credit Bank		06/28/2022	10,000,000.00	9,821,900.00	10,000,000.00	3.240	3.196	3.240	849	06/28/2027
3130AVRT1	10-042023	Federal Home Loan Bank		04/20/2023	5,000,000.00	4,972,450.00	5,000,000.00	3.800	3.749	3.801	860	07/09/2027
3133ENB33	10-071922	Federal Farm Credit Bank		07/19/2022	10,000,000.00	9,776,000.00	10,000,000.00	3.050	3.008	3.050	870	07/19/2027
3130B12K2	10-042324	Federal Home Loan Bank		04/23/2024	5,000,000.00	5,005,000.00	5,000,000.00	5.300	5.230	5.302	874	07/23/2027
3133ERNP2	10-080624	Federal Farm Credit Bank		08/06/2024	15,000,000.00	14,978,700.00	15,000,000.00	4.000	3.945	4.000	888	08/06/2027
3133ENJ50	10-082622	Federal Farm Credit Bank		08/26/2022	5,000,000.00	4,891,900.00	5,000,000.00	3.125	3.082	3.125	908	08/26/2027
3133ENL99	10-091922	Federal Farm Credit Bank		09/19/2022	10,000,000.00	9,850,300.00	9,884,400.00	3.375	3.581	3.630	928	09/15/2027
3133EPM1	10-101323	Federal Farm Credit Bank		10/13/2023	8,000,000.00	8,143,840.00	8,000,000.00	4.750	4.685	4.750	956	10/13/2027
3133ENS50	10-101422	Federal Farm Credit Bank		10/14/2022	10,000,000.00	10,014,400.00	10,000,000.00	4.125	4.068	4.125	957	10/14/2027
3133EPC60	10-111523	Federal Farm Credit Bank		11/15/2023	15,000,000.00	15,215,250.00	15,000,000.00	4.625	4.562	4.625	989	11/15/2027
3133EN5N6	10-010623	Federal Farm Credit Bank		01/06/2023	10,000,000.00	9,983,200.00	9,995,000.00	4.000	3.956	4.011	1,041	01/06/2028
3133EP3Z6	10-022824	Federal Farm Credit Bank		02/28/2024	15,000,000.00	15,123,900.00	15,000,000.00	4.375	4.315	4.375	1,094	02/28/2028
3133ERGL9	10-060724	Federal Farm Credit Bank		06/07/2024	15,000,000.00	15,194,700.00	15,000,000.00	4.500	4.438	4.500	1,194	06/07/2028

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3133EPQD0	10-071723	Federal Farm Credit Bank		07/17/2023	15,000,000.00	15,076,350.00	14,992,500.00	4.250	4.203	4.261	1,234	07/17/2028
3133EPUN3	10-082823	Federal Farm Credit Bank		08/28/2023	15,000,000.00	15,216,300.00	15,000,000.00	4.500	4.438	4.500	1,276	08/28/2028
3130AWTR1	10-091423	Federal Home Loan Bank		09/14/2023	10,000,000.00	10,116,000.00	9,975,000.00	4.375	4.369	4.429	1,287	09/08/2028
3133EP7A7	10-040224	Federal Farm Credit Bank		04/02/2024	13,000,000.00	13,066,820.00	13,000,000.00	4.250	4.192	4.250	1,311	10/02/2028
3133EPYT6	10-102023	Federal Farm Credit Bank		10/20/2023	10,000,000.00	10,030,600.00	10,000,000.00	5.520	5.444	5.520	1,329	10/20/2028
3133EPA47	10-110123	Federal Farm Credit Bank		11/01/2023	15,000,000.00	15,394,350.00	15,000,000.00	4.875	4.808	4.875	1,341	11/01/2028
3133ERKX8	10-071224	Federal Farm Credit Bank		07/12/2024	13,000,000.00	13,071,890.00	13,000,000.00	4.250	4.192	4.250	1,594	07/12/2029
<b>Subtotal and Average</b>			<b>631,639,750.00</b>		<b>625,500,000.00</b>	<b>618,930,630.00</b>	<b>625,389,750.00</b>		<b>3.049</b>	<b>3.091</b>	<b>683</b>	
<b>Money Market</b>												
1-082523M	1-082523M	Bank of the West BMO			50,000,000.00	50,000,000.00	50,000,000.00	4.000	3.945	4.000	1	
1-080123	1-080123	Sun Community Fed Credit Union			4,049,582.01	4,049,582.01	4,049,582.01	4.125	4.068	4.125	1	
<b>Subtotal and Average</b>			<b>54,049,582.01</b>		<b>54,049,582.01</b>	<b>54,049,582.01</b>	<b>54,049,582.01</b>		<b>3.954</b>	<b>4.009</b>	<b>1</b>	
<b>US Bank Sweep</b>												
18-100820	18-100820	U.S. BANK SWEEP		10/08/2020	243,828,013.81	243,828,013.81	243,828,013.81	5.177	5.106	5.177	1	
<b>Subtotal and Average</b>			<b>241,802,837.79</b>		<b>243,828,013.81</b>	<b>243,828,013.81</b>	<b>243,828,013.81</b>		<b>5.106</b>	<b>5.177</b>	<b>1</b>	
<b>Total and Average</b>			<b>1,371,063,134.81</b>		<b>1,308,798,595.82</b>	<b>1,301,585,896.28</b>	<b>1,308,688,345.82</b>		<b>3.868</b>	<b>3.921</b>	<b>416</b>	

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**IMPERIAL COUNTY TREASURER**  
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
<b>Treasurer's Cash</b>											
SYS17-	17-	Treasurers Cash			56,742,353.39	56,742,353.39	56,742,353.39	1.250	1.233	1.250	1
SYS17-ZBA01VEND	17-ZBA01VEND	Treasurers Cash		07/01/2024	50,000.00	50,000.00	50,000.00		0.000	0.000	1
SYS17-ZBA06VEND	17-ZBA06VEND	Treasurers Cash		07/01/2024	50,000.00	50,000.00	50,000.00		0.000	0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>1,371,063,134.81</b>		<b>1,365,640,949.21</b>	<b>1,358,428,249.67</b>	<b>1,365,530,699.21</b>		<b>3.868</b>	<b>3.921</b>	<b>416</b>

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CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>LAIF / CAMP / ZBA (Monthly Summary)</b>								
		<b>Subtotal</b>	<b>194,000,000.00</b>					<b>194,000,000.00</b>
<b>Certificates of Deposit - Bank</b>								
4-012624	4-012624	Great Plains National Bank		4.890	02/26/2025	0.00	245,000.00	
		<b>Subtotal</b>	<b>10,390,000.00</b>			<b>0.00</b>	<b>245,000.00</b>	<b>10,145,000.00</b>
<b>Negotiable CD's</b>								
33648PBZ5	7-082422	FIRST SATE BK		3.100	02/24/2025	0.00	245,000.00	
00092MAE0	7-020625	ABNB FCU		4.200	02/06/2025	245,000.00	0.00	
02007GNK5	7-020322A	Ally Bk		1.150	02/03/2025	0.00	245,000.00	
06610QFE6	7-020725	THE BANKER BANK		4.150	02/07/2025	245,000.00	0.00	
07815AAZ0	7-022720	BELL BANK		1.600	02/27/2025	0.00	245,000.00	
15347EAK5	7-021420	CENTRAL SAVINGS F.S.B		1.600	02/14/2025	0.00	245,000.00	
157767AB0	7-022820	CHAMBERS BANK		1.550	02/28/2025	0.00	245,000.00	
32086RCJ7	7-022625	First Mid Bank & Trust NA		4.200	02/26/2025	245,000.00	0.00	
40219MAC8	7-022223C	GULF CAP BK		4.550	02/24/2025	0.00	245,000.00	
43733LBG1	7-021020	HOME SAVINGS BANK		1.650	02/10/2025	0.00	245,000.00	
55282JAA9	7-022520	MCS BANK		1.500	02/25/2025	0.00	245,000.00	
59565QDM4	7-022822B	Midcountry Bk		1.550	02/28/2025	0.00	245,000.00	
56065GAW8	7-020823A	Mainstreet Bank		4.500	02/10/2025	0.00	245,000.00	
62880LAE8	7-020725A	NBH BANK		4.200	02/07/2025	245,000.00	0.00	
741600AQ3	7-083122	PRIMEWAY FEDERAL CU		3.400	02/28/2025	0.00	249,000.00	
74348HAD0	7-021420A	PROMISEONE BANK		1.500	02/14/2025	0.00	245,000.00	
84614AAN9	7-022025	Space Coast CU		4.250	02/20/2025	245,000.00	0.00	
83616HAC8	7-022423	SOUND CU		5.100	02/21/2025	0.00	245,000.00	
87868YAJ2	7-022423A	TECHNOLOGY FCU		5.000	02/24/2025	0.00	245,000.00	
89545TAP6	7-020525	TRI-COUNTY BANK & TRUST COMPAN		4.150	02/05/2025	245,000.00	0.00	
90343DCQ9	7-021325	U.S. CENTURY BANK		4.250	02/13/2025	245,000.00	0.00	
931254AF3	7-021025	WALDO STATE BANK		4.200	02/10/2025	245,000.00	0.00	
		<b>Subtotal</b>	<b>182,750,000.00</b>			<b>1,960,000.00</b>	<b>3,434,000.00</b>	<b>181,276,000.00</b>
<b>Federal Agency Issues - Coupon</b>								
3133EPAG0	10-021023	Federal Farm Credit Bank		4.250	02/10/2025	0.00	5,000,000.00	
3133ENPG9	10-021522	Federal Farm Credit Bank		1.750	02/14/2025	0.00	10,000,000.00	

**IMPERIAL COUNTY TREASURER**  
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CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Subtotal</b>			<b>742,859,750.00</b>			<b>0.00</b>	<b>15,000,000.00</b>	<b>727,859,750.00</b>
<b>Treasurer's Cash (Monthly Summary)</b>								
SYS17-	17-	Treasurers Cash		1.250		222,264,226.11	223,312,807.03	
<b>Subtotal</b>			<b>57,890,934.31</b>			<b>222,264,226.11</b>	<b>223,312,807.03</b>	<b>56,842,353.39</b>
<b>Money Market (Monthly Summary)</b>								
<b>Subtotal</b>			<b>54,049,582.01</b>					<b>54,049,582.01</b>
<b>US Bank Sweep</b>								
18-100820	18-100820	U.S. BANK SWEEP		5.177		60,716,617.56	76,531,940.82	
<b>Subtotal</b>			<b>259,643,337.07</b>			<b>60,716,617.56</b>	<b>76,531,940.82</b>	<b>243,828,013.81</b>
<b>Total</b>			<b>1,501,583,603.39</b>			<b>284,940,843.67</b>	<b>318,523,747.85</b>	<b>1,468,000,699.21</b>

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Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
February	2024	792	1,177,823,291.84	2.843	2.882	4.965	31	9	973	554
March	2024	820	1,300,177,183.05	2.636	2.673	5.079	37	8	885	493
April	2024	820	1,368,294,578.93	2.627	2.664	5.005	8	0	873	484
May	2024	849	1,355,948,774.06	3.757	3.809	5.101	29	9	900	495
June	2024	863	1,366,250,204.74	3.798	3.851	5.094	23	16	905	497
July	2024	874	1,284,966,432.05	3.746	3.798	5.094	29	29	966	530
August	2024	879	1,248,700,002.94	3.699	3.751	5.094	34	23	1,003	543
September	2024	880	1,276,748,952.99	3.746	3.798	5.155	24	17	977	515
October	2024	885	1,278,896,563.65	3.744	3.796	5.155	22	23	976	498
November	2024	868	1,289,608,152.37	3.767	3.819	5.155	6	21	959	475
December	2024	847	1,363,839,702.71	3.838	3.891	5.121	0	3	903	430
January	2025	867	1,341,222,669.08	3.864	3.918	5.121	23	14	906	422
February	2025	861	1,308,688,345.82	3.868	3.921	5.121	8	17	915	416
Average		854	1,304,704,988.79	3.533%	3.582%	5.097	21	15	934	489

**IMPERIAL COUNTY TREASURER**  
**Portfolio Management**  
**Distribution of Investments By Type**  
**February 2024 through February 2025**

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Security Type	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	Average by Period
<b>LAIF / CAMP / ZBA</b>	16.5	14.9	14.2	14.3	14.2	15.1	15.5	15.2	15.2	15.0	14.2	14.5	14.8	14.9%
Repurchase Agreements														
Certificates of Deposit - S & L														
Certificates of Deposit - Bank	1.0	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.9%
Treasury Securities - Coupon														
Mortgage Backed Securities														
Negotiable CD's	14.0	13.2	12.6	13.0	13.0	13.8	14.5	14.3	14.3	14.0	13.2	13.6	13.9	13.7%
Treasury Securities - Discount														
Mutual Funds														
Federal Agency Issues - Coupon	51.1	46.0	46.4	48.9	49.4	52.6	54.5	52.5	52.4	51.2	48.1	47.8	47.8	49.9%
Commercial Paper - Interest Bearing														
Commercial Paper - Discount														
Miscellaneous Securities - Coupon														
Miscellaneous Securities - Discount														
Bankers Acceptances														
Federal Agency Issues - Discount														
Treasurer's Cash														
Money Market	4.3	4.2	4.0	4.0	4.0	4.2	4.3	4.2	4.2	4.2	4.0	4.0	4.1	4.1%
US Bank Sweep	13.1	20.9	22.0	18.9	18.5	13.4	10.2	12.8	13.0	14.8	19.8	19.4	18.6	16.6%



**IMPERIAL COUNTY TREASURER**  
**Portfolio Management**  
**Interest Earnings Summary**  
**February 28, 2025**

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	February 28Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	2,637,667.50	19,025,773.21
Plus Accrued Interest at End of Period	5,118,768.31	5,124,635.82
Less Accrued Interest at Beginning of Period	( 5,569,676.13)	( 5,770,671.78)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
	<hr/>	<hr/>
Interest Earned during Period	2,186,759.68	18,379,737.25
Adjusted by Capital Gains or Losses	0.00	9,504.00
	<hr/>	<hr/>
Earnings during Periods	2,186,759.68	18,389,241.25
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
	<hr/>	<hr/>
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	1,526,065.38	13,587,475.97
Plus Accrued Interest at End of Period	5,814,252.79	5,814,252.79
Less Accrued Interest at Beginning of Period	( 5,479,840.15)	( 4,897,650.96)
	<hr/>	<hr/>
Interest Earned during Period	1,860,478.02	14,504,077.80
<hr/>		
<b>Total Interest Earned during Period</b>	<b>4,047,237.70</b>	<b>32,883,815.05</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>9,504.00</b>
<hr/>		
<b>Total Earnings during Period</b>	<b>4,047,237.70</b>	<b>32,893,319.05</b>



