

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 20, 2025

NEW ISSUES—BOOK-ENTRY ONLY

Rating: Moody's: "Aa2"
(See "MISCELLANEOUS — Rating" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. See "TAX MATTERS" herein.

\$24,000,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025

\$11,370,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Refunding Bonds, Series 2025

Dated: Date of Delivery

Due: August 1, as shown herein

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Panama-Buena Vista Union School District (Kern County, California) General Obligation Bonds, Election of 2022, Series 2025 (the "New Money Bonds") are being issued by the Panama-Buena Vista Union School District (the "District"), located in the County of Kern, California (the "County"), under the laws of the State of California (the "State") and pursuant to a resolution of the Board of Trustees of the District adopted on August 12, 2025. Proceeds of the New Money Bonds will be applied to (i) finance specific construction, reconstruction, rehabilitation, or replacement projects approved by the voters of the District, and (ii) pay costs of issuance of the New Money Bonds, as further described herein. The New Money Bonds were authorized at an election of the voters of the District held on November 8, 2022, at which at least 55% of the voters voting on the proposition authorized the issuance and sale of \$99,000,000 aggregate principal amount of bonds of the District.

The Panama-Buena Vista Union School District (Kern County, California) General Obligation Refunding Bonds, Series 2025 (the "Refunding Bonds") are being issued by the District under the laws of the State and pursuant to a resolution of the Board of Trustees of the District, adopted on August 12, 2025. Proceeds of the Refunding Bonds will be applied to (i) refund a portion of the outstanding Panama-Buena Vista Union School District (County of Kern, State of California) 2012 Election General Obligation Bonds, 2015 Series B, and (ii) pay costs of issuance of the Refunding Bonds. The New Money Bonds and the Refunding Bonds are referred to collectively herein as the "Series 2025 Bonds."

The Series 2025 Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series 2025 Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

The Series 2025 Bonds will be issued as current interest bonds, in denominations of \$5,000 principal amount, or any integral multiple thereof, as set forth on the inside front cover pages hereof. Interest on the Series 2025 Bonds is payable on each February 1 and August 1 to maturity or earlier redemption thereof, commencing February 1, 2026. Principal of the Series 2025 Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover pages hereof.

The Series 2025 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 The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Series 2025 Bonds purchased by them. See "THE SERIES 2025 BONDS – Form and Registration" herein. Payments of the principal of and interest on the Series 2025 Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as authenticating agent, bond registrar, transfer agent and paying agent with respect to the Series 2025 Bonds, to DTC for subsequent disbursement to DTC participants, who will remit such payments to the beneficial owners of the Series 2025 Bonds. See "THE SERIES 2025 BONDS – Payment of Principal and Interest" herein.

The Series 2025 Bonds are subject to redemption prior to maturity as described herein.* See "THE SERIES 2025 BONDS – Redemption" herein.

The New Money Bonds will be sold and awarded by competitive bid to be held on August 27, 2025, as set forth in the Official Notice of Sale, dated August 20, 2025, relating to the New Money Bonds. The Refunding Bonds will be sold and awarded by competitive bid to be held on August 27, 2025, as set forth in the Official Notice of Sale, dated August 20, 2025, relating to the Refunding Bonds. The Series 2025 Bonds will be offered when, as and if issued by the District, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District. It is anticipated that the Series 2025 Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about September 10, 2025.

Dated: _____, 2025

* Preliminary; subject to change.

MATURITY SCHEDULE*
BASE CUSIP†: 698118

\$24,000,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025

\$ _____ Serial New Money Bonds				
Maturity (August 1,)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2027	\$	%	%	
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

\$ _____ % **Term New Money Bonds due August 1, 20__** – Yield _____ % – **CUSIP† Suffix** _____

* *Preliminary; subject to change.*

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MATURITY SCHEDULE*
BASE CUSIP†: 698118

\$11,370,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Refunding Bonds, Series 2025

\$_____ Serial Refunding Bonds				
Maturity (August 1,)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2027	\$	%	%	
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				

\$_____ % **Term Refunding Bonds due August 1, 20__** – Yield _____ % – **CUSIP† Suffix** _____

* *Preliminary; subject to change.*

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This Official Statement does not constitute an offering of any security other than the original offering of the Series 2025 Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Series 2025 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2025 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed by the District to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2025 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2025 Bonds.

In connection with this offering, the initial purchaser of each series of the Series 2025 Bonds (the “Initial Purchasers”) may overallocate or effect transactions which stabilize or maintain the market prices of the Series 2025 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Initial Purchasers may offer and sell the Series 2025 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover pages hereof and said public offering prices may be changed from time to time by the Initial Purchasers.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(KERN COUNTY, CALIFORNIA)**

BOARD OF TRUSTEES

Paula Van Auken, *President*
Keith Wolaridge, *Vice President*
Linda Garcia, *Clerk*
Bryan Easter, *Member*
Tiffany King, *Member*

DISTRICT ADMINISTRATORS

Katie Russell, Ed.D., *Superintendent*
Katie Gonzalez, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Irvine, California

Authenticating Agent, Bond Registrar, Transfer Agent, Paying Agent and Escrow Bank

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

Verification Agent

Causey Public Finance, LLC
Denver, Colorado

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\$24,000,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025

\$11,370,000*
PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Refunding Bonds, Series 2025

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside front cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page, inside front cover pages and appendices hereto, is provided to furnish information in connection with the sale of (i) \$24,000,000* aggregate principal amount of Panama-Buena Vista Union School District (Kern County, California) General Obligation Bonds, Election of 2022, Series 2025 (the “New Money Bonds”), and (ii) \$11,370,000* aggregate principal amount of Panama-Buena Vista Union School District (Kern County, California) General Obligation Refunding Bonds, Series 2025 (the “Refunding Bonds”), all as indicated on the inside cover pages hereof, to be offered by the Panama-Buena Vista Union School District (the “District”). The New Money Bonds and the Refunding Bonds are collectively referred to herein as the “Series 2025 Bonds.”

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificates to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure” and APPENDIX D – “FORMS OF CONTINUING DISCLOSURE CERTIFICATES.”

The Series 2025 Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). The Series 2025 Bonds are not a debt or obligation of the County of Kern (the “County”) or of the general fund of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS.”

The purpose of this Official Statement is to supply information to prospective buyers of the Series 2025 Bonds. Quotations from and summaries and explanations of the Series 2025 Bonds, the Resolutions (as defined herein) of the Board of Trustees of the District providing for the issuance of each series of the Series 2025 Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

* Preliminary; subject to change.

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 Series 2025 Bonds.

Copies of documents referred to herein and information concerning the Series 2025 Bonds are available from the District by contacting: Panama-Buena Vista Union School District, 4200 Ashe Road, Bakersfield, California 93313, Attention: Assistant Superintendent, Business Services. The District may impose a charge for copying, handling and mailing such requested documents.

The District

On July 1, 1988, the Panama Union School District, founded in 1875, was annexed by the Buena Vista School District to form the District. The District and its predecessor districts have each operated as an elementary school district under the laws of the State. The District, covering an area of approximately 87 square miles, is located in, and southwest of, the City of Bakersfield, California, which is the county seat of the County. California State University, Bakersfield, which had enrollment of approximately 10,419 students in spring 2025, is also located within the District. The District provides public education to students in transitional kindergarten (“TK”) through eighth grade, operating 19 elementary schools serving grades TK through grade six, five junior high schools serving grades seven and eight, one school that services TK through grade eight, and one alternative education program. An additional TK-8 school, Mountain View, will be opening in August 2025.

Total enrollment in the District was approximately 19,370 students in fiscal year 2024-25. As of the preparation of the District’s fiscal year 2025-26 original budget, total enrollment in the District is budgeted to be approximately 19,542 students in fiscal year 2025-26. The District operates under the jurisdiction of the Kern County Superintendent of Schools. Total assessed valuation of taxable property in the District in fiscal year 2024-25 was approximately \$17.02 billion, and the County has recently provided the District with its assessed valuation of taxable property in the District in fiscal year 2025-26, totaling approximately \$17.87 billion. For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Cybersecurity

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District also 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 has faced and may face in the future cybersecurity threats, attacks or incidents from time to time, as more fully described in Appendix A hereto. Moreover, 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 and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. 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 Series 2025 Bonds, including the possibility of impacting the timely payments of debt service on the Series 2025 Bonds or timely filings pursuant to the District’s continuing disclosure undertakings. See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – Cybersecurity.”

THE SERIES 2025 BONDS

Authority for Issuance; Purpose

New Money Bonds. The New Money Bonds are issued by the District under the provisions of California Government Code Section 53506 *et seq.*, including Section 53508.7 thereof, and California Education Code Sections 15140 and 15146 and Article XIII A of the Constitution of the State of California (the “California Constitution”) and pursuant to a resolution of the Board of Trustees of the District, adopted on August 12, 2025, relating to the New Money Bonds (the “New Money Resolution”).

At an election held on November 8, 2022, the District received approval by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$99,000,000 to repair deteriorating roofs, electrical and plumbing; improve school safety and security systems; remove asbestos and lead pipes; and construct and equip new classrooms, labs, and facilities to relieve overcrowding and support college and career readiness in science, math, reading, engineering, technology (collectively, the “2022 Authorization”). The New Money Bonds represent the second series of authorized bonds to be issued under the 2022 Authorization. Proceeds of the New Money Bonds will be applied to (i) finance specific construction, reconstruction, rehabilitation, or replacement projects approved by the voters of the District under the 2022 Authorization, and (ii) pay costs of issuance of the New Money Bonds. See “– Plan of Finance – *New Money Bonds*” and “– Application and the Investment of Series 2025 Bond Proceeds” herein. Prior to the issuance of the New Money Bonds, the District has \$76,000,000 aggregate principal amount of bonds authorized but unissued under the 2022 Authorization.

Refunding Bonds. The Refunding Bonds are issued by the District pursuant to the California Constitution and laws of the State of California (the “State”), including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable provisions of law, and pursuant to a resolution adopted by the Board of Trustees of the District on August 12, 2025, providing for the issuance of the Refunding Bonds (the “Refunding Resolution” and, together with the New Money Resolution, the “Resolutions”).

Proceeds from the Refunding Bonds will be used to (i) refund a portion of the outstanding Panama-Buena Vista Union School District (County of Kern, State of California) 2012 Election General Obligation Bonds, 2015 Series B (the “Series B Bonds”), and (ii) pay costs of issuance of the Refunding Bonds. See “– Plan of Refunding” and “– Application and the Investment of Series 2025 Bond Proceeds” below.

Pursuant to the Resolutions, the term “Bonds” means all bonds, including the New Money Bonds and the Refunding Bonds, of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including bonds approved by the voters of the District on November 6, 2012, November 6, 2018, and pursuant to the 2022 Authorization.

Form and Registration

Each series of the Series 2025 Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. Each series of the Series 2025 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Series 2025 Bonds. Purchases of the Series 2025 Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in the Series 2025 Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued

for the Series 2025 Bonds, beneficial owners of the Series 2025 Bonds (“Beneficial Owners”) will not receive physical certificates representing their ownership interests. See APPENDIX F – “BOOK-ENTRY ONLY SYSTEM.”

Payment of Principal and Interest

Interest. The Series 2025 Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover pages of this Official Statement. Interest on the Series 2025 Bonds is payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing on February 1, 2026. Interest on the Series 2025 Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months. Each Series 2025 Bond will bear interest from the Interest Payment Date of such Series 2025 Bond next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date for such Series 2025 Bond (the “Record Date”) and on or prior to the succeeding Interest Payment Date for such Series 2025 Bond, in which event it will bear interest from such Interest Payment Date for such Series 2025 Bond, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Series 2025 Bond, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Series 2025 Bond, interest is in default on any outstanding Series 2025 Bonds of such series, such Series 2025 Bond will bear interest from the Interest Payment Date for such Series 2025 Bond to which interest has previously been paid or made available for payment on the outstanding Series 2025 Bonds of such series.

Payment of Series 2025 Bonds. The principal of each series of the Series 2025 Bonds is payable in lawful money of the United States of America to the registered owner thereof (the “Owner”), upon the surrender thereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2025 Bonds (the “Paying Agent”), at the maturity thereof or upon redemption prior to maturity.

The interest on each series of the Series 2025 Bonds is payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the Owner thereof at such Owner’s address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment will be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 in principal amount of outstanding Series 2025 Bonds of a series who request in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date. So long as the Series 2025 Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See APPENDIX F – “BOOK-ENTRY ONLY SYSTEM.”

Redemption

No Redemption of the New Money Bonds. The New Money Bonds are not subject to redemption prior to their respective stated maturity dates.

Optional Redemption of the Refunding Bonds. The Refunding Bonds maturing on or before August 1, 2035 are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after August 1, 2036 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2035, at a redemption price equal to the principal amount of the

Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of the New Money Bonds. The \$_____ term New Money Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1,)	Principal Amount to be Redeemed
_____	\$
†	

† Maturity.	

The principal amount of the \$_____ term New Money Bonds maturing on August 1, 20__, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term New Money Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Refunding Bonds. The \$_____ term Refunding Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1,)	Principal Amount to be Redeemed
_____	\$
†	

† Maturity.	

The principal amount of the \$_____ term Refunding Bonds maturing on August 1, 20__, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Refunding Bonds for Redemption. If less than all of the Refunding Bonds, if any, are subject to optional redemption and are called for redemption, such Refunding Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Refunding Bonds of any given maturity are designated for redemption, the Paying Agent will select the outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual Refunding Bonds of denominations of \$5,000 principal amount, each, which may be separately redeemed.

Notice of Redemption. Notice of redemption of any Refunding Bond will be given by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate with respect to the Refunding Bonds. See APPENDIX D – “FORMS OF CONTINUING DISCLOSURE CERTIFICATES.”

Each notice of redemption is required to contain the following information: (i) the date of such notice; (ii) the name of the Refunding Bonds and the date of issue of such Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Neither the failure to receive such notice of redemption, nor any defect in such notice, is to affect the sufficiency of the proceedings for the redemption of such Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as described above, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose of redeeming the Refunding Bonds, the Refunding Bonds designated for redemption become due and payable on the specified redemption date and interest ceases to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds are to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date are entitled to payment of such Refunding Bonds and the redemption premium thereon, if any, only from monies on deposit for such purpose in the interest and sinking fund of the District established for the Refunding Bonds within the County treasury (the interest and sinking fund established for the New Money Bonds or the Refunding Bonds, as applicable, is referred to herein, as the “Interest and Sinking Fund”) or the trust fund established for such purpose. All Refunding Bonds redeemed are to be cancelled forthwith by the Paying Agent and are not to be reissued.

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

Funds for Redemption. Prior to or on the redemption date of Refunding Bonds called for redemption there is to be available in the related Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as

provided in the applicable Resolution, the Refunding Bonds designated in the notice of redemption. Such monies are to be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the related Interest and Sinking Fund are to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is to be paid from the related Interest and Sinking Fund, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund or otherwise held in trust for the payment of the redemption price of such Refunding Bonds, the monies are to be held in or returned or transferred to any interest and sinking fund of the District for payment of any outstanding Bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of Bonds of the District, the monies are to be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such Bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

Defeasance of Series 2025 Bonds

The Resolutions provide that if at any time the District will pay or cause to be paid or there will otherwise be paid to the Owners of any or all of the outstanding Series 2025 Bonds of a series all or any part of the principal of and interest and premium, if any, on the Series 2025 Bonds of such series at the times and in the manner provided in the applicable Resolution and in the Series 2025 Bonds of such series, or as described in the following paragraph, or as otherwise provided by law consistent with the provisions of the applicable Resolution, then such Owners of such Series 2025 Bonds will cease to be entitled to the obligation of the District and of the County to levy and collect property taxes to pay such Series 2025 Bonds as provided in the applicable Resolution, and such obligation and all agreements and covenants of the District to such Owners under the applicable Resolution and under the Series 2025 Bonds of such series will thereupon be satisfied and discharged and will terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by the Series 2025 Bonds of such series, but only out of monies on deposit in the related Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of the Resolutions described below under “– Unclaimed Monies” will apply.

The District may pay and discharge any or all of the Series 2025 Bonds of a series by depositing in trust with the Paying Agent or an escrow agent selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund, be fully sufficient to pay and discharge the indebtedness on such Series 2025 Bonds of such series (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Monies

Any money held in any fund created pursuant to the Resolutions, or by the Paying Agent or an escrow agent in trust for the payment of the principal of, redemption premium, if any, or interest on any series of the Series 2025 Bonds and remaining unclaimed for two years after the principal of all of such series of the Series 2025 Bonds has become due and payable (whether by maturity or upon prior redemption) is required to be transferred to any interest and sinking fund of the District for payment of any outstanding Bonds of the District payable from such fund; or, if no such Bonds of the District are at

such time outstanding, the monies are required to be transferred to the general fund of the District as provided and permitted by law.

Plan of Finance*

New Money Bonds. The New Money Bonds represent the second series of authorized bonds to be issued under the 2022 Authorization and will be issued to (i) finance specific construction, reconstruction, rehabilitation, or replacement projects approved by the voters of the District under the 2022 Authorization, and (ii) pay costs of issuance with respect to the New Money Bonds.

Investment of Proceeds. Under State law, all money received by or apportioned to a school district must generally be paid into and held in the county treasury. The proceeds from the sale of the New Money Bonds received by the District, except for certain amounts permitted to be held and disbursed by a cost of issuance custodian and exclusive of any premium and accrued interest received by the District, will be deposited in the County treasury to the credit of the building fund of the District established for the New Money Bonds (the “Building Fund”) and will be accounted for separately from all other District and County funds. Such proceeds will be applied solely for the purposes for which the New Money Bonds were authorized. Any premium or accrued interest on the New Money Bonds received by the District will be deposited in the Interest and Sinking Fund established for the New Money Bonds in the County treasury. Taxes collected to pay principal of and interest on the New Money Bonds will also be deposited in the Interest and Sinking Fund established for the New Money Bonds. Earnings on the investment of monies in either fund will be retained in that fund and used only for the purpose to which that fund may lawfully be applied. Monies in the Building Fund may only be applied for the purposes for which the New Money Bonds were authorized. Monies in the Interest and Sinking Fund established for the New Money Bonds may only be applied to pay principal, interest and redemption premium, if any, on the New Money Bonds.

All funds held by the Treasurer-Tax Collector of the County (the “County Treasurer”) in the Building Fund and the Interest and Sinking Fund established for the New Money Bonds are expected to be invested at the sole discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 *et seq.* of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX E – “KERN COUNTY INVESTMENT POLICY AND POOLED INVESTMENT REPORT” for a description of the permitted investments under the investment policy of the County. In addition, to the extent permitted by law and the investment policy of the County, the District may request in writing that all or any portion of the funds held in the Building Fund may be invested in investment agreements, including guaranteed investment contracts, float contracts or other investment products which comply with the requirements of each rating agency then rating the New Money Bonds. The County Treasurer does not monitor such investments for arbitrage compliance and does not perform any arbitrage calculations with respect to such investments.

In 2017, it was discovered that approximately \$19 million was stolen from accounts owned by the Kern Community College District and the Kern County Superintendent of Schools that were held by the County Treasurer (approximately \$2.6 million dollars impacted the Kern County Superintendent of Schools and \$16.4 million impacted the Kern Community College District). No accounts or funds of the District were involved. The County recovered approximately \$18.2 million (or approximately 96% of the total amount stolen). After the Federal Bureau of Investigation conducted an investigation of the matter, an individual was indicted and found criminally liable for fraud in connection with the stolen funds. Although it is not expected that the approximately \$800,000 in remaining stolen funds will be recovered,

* Preliminary; subject to change.

the matter is now exclusively a law enforcement matter and it is possible that there could be further recovery. See also APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – Cybersecurity.”

Plan of Refunding*

The Refunding Bonds will be issued to: (i) refund and defease a portion of the outstanding Series B Bonds maturing on August 1 in the years 2037, 2040, 2041 and 2044* (the “Refunded Bonds”), as set forth in the table below; and (ii) pay costs of issuance of the Refunding Bonds.

REFUNDED BONDS*

Maturity Date (August 1,)	Principal Amount	Interest Rate	CUSIP Number†	Redemption Date
2037	\$2,390,000	4.000%	698118 DV5	October 10, 2025
2040	3,960,000	4.000	698118 DW3	October 10, 2025
2041	1,425,000	3.750	698118 DY9	October 10, 2025
2044	4,620,000	4.000	698118 DX1	October 10, 2025

The maturities of the District’s outstanding Series B Bonds listed in the following table will not be refunded with proceeds of the Refunding Bonds and will remain outstanding.

UNREFUNDED SERIES B BONDS*

Maturity Date (August 1,)	Principal Amount	Interest Rate	CUSIP Number
2026	\$825,000	5.000%	698118 DK9
2027	870,000	5.000	698118 DL7
2028	910,000	3.000	698118 DM5
2029	940,000	3.000	698118 DN3
2030	965,000	3.125	698118 DP8
2031	1,000,000	3.125	698118 DQ6
2032	1,030,000	3.250	698118 DR4
2033	1,060,000	3.250	698118 DS2
2034	1,095,000	3.375	698118 DT0
2035	1,135,000	3.375	698118 DU7

The District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the “Escrow Bank”) will enter into the Escrow Agreement, dated as of September 1, 2025 (the “Escrow Agreement”), with respect to the Refunded Bonds, pursuant to which the District will deposit a portion of the proceeds from the sale of the Refunding Bonds into a special fund to be held by the Escrow Bank. The amounts deposited with the Escrow Bank with respect to the Refunded Bonds, which will be held pursuant to the Escrow Agreement, will be used to purchase the aggregate principal amount of non-callable, direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (collectively, “Defeasance Securities”), in such amount as will, together with interest to accrue thereon and any uninvested moneys on deposit in such special fund, without the need for further investment, be sufficient

* Preliminary; subject to change.

† CUSIP numbers are provided for convenience of reference only. None of the District, the Initial Purchasers or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

to enable the Escrow Bank to redeem the Refunded Bonds on October 10, 2025 (the “Redemption Date”) at a redemption price equal to the principal amount of the Refunded Bonds redeemed, together with unpaid, accrued interest to the Redemption Date, without premium. See “ESCROW VERIFICATION” herein. Amounts on deposit with the Escrow Bank pursuant to the Escrow Agreement are not available to pay debt service on the Refunding Bonds.

Application and Investment of the Series 2025 Bond Proceeds

The proceeds of each series of the Series 2025 Bonds are expected to be applied as follows:

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025 and
General Obligation Refunding Bonds, Series 2025

Estimated Sources and Uses of Funds

	New Money Bonds	Refunding Bonds	Total
<u>Sources of Funds:</u>			
Aggregate Principal Amount	\$	\$	\$
[Plus/Less] [Net] Original Issue			
[Premium/Discount]			
Total Sources of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Uses of Funds:</u>			
Escrow Fund	-	\$	\$
Deposit to Building Fund	\$	-	
Deposit to Interest and Sinking Fund ⁽¹⁾		-	
Costs of Issuance ⁽²⁾			
Initial Purchaser’s Discount			
Total Uses of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Consists of premium received by the District.

⁽²⁾ Includes legal fees, municipal advisor fees, rating agency fees, verification agent fees, as applicable, printing fees, and other miscellaneous expenses that the District will pay.

Debt Service

Annual debt service on each series of the Series 2025 Bonds, assuming no early optional redemptions with respect to the Refunding Bonds, is set forth in the following table.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025 and
General Obligation Refunding Bonds, Series 2025

Period Ending (August 1,)	New Money Bonds		Refunding Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2026	\$	\$	\$	\$	\$
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
Total:	\$	\$	\$	\$	\$

Source: Fieldman, Rolapp & Associates, Inc.

Outstanding Bonds

In addition to the New Money Bonds and the Refunding Bonds, the District has eight series of general obligation bonds outstanding, each of which is secured by *ad valorem* property taxes levied upon all property subject to taxation by the District.

2012 Authorization. At an election held on November 6, 2012, the District received approval by at least 55% of the votes cast by eligible voters within the District under Measure P to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$147,000,000 (the “Measure P Bonds”) to modernize school technology, upgrade safety/security systems, improve energy efficiency, rehabilitate outdated classrooms, repair/replace deteriorated roofs, plumbing, electrical, lighting, ventilation, and acquire, construct, equip, and renovate sites, facilities, and equipment (collectively, the “2012 Authorization”).

On May 29, 2013, the District issued \$18,405,000 aggregate principal amount of its 2012 Election General Obligation Bonds, 2013 Series A (the “Series A Bonds”) as its first series of bonds issued under the 2012 Authorization. The Series A Bonds matured on August 1, 2023. On April 23, 2015, the District issued \$28,110,000 aggregate principal amount of the Series B Bonds and \$3,380,000 aggregate principal amount of its 2012 Election General Obligation Bonds, 2015 Series T-1 (the “Series T-1 Bonds”), as its second and third series, respectively, of bonds issued under the 2012 Authorization. The Series T-1 Bonds matured on August 1, 2019. On April 12, 2017, the District issued \$20,000,000 aggregate principal amount of its 2012 Election General Obligation Bonds, 2017 Series C (the “Series C

Bonds”) as its fourth series of bonds issued under the 2012 Authorization. On October 30, 2019, the District issued \$18,000,000 aggregate principal amount of its 2012 Election General Obligation Bonds, 2019 Series D (the “Series D Bonds”) as its fifth series of bonds issued under the 2012 Authorization. Following the issuance of the Series D Bonds, the District had \$59,105,000 aggregate principal amount of Measure P Bonds authorized but unissued by the District (the “Unissued Measure P Bonds”). See “*Cancellation of Unissued Measure P Bonds*” below.

2018 Authorization. At an election held on November 6, 2018, the District received approval by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$90,000,000 to improve school safety and security, construct/equip new school facilities to relieve severe overcrowding, and repair/upgrade older classrooms, labs, facilities and instructional technology supporting student achievement/college readiness in math, science, engineering, technology and arts (collectively, the “2018 Authorization”). On March 7, 2019, the District issued \$22,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2019 (the “Series 2019 Bonds”) as its first series of bonds issued under the 2018 Authorization. On May 5, 2022, the District issued \$22,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2022 (the “Series 2022 Bonds”) as its second series of bonds issued under the 2018 Authorization. On September 4, 2024, the District issued \$25,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2024 (the “Series 2024 Bonds”) as its third series of bonds issued under the 2018 Authorization. The District has \$21,000,000 aggregate principal amount of bonds authorized but unissued under the 2018 Authorization.

Cancellation of Unissued Measure P Bonds. In connection with the 2018 Authorization and in order to ensure that local taxpayers were not overburdened, the Board of Trustees covenanted that (i) once the Series D Bonds were issued, the Board of Trustees will take all actions required to petition the Board of Supervisors of the County (the “Board of Supervisors”) to cancel the Unissued Measure P Bonds, and (ii) the District under all circumstances, will not authorize the issuance of or issue any of the Unissued Measure P Bonds. The District submitted its petition to cancel the Unissued Measure P Bonds to the Board of Supervisors on October 30, 2019.

2022 Authorization. As previously indicated, at an election held on November 8, 2022, the District received approval by at least 55% of the votes cast by eligible voters within the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$99,000,000 to repair deteriorating roofs, electrical and plumbing; improve school safety and security systems; remove asbestos and lead pipes; and construct and equip new classrooms, labs, and facilities to relieve overcrowding and support college and career readiness in science, math, reading, engineering, technology. On May 3, 2023, the District issued \$23,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2022, Series 2023 (the “Series 2023 Bonds”) as the first series of bonds issued under the 2022 Authorization. The New Money Bonds represent the second series of authorized bonds to be issued under the 2022 Authorization to finance authorized projects. Prior to the issuance of the New Money Bonds, the District has \$76,000,000 aggregate principal amount of bonds authorized but unissued under the 2022 Authorization.

Refunding Bonds. On May 3, 2023, the District issued \$12,965,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2023 (the “Series 2023 Refunding Bonds”), to (i) refund a portion of the outstanding Series A Bonds and (ii) pay costs of issuance of the Series 2023 Refunding Bonds.

A summary of the District’s outstanding general obligation bonded debt is set forth on the following page.

Aggregate Debt Service

The following table sets forth the annual aggregate debt service requirements of all outstanding general obligation bonds of the District, assuming no early optional redemptions.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT (Kern County, California) General Obligation Bonds – Aggregate Debt Service

Period Ending (August 1,)	2012 Authorization					2018 Authorization			2022 Authorization		Aggregate Total Debt Service
	Series B Bonds ⁽¹⁾	Series C Bonds	Series D Bonds	Series 2023 Refunding Bonds	Refunding Bonds	Series 2019 Bonds	Series 2022 Bonds ⁽²⁾	Series 2024 Bonds	Series 2023 Bonds	New Money Bonds	
2026	\$1,662,081.26	\$887,850.00	\$991,825.00	\$938,800.00	\$	1,793,300.00	1,904,500.00	2,186,900.00	4,981,550.00	\$	\$
2027	1,665,831.26	887,850.00	1,143,325.00	948,800.00		1,870,900.00	2,014,000.00	1,520,100.00	1,975,800.00		
2028	1,662,331.26	887,850.00	1,301,075.00	997,300.00		1,954,750.00	2,069,000.00	1,592,900.00	1,971,150.00		
2029	1,665,031.26	887,850.00	1,464,325.00	1,017,300.00		2,044,550.00	2,105,000.00	1,691,700.00	1,890,150.00		
2030	1,661,831.26	952,850.00	1,573,525.00	1,045,050.00		-	2,887,000.00	2,490,300.00	1,965,050.00		
2031	1,666,675.00	1,014,600.00	1,690,025.00	1,065,050.00		-	3,020,000.00	2,575,500.00	1,021,200.00		
2032	1,665,425.00	1,083,100.00	1,809,675.00	1,102,550.00		-	3,151,800.00	2,664,500.00	1,080,000.00		
2033	1,661,950.00	1,157,850.00	1,939,525.00	1,121,550.00		-	-	5,331,900.00	1,040,000.00		
2034	1,662,500.00	1,228,350.00	2,067,525.00	1,152,800.00		-	-	5,539,300.00	-		
2035	1,665,543.76	1,289,600.00	2,171,275.00	1,224,000.00		-	-	5,762,850.00	-		
2036	1,662,237.50	1,376,850.00	2,321,275.00	1,236,000.00		-	-	-	-		
2037	1,665,437.50	1,468,600.00	2,483,525.00	1,246,000.00		-	-	-	-	-	
2038	1,666,637.50	1,554,350.00	-	4,004,000.00		-	-	-	-	-	
2039	1,665,837.50	1,649,100.00	-	-	-	-	-	-	-	-	
2040	1,663,037.50	1,747,100.00	-	-	-	-	-	-	-	-	
2041	1,663,237.50	1,847,850.00	-	-	-	-	-	-	-	-	
2042	1,664,800.00	1,950,850.00	-	-	-	-	-	-	-	-	
2043	1,665,600.00	2,655,600.00	-	-	-	-	-	-	-	-	
2044	1,664,000.00	2,801,600.00	-	-	-	-	-	-	-	-	
2045	-	3,489,200.00	-	-	-	-	-	-	-	-	
2046	-	3,650,400.00	-	-	-	-	-	-	-	-	
Total:	<u>\$31,620,025.06</u>	<u>\$34,469,250.00</u>	<u>\$20,956,900.00</u>	<u>\$17,099,200.00</u>	<u>\$</u>	<u>\$7,663,500.00</u>	<u>\$17,151,300.00</u>	<u>\$31,355,950.00</u>	<u>\$15,924,900.00</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Does not reflect the planned refunding of a portion of the Series B Bonds with proceeds of the Refunding Bonds.

⁽²⁾ The final maturity of the Series 2022 Bonds is February 1, 2032.

Source: Fieldman, Rolapp & Associates, Inc.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS

General

In order to provide sufficient funds for repayment of principal of and interest when due on each series of the Series 2025 Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of principal of and interest on each series of the Series 2025 Bonds. Such taxes are in addition to but separate from other taxes levied upon property within the District that are deposited by the County to the District's general fund. When collected, the tax revenues with respect to each voter-approved bond measure of the District for the payment of Bonds issued under such bond measure will be deposited by the County in the interest and sinking fund of the District related to such bond measure and established for such Bonds, which is required to be maintained by the County to be used solely for the payment of the principal or redemption price of and interest on such Bonds.

The Series 2025 Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Series 2025 Bonds.

Statutory Lien on Taxes

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only each series of the Series 2025 Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien. For information on outstanding bonds of the District, see "THE SERIES 2025 BONDS – Outstanding Bonds" above.

Pledge of, Lien on and Security Interest in Tax Revenues

As provided in the Resolutions, the District has pledged, and granted a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for the payment of Bonds issued under such bond measure and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to the Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such Bonds. Pursuant to the Resolutions, such pledge and grant is valid and binding from the date of each Resolution for the benefit of the Owners of the Bonds and

successors thereto. The Resolutions provide that the property taxes and amounts held in any interest and sinking fund of the District will be immediately subject to this pledge and grant, and the pledge and grant will constitute a lien and security interest which will immediately attach to (a) the property taxes and (b) the amounts held in any interest and sinking fund of the District. Pursuant to the Resolutions, this pledge and grant will secure the payment of such Bonds and will be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The Resolutions provide that this pledge and grant constitutes an agreement between the District and the Owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge and grant are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

The pledge of and grant of a lien on and security interest in tax revenues provided for in the Resolutions specifies that said pledge and grant secures the Series 2025 Bonds and other general obligations bonds, including refunding bonds, previously issued or that may be issued in the future pursuant to the related voter-approved measure. Previous general obligation bonds of the District have been issued under resolutions that pledge and grant a lien on and security interest in tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder, and the District may provide for a similar pledge and grant of a lien on and security interest in tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The Resolutions do not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the pledge of and grant of a lien on and security interest in such tax revenues.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. Both the county auditor-controller and the county treasurer-tax collector have accounting responsibilities related to the collecting of the property taxes. Once collected, the county auditor-controller apportions and distributes the taxes to the various taxing entities and related funds and accounts. The county treasurer-tax collector, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal of and interest on the school bonds when due, as *ex-officio* treasurer of the school district.

Assessed Valuation of Property Within the District

General. Taxable property located in the District has a fiscal year 2024-25 assessed value of \$17,018,052,854, and the County has recently provided the District with its assessed valuation of taxable property in the District in fiscal year 2025-26, totaling \$17,874,641,341. All property (real, personal and

intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the California Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Under the California Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in the State, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies within the County, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

The following table sets forth the assessed valuation of the various classes of property in the District's boundaries from fiscal years 2010-11 through 2025-26, each as of the date the equalized assessment roll is established in August of each year.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Assessed Valuations
Fiscal Years 2010-11 through 2025-26

Fiscal Year	Local Secured	Utility	Unsecured	Total Valuation
2010-11	\$8,608,718,045	\$760,878	\$242,857,475	\$8,852,336,398
2011-12	8,410,879,164	612,519	255,390,374	8,666,882,057
2012-13	8,529,583,220	612,976	267,646,262	8,797,842,458
2013-14	9,027,012,108	612,160	262,964,536	9,290,588,804
2014-15	9,737,213,234	609,494	264,772,067	10,002,594,795
2015-16	10,308,992,898	608,010	268,314,248	10,577,915,156
2016-17	10,972,747,246	503,232	266,402,297	11,239,652,775
2017-18	11,475,964,043	500,146	261,332,938	11,737,797,127
2018-19	11,983,651,289	496,258	272,390,246	12,256,537,793
2019-20	12,590,047,338	426,709	293,609,485	12,884,083,532
2020-21	13,208,760,888	462,294	294,889,233	13,504,112,415
2021-22	13,833,704,637	461,129	291,584,956	14,125,750,722
2022-23	14,828,442,823	457,936	305,586,956	15,134,487,715
2023-24	15,828,029,204	455,909	357,648,409	16,186,133,522
2024-25	16,620,419,934	461,625	397,171,295	17,018,052,854
2025-26	17,474,674,438	466,746	399,500,157	17,874,641,341

Source: California Municipal Statistics, Inc. for fiscal years 2010-11 through 2024-25; Kern County for fiscal year 2025-26.

Risk of Decline in Property Values. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), the lack of availability or unaffordability of property or homeowners' insurance, pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below.

Risk of Changing Economic Conditions. Property values could be reduced by factors beyond the District's control, including a depressed real estate market due to general economic conditions in the County, the region, and the State. A pandemic, like the outbreak of the respiratory disease caused by the Coronavirus Disease 2019, which was declared a pandemic by the World Health Organization, may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property within the District. The lack of availability or unaffordability of property or homeowners' insurance may result in a disruption of the real estate market causing a general market decline in property values therefore affecting the assessed value of property within the District. Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District's Bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a

change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

Risk of Climate Change. The change in the earth’s average atmospheric temperature, generally referred to as “climate change,” is expected to, among other things, increase the frequency of extreme weather events. The direct risks posed by climate change currently include or are expected to include more extreme heat events, increased incidence of wildfire and drought, rising sea levels, changes in precipitation levels, including flooding, and more intense storms. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. One or more of such extreme weather events could negatively impact the assessed value of the property within the District. The District cannot predict the timing, extent, or severity of climate change and its impact on property values in the District.

Risk of Earthquake. The District is located in a seismically active region. The most notable earthquake faults in the region include the San Andreas, Garlock White Wolf, Kern Canyon and Kramer Junction Area Faults. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

Risk of Drought. Most recently, the State has experienced periods of extreme precipitation, after having experienced severe drought conditions that led to the Governor of California (the “Governor”) declaring a Statewide drought emergency in spring 2021. While storms have helped ease drought impacts, regions and communities across the State continue to experience water supply shortages, especially communities that rely on groundwater supplies that have been severely depleted in recent years. In March 2023, the Governor rolled back some drought emergency provisions that are no longer needed due to current water conditions, while maintaining other measures that support regions and communities still facing water supply challenges, and that continue building up long-term water resilience. The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

Risk of Wildfire. Property damage due to wildfire could result in significant damage to, destruction of, and significant decreases in the assessed value of taxable property within the boundaries of the District, as well as in damage to or destruction of District facilities and property. In recent years, portions of the State, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Notable incidents that have impacted the County and adjacent counties in recent years include the Borel Fire, the 2024 SQF Lightning Complex, the Rancho Fire, the Bridge Fire, the Line Fire, the Lake Fire, the Mountain Fire, the Post Fire, the York Fire and the Alisal Fire. Within the boundaries of the District, no structures or property were damaged or destroyed by said wildfires or other recent wildfires. The adjacent counties of Los Angeles, Ventura, Santa Barbara, King, Tulare, Inyo and San Bernardino County have also been impacted by the wildfires mentioned above. The District cannot predict the extent to which any future wildfires within the District, the County, or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact District facilities or the assessed value of taxable property within the District.

Prospective purchasers of the Series 2025 Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Series 2025 Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Series 2025 Bonds in full. However, increases

in tax rates may impact the ability or willingness of taxpayers to pay their property taxes. See “ – Tax Charges and Delinquencies” and “ – Teeter Plan” below.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then-current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “Appeals Board”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor’s office, the County has in the past, pursuant to Article XIII A of the California Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single-family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

Ongoing Taxpayer Assessment Litigation. The County and local taxing agencies within the County are parties to continual and ongoing litigation by taxpayers challenging assessments of property taxes. The Auditor-Controller of the County has advised the District that it would be prudent to impound funds in anticipation of possibly adverse outcomes with regard to such matters. Accordingly, every year, the District receives a letter from the County with an estimate of the District’s contingent tax liability based on such ongoing litigation. Based on such estimate and the current balance in the District’s impound account, the District either draws on or contributes to the impound account. As of June 30, 2025, the balance of the District’s impound account was approximately \$234,123. The amount of pending appeals plus interest was approximately \$437,357, which leaves a net contingent liability of

approximately \$203,234. During fiscal year 2024-25, the District contributed approximately \$203,234 to the impound account to cover such net contingent liability.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues” for a discussion of other limitations on the valuation of real property with respect to *ad valorem* property taxes.

Bonding Capacity. As an elementary school district, the District may issue bonds in an amount up to 1.25% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2025-26 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$223.43 million and its net bonding capacity is approximately \$81.75 million (taking into account current outstanding debt before the issuance of the Series 2025 Bonds and not accounting for the refunding of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

Assessed Valuation by Jurisdiction. The following table describes the percentage and value of the total assessed valuation of the property within the District’s boundaries by political jurisdiction for fiscal year 2024-25. The District is located entirely within the County and within portions of the City of Bakersfield and unincorporated portions of the County.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Fiscal Year 2024-25 Assessed Valuation by Jurisdiction⁽¹⁾**

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bakersfield	\$16,532,655,151	97.15%	\$41,883,751,731	39.47%
Unincorporated Kern County	485,397,703	2.85	\$64,418,409,159	0.75%
Total District	\$17,018,052,854	100.00%		
Kern County	\$17,018,052,854	100.00%	\$120,988,610,898	14.07%

⁽¹⁾ This is the most recent fiscal year for which information is available as of the date hereof.
Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table sets forth a distribution of taxable property located in the District on the fiscal year 2024-25 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Fiscal Year 2024-25 Assessed Valuation and Parcels by Land Use⁽¹⁾**

	2024-25 Assessed Valuation ⁽²⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Agricultural/Rural	\$260,674,177	1.57%	272	0.60%
Commercial/Office	2,243,228,283	13.50	847	1.88
Vacant Commercial	66,365,262	0.40	95	0.21
Industrial	814,688,921	4.90	404	0.90
Vacant Industrial	46,167,591	0.28	165	0.37
Recreational	80,199,160	0.48	45	0.10
Government/Social/Institutional	9,120,666	0.05	1,611	3.58
Miscellaneous	9,957,683	0.06	50	0.11
Subtotal Non-Residential	\$3,530,401,743	21.24%	3,489	7.75%
<u>Residential:</u>				
Single Family Residence	\$11,478,601,041	69.06%	35,686	79.22%
Condominium/Townhouse	513,220,513	3.09	3,335	7.40
Mobile Home	45,981,781	0.28	748	1.66
Mobile Home Park	29,258,843	0.18	6	0.01
2-4 Residential Units	363,785,278	2.19	838	1.86
5+ Residential Units/Apartments	514,367,643	3.09	205	0.46
Vacant Residential	144,803,092	0.87	739	1.64
Subtotal Residential	\$13,090,018,191	78.76%	41,557	92.25%
Total	\$16,620,419,934	100.00%	45,046	100.00%

⁽¹⁾ This is the most recent fiscal year for which information is available as of the date hereof.

⁽²⁾ Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following table sets forth the assessed valuation of single-family homes in the District's boundaries for fiscal year 2024-25, including the average and median per parcel assessed value.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)**

Fiscal Year 2024-25 Per Parcel Assessed Valuation of Single-Family Homes⁽¹⁾

	Number of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	35,686	\$11,478,601,041	\$321,656	\$291,055

2024-25 Assessed Valuation	No. of Parcels ⁽²⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999	111	0.311%	0.311%	\$3,362,498	0.029%	0.029%
\$50,000 - \$99,999	636	1.782	2.093	51,656,967	0.450	0.479
\$100,000 - \$149,999	2,490	6.978	9.071	324,942,930	2.831	3.310
\$150,000 - \$199,999	4,549	12.747	21.818	798,595,254	6.957	10.267
\$200,000 - \$249,999	5,326	14.925	36.743	1,201,331,364	10.466	20.733
\$250,000 - \$299,999	5,679	15.914	52.657	1,560,356,292	13.594	34.327
\$300,000 - \$349,999	5,539	15.521	68.178	1,792,646,263	15.617	49.944
\$350,000 - \$399,999	3,839	10.758	78.936	1,431,961,243	12.475	62.419
\$400,000 - \$449,999	2,407	6.745	85.681	1,018,372,515	8.872	71.291
\$450,000 - \$499,999	1,561	4.374	90.055	738,278,142	6.432	77.723
\$500,000 - \$549,999	999	2.799	92.854	521,008,624	4.539	82.262
\$550,000 - \$599,999	602	1.687	94.541	344,892,143	3.005	85.267
\$600,000 - \$649,999	425	1.191	95.732	265,221,071	2.311	87.577
\$650,000 - \$699,999	335	0.939	96.671	225,517,807	1.965	89.542
\$700,000 - \$749,999	255	0.715	97.386	184,344,355	1.606	91.148
\$750,000 - \$799,999	192	0.538	97.924	148,901,226	1.297	92.445
\$800,000 - \$849,999	155	0.434	98.358	127,526,406	1.111	93.556
\$850,000 - \$899,999	99	0.277	98.635	86,366,047	0.752	94.308
\$900,000 - \$949,999	63	0.177	98.812	58,115,316	0.506	94.815
\$950,000 - \$999,999	53	0.149	98.960	51,553,624	0.449	95.264
\$1,000,000 and greater	371	1.040	100.000	543,650,954	4.736	100.000
Total	35,686	100.000%		\$11,478,601,041	100.000%	

⁽¹⁾ This is the most recent fiscal year for which information is available as of the date hereof.

⁽²⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers in District. The following table sets forth the 20 taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2024-25 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Largest Fiscal Year 2024-25 Local Secured Taxpayers⁽¹⁾**

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	Percent of Total ⁽²⁾
1.	Nestle Dreyer's Ice Cream Company	Industrial	\$290,523,605	1.75%
2.	Castle & Cooke Commercial CA Inc.	Shopping Center	162,538,897	0.98
3.	Valley Plaza Mall LP	Shopping Center	151,270,311	0.91
4.	DS Prop 18 LP	Shopping Center	98,614,189	0.59
5.	Bolthouse Land Co. LLC	Commercial Properties	76,257,284	0.46
6.	Chevron USA Inc.	Office Building	54,750,153	0.33
7.	Maps 3500 Wilson Road CA LLC	Industrial	51,148,144	0.31
8.	Old River Ranch LLC	Agricultural	48,166,740	0.29
9.	GSF Springs I Investors LP	Apartments	45,366,894	0.27
10.	Bakersfield Mall LLC	Movie Theater	44,933,020	0.27
11.	United States Cold Storage of CA	Industrial	38,167,521	0.23
12.	Laurelglen Properties LLC	Agricultural	34,833,087	0.21
13.	Donald R. and Maxine Judkins Trust	Residential Properties	33,562,842	0.20
14.	Ming Prop LLC	Shopping Center	33,250,099	0.20
15.	GSF Edgewater Investors LP	Agricultural	30,816,813	0.19
16.	Kern Schools Federal Credit Union	Credit Union	29,362,357	0.18
17.	Boardwalk Lux LLC	Apartments	28,689,597	0.17
18.	Harris Road Prop LLC	Apartments	28,108,277	0.17
19.	DP Tower 1 LP	Office Building	27,585,550	0.17
20.	Ming Ave Plaza SPE LLC	Shopping Center	27,540,428	0.17
			\$1,335,485,808	8.04%

⁽¹⁾ This is the most recent fiscal year for which information is available as of the date hereof.

⁽²⁾ The fiscal year 2024-25 local secured assessed valuation is \$16,620,419,934.

Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control. See "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" above.

Tax Rates

General. The California Constitution permits the levy of an *ad valorem* property tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on each series of the Series 2025 Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of each series of the Series 2025 Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by

ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), the lack of availability or unaffordability of property or homeowners' insurance, pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on each series of the Series 2025 Bonds. Issuance of additional authorized bonds in the future could also cause the tax rate to increase.

Typical Tax Rate Area. The following table sets forth *ad valorem* property tax rates for the last five fiscal years in a typical tax rate area of the District (TRA 1-025). TRA 1-025 comprises approximately 10.43% of the total assessed value of taxable property in the District for fiscal year 2024-25.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Typical Total Tax Rates as Percentage of Assessed Valuation (TRA 1-025)⁽¹⁾
Fiscal Years 2020-21 through 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25 ⁽²⁾
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Kern County Water Agency	0.079122	0.079056	0.076791	0.071830	0.060725
Panama-Buena Vista Union School District	0.052058	0.051198	0.047514	0.078752	0.070426
Kern High School District	0.048529	0.041744	0.043914	0.035837	0.044379
Kern Community College District SFID	0.020778	0.024568	0.022222	0.024041	0.023417
Kern Community College District SRID	0.013073	0.014041	0.009021	0.010220	0.009842
Total	1.213560%	1.210607%	1.199462%	1.220680%	1.208789%

⁽¹⁾ Fiscal year 2024-25 assessed valuation of TRA 1-025 is \$1,774,593,553.

⁽²⁾ This is the most recent fiscal year for which information is available as of the date hereof.

Source: California Municipal Statistics, Inc.

In accordance with the California Constitution and the California Education Code, bonds approved pursuant to the 2022 Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved under the 2022 Authorization will require a tax rate no greater than \$30.00 per \$100,000.00 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the New Money Bonds, the District projects that the maximum tax rate required to repay the New Money Bonds, and all other outstanding bonds approved under the 2022 Authorization, will be within such legal limit. The tax rate limitation applies only when new bonds are issued and does not restrict the authority of the Board of Supervisors to levy taxes at such rate as may be necessary to pay debt service on the New Money Bonds and any other series of bonds issued under the 2022 Authorization in each year.

Tax Charges and Delinquencies

General. A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* property taxes for voter-approved indebtedness, including the Series 2025 Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The County Treasurer prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and

becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$10 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the Treasurer-Tax Collector. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the County Treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The County Treasurer may also bring a civil suit against the taxpayer for payment.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic dumping or the lack of availability or unaffordability of property or homeowners' insurance. However, the County has adopted the Teeter Plan (defined herein), according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. For more information, see “– Teeter Plan” and “– *Secured Tax Charges and Delinquencies Within the District*” below. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of events outside the control of the District, the County has the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

Secured Tax Charges and Delinquencies within the District. The first table on the following page sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located within the District for fiscal years 2019-20 through 2023-24. For reference and as an indication of comparative delinquency rates, the second table on the following page sets forth the real property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2019-20 through 2023-24. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of the Series 2025 Bonds.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Secured Tax Charges and Delinquencies⁽¹⁾
Fiscal Years 2019-20 through 2023-24

Fiscal Year	Secured Tax Charge ⁽²⁾	Amount Delinquent June 30	Percent Delinquent June 30
2019-20	\$7,208,436.76	\$97,536.35	1.35%
2020-21	7,156,008.57	55,904.30	0.78
2021-22	7,387,923.36	56,808.07	0.77
2022-23	7,457,673.44	71,299.31	0.96
2023-24	12,966,562.76	148,368.21	1.14

Fiscal Year	Secured Tax Charge ⁽³⁾	Amount Delinquent June 30	Percent Delinquent June 30
2019-20	\$15,384,549.36	\$255,640.12	1.66%
2020-21	16,651,398.42	215,162.69	1.29
2021-22	17,181,868.60	228,637.61	1.33
2022-23	18,428,894.16	287,258.09	1.56
2023-24	19,778,836.88	303,036.19	1.53

⁽¹⁾ The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest. For more information, see “– Teeter Plan” below.

⁽²⁾ Debt service levy only.

⁽³⁾ 1% general fund apportionment.

Source: California Municipal Statistics, Inc.

Teeter Plan. 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 participating local agency levying property taxes in the County, including school districts, receives the full amount of uncollected taxes levied on the secured tax roll credited to its fund, in the same manner as if the full amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district general obligation bonds on the secured tax roll. There can be no assurances that the County will have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Series 2025 Bonds when due.

Upon adopting the Teeter Plan, the County was required to distribute to participating local agencies, 95% of the then-accumulated, secured roll property tax delinquencies and to place the remaining 5% in a tax losses reserve fund. Taxing entities that maintain funds in the County treasury are all included in the Teeter Plan; other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. Since the District maintains funds in the County treasury, the District is included in the Teeter Plan.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of

all taxes and assessments levied on the secured roll in that agency. The District is not aware of any plans by the Board of Supervisors to discontinue the Teeter Plan.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics, Inc. effective June 17, 2025 for debt outstanding as of July 1, 2025. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not set forth in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. 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.

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PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Statement of Direct and Overlapping Bonded Debt

June 17, 2025⁽¹⁾

2024-25 Assessed Valuation: \$17,018,052,854

	<u>% Applicable</u>	<u>Debt 7/1/25</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Kern Community College District Safety, Repair and Improvement District	14.242%	\$10,991,259
Kern Community College District School Facilities Improvement District No. 1	14.155	50,575,107
Kern High School District	21.951	76,412,794
Panama-Buena Vista Union School District	100.000	141,680,000 ⁽²⁾
City of Bakersfield 1915 Act Bonds	22.175%	506,699
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$280,165,859</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Kern County Certificates of Participation	14.066%	\$12,747,457
Kern County Pension Obligation Bonds	14.066	9,325,721
Kern County Board of Education Certificates of Participation	14.066	4,019,360
Kern Community College District Certificates of Participation	12.733	2,474,149
Kern Community College District Post Employment Benefit Obligation Bonds	12.733	8,781,313
Panama-Buena Vista Union School District Certificates of Participation	100.000	47,860,000 ⁽³⁾
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u>\$85,208,000</u>
COMBINED TOTAL DEBT		<u>\$365,373,859⁽⁴⁾</u>

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$141,680,000).....	0.83%
Combined Direct Debt (\$189,540,000)	1.11%
Total Direct and Overlapping Tax and Assessment Debt.....	1.65%
Combined Total Debt	2.15%

⁽¹⁾ This is the most recent fiscal year for which information is available as of the date hereof.

⁽²⁾ Excludes the New Money Bonds and the Refunding Bonds; includes the Refunded Bonds.

⁽³⁾ Includes the principal amount due upon the final payment of certain outstanding lease obligations of the District. For more information on such obligations, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure – *Qualified Zone Academy Bonds (QZAB)*.”

⁽⁴⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or

disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. A complete copy of the proposed forms of opinions of Bond Counsel are set forth in Appendix C.

To the extent the issue price of any maturity of the Series 2025 Bonds is less than the amount to be paid at maturity of such Series 2025 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2025 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2025 Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2025 Bonds is the first price at which a substantial amount of such maturity of the Series 2025 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025 Bonds accrues daily over the term to maturity of such Series 2025 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025 Bonds. Beneficial Owners of the Series 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2025 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2025 Bonds is sold to the public.

Series 2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2025 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2025 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2025 Bonds. The opinions of Bond Counsel assume the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2025 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025 Bonds. Accordingly, the opinions of Bond Counsel are not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2025 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial

Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2025 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinions of Bond Counsel are based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2025 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2025 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2025 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2025 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

OTHER LEGAL MATTERS

Legal Opinion

The validity of each series of the Series 2025 Bonds and certain other legal matters are subject to the approving opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver opinions with respect to each series of the Series 2025 Bonds at the time of issuance substantially in the forms set forth in Appendix C. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District.

Legality for Investment in California

Under the provisions of the California Financial Code, the Series 2025 Bonds are legal investments for commercial banks in the State to the extent that the Series 2025 Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the California Government Code, the Series 2025 Bonds are eligible securities for deposit of public monies in the State.

Continuing Disclosure

The District will covenant under the Continuing Disclosure Certificates to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for fiscal year 2024-25 (which is due no later than March 31, 2026) and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX D – “FORMS OF CONTINUING DISCLOSURE CERTIFICATES.” These covenants have been made for the benefit of the holders and Beneficial Owners of each series of the Series 2025 Bonds in order to assist the Initial Purchasers in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission.

Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices, currently serves as the District’s dissemination agent in connection with each of the District’s prior continuing disclosure undertakings pursuant to the Rule and will serve as dissemination agent in connection with the continuing disclosure undertaking pursuant to the Rule relating to each series of the Series 2025 Bonds.

Litigation

No litigation is pending or threatened concerning or contesting the validity of the Series 2025 Bonds or the District’s ability to receive *ad valorem* property taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Series 2025 Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Series 2025 Bonds or District officials who will sign certifications relating to the Series 2025 Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Initial Purchasers at the time of the original delivery of the Series 2025 Bonds.

The District is occasionally 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.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Initial Purchasers relating to the computation of projected receipts of principal of and interest on the Defeasance Securities, and the projected payments of principal, redemption premium, if any, and interest to retire the Refunded Bonds will be verified by Causey Public Finance, LLC, Denver, Colorado (the “Verification Agent”). Such computations will be based solely on assumptions and information supplied by the District and the Initial Purchasers. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

FINANCIAL STATEMENTS

The District’s audited financial statements for fiscal year ended June 30, 2024 are included in Appendix B. Such financial statements have been audited by Eide Bailly LLP, Rancho Cucamonga, California (“Eide Bailly”). The District has not requested nor has the District obtained the consent of Eide Bailly to the inclusion of its report in Appendix B. Eide Bailly has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Eide Bailly has not been requested to perform and has not performed any procedures relating to the Official Statement.

MISCELLANEOUS

Rating

Moody’s Investors Service, Inc. has assigned its rating of “Aa2” to the Series 2025 Bonds. A rating agency generally bases its rating on its own investigations, studies and assumptions as well as information and materials furnished to it (which may include information and materials from the District, which are not included in this Official Statement). The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of the rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Series 2025 Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2025 Bonds. None of the Initial Purchasers (defined below) or the District has undertaken any responsibility after the offering of the Series 2025 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Series 2025 Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Series 2025 Bonds. Fieldman, Rolapp & Associates, Inc., is acting as the District’s municipal advisor (the “Municipal Advisor”) with respect to the Series 2025 Bonds. Payment of the fees and expenses of the District’s Municipal Advisor is also contingent upon the sale and delivery of the Series 2025 Bonds.

The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement or any of the other legal documents related to the Series 2025 Bonds. Further, the Municipal Advisor does not assume any responsibility for the information, covenants and representations with respect to the federal income tax status of the Series 2025 Bonds, or the possible impact of any current, pending or future actions taken by any legislative or judicial bodies, or rating agencies.

Underwriting

The New Money Bonds were purchased by _____ (the “Initial New Money Bond Purchaser”) as the winner of a competitive bid conducted on _____, 2025. The Initial New Money Bond Purchaser has agreed to purchase the New Money Bonds at a price of \$ _____. The Initial New Money Bond Purchaser’s total discount is \$ _____. See “THE SERIES 2025 BONDS – Application and Investment of Series 2025 Bond Proceeds.”

The Refunding Bonds were purchased by _____ (the “Initial Refunding Bond Purchaser” and together with the Initial New Money Bond Purchaser, the “Initial Purchasers”) as the winner of a competitive bid conducted on _____, 2025. The Initial Refunding Bond Purchaser has agreed to purchase the Refunding Bonds at a price of \$ _____. The Initial Refunding Bond Purchaser’s total discount is \$ _____. See “THE SERIES 2025 BONDS – Application and Investment of Series 2025 Bond Proceeds.”

The Initial Purchasers may offer and sell each series of the Series 2025 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices set forth on the inside front cover pages of this Official Statement. The public offering prices may be changed from time to time by the Initial Purchasers.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Series 2025 Bonds. Quotations from and summaries and explanations of the Series 2025 Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

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 Series 2025 Bonds.

The District has duly authorized the delivery of this Official Statement.

**PANAMA-BUENA VISTA UNION
SCHOOL DISTRICT**

By: _____
Superintendent

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APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

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The information in this appendix concerning the operations of the Panama-Buena Vista Union School District (the “District”), the District’s finances, and State of California (the “State”) funding of education, 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 Series 2025 Bonds (as defined in the front portion of this Official Statement) is payable from the general fund of the District or from State revenues. The Series 2025 Bonds are payable from the proceeds of an ad valorem property tax approved by the voters of the District pursuant to all applicable laws and requirements of the Constitution of the State (the “California Constitution”), and required to be levied by the County of Kern (the “County”) on property within the District in an amount sufficient for the timely payment of principal of and interest on the Series 2025 Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS” in the front portion of this Official Statement.

THE DISTRICT

Introduction

On July 1, 1988, the Panama Union School District, founded in 1875, was annexed by the Buena Vista School District to form the District. The District and its predecessor districts have each operated as an elementary school district under the laws of the State. The District, covering an area of approximately 87 square miles, is located in, and southwest of, the City of Bakersfield, California, which is the county seat of the County. California State University, Bakersfield, which had enrollment of approximately 10,419 students in spring 2025, is also located within the District. The District provides public education to students in transitional kindergarten (“TK”) through eighth grade, operating 19 elementary schools serving grades TK through grade six, five junior high schools serving grades seven and eight, one school that services TK through grade eight, and one alternative education program. An additional TK-8 school, Mountain View, will be opening in August 2025.

Total enrollment in the District was approximately 19,370 students in fiscal year 2024-25. As of the preparation of the District’s fiscal year 2025-26 original budget (the “Fiscal Year 2025-26 Budget”), total enrollment in the District is budgeted to be approximately 19,542 students in fiscal year 2025-26. The District operates under the jurisdiction of the Kern County Superintendent of Schools. Total assessed valuation of taxable property in the District in fiscal year 2024-25 is approximately \$17.02 billion.

Board of Trustees

The District is governed by a five-member Board of Trustees (the “Board of Trustees”), each member of which is a voting member. Each member is elected by voters within their “area” of the District to four-year terms. Elections are held every two years in alternate slates of two and three. Each December, the Board of Trustees elects a President, a Vice President and a Clerk to serve one-year terms. Current members of the Board of Trustees, together with their office, their trustee area, and the date their current term expires, are set forth in the table on the following page.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)

Board of Trustees

Name	Office	Trustee Area	Term Expires
Paula Van Auken	President	2	December 2028
Keith Wolaridge	Vice President	3	December 2026
Linda Garcia	Member	5	December 2026
Bryan Easter	Member	1	December 2028
Tiffany King	Member	4	December 2028

Superintendent and Business Services Personnel

General. The Superintendent of the District and Assistant Superintendent, Business Services are appointed by the Board of Trustees. The Superintendent reports directly to the Board of Trustees. The Assistant Superintendent, Business Services reports directly to the Superintendent. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators, including the Assistant Superintendent, Business Services. The Assistant Superintendent, Business Services is responsible for management of the District's finances and business operations.

Katie Russell, Ed.D., Superintendent. Dr. Katie Russell has been the District's Superintendent since August 4, 2020. Dr. Russell came to the District from Fresno Unified School District, where she had most recently served as Assistant Superintendent for eight years. In her 33 years as a public educator, Dr. Russell has been a teacher, assistant principal, principal, Assistant Superintendent and now a Superintendent.

Katie Gonzalez, Assistant Superintendent, Business Services. Katie Gonzalez joined the District in August 2018 as the Director of Fiscal Services and was appointed as Assistant Superintendent, Business Services in March 2024. Ms. Gonzalez has 22 years of experience in public accounting, business management, and finance.

Cybersecurity

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District also 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 in the future cybersecurity threats, attacks or incidents from time to time. Given the importance of cybersecurity for school districts, federal lawmakers approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks.

In January 2020, the District experienced a ransomware attack that temporarily prevented the District from accessing its phone systems and computer network. The District worked with the Department of Homeland Security and the Federal Bureau of Investigation to determine the scope of such attack and to safely recover the District's data, without paying the ransom. After conducting an investigation, it was determined there was no breach of personal data from the District's servers. The District has since implemented protocols to protect against future cyberattacks. The District educates staff on safe online computing practices and employees utilize security systems to protect against cybersecurity incidents. The

District has also established policies and procedures, as well as a business continuity plan, to respond to cybersecurity incidents. In the event of a cybersecurity incident, the District currently maintains cyber liability insurance through the Self-Insured Schools of California (“SISC”). For more information on SISC, see “DISTRICT FINANCIAL MATTERS – Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures.” There can be no assurance that a future cybersecurity incident or attempted cybersecurity incident would not compromise the personal information that the District collects, processes and stores or cause a disruption in District operations, particularly given that students, teachers, and staff are accessing District computer systems and platforms remotely which may increase the risks of intrusion by third parties.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy, collection and holding of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the Owners of the Series 2025 Bonds, including the possibility of impacting the timely payments of debt service on the Series 2025 Bonds or timely filings pursuant to the District’s continuing disclosure undertakings. See “THE SERIES 2025 BONDS – Application and Investment of Series 2025 Bond Proceeds” in the front portion of this Official Statement for information regarding cybersecurity fraud involving funds held by the County Treasurer.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in the State, the District’s operating income consists primarily of two components: a State portion funded from the State’s general fund in accordance with the Local Control Funding Formula (the “Local Control Funding Formula” or “LCFF”) (see “– Allocation of State Funding to School Districts; Local Control Funding Formula”) and a local portion derived from the District’s share of the 1% local *ad valorem* property tax authorized by the California Constitution (see “– Local Property Tax Revenues”). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. As of the preparation of the District’s fiscal year 2024-25 estimated actuals (the “Fiscal Year 2024-25 Estimated Actuals”), the District estimates it will receive approximately 87.28% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* property tax), at approximately \$312.74 million in fiscal year 2024-25. Based on the District’s Fiscal Year 2025-26 Budget, the District has budgeted to receive approximately 89.37% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* property tax), budgeted at approximately \$324.67 million in fiscal year 2025-26. Such amounts include both the State funding provided under the LCFF as well as other State revenues. See “– Allocation of State Funding to School Districts; Local Control Funding Formula,” “– Enrollment, A.D.A. and LCFF” and “– Other District Revenues – Other State Revenues” below. As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District’s revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by voters of the State in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the California Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of

the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– *Allocation of State Funding to School Districts; Local Control Funding Formula*” for more information.

State Budget Process. According to the California Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2025-26 State budget on June 27, 2025, which was amended through a series of legislative trailer bills (as amended, the “2025-26 State Budget”).

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a California Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the California Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be

suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State’s response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers’ unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force the State to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the California Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Series 2025 Bonds, and the District takes no responsibility for informing owners of the Series 2025 Bonds as to actions the State Legislature or Governor may take affecting the current year’s budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

2025-26 State Budget. The Governor signed the 2025-26 State Budget on June 27, 2025. The 2025-26 State Budget notes that the State has experienced ongoing uncertainty created by recent federal policy changes. The 2025-26 State Budget notes that the State has experienced ongoing uncertainty created by recent federal policy changes. The 2025-26 State Budget reduces growth in State spending while maintaining support for key programs and incorporates a comprehensive regulatory streamlining package to advance more affordable housing and infrastructure.

The 2025-26 State Budget states that the imposition of federal policy changes significantly slowed growth in the California economy, particularly broad-based tariffs which drove a downgrade to California’s previous economic and revenue forecasts. The 2025-26 State Budget also notes that California experienced substantial cost and caseload growth in several core State programs – most notably, in Medi-Cal – which combined to a State general fund shortfall of \$11.8 billion. The 2025-26 State Budget addresses this

shortfall through a range of solutions, including \$2.8 billion in reductions in fiscal year 2025-26, growing to \$11.9 billion by fiscal year 2028-29; \$7.8 billion in total revenue increases and borrowing solutions in fiscal year 2025-26; and \$1.2 billion in fund shifts in fiscal year 2025-26. To provide a balanced budget over two fiscal years, the 2024-25 State budget authorized withdrawals from the Budget Stabilization Account (“BSA”) of \$5.1 billion in fiscal year 2024-25 and \$7.1 billion in fiscal year 2025-26. The 2025-26 State Budget continues the scheduled \$7.1 billion BSA withdrawal in fiscal year 2025-26, while maintaining a combined reserve balance of \$15.7 billion in fiscal year 2025-26, including \$11.2 billion in the BSA and \$4.5 billion in the SFEU.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.6 billion and Proposition 98 expenditures of approximately \$80.7 billion. The 2025-26 State Budget projects total reserve balances of \$33.7 billion at the end of fiscal year 2025-26. This includes \$18.0 billion in the Reserve for Liquidation of Encumbrances, \$4.5 billion in the SFEU, and \$11.2 billion in the State Rainy Day Fund. The 2025-26 State Budget includes total funding of \$137.6 billion for all transitional kindergarten (“TK”) to 12 education programs, including \$80.5 billion from the State’s general fund and \$57.1 billion from other funds. The 2025-26 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 2025-26 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects Proposition 98 funding levels of \$98.5 billion in fiscal year 2023-24, \$119.9 billion in fiscal year 2024-25, and \$114.6 billion in fiscal year 2025-26. Due to the inherent risk in revenue projections, the 2025-26 State Budget appropriates the fiscal year 2024-25 Proposition 98 minimum guarantee at \$118.0 billion, instead of the currently calculated level of \$119.9 billion, in order to mitigate the risk of potentially appropriating more resources to the Proposition 98 minimum guarantee than are ultimately available in the final calculation for fiscal year 2024-25. The 2025-26 State Budget will allocate any settle-up funds that are realized to reduce ongoing deficits and protect core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments, as well as paying down TK-14 deferrals. The Proposition 98 minimum guarantee is in a Test 2 for fiscal year 2023-24 (although suspended at \$98.5 billion) and continues to be in a Test 1 for fiscal years 2024-25 and 2025-26, meaning that the funding level of the Proposition 98 minimum guarantee for such fiscal years is equal to roughly 40% of the State’s general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of State general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 minimum guarantee is “rebenched” to reflect the continued implementation of universal TK and property tax backfills related to the January 2025 fires in the County of Los Angeles. The resulting Test 1 percentage is then “rebenched” to increase the percentage of State general fund revenues due to the Proposition 98 minimum guarantee, from 39.2% to 39.6%.
- Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the withdrawal of the full \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The 2025-26

State Budget provides a mandatory deposit into the Proposition 98 Rainy Day Fund in fiscal year 2024-25 of \$455.0 million. Additionally, a year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$455.0 million in fiscal year 2025-26, exhausting the remaining Proposition 98 Rainy Day Fund balance. See “– School District Reserves” and “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751.”

- Proposition 98 Funding Split. The 2025-26 State Budget shifts the full TK expansion funding from the community colleges budget to the TK-12 budget of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts \$232.9 million in ongoing Proposition 98 resources from community colleges to TK-12 schools. The purpose of rebenching Proposition 98 resources for the cost of TK expansion is to ensure that implementation of universal TK does not create a fiscal burden on existing TK-12 programs; therefore, this shift will align resources generated by the rebench.
- Local Control Funding Formula. The 2025-26 State Budget includes an LCFF cost-of-living adjustment of 2.30%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local education agencies (“LEAs”) by \$2.1 billion. To fully fund the LCFF, the 2025-26 State Budget withdraws \$405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2025-26.
- Deferrals. Pursuant to the 2025-26 State Budget, budgetary deferrals of \$246.6 million for TK-12 education from fiscal year 2024-25 are fully repaid in fiscal year 2025-26. However, to fully fund the LCFF and maintain the level of fiscal year 2025-26 principal apportionments, the 2025-26 State Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.
- Universal Transitional Kindergarten. In the 2025-26 school year, the 2025-26 State Budget provides a total of \$2.1 billion in ongoing Proposition 98 general fund resources (inclusive of all prior years’ investments) to support the full implementation of universal TK, so that all children who turn four years old by September 1 can enroll in TK in the 2025-26 school year. The 2025-26 State Budget also provides an additional \$1.2 billion in ongoing Proposition 98 general fund resources to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.
- Before School, After School, and Summer School. The 2025-26 State Budget provides \$515.1 million in ongoing Proposition 98 general fund resources for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students, from all those in LEAs with an unduplicated pupil percentage of 75% to all those in LEAs with 55% unduplicated students. Additionally, the 2025-26 State Budget includes \$10.4 million to increase the minimum grant amount from \$50,000 to \$100,000 per LEA.
- Literacy Instruction. The 2025-26 State Budget provides \$480.0 million to support literacy instruction aligned with the English Language Arts/English Language Department (“ELA/ELD”) Framework for all students, including: (i) \$215.0 million in one-time Proposition 98 general fund resources to expand the existing Literacy Coaches and Reading Specialists Grant Program; (ii) \$200.0 million one-time Proposition 98 general fund resources to support evidence-based professional learning for elementary school educators aligned with the ELA/ELD Framework; (iii) \$40.0 million in one-time Proposition 98 general fund resources to support necessary costs, including purchasing screening materials and training for educators, to administer screenings for risk of reading difficulties to all kindergarten through second grade students beginning in the 2025-26 school year; (iv) \$15.0 million in one-time Proposition 98 general fund resources for Literacy

and Mathematics Networks, to convene literacy and mathematics lead agencies to support the implementation of evidence-based practices aligned to their respective curriculum frameworks; and (v) \$10.0 million in one-time Proposition 98 general fund resources for a county office of education to partner with the University of California, San Francisco Dyslexia Center to support the Multitudes screener for risk of reading difficulties, which is free to California public schools, and expand capacity for educator support for those schools using Multitudes.

- Teacher Preparation and Professional Development. The 2025-26 State Budget includes multiple investments intended to support teachers and improve access to the educator pipeline, including: (i) \$300.0 million in one-time Proposition 98 general fund resources to establish the Student Teacher Stipend Program, which will provide \$10,000 grants to teacher candidates completing the required student teaching hours beginning in the 2026-27 school year, and available through the 2028-29 school year, of which amount, \$5.0 million is available to support a public outreach campaign and a grant management system to facilitate uptake and access to student teacher stipends, teacher residency funds, and national board certification dollars; (ii) \$70.0 million in one-time Proposition 98 general fund resources to increase funding for high-quality teacher residency programs; and (iii) \$30.0 million in one-time Proposition 98 general fund resources to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.
- Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget allocates \$1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant, to provide LEAs with additional discretionary fiscal support in recognition of rising costs, as well as fund Statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.
- State Preschool. To augment provider rate, the 2025-26 State Budget provides \$19.3 million of Proposition 98 general fund resources and \$10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program to support cost of care. Additionally, within existing funding, the 2025-26 State Budget includes authority for the Department of Education to: (i) expand State Preschool Program provider contracts to increase enrollment of three-year-olds by 10%; (ii) fund prospective pay for State Preschool Program providers to ensure timely payment of State contract funding; and (iii) automate prospective pay for State Preschool Program providers.

Additional budgeted programs and adjustments for K 12 education set forth in the 2025-26 State Budget include the following:

- Learning Recovery Emergency Block Grant. The 2025-26 State Budget provides \$378.6 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which supports LEAs in establishing learning recovery initiatives through the 2027-28 school year.
- Career Technical Education. The 2025-26 State Budget provides \$150.0 million in one-time Proposition 98 general fund resources for career technical education and career pathways programming, subject to pending legislation.

- **Universal School Meals Support Grant.** The 2025-26 State Budget provides \$145.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, training, and procurement of sustainably grown food to support schools in providing more freshly prepared meals, \$10.0 million in one-time Proposition 98 general fund resources to recruit and retain school food service workers, and \$5.0 million in one-time Proposition 98 general fund resources for a study of ultra-processed foods offered in California school meals.

The complete 2025-26 State Budget is available from the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures, collection and receipt of tax revenues due to tax filing delay, funding of delayed investments, or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Series 2025 Bonds are payable from *ad valorem* property taxes, the 2025-26 State Budget is not expected to have a material impact on the payment of the Series 2025 Bonds.

School District Reserves. Under Senate Bill 751 ("SB 751"), enacted on October 11, 2017, in a fiscal year immediately after a fiscal year in which the amount of moneys in the State's Public School System Stabilization Account (the "Proposition 98 Rainy Day Fund") is equal to or exceeds 3% of the combined total State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of A.D.A. Payments allocated to the Proposition 98 Rainy Day Fund under the fiscal year 2021-22 State budget and the fiscal year 2022-23 State budget triggered a reserve cap for school districts in fiscal years 2022-23 and 2023-24, respectively. However, State's economic and revenue outlook has changed and the balance in the Proposition 98 Rainy Day Fund has not triggered the reserve cap since fiscal year 2023-24. See "–2025-26 State Budget." School districts may need to access their local reserves in light of operational needs that may exceed expected funding under LCFF in a given fiscal year. The District, which has an average daily attendance ("A.D.A.") of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. At the time of preparation of the Fiscal Year 2025-26 Budget, the District projects it will meet the 3% statutory reserve requirement in fiscal years 2025-26 through 2027-28. Since the District is neither a community funded district nor a small school district with fewer than 2,501 units of A.D.A., the District is subject to the reserve cap when applicable. For more information on the reserve cap legislation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751."

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative

intended to eliminate the practice. In response, the State Legislature proposed an amendment to the California Constitution, which voters of the State approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*”). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State’s authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Allocation of State Funding to School Districts; Local Control Funding Formula. Prior to the implementation of the LCFF in fiscal year 2013-14, each school district received State funding based on a unique revenue limit multiplied by such school district’s A.D.A. Under the revenue limit funding system, school districts also received funding for categorical programs based on the demographics and needs of the students in each school district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant (“Base Grant”) per unit of A.D.A. with additional supplemental funding (referred to as a “Supplemental Grant” and a “Concentration Grant”) allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency (“LEA”). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2025-26, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to \$ 11,323 per A.D.A. for transitional kindergarten/kindergarten through grade 3 (including grade span adjustment); (b) a Base Grant for each LEA equivalent to \$10,411 per A.D.A. for grades 4 through 6; (c) a Base Grant for each LEA equivalent to \$10,719 per A.D.A. for grades 7 and 8; (d) a Base Grant for each LEA equivalent to \$12,746 per A.D.A. for grades 9 through 12 (including grade span adjustment). However, the

amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grant amount for fiscal year 2025-26 includes a cost-of-living adjustment of 2.30%.

- A 20% Supplemental Grant for the unduplicated number of English language 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% of a LEA's Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.
- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.
- Starting with the 2023-24 fiscal year, an additional equity multiplier (the "Equity Multiplier") was added as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% (which refers to the percentage of students who do not complete the year due to factors like expulsion) and (2) a prior year socioeconomically disadvantaged pupil rates of greater than 70% (which includes students with parents that do not have high school diplomas, students from low-income families, homeless youth, and foster youth). Every year, the state will allocate \$300 million to the qualifying LEAs on a per-unit basis based on the LEA's prior year adjusted cumulative enrollment, but each qualifying school will receive at least \$50 thousand. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

Prior to fiscal year 2022-23, school districts received their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. This apportionment method helped to temporarily mitigate the impact of LCFF funding losses on school districts that result from declining enrollment. To further mitigate the impact of LCFF funding losses in light of the respiratory disease caused by the COVID-19 pandemic, the fiscal year 2020-21 State budget included a temporary hold harmless provision for the purpose of calculating apportionments in fiscal year 2020-21 in which A.D.A. for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). The fiscal year 2021-22 State budget did not extend the A.D.A. hold harmless provision to fiscal year 2021-22. Nonetheless, in fiscal year 2021-22, school districts still retained the ability to receive their LCFF apportionment based on the higher of their prior fiscal year or current fiscal year A.D.A. in accordance with the LCFF.

The fiscal year 2022-23 State budget, as amended (the "2022-23 State Budget"), amended the LCFF calculation to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' A.D.A. to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, a school district that can demonstrate it provided independent study offerings to students in fiscal year 2021-22 may consider the greater of such school district's fiscal year 2021-22 A.D.A. or such school district's fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment is applicable to fiscal year 2021-22 for purposes of calculating a school district's fiscal year 2021-22 annual apportionment and calculating a school district's prior year A.D.A. or the average of three prior years' A.D.A. in fiscal year 2022-23 and future fiscal years in accordance with the amendments made in connection with the 2022-23 State Budget.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts continue to receive the same level of State aid as allocated under the prior revenue limit funding system in fiscal year 2012-13.

Risks Affecting District Revenue. As discussed above, many school districts in the State are funded based on the LCFF, which allocates a Base Grant per unit of A.D.A. with additional supplemental funding in the form of Supplemental Grants and Concentration Grants based on certain factors. See “-Allocation of State Funding to School Districts; Local Control Funding Formula.” Thus, a temporary shutdown of a school or an entire school district or other event resulting in reduced enrollment or attendance would reduce the A.D.A. of a school district and could impact the funding a school district receives. For example, events like the outbreak of a highly contagious disease or epidemic disease could harm a school district’s financial results or result in a temporary shutdown of the school district’s facilities. Such an event could also have impacts on the State’s tax and other revenue receipts which may, in turn, impact educational funding that school districts receive from the State. See “- Future Budgets and Budgetary Actions.” The outbreak of the respiratory disease caused by COVID-19 was declared a pandemic by the World Health Organization, a national emergency by then President Trump and a state of emergency by the Governor. While State and federal one-time COVID-19 relief funding provided some immediate relief to school districts, including the District, during the COVID-19 pandemic, the District cannot predict whether similar legislation providing State and federal one-time relief funding would be enacted in the future in the event the outbreak of COVID-19 were to increase in intensity or a similar or other outbreak of a highly contagious disease or epidemic disease or other event resulting in reduced enrollment or attendance were to occur in the future.

Enrollment, A.D.A. and LCFF. The table on the following page sets forth the District’s actual A.D.A., funded A.D.A., the basis for such funded A.D.A. (the current fiscal year A.D.A., the prior fiscal year A.D.A., or the average of three prior years’ A.D.A.), enrollment (including the percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”)), and Base Grant per unit of A.D.A. for fiscal years 2021-22 through 2024-25, and the District’s budgeted A.D.A., funded A.D.A., the basis for such funded A.D.A., enrollment (including the percentage of EL/LI Students), and Base Grant per unit of A.D.A. for fiscal year 2025-26 at the time of preparation of the Fiscal Year 2025-26 Budget. The A.D.A. and enrollment numbers below include TK students and certain special education students enrolled with County Office of Education programs.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Average Daily Attendance, Enrollment and Base Grant
Fiscal Years 2021-22 through 2025-26

Fiscal Year		A.D.A./Base Grant				Funding Basis	Enrollment ⁽⁹⁾	
		TK-3	4-6	7-8	Total A.D.A.		Total Enrollment	Unduplicated % of EL/LI Students
2021-22	Actual A.D.A. ⁽¹⁾ :	7,709.44	6,080.20	4,170.14	17,959.78	--	18,794	73.14%
	Funded A.D.A. ⁽¹⁾ :	7,709.44	6,080.20	4,170.14	17,959.78	Current Year	--	--
	Base Grant ⁽²⁾⁽³⁾ :	\$8,935	\$8,215	\$8,458	--	--	--	--
2022-23	Actual A.D.A. ⁽¹⁾ :	7,739.23	5,848.95	3,906.52	17,494.70	--	19,030	74.87%
	Funded A.D.A. ⁽¹⁾ :	7,709.44	6,080.20	4,170.14	17,959.78	Prior Year	--	--
	Base Grant ⁽²⁾⁽⁴⁾ :	\$10,119	\$9,304	\$9,580	--	--	--	--
2023-24	Actual A.D.A. ⁽¹⁾ :	7,966.39	5,934.15	4,193.48	18,094.02	Current Year	19,375	77.38%
	Funded A.D.A. ⁽¹⁾ :	7,966.39	5,934.15	4,193.48	18,094.02		--	--
	Base Grant ⁽²⁾⁽⁵⁾ :	\$10,951	\$10,069	\$10,367	--		--	--
2024-25	Actual A.D.A. ⁽¹⁾ :	8,061.49	6,002.90	4,121.36	18,185.75	Current Year	19,370	78.08%
	Funded A.D.A. ⁽¹⁾ :	8,061.49	6,002.90	4,121.36	18,185.75		--	--
	Base Grant ⁽²⁾⁽⁶⁾ :	\$11,033	\$10,146	\$10,446	--		--	--
2025-26	Actual A.D.A. ⁽⁷⁾ :	8,239.77	5,994.46	4,096.53	18,330.76	--	19,542	78.77%
	Funded A.D.A. ⁽⁷⁾ :	8,239.77	5,994.46	4,093.53	18,330.76	Current Year	--	--
	Base Grant ⁽²⁾⁽⁸⁾ :	\$11,323	\$10,411	\$10,719	--	--	--	--

⁽¹⁾ A.D.A. for the second period of attendance, typically in mid-April of each school year, which does not reflect subsequent revisions related to days deemed later by the California Department of Education to have a “material decrease” in attendance or attendance at Saturday school.

⁽²⁾ Such amounts include the grade span adjustment, but do not include any Supplemental Grants and Concentration Grants under the LCFF.

⁽³⁾ Fiscal year 2021-22 Base Grant amounts reflect a 5.07% adjustment from fiscal year 2020-21 Base Grant amounts, which includes a 4.05% cost-of-living adjustment and a 1% discretionary increase in Base Grant funding.

⁽⁴⁾ Fiscal year 2022-23 Base Grant amounts reflect an approximately 13.26% adjustment from fiscal year 2021-22 Base Grant amounts, which includes a 6.56% cost-of-living adjustment and a 6.70% discretionary increase in Base Grant funding.

⁽⁵⁾ Fiscal year 2023-24 Base Grant amounts reflect a 8.22% cost-of-living adjustment from fiscal year 2022-23 Base Grant amounts.

⁽⁶⁾ Fiscal year 2024-25 Base Grant amounts reflect a 1.07% cost-of-living adjustment from fiscal year 2023-24 Base Grant amounts.

⁽⁷⁾ Reflects budgeted A.D.A., funded A.D.A., enrollment and percentage of unduplicated EL/LI Students as of the Fiscal Year 2025-26 Budget.

⁽⁸⁾ Fiscal year 2025-26 Base Grant amounts reflect a 2.30% cost-of-living adjustment from fiscal year 2024-25 Base Grant amounts.

⁽⁹⁾ Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System. A school district’s funded percentage of unduplicated EL/LI Students is based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: Panama-Buena Vista Union School District.

As of the Fiscal Year 2024-25 Estimated Actuals, the District estimates to receive, approximately \$255.78 million in aggregate revenues reported under LCFF sources in fiscal year 2024-25 (or approximately 71.38% of its general fund revenues in fiscal year 2024-25). Such amount includes Supplemental Grants and Concentration Grants for targeted groups of approximately \$30.22 million and \$29.04 million, respectively, in fiscal year 2024-25. As of the Fiscal Year 2025-26 Budget, the District budgets to receive approximately \$265.75 million in aggregate revenues reported under LCFF sources in fiscal year 2025-26 (or approximately 73.15% of its general fund revenues in fiscal year 2025-26). Such amount includes Supplemental Grants and Concentration Grants for targeted groups expected at approximately \$31.46 million and \$30.85 million, respectively, in fiscal year 2025-26. The District is not expected to receive additional revenue from the Equity Multiplier because the District did not have a prior year nonstability rate of greater than 25% or a prior year socioeconomically disadvantaged pupil rates of greater than 70%.

Local Control Accountability Plans. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Typically, each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

Local Property Tax Revenues

General. The principal component of local revenues is a school district's property tax revenues, i.e., each 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. The District's share of the local 1% property tax is separate from and in addition to the *ad valorem* property tax pledged to the repayment of all general obligation bonds of the District, including the Series 2025 Bonds. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the California Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as a LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "— State Funding of Education; State Budget Process — *Allocation of State Funding to School Districts; Local Control Funding Formula*" for more information about the LCFF.

Based on the Fiscal Year 2024-25 Estimated Actuals, local property tax revenues are estimated to account for approximately 8.36% of the District's aggregate general fund revenues reported under LCFF

sources and are approximately \$21.39 million, or 5.97% of total general fund revenues in fiscal year 2024-25. Based on the Fiscal Year 2025-26 Budget, local property tax revenues are budgeted to account for approximately 7.98% of the District's aggregate revenues reported under LCFF sources and are budgeted to be approximately \$21.20 million, or 5.83% of total general fund revenues in fiscal year 2025-26.

For information about the property taxation system in the State and the District's property tax base, see "– Property Taxation System," "– Assessed Valuation of Property Within the District," and "– Tax Charges and Delinquencies" under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS" in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

Effect of Changes in Enrollment. Changes in local property tax revenue and A.D.A. affect LCFF districts and community funded districts differently.

In a LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In a community funded district, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it a LCFF district, but since all LCFF funding (and more) is already generated by local property taxes, there is no increase in State funding, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax revenue is stretched further. Declining enrollment does not reduce property tax revenue, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Based on the Fiscal Year 2024-25 Estimated Actuals, federal revenues, most of which are restricted, are estimated to account for approximately 3.51% (or approximately \$12.57 million) of the District's general fund revenues for fiscal year 2024-25. Based on the Fiscal Year 2025-26 Budget, the District budgets that federal revenues, most of which are restricted, will comprise approximately 3.30% (or approximately \$11.98 million) of the District's general fund budgeted revenues for fiscal year 2025-26. Federal revenues are budgeted to be lower in fiscal year 2025-26 due to the expiration of federal funding related to the COVID-19 pandemic, which was available through September 30, 2024.

However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs and/or eliminate or merge governmental agencies. In particular, such funding may be impacted by the executive order signed by President Trump on March 20, 2025, to begin dismantling the U.S. Department of Education. On June 30, 2025, the Trump

Administration announced it would be withholding approximately \$6.8 billion in federal funding due to be released on July 1, 2025, for certain Title I, II, III and IV programs, including migrant education, professional development, English-learner services, academic enrichment, before-and after-school programs, and adult basic and literacy education. In the June 30, 2025, announcement, the Trump Administration stated that such program grants were under review and no decision had yet been made for the upcoming academic year.

In addition, on January 27, 2025, the U.S. Office of Management and Budget (“OMB”) issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was “[not] a rescission of the federal funding freeze.” Then, on January 31, 2025, a federal judge issued a temporary restraining order stating that the Trump Administration cannot pause, freeze, impede, block, cancel, or terminate federal financial-assistance obligations to the states. The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

The District is unable to predict whether the Trump Administration’s focus on education spending may eventually impact its receipt of federal funding or whether any such impact will have a material effect on the finances or operations of the District. As indicated above, based on the Fiscal Year 2025-26 Budget, the District budgets that federal revenues will comprise approximately 3.30% of the District’s general fund budgeted revenues for fiscal year 2025-26.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the LCFF, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Based on the Fiscal Year 2024-25 Estimated Actuals, the District estimates that other State revenues will comprise approximately 21.87% (or approximately \$78.35 million) of the District’s general fund estimated revenues for fiscal year 2024-25. Based on the Fiscal Year 2025-26 Budget, other State revenues are budgeted to comprise approximately 22.05% (or approximately \$80.12 million) of the District’s general fund budgeted revenues for fiscal year 2025-26.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. Based on the Fiscal Year 2024-25 Estimated Actuals, the District estimates it will receive approximately \$5.00 million in State lottery revenue for fiscal year 2024-25. Based on the Fiscal Year 2025-26 Budget, the District budgets it will receive approximately \$5.01 million in State lottery revenue for fiscal year 2025-26.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations and sales of property. Based on the Fiscal Year 2024-25 Estimated Actuals, the District estimates that other local revenues will comprise approximately 3.25% (or approximately \$11.63 million) of the District’s general fund estimated revenues for fiscal year 2024-25. Based on the Fiscal Year 2025-26 Budget, the

District budgets that other local revenues will comprise approximately 1.50% (or approximately \$5.46 million) of the District's general fund revenues for fiscal year 2025-26.

Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the California Education Code (the "Charter School Law"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education or the State Board of Education. A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are to (a) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system, (b) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability, and (c) provide competition within the public school system to stimulate improvements in all public schools.

A school district has certain fiscal oversight and other responsibilities with respect to both affiliated and independent charter schools. However, independent charter schools that receive their funding directly from the State are generally not included in a school district's financial reports and audited financial statements and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State. Affiliated charter schools receive their funding from the school district and would generally be included in the school district's financial reports and audited financial statements.

At this time, there are no charter schools operating in the District, and there are no applications for charter schools currently pending before the Board of Trustees. The District cannot provide any assurances as to whether any charter schools will be established within the territory of the District, or as to the impact any charter school developments may have on the District's A.D.A. or finances in future years.

Significant Accounting Policies and Audited Financial Statements

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are required to be accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all State school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2024, which are included as Appendix B to the Official Statement.

Independently audited financial statements are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. Typically, school districts in the State are required to file their audited financial statements for the preceding fiscal year with the State Controller's Office, the State Superintendent of Public Instruction, and the county superintendent of schools by December 15 of each year. However, in response to the COVID-19 pandemic and the challenges it presents for school district operations, Senate Bill 98 (Chapter 24, enacted on June 29, 2020, as an urgency bill) provided that a school district's audited financial statements for fiscal year 2019-20 were not due until March 31, 2021. Accordingly, the District filed its audited financial statements for fiscal year 2019-20 with the State Controller's Office, the State Superintendent of Public Instruction, and the Kern County Superintendent of Schools by March 31, 2021. Pursuant to Assembly Bill 130 (Chapter 44, enacted on July

9, 2021), the deadline for school districts to file their audited financial statements for fiscal year 2020-21 was extended to January 31, 2022. Accordingly, the District filed its audited financial statements for fiscal year 2020-21 with the State Controller's Office, the State Superintendent of Public Instruction, and the Kern County Superintendent of Schools by January 31, 2022.

The deadline for school districts to file their audited financial statements for fiscal years 2021-22, 2022-23 and 2023-24 were not extended. However, the District was granted an extension to file its audited financial statements for fiscal year 2021-22 due to additional work necessary to implement GASB Statement No. 87 (as defined herein) and District staffing shortages. Accordingly, the District filed its audited financial statements for fiscal year 2021-22 with the State Controller's Office, the State Superintendent of Public Instruction, and the Kern County Superintendent of Schools by the extended deadline of March 15, 2023.

The following tables contain data extracted from general fund financial statements prepared by the District's current independent auditor, Eide Bailly LLP ("Eide Bailly"), Rancho Cucamonga, California, for fiscal years 2019-20 through 2023-24. Eide Bailly has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The following tables are only a summary of the general fund financial statements of the District for the fiscal years shown. The District's audited financial statements for fiscal year 2023-24 are described throughout this Appendix A and are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes to the audited financial statements, are an integral part of this Official Statement.

The table on the following page sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for fiscal years 2019-20 through 2023-24.

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PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2019-20 through 2023-24⁽¹⁾

	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
	Audited Actuals	Audited Actuals ⁽²⁾	Audited Actuals ⁽²⁾	Audited Actuals	Audited Actuals
REVENUES					
Local Control Funding Formula (LCFF)	\$179,563,726	\$178,233,447	\$195,259,382	\$225,431,551	\$251,013,162
Federal sources	8,856,361	41,860,543	51,148,678	15,505,031	18,197,967
Other State sources	31,471,605	45,476,235	47,970,641	96,695,064	66,951,105
Other local sources	2,554,727	2,939,836	384,678	1,585,861	10,535,779
Total Revenues	222,446,419	268,510,061	294,763,379	339,217,507	346,698,013
EXPENDITURES					
Current					
Instruction	140,170,910	166,067,142	164,057,914	180,237,777	197,271,180
Instruction-related activities:					
Supervision of instruction	6,317,154	6,817,709	7,339,654	9,428,807	10,837,283
Instructional library, media, and technology	2,322,933	2,668,136	3,317,215	3,263,002	3,569,539
School site administration	12,161,574	12,910,167	15,865,722	16,710,921	18,946,777
Pupil services:					
Home-to-school transportation	4,905,690	5,558,696	9,048,525	9,673,888	12,751,967
Food services	135	363,684	108,232	211,627	262,156
All other pupil services	17,503,641	20,154,836	21,828,025	24,213,519	32,906,410
Administration:					
Data processing	1,586,105	2,759,538	2,961,301	2,716,973	3,688,962
All other administration	7,397,154	8,697,237	11,827,912	11,839,516	13,448,171
Plant services	18,678,192	21,467,332	21,782,448	27,653,273	30,714,003
Ancillary services	36,505	204	9,696	8,473	63,758
Community services	146,640	240,873	150,971	189,698	279,721
Other outgo	597,833	1,427,751	605,671	869,417	774,499
Facility acquisition and construction	1,117,727	655,504	779,172	1,323,325	3,409,799
Debt service:					
Principal	-	-	174,880	186,500	533,760
Interest and other	200,000	260,480	208,568	212,757	259,247
Total Expenditures	213,142,193	250,049,289	260,065,906	288,739,473	329,717,232
Excess (Deficiency) of Revenues Over Expenditures⁽³⁾	9,304,226	18,460,772	34,697,473	50,478,034	16,980,781
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out ⁽⁴⁾	(1,941,301)	(2,014,706)	(17,880,466)	(2,164,706)	(7,822,818)
Other sources – proceeds from leases ⁽⁵⁾	-	-	193,602	514,610	1,281,209
Other sources - SBITAs	-	-	-	-	471,200
Net Financing Sources (Uses)	(1,941,301)	(2,014,706)	(17,686,864)	(1,650,096)	(6,070,409)
NET CHANGE IN FUND BALANCES	7,362,925	16,446,066	17,010,609	48,827,938	10,910,372
Fund Balances – Beginning, as Restated	35,386,773	42,749,698	60,903,888	77,914,497	126,742,435
Fund Balances – Ending⁽⁶⁾	\$42,749,698	\$59,195,764	\$77,914,497	\$126,742,435	\$137,652,807

⁽¹⁾ Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 54, the District’s audited financial statements include the financial activity of the deferred maintenance fund and the special reserve fund for other than capital outlay projects with the District’s general fund.

⁽²⁾ The difference in the ending fund balance for fiscal year 2020-21 and the beginning fund balance for fiscal year 2021-22 reflects a correction made in fiscal year 2021-22 to a journal entry that was made in error during fiscal year 2020-21. In its review of the District’s financial statements for fiscal year 2021-22, Eide Bailey identified various audit findings for fiscal years 2020-21 and 2021-22, including those relating to internal controls and record retention, some of which resulted in restatements to fund balances.

⁽³⁾ The excess revenue over expenditures in fiscal year end 2022-23 was due to the District recording revenues greater than expenditures in multiple restricted programs. The District ended the 2022-23 fiscal year with a restricted fund balance of \$17.97 million for the Expanded Learning Opportunities Program, \$8.27 million for the Arts, Music, and Instructional Materials Discretionary Block Grant, and \$23.79 million for the Learning Recovery Emergency Block Grant. The District will show deficit spending in future years as these carryover revenues are spent on allowable programmatic costs.

⁽⁴⁾ The District makes periodic transfers out of the general fund for reimbursement of costs and to cover various expenses, including transfers to the special reserve fund for capital outlay projects for the Qualified Zone Academy Bonds (as defined herein) sinking fund deposits and the child development fund for an operational contribution. See also “– District Debt Structure – *Qualified Zone Academy Bonds (QZAB)*.”

⁽⁵⁾ Pursuant to GASB Statement No. 87, capital assets financed from capital leases are reported in the general fund as a source of financing. For more information on the District’s leases, see “– District Debt Structure – *Leases*” below.

⁽⁶⁾ The District is projecting restricted general fund deficit spending in fiscal years 2024-25 through 2027-28. See “– District Budget Process and County Review.”

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal years 2019-20 through 2023-24.

The following table sets forth the general fund balance sheet of the District for fiscal years 2019-20 through 2023-24.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Summary of General Fund Balance Sheet
Fiscal Years 2019-20 through 2023-24

	Fiscal Year 2019-20 Audited Actuals	Fiscal Year 2020-21 Audited Actuals	Fiscal Year 2021-22 Audited Actuals	Fiscal Year 2022-23 Audited Actuals	Fiscal Year 2023-24 Audited Actuals
ASSETS					
Deposits and investments	\$22,843,182	\$59,616,760	\$55,647,826	138,837,617	152,045,141
Receivables	26,230,104	65,366,029	38,815,819	12,261,370	9,101,386
Due from other funds	522,971	1,532,082	768,722	257,058	785,923
Prepaid expenditures	403,582	21,091	1,098,756	-	-
Stores inventories	348,042	689,021	688,733	1,150,115	1,148,171
Total Assets	\$50,347,881	\$127,224,983	\$97,019,856	\$152,506,160	\$163,080,621
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$5,442,639	\$37,127,051	\$16,143,336	\$18,356,627	\$16,758,038
Due to other funds	221,738	41,682	603,807	416,249	7,957,844
Unearned revenue	1,933,806	6,860,486	2,358,216	6,990,849	711,932
Current Loans	-	24,000,000	-	-	-
Total Liabilities	7,598,183	68,029,219	19,105,359	25,763,725	25,427,814
FUND BALANCES:					
Nonspendable	825,556	729,253	1,855,578	1,218,979	1,223,171
Restricted	2,327,939	6,950,725	15,897,519	57,206,494	58,010,755
Committed	33,143,699	43,953,865	49,854,374	59,589,837	54,087,197
Assigned	-	-	-	-	14,081,684
Unassigned	6,452,504	7,561,921	10,307,026	8,727,125	10,250,000
Total Fund Balance	42,749,698	59,195,764	77,914,497	126,742,435	137,652,807
Total Liabilities and Fund Balances	\$50,347,881	\$127,224,983	\$97,019,856	\$152,506,160	\$163,080,621

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal years 2019-20 through 2023-24.

District Budget Process and County Review

Budget Process. 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 Kern County Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the

county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. 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.

Interim Reporting. A State law adopted in 1991 (known as "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 and the California Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then-current projections, 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, based on then-current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then-current projections, may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State

Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives 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 and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the past five years, the District has not received a negative or qualified certification for an interim financial report.

County and State Response to School Districts Under Financial Distress. For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Fiscal Year 2024-25 Estimated Actuals. The District revises its projections of revenues, expenditures, and ending fund balances contained in its adopted fiscal year 2024-25 budget (the "Fiscal Year 2024-25 Budget") as more financial data becomes available throughout the fiscal year. Accordingly, the Fiscal Year 2024-25 Estimated Actuals reflect actual financial data through May 31, 2025 and projections for the remainder of fiscal year 2024-25 based on such data. The Fiscal Year 2024-25 Estimated Actuals, which were presented to the Board of Trustees in connection with the adoption of the Fiscal Year 2025-26 Budget on June 24, 2025, are included in the table that follows and described throughout the section entitled "DISTRICT FINANCIAL MATTERS." The District is projecting restricted general fund deficit spending in fiscal year 2024-25, which is primarily due to the District intentionally spending down restricted programs such as the Expanded Learning Opportunities Program, the Arts, Music, and Instructional Materials Discretionary Block Grant, and the Learning Recovery Emergency Block Grant.

The District is not projecting any unrestricted general fund deficit spending for fiscal year 2024-25. See “ – *District’s Fiscal Year 2025-26 Budget*” below.

The achievement of certain results or other expectations contained in the Fiscal Year 2024-25 Estimated Actuals involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2024-25 Estimated Actuals are expressly qualified in their entirety by the foregoing and the other cautionary statements.

District’s Fiscal Year 2025-26 Budget. The Fiscal Year 2025-26 Budget, which was adopted by the Board of Trustees on June 24, 2025, is included in the table that follows. The Fiscal Year 2025-26 Budget largely reflects the assumptions contained in the Governor’s May revision to the proposed fiscal year 2025-26 State budget. Now that the 2025-26 State Budget has been enacted, the District is analyzing the 2025-26 State Budget to identify funding adjustments. The District did not incorporate certain proposed revenue sources during the preparation of the Fiscal Year 2025-26 Budget, as they were still under review and not yet codified. With the final approval of the fiscal year 2025-26 State budget, the District will now formally recognize three additional revenue sources: \$5.7 million in the Student Support and Professional Development Block Grant, \$1.4 million in the Learning Recovery Emergency Block Grant, and \$2.5 million in additional TK funding. These changes in revenue, and any related additional expenditures, will be formally recognized no later than the District’s first interim report which will be presented to the Board of Trustees in December 2025.

The Fiscal Year 2025-26 Budget, along with projections for each of the two subsequent years, reflects deficit spending. The majority of these deficits are due to the planned use of one-time funds and the drawdown of restricted ending balances—resources that will not carry over from year to year. In addition, there are smaller unrestricted deficits, which reflect conservative revenues based on flat-enrollment and salary and benefit costs assuming all currently vacant positions are filled.

The Fiscal Year 2025-26 Budget does not contain historical facts but consists of forecasts and “forward-looking statements” at the time of preparation thereof. The achievement of certain results or other expectations contained in the Fiscal Year 2025-26 Budget involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2025-26 Budget are expressly qualified in their entirety by the foregoing and the other cautionary statements. The Fiscal Year 2025-26 Budget may be revised throughout fiscal year 2025-26 as additional information becomes available.

The table on the following page sets forth the District’s original adopted general fund budgets for fiscal years 2022-23 through 2025-26, unaudited actuals for fiscal years 2022-23 and 2023-24, and the Fiscal Year 2024-25 Estimated Actuals.

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Fund Budgets for Fiscal Years 2022-23 through 2025-26,
Unaudited Actuals for Fiscal Years 2022-23 and 2023-24
and Estimated Actuals for Fiscal Year 2024-25⁽¹⁾

	2022-23 Original Budget	2022-23 Unaudited Actuals	2023-24 Original Budget	2023-24 Unaudited Actuals	2024-25 Original Budget	2024-25 Estimated Actuals ⁽²⁾	2025-26 Original Budget
REVENUES							
LCFF Sources	\$237,314,634.00	\$225,431,552.16	\$250,346,331.00	\$251,013,162.12	\$256,544,726.00	\$255,777,377.00	\$265,745,383.00
Federal Revenue	15,755,726.74	15,505,031.38	16,680,112.23	18,197,966.76	10,968,222.00	12,569,591.27	11,976,648.00
Other State Revenue	42,711,096.00	96,695,064.27	58,764,946.23	66,951,105.60	66,981,787.75	78,348,310.46	80,121,854.38
Other Local Revenue	1,571,860.00	1,538,334.25	1,681,348.00	10,444,617.01	4,033,250.00	11,628,481.12	5,458,923.43
Total Revenues	<u>297,353,316.74</u>	<u>339,169,982.06</u>	<u>327,472,737.46</u>	<u>346,606,851.49</u>	<u>338,527,985.75</u>	<u>358,323,759.85</u>	<u>363,302,808.81</u>
EXPENDITURES							
Certificated Salaries	112,271,490.45	113,633,904.74	118,831,009.77	129,799,164.94	130,085,538.88	129,261,000.79	133,306,389.74
Classified Salaries	46,847,566.96	44,516,650.66	52,870,582.50	55,475,981.99	64,248,936.81	62,922,239.90	73,670,099.31
Employee Benefits	87,378,080.22	84,590,160.36	97,615,046.68	93,626,129.78	102,760,592.62	96,333,093.74	106,848,069.84
Books and Supplies	20,888,281.20	19,212,446.60	23,309,859.82	13,466,267.26	17,738,401.23	22,402,040.16	25,009,600.38
Services, Other Operating Expenses	21,368,609.79	24,309,303.03	24,422,358.43	30,586,770.33	26,238,128.09	37,352,798.97	35,670,515.74
Capital Outlay	6,479,174.00	1,256,300.06	12,033,858.21	4,508,541.95	27,471,709.66	11,670,706.82	8,622,571.18
Other Outgo (excluding Transfers of Indirect Costs)	1,410,000.00	1,069,416.67	1,500,000.00	974,499.43	1,400,000.00	1,200,000.00	1,200,000.00
Transfers of Indirect Costs	(348,000.00)	(363,319.39)	(550,383.00)	(472,532.46)	(502,137.00)	(378,078.54)	(373,296.54)
Total Expenditures	<u>296,295,202.62</u>	<u>288,224,862.73</u>	<u>330,032,332.41</u>	<u>327,964,823.22</u>	<u>369,441,170.29</u>	<u>360,763,801.84</u>	<u>383,953,949.65</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,058,114.12</u>	<u>50,945,119.33</u>	<u>(2,559,594.95)</u>	<u>18,642,028.27</u>	<u>(30,913,184.54)</u>	<u>(2,440,041.99)</u>	<u>(20,651,140.84)</u>
OTHER FINANCING SOURCES (USES)							
Inter-fund Transfers In	-	-	-	-	-	-	-
Inter-fund Transfers Out ⁽³⁾	(1,764,705.88)	(2,164,705.88)	(1,764,705.88)	(12,322,817.88)	(2,214,705.88)	(4,164,705.88)	(1,764,705.88)
Total, Other Financing Sources (Uses)	<u>(1,764,705.88)</u>	<u>(2,164,705.88)</u>	<u>(1,764,705.88)</u>	<u>(12,322,817.88)</u>	<u>(2,214,705.88)</u>	<u>(4,164,705.88)</u>	<u>(1,764,705.88)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>(706,591.76)</u>	<u>48,780,413.45</u>	<u>(4,324,300.83)</u>	<u>6,319,210.39</u>	<u>(33,127,890.42)</u>	<u>(6,604,747.87)</u>	<u>(22,415,846.72)</u>
BEGINNING BALANCE, as of July 1	69,837,584.01	75,940,054.27	112,471,474.57	124,720,467.72	130,194,198.18	131,039,678.11	124,434,930.24
Audit Adjustments	-	-	-	-	-	-	-
As of July 1 – Audited	69,837,584.01	75,940,054.27	112,471,474.57	124,720,467.72	130,194,198.18	131,039,678.11	124,434,930.24
Other Restatements	-	-	-	-	-	-	-
Adjusted Beginning Balance	<u>69,837,584.01</u>	<u>75,940,054.27</u>	<u>112,471,474.57</u>	<u>124,720,467.72</u>	<u>130,194,198.18</u>	<u>131,039,678.11</u>	<u>124,434,930.24</u>
ENDING BALANCE⁽⁴⁾	<u>\$69,130,992.25</u>	<u>\$124,720,467.72</u>	<u>\$108,147,173.74</u>	<u>131,039,678.11</u>	<u>\$97,066,307.76</u>	<u>\$124,434,930.24</u>	<u>\$102,019,083.52</u>

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
General Fund Budgets for Fiscal Years 2022-23 through 2025-26,
Unaudited Actuals for Fiscal Years 2022-23 and 2023-24
and Estimated Actuals for Fiscal Year 2024-25⁽¹⁾

	2022-23 Original Budget	2022-23 Unaudited Actuals	2023-24 Original Budget	2023-24 Unaudited Actuals	2024-25 Original Budget	2024-25 Estimated Actuals ⁽²⁾	2025-26 Original Budget
FUND BALANCE							
Nonspendable	\$764,021.00	\$1,218,979.25	\$764,021.00	1,223,170.74	\$1,218,979.00	\$1,223,171.00	\$1,223,171.00
Restricted	10,882,340.92	57,206,493.79	43,966,864.95	58,010,754.80	29,955,830.51	50,373,348.72	29,253,929.47
Committed	48,542,832.33	57,582,994.68	53,462,375.79	61,555,752.57	54,641,498.25	-	-
Assigned	-	-	-	-	-	61,266,410.52	59,969,983.05
Reserved for Economic Uncertainties	8,941,798.00	8,712,000.00	9,953,912.00	10,250,000.00	11,250,000.00	11,572,000.00	11,572,000.00
Unassigned/Unappropriated	-	-	-	-	-	-	-
	<u>\$69,130,992.25</u>	<u>\$124,720,467.72</u>	<u>\$108,147,173.74</u>	<u>\$108,147,173.74</u>	<u>\$97,066,307.76</u>	<u>\$124,434,930.24</u>	<u>\$102,019,083.52</u>

⁽¹⁾ Pursuant to GASB Statement No. 54, the District's audited financial statements include the financial activity of the deferred maintenance fund and the special reserve fund for other than capital outlay projects with the District's general fund, but the District's unaudited actuals, adopted budgets, and estimated actuals reflect only the unrestricted and restricted general fund.

⁽²⁾ Figures are projections.

⁽³⁾ The District makes periodic transfers out of the general fund for reimbursement of costs and to cover various expenses, including transfers to the special reserve fund for capital outlay projects for the Qualified Zone Academy Bonds sinking fund deposit, and the child development fund for operational expenditures. See also "– District Debt Structure – *Qualified Zone Academy Bonds (QZAB)*."

⁽⁴⁾ The District is projecting restricted general fund deficit spending in fiscal years 2024-25 through 2027-28. See "– District Budget Process and County Review" above.

Source: Panama-Buena Vista Union School District original adopted general fund budgets for fiscal years 2022-23 through 2025-26; unaudited actuals for fiscal years 2022-23 and 2023-24; and Fiscal Year 2024-25 Estimated Actuals.

District Debt Structure

Long-Term liabilities other than OPEB and pension. A schedule of changes in the District’s long-term liabilities, other than other post-employment benefits (“OPEB”) and pension liabilities, for the fiscal year ended June 30, 2024, consisted of the following:

Long-Term Liabilities	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
General obligation bonds ⁽¹⁾	\$130,975,000	-	\$(4,780,000)	\$126,195,000	\$9,515,000
Premium on issuance	\$6,916,334	-	(562,236)	6,354,098	-
Certificates of participation	\$19,975,000	-	(1,035,000)	18,940,000	1,080,000
Premium on issuance	\$1,560,665	-	(121,611)	1,439,054	-
Qualified Zone Academy Bonds	\$30,000,000	-	-	30,000,000	-
Leases ⁽²⁾	\$1,151,902	\$2,577,222	(917,703)	2,811,421	979,230
Subscription-based IT arrangements	-	471,200	(207,446)	263,754	198,418
Financed purchase agreement	-	2,936,636	-	2,936,636	-
Compensated absences	2,657,526	146,479	(102,030)	2,701,975	-
Total	\$193,236,427	\$6,131,537	\$(7,726,026)	\$191,641,938	\$11,772,648

⁽¹⁾ Does not reflect the issuance of the District’s General Obligation Bonds, Election of 2018, Series 2024, issued on September 4, 2024, in the aggregate principal amount of \$25,000,000, or the Series 2025 Bonds. See “THE SERIES 2025 BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about the District’s outstanding general obligation bonds.

⁽²⁾ Included as a long-term liability pursuant to GASB Statement No. 87. For more information on the District’s lease liabilities and GASB Statement No. 87, see “– Leases” below and Note 1 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

General Obligation Bonds. Prior to the issuance of the Series 2025 Bonds, the District has eight outstanding series of bonds secured by *ad valorem* property taxes levied upon all property subject to taxation by the District. See “THE SERIES 2025 BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about such outstanding bonds. See also Note 8 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Certificates of Participation. On August 2, 2006, the District executed and delivered its Certificates of Participation (2006 School Construction) in the aggregate principal amount of \$33,880,000 (the “2006 Certificates”) to finance the acquisition, construction and improvement of two school construction projects located within the District. On April 23, 2015, the District executed and delivered its Refunding Certificates of Participation (2006 School Construction Project), Series 2015, in the aggregate principal amount of \$26,920,000 (the “Refunding Certificates”), to prepay the outstanding 2006 Certificates. The Refunding Certificates were issued at interest rates ranging from 2.00 to 5.00 percent and mature on September 1, 2036. At June 30, 2024, the principal balance outstanding was \$18,940,000.

The Refunding Certificates mature through 2037 as follows:

Year Ending June 30,	Principal	Interest	Total
2025	1,080,000	787,300	1,867,300
2026	1,140,000	731,800	1,871,800
2027	1,200,000	673,300	1,873,300
2028	1,260,000	611,800	1,871,800
2029	1,320,000	547,300	1,867,300
2030-2034	7,625,000	1,705,443	9,330,443
2035-2037	5,315,000	283,413	5,598,413
Total	<u>\$18,94,0000</u>	<u>\$5,340,356</u>	<u>\$24,280,356</u>

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

For more information on the District's 2006 Certificates and Refunding Certificates, see Note 8 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

Qualified Zone Academy Bonds (QZAB). On March 17, 2016 and April 27, 2016, the District issued \$10,000,000 and \$20,000,000, respectively, of Qualified Zone Academy Bonds ("QZAB") for the purpose of energy efficiency improvements such as solar arrays at school sites, lighting upgrades and energy management. Both QZABs are lease obligations of the District payable from the general fund. The District makes annual lease payments (sinking fund deposits) which are deposited with a bank into an interest generating investment to produce sufficient income to repay the QZABs at maturity. The \$10,000,000 QZAB matures on March 17, 2033 and is non-interest bearing. The \$20,000,000 QZAB matures on April 27, 2033, and bears an interest rate of 1% per annum. Interest payments started on April 27, 2017 and are paid annually.

As of June 30, 2024, the District's remaining sinking fund deposits are as follows:

Year Ending June 30,	Amount
2025	\$1,764,706
2026	1,764,706
2027	1,764,706
2028	1,764,706
2029	1,764,706
2030-2033	7,058,823
Total	<u>\$15,882,353</u>

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

For more information regarding the QZABs, see Note 8 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

Leases. The District has entered into agreements to lease certain facilities and equipment. As of June 30, 2024, the District recognized right-to-use assets totaling \$5,425,802 and lease liabilities totaling \$2,811,421 related to these agreements. The District is required to make principal and interest payments through November 3030 and the lease agreements have a discount rate of 4.0%.

The remaining principal and interest payment requirements for such lease obligations as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$979,230	\$95,214	\$1,074,444
2026	773,181	58,458	831,639
2027	390,980	34,366	425,346
2028	181,384	23,440	204,824
2029	192,947	15,974	208,921
2030-2031	293,699	8,924	302,623
Total	<u>\$2,811,421</u>	<u>\$236,376</u>	<u>\$3,047,797</u>

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

For more information regarding each of the leases and relevant terms, see Note 8 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

In June 2017, GASB issued Statement No. 87, Leases ("Statement No. 87"), which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes as inflows of resources or outflows of resources based on the payment provisions of the contract. Under Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has implemented Statement No. 87 in its financial statements beginning with fiscal year 2021-22. For more information on Statement No. 87, see Note 1 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

Subscriptions-Based Information Technology Arrangements ("SBITAs"). The District has entered into SBITAs for the use of instruction software licenses, student information management software and other data management software. At June 30, 2024, the District has recognized total right-to-use subscription IT assets of \$1,374,689 and SBITA liabilities of \$263,754 related to these agreements. During fiscal year 2023-24, the District recorded \$821,505 in amortization expense. The District is required to make annual principal and interest payments through December 2025. The subscriptions have an interest rate of 4.00%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$198,418	\$10,550	\$208,968
2026	65,336	2,613	67,949
Total	<u>\$263,754</u>	<u>\$13,163</u>	<u>\$276,917</u>

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

For more information regarding SBITAs, see Note 8 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

Financed Purchase Agreement. The District has entered into a finance purchase agreement for the financing of equipment (the “Finance Purchase Agreement”). The Finance Purchase Agreement bears no interest. As of June 30, 2024, the principal balance outstanding on the Finance Purchase Agreement was \$2,936,636. The remaining principal payment requirements for the Finance Purchase Agreement as of June 30, 2024 are as follows:

Year Ending June 30,	Principal
2025	-
2026	\$309,120
2027	309,120
2028	309,120
2029	309,120
2030-2034	1,545,596
2035	154,560
Total	<u>\$2,936,636</u>

Source: Panama-Buena Vista Union School District Audited Financial Statements for fiscal year 2023-24.

For more information regarding the Finance Purchase Agreement, see Note 8 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Compensated Absences. Total unpaid employee compensated absences (unpaid employee vacation) for the District as of June 30, 2024, amounted to \$2,701,975.

Tax and Revenue Anticipation Notes. The District did not issue tax and revenue anticipation notes (“TRANS”) or borrow funds to supplement the District’s cash flow in fiscal years 2023-24 and 2024-25. The District does not currently plan to issue TRANS in fiscal year 2025-26. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

Employment

General. As of the preparation of the Fiscal Year 2025-26 Budget, the District employs approximately 2,905 full-time equivalent (“FTE”) employees, including approximately 1,171 FTE certificated (credentialed teaching) staff, approximately 1,451 FTE classified (non-teaching) staff, and approximately 283 FTE management personnel. As of the Fiscal Year 2024-25 Estimated Actuals, the total certificated and classified salaries (including management personnel who are either counted as certificated or classified) paid from all applicable funds of the District were estimated to be approximately \$129.53 million and \$69.41 million, respectively. As of the Fiscal Year 2025-26 Budget, the District budgets that the total certificated and classified salaries (including management personnel who are either counted as certificated or classified) paid from all applicable funds of the District will be approximately \$133.45 million and \$79.96 million, respectively, in fiscal year 2025-26. These employees, except unrepresented management employees, are represented by Panama-Buena Vista Teachers Association/CTA/NEA (“PBVTA”), California School Employees Association (Chapter 649) (“CSEA”), and Teamsters Local No. 87 (“Teamsters”) as described in more detail below.

PBVTA. As of the preparation of the Fiscal Year 2025-26 Budget, PBVTA represents approximately 1,171 certificated (credentialed teaching) employees in the District. The District and PBVTA entered into a multi-year contract effective July 1, 2024, that expires on June 30, 2027 (the “PBVTA Agreement”) and provides for the ability to reopen and renegotiate certain terms. As of the preparation of the Fiscal Year 2025-26 Budget, salary and benefit increases for fiscal year 2025-26 were not settled and,

therefore, the financial impact of the PBVTA Agreement for fiscal year 2025-26 is not reflected in the Fiscal Year 2025-26 Budget. PBVTA has not yet proposed which articles of the PBVTA Agreement to reopen.

CSEA. As of the preparation of the Fiscal Year 2025-26 Budget, CSEA represents approximately 1,171.25 classified (non-teaching) employees in the District. The District and CSEA entered into a multi-year contract effective July 1, 2024, that expires on June 30, 2027 (the “CSEA Agreement”) and provides for the ability to reopen and renegotiate certain terms. As of the preparation of the Fiscal Year 2025-26 Budget, salary and benefit increases for fiscal year 2025-26 were not settled and, therefore, the financial impact of the CSEA Agreement for fiscal year 2025-26 is not reflected in the Fiscal Year 2025-26 Budget. Reopeners proposed by CSEA for fiscal year 2025-26 relate to pay and allowances, health and welfare benefits and proposals to insert new articles regarding safety working conditions of employment and professional growth. The District has not yet determined which articles it will propose for reopening.

Teamsters. As of the preparation of the Fiscal Year 2025-26 Budget, Teamsters represent approximately 280.25 classified (non-teaching) employees in the District. The District and Teamsters entered into a multi-year contract effective July 1, 2024, that expired on June 30, 2027. As of the preparation of the Fiscal Year 2025-26 Budget, salary and benefit increases for fiscal year 2025-26 were not settled and, therefore, the financial impact of the Teamsters Agreement for fiscal year 2025-26 is not reflected in the Fiscal Year 2025-26 Budget. Reopeners proposed by Teamsters for fiscal year 2025-26 relate to pay allowance, health and welfare, vacation and driving assignments. The District has not yet determined which articles it will propose for reopening.

Management Employees. As of the preparation of the Fiscal Year 2025-26 Budget, there were approximately 283 FTE management employees in the District. Salary and benefit increases for fiscal year 2025-26 for management employees are not yet settled and, therefore, the financial impact for fiscal year 2025-26 is not reflected in the Fiscal Year 2025-26 Budget. Negotiations for management typically follow completion of negotiations with PBVTA.

Other Post-Employment Benefits

In addition to the retirement plan benefits with California State Teachers’ Retirement System (“CalSTRS”) and California Public Employees’ Retirement System (“CalPERS”), the District provides other post-employment benefits (“OPEB”) through its agent multiple-employer, defined OPEB plan (the “Plan”), which is administered by the Self-Insured Schools of California (“SISC”). SISC GASB 75 Trust A (“Trust A”) was established to provide governmental agencies in the State a mechanism for pre-funding OPEB liabilities. The purpose of the Plan is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or OPEBs and establish separate employer prefunding accounts to pay for health care or OPEB benefits in accordance with the terms for the participating employers’ plans. At June 30, 2023, the valuation date, the Plan membership consisted of 145 active employees or beneficiaries currently receiving benefits payments and 1,997 active employees for a total of 2,142.

Contributions are voluntarily determined by the employer’s own funding schedule and there are no long-term contracts for contributions to the Plan. Participating employers reserve the right at any time or times to discontinue contributions to any extent in their sole judgment. Failure to contribute to the Trust in any plan year will not discontinue the Trust. Participating employers may obtain a transfer of assets from the Trust only in accordance with the conditions set forth in the Trust document. Such a transfer cannot be effective prior to the end of any Trust year that is on or before the third anniversary of the employer’s entry date into the Trust. The Trust is an agent multiple-employer plan as defined in GASB Statement No. 74 with pooled administrative and investment functions.

Participating employers may receive disbursements from the Trust not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the Trust terminates, all assets in the employer's prefunding account shall remain in the Trust except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily showing the Trust the transfer will satisfy applicable requirements of the Internal Revenue Code and the Trust's fiduciary duties or the employer substantiates to the Trust that all of the employer's obligations for the payment of postemployment benefits has been satisfied.

Benefits Provided. The Plan provides medical insurance benefits to eligible employees and their spouses (not surviving spouse). The District's Board of Trustees has the authority to establish and amend benefit provisions. Benefits are provided by a third-party insurer and the full cost of benefits is covered by the Plan. The District's Board of Trustees has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions. The contribution requirements of Plan members and the District are established by the Board of Trustees. The contribution amount is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board of Trustees. In fiscal year 2024-25, the District estimates that it paid \$2.8 million for current premiums and deposited \$493,000 into the Trust. Based on the Fiscal Year 2025-26 Budget, the District has budgeted that it will pay \$2.75 million for current premiums and deposit \$458,800 into the Trust in fiscal year 2025-26.

Actuarial Valuation. Rael & Letson, Consultants and Actuaries prepared an actuarial valuation, dated March 13, 2025, using a June 30, 2023 valuation date and a measurement date of June 30, 2024 (the "Actuarial Valuation"). According to the Actuarial Valuation, with disclosures for fiscal year 2024-25, the District is expected to have a total OPEB liability of \$37,351,500 and a net OPEB liability of \$27,028,300, as a result of the fiduciary net position of the Trust of \$10,323,200. Such total and net OPEB liability reflect an increase from the District's total and net OPEB liability from the prior actuarial valuation, as of June 30, 2023, that provides a total OPEB liability of \$36,259,400 and a net OPEB liability of \$27,408,400, as a result of the fiduciary net position of the Trust of \$8,851,000. The Actuarial Valuation includes the following assumptions: a discount rate of 6.50% and a healthcare cost trend rate of 4.50% for 2024.

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The following table sets forth the changes in the total OPEB liability, fiduciary net position, and net OPEB liability expected during the fiscal year ended June 30, 2025:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at Reporting Date June 30, 2024⁽¹⁾	\$36,259,400	\$8,851,000	\$27,408,400
Increase/(decrease) within Fiscal Year 2024-25 attributable to			
Service Cost	2,117,000	-	2,117,000
Interest Cost	2,292,900	-	2,292,900
Effect of Change in Actuarial Assumptions/Methods ⁽²⁾	885,000	-	885,000
Other Liability Experience Loss/(Gain)	(82,900)	-	(82,900)
Effect of Plan Amendments	-	-	-
Contributions ⁽³⁾	-	4,649,900	(4,649,900)
(Benefit Payments) ⁽⁴⁾	(4,119,900)	(4,119,900)	-
(Non-Benefit-Related Admin Expenses from Trust)		(4,554)	4,554
Expected Investment Return		592,392	(592,392)
Investment Experience (Loss)/Gain		354,362	(354,362)
Net Increase/(Decrease) within Fiscal Year 2023-24	\$1,092,100	\$1,472,200	\$(380,100)
Balance at Reporting Date June 30, 2025⁽¹⁾	\$37,351,500	\$10,323,200	\$27,028,300

⁽¹⁾ Measurement date June 30, 2023 liability and assets have been used for the GASB 75 Reporting Date of June 30, 2024, while Measurement Date June 30, 2024 liability and assets have been used for the GASB 75 Reporting Date of June 30, 2025.

⁽²⁾ The only assumption change was to update the Certificated demographic rates to the latest used for CalSTRS pension valuations.

⁽³⁾ Contributions consist of \$530,000 to Trust deposits, plus \$2,569,600 cash benefit payments made outside of the Trust, plus a \$1,550,300 implicit subsidy.

⁽⁴⁾ Benefit Payments consist of \$2,569,600 cash benefit payments made outside of the Trust, plus a \$1,550,300 implicit rate subsidy.

Source: Actuarial Valuation.

For more information regarding the District's OPEB obligations and liabilities for fiscal year 2023-24, see Note 9 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024."

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("Statement No. 75"). OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long-term care benefits. The objective of Statement No. 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement No. 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement No. 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement No. 75 replaces GASB Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented Statement No. 75 in its financial statements beginning with fiscal year 2017-18.

Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Assembly Bill 1469, signed into law by former Governor Brown as part of the fiscal year 2014-15 State budget, increased employee, employer and State contributions to CalSTRS as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.50% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The employer contribution rate for fiscal year 2021-22 was 16.92%, which reflects a 2.18% reduction from the statutorily prescribed rate as a result of the State redirecting certain State supplemental pension payments to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. For fiscal years 2022-23, 2023-24 and 2024-25, the employer contribution rate was approximately 19.10% of covered payroll and will remain at 19.10% for fiscal year 2025-26. The employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the California Education Code. The State's total contribution was increased from approximately 6.83% of payroll in fiscal year 2017-18 to approximately 10.83% of payroll in fiscal year 2021-22. The State's contribution rate was approximately 10.83% of payroll for fiscal years 2022-23, 2023-24 and 2024-25, and will remain at approximately 10.83% for fiscal year 2025-26. The State's contribution includes an annual payment of 2.50% of payroll pursuant to a supplemental inflation protection program. The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2024-25 and will remain at 10.25% for fiscal year 2025-26. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was approximately 9.21% for fiscal years 2016-17 and 2017-18, approximately 10.21% for fiscal years 2018-19 through 2024-25 and will remain at approximately 10.21% for fiscal year 2025-26.

The following table sets forth the District’s employer contributions from all funds of the District to CalSTRS as well as the State’s non-employer contributions to CalSTRS on behalf of the District for fiscal years 2021-22 through 2024-25, and the budgeted contributions for fiscal year 2025-26.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Contributions to CalSTRS for Fiscal Years 2021-22 through 2025-26**

Fiscal Year	District Contribution	State On-Behalf Contribution
2021-22	\$16,581,575	\$10,908,618
2022-23	20,729,966	9,084,792
2023-24	22,567,660	11,360,046
2024-25 ⁽¹⁾	23,578,903	10,504,984
2025-26 ⁽²⁾	24,668,477	11,057,130

⁽¹⁾ Estimated actuals for fiscal year 2024-24.

⁽²⁾ Original adopted budget for fiscal year 2025-26.

Source: Panama-Buena Vista Union School District.

The District’s total employer contributions to CalSTRS for fiscal years 2021-22 through 2024-25 were equal to 100% of the required contributions for each year.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2023 (the “2023 CalSTRS Actuarial Valuation”) showed an estimated unfunded actuarial liability of \$86.59 billion, a decrease of approximately \$1.97 billion from the June 30, 2022, valuation. Such estimated unfunded actuarial liability was projected to decrease in the June 30, 2022, valuation, which projected an unfunded actuarial liability of \$88.10 billion as of June 30, 2023. The actual unfunded actuarial liability as of June 30, 2023, represents a net actuarial gain of approximately \$1.52 billion. Such net actuarial gain is due primarily to change in actuarial value assumptions based on the most recent experience analysis, member salary increases being more than assumed, market value returns (estimated at 6.50%) being less than assumed (7.00%) and returns on actuarial value of assets (estimated at 7.20%) being greater than assumed as the recognition of actuarial investment gains which were previously deferred had a greater impact on recognition of the less-than-assumed market return for the most recent year. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2023, and June 30, 2022, based on the actuarial assumptions, were approximately 75.90% and 74.40%, respectively. According to the 2023 CalSTRS Actuarial Valuation, the funded ratio increased by 1.50% during the past year. As described in the 2023 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the new assumptions and contributions made to pay down the unfunded actuarial obligation in fiscal year 2022-23. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District’s required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469. The following are certain of the actuarial assumptions set forth in the 2023 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2023 CalSTRS Actuarial Valuation

also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPR (as defined herein). See “– Governor’s Pension Reform” below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

See also Note 12 to and the Required Supplementary Information included with the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024,” for information with respect to the District’s proportionate share of the CalSTRS net pension liability of \$145,441,039 as of June 30, 2024 (which excludes the State proportionate share of the net pension liability in the amount of \$69,684,892), as well as information about the District’s proportionate share for prior fiscal years.

CalPERS. All qualifying classified employees of K-14 school districts in the State are members in CalPERS. All K-14 school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. K-14 school districts’ contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District’s required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. K-14 school districts’ contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in K-14 school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and K-14 school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of 50% of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2021-22, which increased to 8.00% for fiscal years 2022-23, 2023-24 and 2024-25 and remains at 8.00% for fiscal year 2025-26. K-14 school districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.06% of eligible salary expenditures for fiscal year 2018-19 and originally 20.73% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.72% as a result of the State’s buydown of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23, 26.68% for fiscal year 2023-24, 27.05% for fiscal year 2024-25 and is 26.81% for fiscal year 2025-26.

The following table sets forth the District’s total employer contributions from all applicable funds of the District to CalPERS for fiscal years 2021-22 through 2024-25 and the budgeted contribution for fiscal year 2025-26.

**PANAMA-BUENA VISTA UNION SCHOOL DISTRICT
(Kern County, California)
Contributions to CalPERS for Fiscal Years 2021-22 through 2025-26**

Fiscal Year	District Contribution
2021-22	\$8,073,443
2022-23	11,014,315
2023-24	14,105,382
2024-25 ⁽¹⁾	16,273,284
2025-26 ⁽²⁾	19,273,427

⁽¹⁾ Estimated actuals for fiscal year 2024-25.

⁽²⁾ Original adopted budget for fiscal year 2025-26.

Source: Panama-Buena Vista Union School District.

The District’s total employer contributions to CalPERS for fiscal years 2021-22 through 2024-25 were equal to 100% of the required contributions for each year.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2023 (the “2023 CalPERS Schools Pool Actuarial Valuation”), was released in August 2024, and such valuation reported an actuarial accrued liability of approximately \$124.92 billion with the market value of assets at approximately \$84.29 billion, and a funded status of approximately 67.50%. From June 30, 2022, to June 30, 2023, the funded status of the CalPERS Schools Pool decreased by approximately 0.40%, and the unfunded accrued liability increased by approximately \$3.04 billion, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS’ first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately \$12.40 billion, which will be amortized over 20 years with a five-year phase-in, increasing the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2024-25 by 0.07% of payroll. The 2023 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28, 2028-29 and 2029-30 are projected to be 27.05%, 27.60%, 28.00%, 29.20%, 29.00% and 28.80%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2023 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District’s required contributions to CalPERS will not significantly increase in the future.

The 2023 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2023 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2023. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate

from 7.00% as of June 30, 2020 to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2023 CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method.”

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

See also Note 12 to and the Required Supplementary Information included with the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024,” for information with respect to the District’s proportionate share of the CalPERS net pension liability of \$91,602,592 as of June 30, 2024, as well as information about the District’s proportionate share for prior fiscal years.

SISC Defined Benefit Plan. For part-time employees of the District who are not members of CalSTRS or CalPERS, the District provides retirement benefits through an alternative plan: the SISC Defined Benefit Plan (the “Alternative Plan”). Contributions made by the District and an employee vest immediately. The District contributes 3.70% of an employee’s gross earnings for employees hired prior to January 1, 2013 and 2.10% of an employee’s gross earnings for employees hired after January 1, 2013. The District’s contribution to the Alternative Plan for the fiscal year ending June 30, 2024, was \$244,801.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS, CalPERS and the Alternative Plan are more fully described in Note 12 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.”

Governor’s Pension Reform. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees’ Pension Reform Act of 2012 (“PEPRA”) which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$160,200 for 2023, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures

The District participates in four joint ventures under joint powers agreements (“JPAs”): SISC I, SISC II, SISC III, and Schools Legal Services public entity risk pools. The District pays an annual premium to the applicable entities for its workers’ compensation coverage, health coverage, property and liability coverage, and legal services. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes. The JPAs have budgeting and financial reporting requirements independent of member units, such as the District, and their financial statements are not presented in the District’s financial statements; however, fund transactions between the JPAs and the District are included in the District’s financial statements.

Workers’ Compensation Coverage. For fiscal year 2023-24, the District participated in SISC I. The intent of SISC I is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in SISC I. The workers’ compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts. Each participant pays its workers’ compensation premium based on its individual rate. During the fiscal year 2023-24, the District paid \$3,642,489 to SISC I for workers’ compensation insurance.

Property and Liability Coverage. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2023-24, the District contracted with SISC II for property and liability coverage, including cyber liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. During the fiscal year 2023-24, the District paid \$1,977,159 to SISC II for property and liability coverage.

Employee Medical Benefits. The District has contracted with SISC III to provide employee health and welfare benefits. SISC III is a shared risk pool comprised of several local educational agencies. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The board of directors of SISC III has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool. During the fiscal year 2023-24, the District paid \$39,292,150 to SISC III for employee health and welfare benefits.

Legal Services. During fiscal year 2023-24, the District paid \$35,706 to Schools Legal Services for legal services.

See Notes 11 and 14 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024” for more information.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, voters of the State approved Proposition 13 (“Proposition 13”), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) 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) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article 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.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the California Supreme Court declined to review the ruling, leaving the recapture law in place.

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 2% annual adjustment 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.

The tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Proposition 19. Proposition 19, which was approved by the voters of the State on November 3, 2020, among other things, allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster to transfer the taxable value (i.e., the base year value plus inflation adjustments) of their primary residence to a replacement primary residence located anywhere in the State, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within two years of the sale of the original primary residence. Proposition 19 limits a person who is over 55 years of age or severely disabled to three transfers under these provisions. Proposition 19 also excludes from the terms "purchase" and "change in ownership" for purposes of determining the "full cash value" of property the purchase or transfer of a family home or family farm of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, Proposition 19 require that the property continue as the family home of the transferee. The District is unable to predict the effect such measure may have on tax assessments within the District.

Article XIII B of the California Constitution

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIII B to the California Constitution ("Article XIII B"). Under Article XIII B state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIII B does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIII C and Article XIII D of the California Constitution

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

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

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. 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.

Statutory Limitations

On November 4, 1986, voters of the State approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the California Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 98 and Proposition 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed 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 districts and community college districts (collectively, "K-14 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, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

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 districts. Such transfer would be excluded from the appropriations limit for K-14 districts and the K-14 districts 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 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, voters of the State approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the California Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the appropriations limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) 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, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*

On February 1, 2012, pursuant to the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Proposition 30 and Proposition 55

On November 6, 2012, voters of the State approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “– Proposition 98 and Proposition 111” above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by voters of the State on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process.”

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the State Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by voters of the State in the November 2014 election.

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State 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 multi-year budget forecast; and (vi) create the Proposition 98 Rainy Day Fund 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 Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the California Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the California Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. SB 751, enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of A.D.A.

Since the District is neither a community funded district nor a small school district with fewer than 2,501 units of A.D.A., the District is subject to the reserve cap when applicable. The District, which has an A.D.A. of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. For more information on the District's reserves, current projections with respect to such reserves, and related policies, see "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *School District Reserves.*"

The Series 2025 Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Series 2025 Bonds as and when due.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 19, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to 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 revenue.

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APPENDIX B

**FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Panama-Buena Vista Union School District

Bakersfield, CA

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

Katie Russell, Ed.D.
Superintendent

Katie Gonzalez, CBO
Assistant Superintendent, Business Services

4200 Ashe Road
Bakersfield, CA 93313
(661) 831-8331
www.pbvUSD.k12.ca.us

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT

A TK-8 School District

Bakersfield, California



Panama-Buena Vista Union School District, a TK-8 school district, is located in Bakersfield, California.

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INTRODUCTORY SECTION

Panama-Buena Vista Union School District

KATIE RUSSELL, Ed.D.
District Superintendent

4200 Ashe Road
Bakersfield, CA 93313
(661) 831-8331 FAX (661) 398-2141



BOARD OF TRUSTEES

Bryan Easter
Linda Garcia
Paula Van Auken
Tom Webster
Keith C. Wolaridge

December 11, 2024

To the Board of Trustees, Staff, Students, and Educational Partners of the Panama-Buena Vista Union School District:

We hereby submit the Annual Comprehensive Financial Report of the Panama-Buena Vista Union School District for the fiscal year ended June 30, 2024 (FY 2024). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with district management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

This report is prepared in conformance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Accounting Standards Board (GASB). This report is consistent with legal reporting requirements of the State of California. The report also includes a "State and Federal Compliance Information" section which is designed to meet the reporting requirements of the Office of the California State Controller, the U. S. Government Accountability Office, the U. S. Office of Management and Budget, and the Single Audit Act Amendments of 2013.

The district's financial statements have been audited by Eide Bailly LLP, a certified public accounting firm. They have issued an unmodified ("clean") opinion on the district's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. The report also includes a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). It provides an objective and easily readable analysis of the district's financial activities on both a short and long-term basis. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE DISTRICT

Panama-Buena Vista Union School District, one of forty-six districts in Kern County California, is a public elementary school district serving students from transitional kindergarten to grade eight. The District covers an area of approximately 93 square miles, and is located in, and southwest of, the City of Bakersfield, California, which is the County Seat. As of June 30, 2024, the District was operating 19 TK-6 elementary, one TK-8 school, and five junior high (7-8) schools. California State University, Bakersfield, is also located within the District boundaries.

In FY 2024, the district employed approximately 2,596 full-time equivalent workers. Of that total, 1,061 were certificated employees, 1,230 were classified employees, and 305 were Management, Supervisory or Confidential. Certificated employees (teachers, psychologists and counselors, nurses, principals, and certain other administrators) require a credential as a condition of employment. Classified employees are those for whom having a credential is not a condition of employment. Classified employees include, among others, instructional aides, school secretaries and other clerical staff, custodians, and nutrition workers.

The District is a public agency governed by the laws of the State of California. It is governed by an independent Board of Trustees, consisting of five members who are elected by trustee area to overlapping four-year terms at elections held every two years. The Board's duties and powers include establishing a long-term vision for the District; ensuring accountability to the local community; acquiring, maintaining, and disposing of property; developing a sound organizational structure and school program; adopting an annual budget; and establishing a system of accounting and budgetary controls. The District's affairs are administered by a superintendent, who is appointed by the Board of Trustees.

The superintendent runs the day-to-day operations of the District. Dr. Katie Russell began her tenure on August 4, 2020, and on August 13, 2024 received her most recent positive evaluation. Superintendent Russell's contract was approved for an additional term, ending June 30, 2028.

As of October 2024, the District has 19,365 students enrolled in 25 schools. Panama-Buena Vista Union School District has experienced growth over the past ten years from an enrollment of 17,545 students during the 2015-16 school year to a current enrollment of 19,365 students. The District is projected to decline slightly in enrollment over the next six years, with a projected 19,154 students in the 2030-31 school year.

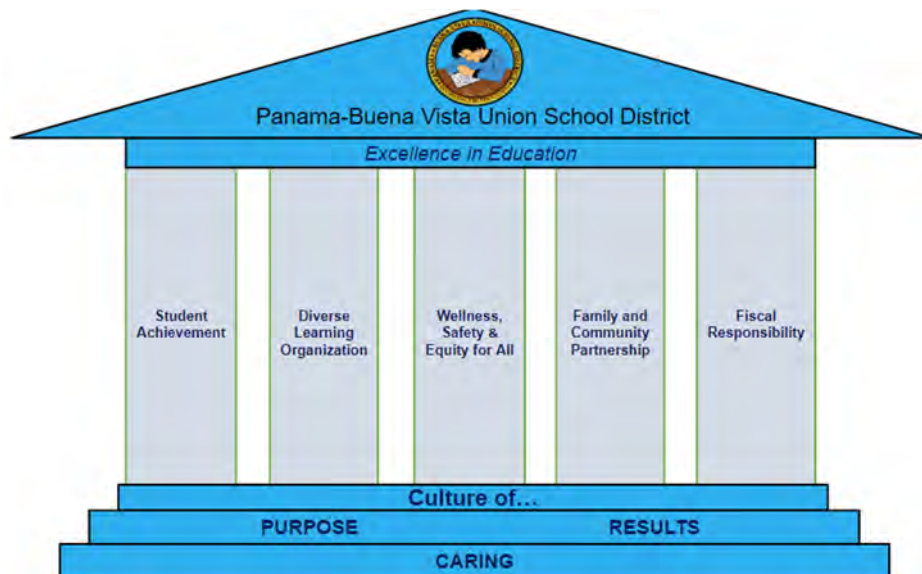
The area contained by District boundaries is currently under development. There are several residential development projects planned over the projection timeframe within the Panama-Buena Vista Union School District. They are located throughout the District and are expected to add many new homes to the area serviced by the District. To address the developmental growth surrounding the District, Panama-Buena Vista Union School District will open its 26th school, Mountain View TK-8, on the southern side of the District's boundaries in August 2025.

VISION, MISSION, CULTURE

The Panama-Buena Vista Union School District vision is to be the model of Excellence in Education. We are focused on a set of values and beliefs that all members of the school district (parents, students, teachers, and staff) will follow in order to provide a learning environment that ensures a positive academic experience and behavioral growth for all students.

The Panama-Buena Vista Union School District is dedicated to empowering our diverse community through a safe and inclusive environment that promotes academic excellence and personal growth. We prepare all students for future challenges with a commitment to innovation and strong partnerships, enabling everyone to thrive and contribute positively to society.

Culture is defined as a set of shared attitudes, values, goals and practices that characterizes an institution or organization (Merriam-Webster). The Panama-Buena Vista Union School District is dedicated to creating a culture of Purpose, Caring and Results.



District Priorities:

1. **Student Achievement:** Provide an integrated learning experience that guarantees success, achievement, and academic excellence to prepare all students for high school and beyond.
2. **Diverse Learning Organization:** Improve diversity and inclusion for students and staff through research, teaching, public service and training across campuses and community.
3. **Wellness, Safety and Equity for All:** Engage stakeholders to develop and provide support for all students and staff by creating a safe learning environment that meets the needs of the whole child.
4. **Family and Community Partnership:** Create meaningful partnerships with families, community organizations, higher education institutions and businesses to achieve the District's vision of "Excellence in Education."
5. **Fiscal Responsibility:** Align resources through a transparent process to support effective, safe, innovative educational programs and facilities to maximize success for all students.

DISTRICT FUNDING STATUS & LONG-TERM PLANNING

Local Control Funding Formula:

Most California school districts receive a significant portion of their funding from State apportionments consisting of three primary sources: a portion funded from the State's general fund, a portion funded from the State's Education Protection Account, and a local portion derived from the District's share of the 1% local ad valorem property tax authorized by the State Constitution. The District receives approximately 90% of its revenue from State funds. As a result, decreases in State revenue, or in State apportionments made to fund education, can significantly affect District operations.

State budgeting for schools and the California Community Colleges is governed largely by Proposition 98 (1988). The measure establishes a minimum funding requirement for K-14 education commonly known as the minimum guarantee. The state meets the guarantee through a combination of General Fund and local property tax revenue. Although the state can provide more funding than required, in practice it usually funds at or near the guarantee. Since 2013-14, the Legislature has allocated most funding for schools through the Local Control Funding Formula (LCFF). A school district's allotment under this formula depends on its size (as measured by student attendance) and the share of its students who are low income or English learners.

The LCFF and apportionments are the primary sources of general-purpose funding for schools and community colleges.

General Obligation Bonds

School districts in California are limited in their ability to tax the local citizenry to raise monies for schools. State law limits ad valorem taxes to 1% of assessed valuation (AV). AV is defined as 100% of the value of real property at the time of sale. The state limits annual increases in AV to no more than 2%. The only time property is reassessed is at the time of sale with the new assessment reflecting the sale price of the property. Ad valorem property tax revenues provide the base general-purpose funding for our schools. The only additional taxing authority school districts have is for general obligation bonds and parcel taxes, both of which require special elections and passage by a 2/3 majority vote. A recently enacted state measure, Proposition 39, permits passage of a local general obligation bond by a 55% majority under special circumstances.

1. **2012 General Election Bonds Series A, B, C, T1, D, and Refunding** – The Bonds were issued to finance the costs of improvements within the District related to energy efficiency, rehabilitation of outdated classrooms, repair/replace deteriorated roofs, plumbing, electrical, lighting, ventilation, and acquire, construct, equip and renovate sites, technology upgrades, facilities and equipment within the District to enable the District to maintain student achievement growth, relieve overcrowding, attract and retain teachers, and protect the quality of education for all students in the District.
 - i) **Series A** – Issued on May 29, 2013 in the amount of \$18,405,000. This series has been paid in full with the Refunding Series 2023, resulting in a cumulative cash flow savings of approximately \$3,500,000 over the life of the new debt.
 - ii) **Series B** – Issued on April 23, 2015 in the amount of \$28,110,000.
 - iii) **Series T-1** - Issued on April 23, 2015 in the amount of \$3,380,000 and has been paid in full.
 - iv) **Series C** - Issued on April 12, 2017 in the amount of \$20,000,000.
 - v) **Series D** - Issued on October 16, 2019 in the amount of \$18,000,000.
 - vi) **Refunding Series 2023** - Issued on March 28, 2022 in the amount of \$12,965,000. This series was used in pay the remaining balance of Series A in full.

2. **2018 General Election Bonds Series A, B and C** – The Bonds were issued to finance the costs required to improve school safety and security, construct/equip new school facilities to relieve severe overcrowding, and repair/upgrade older classrooms, labs, facilities and instructional technology supporting student achievement/college readiness in math, science, engineering, technology and arts.
 - i) **Series A** – Issued on March 7, 2019 in the amount of \$22,000,000.
 - ii) **Series B** – Issued on April 28, 2022 in the amount of \$22,000,000.
 - iii) **Series C** – Issued on August 21, 2024 in the amount of \$25,000,000.
3. **2022 General Election Bonds Series A** – The Bonds were issued to repair deteriorating roofs, electrical and plumbing; improve school safety and security systems; remove asbestos/lead pipes; and construct/equip new classrooms, labs, and facilities to relieve overcrowding and support college/career readiness in science, math, reading, engineering, technology.
 - i) **Series A** – Issued on March 28, 2023 in the amount of \$23,000,000.

Certificates of Participation

The District executed a Refunding Certificate of Participation (2006 School Construction Project), Series 2015, in April 2015 for an aggregate principal amount of \$26,920,000. This Refunding Certificate of Participation was used to refund the 2006 Certificates originally obtained for the construction of Stonecreek Junior High School and Old River Elementary School.

Qualified Zone Academy Bond

The District obtained Qualified Zone Academy Bonds (QZABs) in the amount of \$30,000,000. The QZABs were used to install solar arrays at 17 elementary school sites and five junior high school sites as well as energy efficiency strategies such as efficient lighting and energy management. The debt service for the QZABs is expected to be satisfied with the savings from utilities.

FINANCIAL INFORMATION

Internal and Budgetary Controls

The district maintains internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the importance of a close evaluation of costs and benefits

which requires estimates and judgments by management. The objective is to secure efficient internal control, the cost of which must not exceed the benefits derived therefrom. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

School districts in California are required by Education Code Section 41010 to follow the California School Accounting Manual in preparing reports to the State. The district, under Assembly Bill 1200 (Chapter 1213, Statutes of 1991), utilizes a single-adoption budget schedule. The district adopts a Final Budget prior to the state-mandated July 1 deadline.

Expenditures cannot legally exceed appropriations by major object classification, namely certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenditures, capital outlay, debt service, other outgo, direct support/indirect costs, and operating transfers out. Education Code Section 42600 specifies that school districts may not spend more than the amounts authorized in the Final Budget as adjusted during the school year. The school board reviews and approves (or disapproves) all purchase orders and other expenditures on a regular basis, but no less frequently than once every month.

Fiscal Policies

The district has established a policy which reflects recommendations from the Government Finance Officers Association and the California School Boards Association. The policy targets a general operating reserve of 17%. The state required minimum reserves level for a district our size is 3%. Balances in excess of the minimum reserve will be committed to future projects.

Education Code Section 41020 provides that each school district shall arrange for an audit by certified public accountants of its books and accounts, including the district's income by source of funds and expenditures by object and program. The district's contract auditor for the fiscal year ended June 30, 2021, was Eide Bailly LLP.

AWARDS

GFOA

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Panama-Buena Vista Union School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the seventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully submitted,



Katie Russell, Ed.D.
Superintendent



Katie Gonzalez, CBO
Assistant Superintendent, Business Services

AWARD

GFOA Certificate of Achievement for Excellence in Financial Reporting

For the Fiscal Year Ended June 30, 2023



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Panama-Buena Vista Union School District
California**

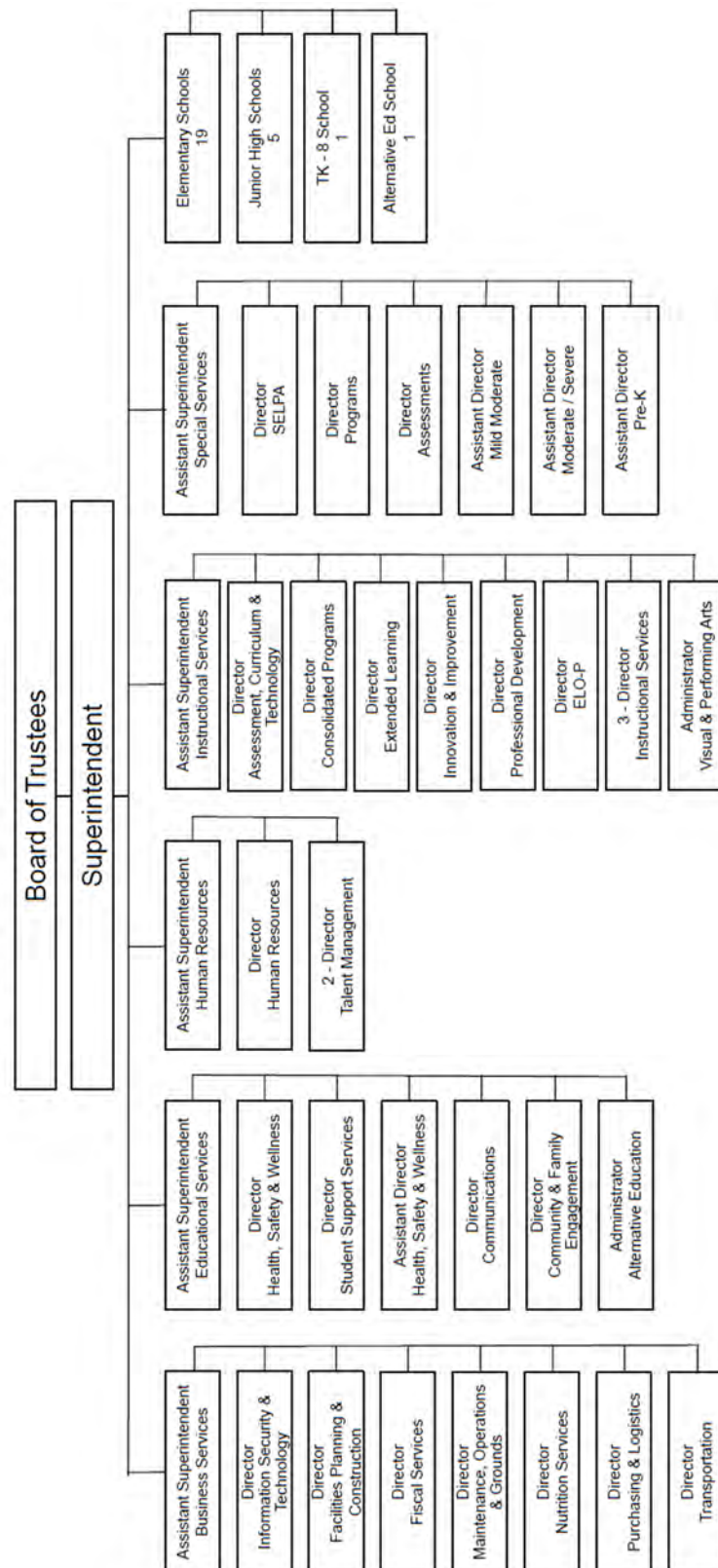
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

MANAGEMENT ORGANIZATIONAL CHART



On July 1, 1988, the Panama Union School District merged with the Buena Vista School District to form the Panama-Buena Vista Union School District (the "District"). The District is comprised of an area of approximately 90 square miles located in the rapidly growing southwest portion of Bakersfield, California. As of June 30, 2024, the District was operating 19 elementary schools, five junior high schools, and one TK through eighth grade school.

BOARD OF TRUSTEES AND ADMINISTRATION

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM</u>
Bryan Easter	President	November 2020 - December 2024
Paula Van Auken	Vice President	November 2020 - December 2024
Linda Garcia	Clerk	November 2022 - December 2026
Keith C. Wolaridge	Trustee	November 2022 - December 2026
Tom Webster	Trustee	July 2023* - December 2024

* Due to the early resignation of prior Board President, John P. Lake, in May 2023, there was a vacant seat as of June 30, 2023. The seat was filled by Tom Webster on July 11, 2023.

ADMINISTRATION

Katie Russell, Ed.D.	District Superintendent
Jennifer Irvin	Assistant Superintendent, Educational Services
Katie Gonzalez, CBO	Assistant Superintendent, Business Services
Brandie Dye	Assistant Superintendent, Instructional Services
Darryl Johnson	Assistant Superintendent, Human Resources
Dr. Denita Maughan	Assistant Superintendent, Special Services

SCHOOLS AND SCHOOL PRINCIPALS

Transitional Kindergarten – Sixth Grade

Amy B. Seibert Elementary	Louise Sandrini Elementary
Becky Stambook	Nicole Gutierrez
Berkshire Elementary	Old River Elementary
Amy Mensing	Kathy Josephson
Bill Williams Elementary	Panama Elementary
Dion Lovio	Brian Malavar
Buena Vista Elementary	Ronald Reagan Elementary
Daniel Hansford	Matt Kennedy
Charles H. Castle Elementary	Roy W. Loudon Elementary
Adam Straw	Jared Coppolo
Christa McAuliffe Elementary	Sing Lum Elementary
Jennifer Payne	Shawna Manning
Douglas Miller Elementary	Stine Elementary
Dan Bickham	Monica Hicks Stout
Highgate Elementary	Stockdale Elementary
Morgan Hicks	MT Merickel
Laurelglen Elementary	Wayne Van Horn Elementary
Robert Machado	Ben Boesch
Leo B. Hart Elementary	
Daryl Newton	

Transitional Kindergarten – Eighth Grade

Dolores Whitley TK-8
Lisa Beasley

Seventh Grade – Eighth Grade

Earl Warren Junior High School	Fred L. Thompson Junior High School
Darryl Pope	Michael Brasier
O.J. Actis Junior High School	Tevis Junior High School
Patrick Spears	Paul Coon
Stonecreek Junior High School	
Katrina Wilson	



FINANCIAL SECTION



Independent Auditor's Report

Board of Trustees
Panama-Buena Vista Union School District
Bakersfield, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Panama-Buena Vista Union 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 accompanying 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 Panama-Buena Vista Union School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 GAAS 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 for 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 GAAS 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, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of the District's contributions for OPEB, schedule of the District's proportionate share of the net pension liability – CalSTRS, schedule of the District's

proportionate share of the net pension liability – CalPERS, schedule of the District’s contributions – CalSTRS, and schedule of the District’s contributions – CalPERS, 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents 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 were derived from and relate 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 GAAS. In our opinion, the combining non-major governmental fund financial statements, the Schedule of Expenditures of Federal Awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Budgetary Comparison Schedule – Governmental Funds, Local Education Agency Organization Structure, and the introductory and statistical sections, 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 December 11, 2024 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, 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.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 11, 2024

This section of Panama-Buena Vista Union School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ending June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regard to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for governmental activity.

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

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Panama-Buena Vista Union School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's *financial health*, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the board of trustees' responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - All of the District's services are reported in this category. This includes the education of transitional kindergarten through grade eight students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, user fees, interest income, Federal, State, and local grants, as well as proceeds from the general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

FINANCIAL HIGHLIGHTS

- Overall, at the conclusion of the 2023-2024 school year, the District's General Fund unassigned reserves were \$10,250,000. These funds are required to be set aside as a Reserve for Economic Uncertainties.
- Total General Fund revenues for 2023-2024 were \$346,698,013, an increase of \$7,480,506 primarily attributed to a significant increase in LCFF funding.
- Total General Fund expenditures and other uses for 2023-2024 were \$329,717,232.
- Total District-wide cost of instruction, instruction-related activities and pupil services was \$276,545,312, or 84% of total expenditures..
- The final Average Daily Attendance (ADA) for the District in 2023-2024 was 18,108.82, an increase of 494.76 over the prior year.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$165,774,562 for the fiscal year ended June 30, 2024. Of this amount, \$(72,130,463) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use those net positions for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities		Percentage
	2024	2023	Change
Assets			
Current and other assets	\$ 271,765,974	\$ 265,966,257	2.2%
Capital assets	285,609,433	270,402,668	5.6%
Total assets	557,375,407	536,368,925	3.9%
Deferred Outflows of Resources	111,312,227	72,886,737	52.7%
Liabilities			
Current liabilities	22,422,158	29,098,202	(22.9%)
Long-term liabilities	456,093,969	406,688,436	12.1%
Total liabilities	478,516,127	435,786,638	9.8%
Deferred Inflows of Resources	24,396,945	34,717,845	(29.7%)
Net Position			
Net investment in capital assets	135,505,204	124,214,517	9.1%
Restricted	102,399,821	92,141,807	11.1%
Unrestricted (deficit)	(72,130,463)	(77,605,145)	(7.1%)
Total net position	\$ 165,774,562	\$ 138,751,179	19.5%

The \$(72,130,463) in unrestricted deficit of governmental activities represents the accumulated results of all past years' operations on a "full-accrual" basis. Unrestricted deficit net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased by 7.1% as shown above.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities		Percentage
	2024	2023	Change
Revenues			
Program revenues			
Charges for services and sales	\$ 1,641,030	\$ 1,483,793	10.6%
Operating grants and contributions	100,789,285	117,496,516	(14.2%)
Capital grants and contributions	4,041,613	11,228,544	(64.0%)
General revenues			
Federal and State aid not restricted	240,407,226	214,822,490	11.9%
Property taxes	34,407,818	24,670,823	39.5%
Other general revenues	10,727,224	6,924,999	54.9%
Total revenues	392,014,196	376,627,165	4.1%
Expenses			
Instruction-related	235,851,358	203,781,436	15.7%
Pupil services	60,102,809	46,043,839	30.5%
Administration	17,271,211	15,302,902	12.9%
Plant services	43,087,139	33,669,765	28.0%
All other services	8,678,296	8,264,428	5.0%
Total expenses	364,990,813	307,062,370	18.9%
Change in Net Position	27,023,383	69,564,795	(61.2%)
Net Position - Beginning	138,751,179	69,186,384	100.5%
Net Position - Ending	\$ 165,774,562	\$ 138,751,179	19.5%

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was \$364,990,813. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$34,407,818 because the cost was paid by those who benefited from the programs (\$1,641,030) or by other governments and organizations who subsidized certain programs with grants and contributions (\$104,830,898). We paid for the remaining "public benefit" portion of our governmental activities with \$251,134,450 in Federal and State unrestricted funds, and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction-related, including special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	\$ 235,851,358	\$ 203,781,436	\$ (173,281,986)	\$ (105,808,435)
Pupil services	60,102,809	46,043,839	(30,341,153)	(23,437,432)
Administration	17,271,211	15,302,902	(14,504,888)	(11,895,994)
Plant services	43,087,139	33,669,765	(34,138,091)	(29,565,812)
All other services	8,678,296	8,264,428	(6,252,767)	(6,145,844)
Total	<u>\$ 364,990,813</u>	<u>\$ 307,062,370</u>	<u>\$ (258,518,885)</u>	<u>\$ (176,853,517)</u>

A major factor for the change in overall expenditures is due to the continued increase in overall operating costs, including rising prices of materials, supplies, outside services, and statutory benefit rates such as CalSTRS and CalPERS retirement benefits for District employees. In addition, the District provided a 7% on-schedule and 5% off-schedule salary adjustment to all employees, recognizing that our staff is our most valuable asset in providing Excellence in Education to all students. Finally, the District began construction on our modernizations and our newest school, Mountain View TK-8, in earnest over the summer resulting in increased construction costs in our Capital Facilities funds.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$251,436,616, which is an increase of \$12,758,895 from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			June 30, 2024
	July 1, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	
General	\$ 126,742,435	\$ 348,450,422	\$ 337,540,050	\$ 137,652,807
Student Activity Fund	316,777	625,649	653,574	288,852
Child Development	444,388	3,900,483	3,532,938	811,933
Cafeteria	7,392,785	18,018,295	15,951,867	9,459,213
Building	44,405,817	2,180,860	7,736,952	38,849,725
Capital Facilities	7,520,572	4,109,787	7,009,203	4,621,156
County School Facilities	-	4,041,613	4,041,613	-
Special Reserve Fund for Capital Outlay Projects	42,337,335	16,190,513	13,338,796	45,189,052
Bond Interest and Redemption	9,517,612	14,013,198	8,966,932	14,563,878
Total	\$ 238,677,721	\$ 411,530,820	\$ 398,771,925	\$ 251,436,616

Our General Fund shows an increase in fund balance of \$10,910,372. The increase is primarily due to continued operating cost savings related to vacancies caused by state-wide staffing difficulties, as well as continued strategic use of the remaining COVID-19 related restricted program funds to provide additional and supplemental support to our students. The Child Development Fund shows an increase in fund balance of \$367,545, which is the result of additional supplemental funding for the State Pre-K program. These funds are being budgeted to continue to improve the infrastructure of the program in order to allow for a more robust learning environment for our three-year old students being served by the program. The Child Nutrition Fund shows an increase in fund balance of \$2,066,428, due primarily to the continued increase in meals being served to students due to the ability of all students to receive two meals at no cost, regardless of ability to pay. In addition, the program continues to receive supplemental funding to support Kitchen Infrastructure upgrades, training for staff, and funds to purchase fresh, local food supplies. The programs used to provide Facilities modernization and new construction (Building, Capital Facilities, County School Facilities and Special Reserve Fund for Capital Outlay Projects) showed an overall decrease of \$9,437,353. This is the result of revenues including a reimbursement of approximately \$4,000,000 from the Office of Public School Construction for Highgate Elementary and a contribution from the General Fund and expenditures related to the construction of Mountain View TK-8 and the modernization of Actis and Warren Junior High Schools.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 25, 2024. Variances between budget to actual revenue amounts are primarily due to the final Fair Market Value recognition of our Cash in Bank as of June 30, 2024 (\$2.2 million), an increase in Lottery funds as a result of increased ADA (\$1.7 million) and an increase in Interest revenue due to higher-than planned cash balances at year-end (\$900,000). Staff Salary and Benefits, Books and Supplies and Services and Other Operating expenditures were less than anticipated for the Special Education Extended School Year and General Education Summer School program offered District-wide for the second time in June 2024. The District was also able to make an unbudgeted contribution to the Special Reserve for Capital Outlay Fund to continue to support our facilities construction and modernization needs.

A schedule showing the District's General Fund original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 65.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2024, the District had \$285,609,433 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of \$15,206,765 or 5.6%, from last year (Table 5). See the Notes to Financial Statements for additional details.

Table 5

	Governmental Activities		Percentage Change
	2024	2023	
Land and construction in progress	\$ 35,569,218	\$ 32,974,783	7.9%
Capital assets being depreciated			
Buildings and improvements	236,162,517	230,116,689	2.6%
Furniture and equipment	7,077,207	5,827,902	21.4%
Capital assets being amortized			
Right-to-use leased assets	5,425,802	1,187,202	357.0%
Right-to-use subscription IT assets	1,374,689	296,092	364.3%
Total	<u>\$ 285,609,433</u>	<u>\$ 270,402,668</u>	<u>5.6%</u>

The District's total capital assets changed primarily due to the continued increased in the value of our leased Portable buildings to accommodate our student population growth and has continued recognizing subscription-based IT leases related to our student information systems and network operations per GASB guidance.

We present more detailed information about our capital assets in the Notes to Financial Statements.

Long-Term Liabilities

At the end of this year, the District had \$453,145,542 in long-term liabilities versus \$406,688,436 last year, an increase of 12.1%. See the Notes to Financial Statements for additional details. All long-term liabilities consisted of the following:

Table 6

	Governmental Activities		Percentage Change
	2024	2023	
Long-Term Liabilities			
General obligation bonds - net	\$ 132,549,098	\$ 137,891,334	(3.9%)
Certificates of participation - net	20,379,054	21,535,665	(5.4%)
Qualified Zone Academy Bonds (QZAB)	30,000,000	30,000,000	0.0%
Leases	2,811,421	1,151,902	144.1%
Financed purchase agreement	2,936,636	-	N/A
Subscription-based IT arrangements	263,754	-	N/A
Compensated absences (vacations)	2,701,975	2,657,526	1.7%
OPEB liability	27,408,400	20,742,900	32.1%
Aggregate net pension liability	237,043,631	192,709,109	23.0%
Total	<u>\$ 456,093,969</u>	<u>\$ 406,688,436</u>	<u>12.1%</u>

The District's long-term obligations increased primarily due to a significant increase in both the net OPEB liability and the aggregate net pension liability based on a revised actuarial study completed earlier in the year. In addition, the District is recognizing the long-term liability of a Financed Purchase Agreement used to improve energy efficiency related to lighting and HVAC systems District-wide. Payments on this purchase agreement will begin in the 2025-2026 school year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the original District Budget for the 2024-2025 year, the governing board and management used the following criteria:

Revenues:

- The original budget represented an 1.07% statutory cost-of-living adjustment (COLA) to the Local Control Funding Formula (LCFF).
- Enrollment (19,592), Average Daily Attendance (18,255.82 – 93%) and Unduplicated Pupil Percentage (78.13%) were maintained at the ending totals for the 2023-24 fiscal year. Adjustments to these assumptions will be made during Interim Reporting periods.

Expenditures:

- Certificated salary costs reflect a 2.0% step and column increase, plus an additional 3.33% increase for selected individuals that completed sufficient credits to qualify for Column 7.
- Classified salary costs reflect a 2.0% step increase.
- Benefits will continue to increase due to the increase in STRS, PERS, and health insurance rates. CalSTRS employer contribution rates are increasing from 8.25% in 2013-2014 to 19.10% in 2023-2024 and going forward. In addition, the CalPERS employer contribution rates are increasing from 11.4% in 2013-2014 to 27.60% by 2024-2025.
- Included in the District's Local Control and Accountability Plan (LCAP) is \$92,429,907 of expenditures. Of that total, \$78,868,138 are for Salary & Benefit costs, and \$13,561,769 are for Non-Personnel Costs (Books, Supplies, Professional Development, Consultants, Maintenance).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact Katie Gonzalez, Assistant Superintendent of Business Services, at Panama-Buena Vista Union School District, 4200 Ashe Road, Bakersfield, California, 93313, (661) 831-8331 or via e-mail at kgonzalez@pbvusd.k12.ca.us.

Panama-Buena Vista Union School District
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Deposits and investments	\$ 255,753,521
Receivables	14,571,311
Stores inventories	1,441,142
Capital assets not depreciated or amortized	35,569,218
Capital assets, net of accumulated depreciation and amortization	<u>250,040,215</u>
Total assets	<u>557,375,407</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB)	15,276,384
Deferred outflows of resources related to pensions	<u>96,035,843</u>
Total deferred outflows of resources	<u>111,312,227</u>
Liabilities	
Accounts payable	19,617,426
Interest payable	2,092,800
Unearned revenue	711,932
Long-term liabilities	
Due within one year	
Long-term liabilities other than OPEB and pensions due within one year	11,772,648
OPEB liability due in one year	2,948,427
Due in more than one year	
Long-term liabilities other than OPEB and pensions due in more than one year	179,869,290
OPEB liability due in more than one year	24,459,973
Aggregate net pension liability due in more than one year	<u>237,043,631</u>
Total liabilities	<u>478,516,127</u>
Deferred Inflows of Resources	
Deferred charge on refunding	13,991
Deferred inflows of resources related to OPEB	5,469,297
Deferred inflows of resources related to pensions	<u>18,913,657</u>
Total deferred inflows of resources	<u>24,396,945</u>
Net Position	
Net investment in capital assets	135,505,204
Restricted for	
Debt service	29,568,669
Capital projects	4,621,156
Educational programs	58,010,755
Student activities	288,852
Child development	744,147
Cafeteria	9,166,242
Unrestricted (deficit)	<u>(72,130,463)</u>
Total net position	<u>\$ 165,774,562</u>

Panama-Buena Vista Union School District
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	\$ 202,132,266	\$ 42,692	\$ 51,873,861	\$ 4,041,613	\$ (146,174,100)
Instruction-related activities					
Supervision of instruction	11,190,228	67,067	5,415,551	-	(5,707,610)
Instructional library, media, and technology	3,508,556	6,649	133,331	-	(3,368,576)
School site administration	19,020,308	1,134	987,474	-	(18,031,700)
Pupil services					
Home-to-school transportation	11,915,214	-	125,480	-	(11,789,734)
Food services	15,397,691	13,047	16,083,654	-	699,010
All other pupil services	32,789,904	647,441	12,892,034	-	(19,250,429)
Administration					
Data processing	3,081,227	-	-	-	(3,081,227)
All other administration	14,189,984	105,664	2,660,659	-	(11,423,661)
Plant services	43,087,139	207,616	8,741,432	-	(34,138,091)
Ancillary services	717,319	9,970	642,015	-	(65,334)
Community services	2,265,668	-	18,363	-	(2,247,305)
Interest on long-term liabilities	4,920,810	-	-	-	(4,920,810)
Other outgo	774,499	539,750	1,215,431	-	980,682
Total governmental activities	<u>\$ 364,990,813</u>	<u>\$ 1,641,030</u>	<u>\$ 100,789,285</u>	<u>\$ 4,041,613</u>	<u>(258,518,885)</u>
General Revenues and Subventions					
Property taxes, levied for general purposes					20,820,770
Property taxes, levied for debt service					13,580,350
Taxes levied for other specific purposes					6,698
Federal and State aid not restricted to specific purposes					240,407,226
Interest and investment earnings					9,635,297
Miscellaneous					1,091,927
Subtotal, general revenues and subventions					<u>285,542,268</u>
Change in Net Position					27,023,383
Net Position - Beginning					<u>138,751,179</u>
Net Position - Ending					<u>\$ 165,774,562</u>

Panama-Buena Vista Union School District

Governmental Funds - Balance Sheet

June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	\$ 152,045,141	\$ 39,096,347	\$ 37,641,046	\$ 26,970,987	\$ 255,753,521
Receivables	9,101,386	349,268	1,239,802	3,880,855	14,571,311
Due from other funds	785,923	216,149	7,833,306	127,252	8,962,630
Stores inventories	1,148,171	-	-	292,971	1,441,142
Total assets	\$ 163,080,621	\$ 39,661,764	\$ 46,714,154	\$ 31,272,065	\$ 280,728,604
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 16,758,038	\$ 812,039	\$ 1,525,102	\$ 522,247	\$ 19,617,426
Due to other funds	7,957,844	-	-	1,004,786	8,962,630
Unearned revenue	711,932	-	-	-	711,932
Total liabilities	25,427,814	812,039	1,525,102	1,527,033	29,291,988
Fund Balances					
Nonspendable	1,223,171	-	-	292,971	1,516,142
Restricted	58,010,755	38,849,725	17,097,591	29,384,275	143,342,346
Committed	54,087,197	-	-	-	54,087,197
Assigned	14,081,684	-	28,091,461	67,786	42,240,931
Unassigned	10,250,000	-	-	-	10,250,000
Total fund balances	137,652,807	38,849,725	45,189,052	29,745,032	251,436,616
Total liabilities and fund balances	\$ 163,080,621	\$ 39,661,764	\$ 46,714,154	\$ 31,272,065	\$ 280,728,604

Panama-Buena Vista Union School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds		\$ 251,436,616
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 477,943,353	
Accumulated depreciation and amortization is	<u>(192,333,920)</u>	
Net capital assets		285,609,433
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(2,092,800)
Deferred outflows of resources represent a consumption of net assets that applies to future periods and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits (OPEB) liability	15,276,384	
Aggregate net pension liability	<u>96,035,843</u>	
Total deferred outflows of resources		111,312,227
Deferred inflows of resources represent an acquisition of net assets that applies to future periods and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Deferred amount on debt refundings	(13,991)	
OPEB liability	(5,469,297)	
Aggregate net pension liability	<u>(18,913,657)</u>	
Total deferred inflows of resources		(24,396,945)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(237,043,631)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(27,408,400)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	(126,195,000)	
Premium on issuance of general obligation bonds	(6,354,098)	
Certificates of participation	(18,940,000)	
Premium on issuance of certificates of participation	(1,439,054)	
Qualified Zone Academy Bonds (QZAB)	(30,000,000)	
Leases	(2,811,421)	
Subscription-based IT arrangements	(263,754)	
Financed purchase agreement	(2,936,636)	
Compensated absences (vacations)	<u>(2,701,975)</u>	
Total long-term liabilities		<u>(191,641,938)</u>
Total net position - governmental activities		<u>\$ 165,774,562</u>

Panama-Buena Vista Union School District
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula (LCFF)	\$ 251,013,162	\$ -	\$ -	\$ -	\$ 251,013,162
Federal sources	18,197,967	-	-	11,911,562	30,109,529
Other State sources	66,951,105	-	-	11,798,759	78,749,864
Other local sources	10,535,779	2,180,860	1,489,446	19,602,691	33,808,776
Total revenues	346,698,013	2,180,860	1,489,446	43,313,012	393,681,331
Expenditures					
Current					
Instruction	197,271,180	-	-	1,035,237	198,306,417
Instruction-related activities					
Supervision of instruction	10,837,283	-	-	283,332	11,120,615
Instructional library, media, and technology	3,569,539	-	-	-	3,569,539
School site administration	18,946,777	-	-	-	18,946,777
Pupil services					
Home-to-school transportation	12,751,967	-	-	-	12,751,967
Food services	262,156	-	-	15,298,920	15,561,076
All other pupil services	32,906,410	-	-	-	32,906,410
Administration					
Data processing	3,688,962	-	-	-	3,688,962
All other administration	13,448,171	-	-	516,800	13,964,971
Plant services	30,714,003	362,181	-	1,658,011	32,734,195
Ancillary services	63,758	-	-	653,574	717,332
Community services	279,721	-	-	1,998,578	2,278,299
Other outgo	774,499	-	-	-	774,499
Facility acquisition and construction	3,409,799	7,374,771	13,338,796	3,200,321	27,323,687
Debt service					
Principal	533,760	-	-	6,406,389	6,940,149
Interest and other	259,247	-	-	5,063,352	5,322,599
Total expenditures	329,717,232	7,736,952	13,338,796	36,114,514	386,907,494
Excess (Deficiency) of Revenues Over Expenditures	16,980,781	(5,556,092)	(11,849,350)	7,198,498	6,773,837
Other Financing Sources (Uses)					
Transfers in	-	-	11,764,431	100,000	11,864,431
Other sources - leases	1,281,209	-	-	1,296,013	2,577,222
Other sources - SBITAs	471,200	-	-	-	471,200
Other sources - financed purchase agreement	-	-	2,936,636	-	2,936,636
Transfers out	(7,822,818)	-	-	(4,041,613)	(11,864,431)
Net Financing Sources (Uses)	(6,070,409)	-	14,701,067	(2,645,600)	5,985,058
Net Change in Fund Balances	10,910,372	(5,556,092)	2,851,717	4,552,898	12,758,895
Fund Balance - Beginning	126,742,435	44,405,817	42,337,335	25,192,134	238,677,721
Fund Balance - Ending	\$ 137,652,807	\$ 38,849,725	\$ 45,189,052	\$ 29,745,032	\$ 251,436,616

Panama-Buena Vista Union School District

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

Total Net Change in Fund Balances - Governmental Funds	\$ 12,758,895

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlay to purchase, build, or lease capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities. This is the amount by which capital outlay exceed depreciation and amortization expense in the period.

Capital outlay	\$ 29,334,130
Depreciation and amortization expense	<u>(14,127,365)</u>

Net expense adjustment	15,206,765

Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.

(2,577,222)

Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.

(471,200)

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

(2,936,636)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.

(44,449)

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

(3,880,267)

Panama-Buena Vista Union School District

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

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

\$ 1,625,559

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium amortization

683,847

Deferred amount on refunding amortization

1,076

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds

4,780,000

Certificates of participation

1,035,000

Leases

917,703

Subscription-based IT arrangements

207,446

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

(283,134)

Change in net position of governmental activities

\$ 27,023,383

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Panama-Buena Vista Union School District (the District) was organized in 1988 through the merging of Panama Union School District and Buena Vista School District. The District operates under a locally elected five-member Board form of government and provides educational services to grades TK-8 as mandated by the State and/or Federal agencies. The District operates 19 elementary schools, five junior high schools, and one TK through eighth grade school.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units*, and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Panama-Buena Vista Union School District Financing Corporation (the Corporation) was formed with the purpose of financing the acquisition and construction of facility improvements, together with necessary equipment of District schools and other facilities, as may be required at the determination of the District's governing board. The Corporation issued Certificates of Participation (COPs), a form of long-term debt, which the District used to finance construction of such improvements. The District also has financial and operational relationships with the Public Property Financing Corporation of California (PPFCC), as represented by the Qualified Zone Academy Bonds.

The District issued Certificates of Participation pursuant to a lease agreement between the District and the Corporation. The financial activity with respect to the Certificates of Participation is presented in the financial statements within the Capital Facilities Fund. The financial activity related to the Qualified Zone Academy Bonds is presented in the financial statements within the Special Reserve Fund for Capital Outlay Projects. The Certificates of Participation and Qualified Zone Academy Bonds are included as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

As a result, the General Fund reflects an increase in fund balance of \$6,613,129.

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

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840). Additional resources have been accumulated in this fund for QZAB sinking fund payments and for financed purchase agreement proceeds.

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Child Development Fund** The Child Development Fund is used to account separately for federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51), authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

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

Basis of Accounting - Measurement Focus

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

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

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

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

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

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year.

The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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. Principal and interest on long-term liabilities, 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 statements.

Investments

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

The District's investments in the County treasury and the Local Agency Investment Fund are measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolios determined by the program sponsors. Positions in these investment pools are not required to be categorized within the fair value hierarchy.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than purchased.

Capital Assets, Depreciation, and Amortization

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets, donated works of art, historical treasures and similar items, and capital assets received in a service concession arrangement are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Asset Class/Subclass	Estimated Useful Life (Years)
Land	N/A
Buildings	50
Site improvements	20
Portable buildings	20
Building improvements	20
Furniture and fixtures	20
Playground equipment	20
Food services equipment	15
Transportation equipment	15
Telephone systems	10
Reprographics	10
Vehicles	8
Computer systems and equipment	5
Office equipment	5

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of intangible right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use intangible subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums, and Discounts

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

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period is two to five years.

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts. Unassigned fund balance includes positive amounts within the General Fund that have not been classified within the above-mentioned categories and negative fund balances in the other governmental funds. There were no negative funds balances reports in the other governmental funds.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$102,399,821 of restricted net position.

Interfund Activity

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

Estimates

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

Property Tax

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

Note 2 - Deposits and Investments**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental funds	<u><u>\$ 255,753,521</u></u>

Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 14,552,252
Cash with fiscal agent	23,495
Cash in revolving	75,000
Investments	<u><u>241,102,774</u></u>
Total deposits and investments	<u><u>\$ 255,753,521</u></u>

Policies and Practices

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

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

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by *California Government Code* Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

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

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

Investment Authorized Under Debt Agreement

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Export-Import Bank	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
Registered State Bonds, Notes, Warrants	N/A	None	None
Federal Housing Administration Debentures	N/A	None	None
Federal Home Loan Mortgage Corporation Obligations	N/A	None	None
Federal Home Loan Banks Obligations	N/A	None	None
Federal National Mortgage Association Obligations	N/A	None	None
Resolution Funding Corporation Obligations	N/A	None	None
General Services Administration Certificates	N/A	None	None
Government National Mortgage Association Mortgage-Backed Securities and Certificates	N/A	None	None
Small Business Administration Certificates	N/A	None	None
U.S. Department of Housing and Urban Development Bonds	N/A	None	None
U.S. Maritime Administration Financings	N/A	None	None
Washington Metropolitan Area Transit Authority Bonds	N/A	None	None
Unsecured Certificates of Deposit, Time Deposits, and Bankers' Acceptances	365 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreement	N/A	None	None
State Sponsored Investment Pools (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Kern County Treasury Investment Pool and LAIF. The Kern County Treasury Investment Pool and LAIF purchase a combination of shorter term and longer term investments and time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Specific Identification

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

Investment Type	Reported Amount	Average Maturity in Days
Kern County Treasury Investment Pool	\$ 241,032,453	611
Local Agency Investment Fund	70,321	217
Total	<u>\$ 241,102,774</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Kern County Treasury Investment Pool and Local Agency Investment Fund are not required to be rated, nor have they been rated as of June 30, 2024.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District was exposed to \$16,135,443 of custodial credit risk, as these funds were uninsured and not collateralized.

Note 3 - Receivables

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Federal Government					
Categorical aid	\$ 6,412,574	\$ -	\$ -	\$ 2,574,627	\$ 8,987,201
State Government					
LCFF apportionment	224,306	-	-	-	224,306
Categorical aid	614,273	-	-	756,497	1,370,770
Lottery	1,194,885	-	-	-	1,194,885
Local Government					
Interest	501,823	349,268	90,595	38,242	979,928
Other local sources	153,525	-	1,149,207	511,489	1,814,221
Total	<u>\$ 9,101,386</u>	<u>\$ 349,268</u>	<u>\$ 1,239,802</u>	<u>\$ 3,880,855</u>	<u>\$ 14,571,311</u>

Note 4 - Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 15,231,242	\$ 1,906,140	\$ -	\$ 17,137,382
Construction in progress	17,743,541	26,472,682	(25,784,387)	18,431,836
Total capital assets not being depreciated or amortized	32,974,783	28,378,822	(25,784,387)	35,569,218
Capital assets being depreciated and amortized				
Capital assets being depreciated				
Land improvements	65,440,926	806,694	-	66,247,620
Buildings and improvements	318,790,866	15,674,352	-	334,465,218
Furniture and equipment	29,181,687	2,345,853	-	31,527,540
Capital assets being amortized				
Right-to-use leased assets				
Buildings and improvements	1,771,491	6,012,694	(123,320)	7,660,865
Furniture and equipment	230,156	-	(101,505)	128,651
Right-to-use subscription IT assets	444,139	1,900,102	-	2,344,241
Total capital assets being depreciated and amortized	415,859,265	26,739,695	(224,825)	442,374,135
Total capital assets	448,834,048	55,118,517	(26,009,212)	477,943,353
Accumulated depreciation and amortization				
Capital assets, accumulated depreciation				
Land improvements	(31,791,823)	(3,051,468)	-	(34,843,291)
Buildings and improvements	(122,323,280)	(7,383,750)	-	(129,707,030)
Furniture and equipment	(23,353,785)	(1,096,548)	-	(24,450,333)
Capital assets, accumulated amortization				
Right-to-use leased assets				
Buildings and improvements	(666,165)	(1,750,707)	123,320	(2,293,552)
Furniture and equipment	(148,280)	(23,387)	101,505	(70,162)
Right-to-use subscription IT assets	(148,047)	(821,505)	-	(969,552)
Total accumulated depreciation and amortization	(178,431,380)	(14,127,365)	224,825	(192,333,920)
Net depreciable and amortized capital assets	237,427,885	12,612,330	-	250,040,215
Governmental activities capital assets, net	\$ 270,402,668	\$ 40,991,152	\$ (25,784,387)	\$ 285,609,433

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

Governmental Activities	
Instruction	\$ 3,857,614
Supervision of instruction	26,304
Instructional library, media, and technology	49,784
School site administration	1,990
Home-to-school transportation	421,901
Food services	101,982
All other pupil services	162,057
Data processing	618,337
All other administration	118,799
Plant services	8,766,455
Community services	2,142
	<u> </u>
Total depreciation and amortization expense governmental activities	<u><u>\$ 14,127,365</u></u>

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds, are as follows:

Due To	Due From		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 785,923	\$ 785,923
Building Fund	-	216,149	216,149
Special Reserve Fund for Capital Outlay Projects	7,833,306	-	7,833,306
Non-Major Governmental Funds	<u>124,538</u>	<u>2,714</u>	<u>127,252</u>
Total	<u><u>\$ 7,957,844</u></u>	<u><u>\$ 1,004,786</u></u>	<u><u>\$ 8,962,630</u></u>

The balance of \$7,833,306 is due from the General Fund to the Special Reserve Fund for Capital Outlay Projects for maintenance projects.

A balance of \$122,235 is due from the General Fund to the Child Development Non-Major Governmental Fund for payroll expenditures.

A balance of \$2,303 is due from the General Fund to the Cafeteria Non-Major Governmental Fund for food expenditures.

A balance of \$241,544 is due from the Child Development Non-Major Governmental Fund to the General Fund for indirect costs and payroll expenditures.

A balance of \$2,003 is due from the Child Development Non-Major Governmental Fund to the Cafeteria Non-Major Governmental Fund for payroll expenditures.

A balance of \$531,495 is due from the Cafeteria Non-Major Governmental Fund to the General Fund for indirect costs and payroll expenditures.

A balance of \$711 is due from the Cafeteria Non-Major Governmental Fund to the Child Development Non-Major Governmental Fund for supplies expenditures.

A balance of \$12,884 is due from the Capital Facilities Non-Major Governmental Fund to the General Fund for qualifying capital project expenditures.

A balance of \$216,149 is due from the Capital Facilities Non-Major Governmental Fund to the Building Fund for qualifying capital project expenditures.

Interfund Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Non-Major Governmental Funds	
Special Reserve Fund for Capital Outlay Projects	\$ 7,722,818	\$ 4,041,613	\$ 11,764,431
Non-Major Governmental Funds	100,000	-	100,000
Total	<u>\$ 7,822,818</u>	<u>\$ 4,041,613</u>	<u>\$ 11,864,431</u>

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for Qualified Zone Academy Bonds (QZAB) sinking fund deposits and for qualifying capital expenditure projects.

\$ 7,722,818

The General Fund transferred to the Child Development Non-Major Governmental Fund for an operating contribution.

100,000

The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for qualifying capital expenditures.

4,041,613

Total

\$ 11,864,431

Note 6 - Accounts Payable

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Vendor payables	\$ 4,704,130	\$ 812,039	\$ 1,525,102	\$ 386,023	\$ 7,427,294
Salaries and benefits	9,697,261	-	-	136,224	9,833,485
Due to CDE	2,356,647	-	-	-	2,356,647
Total	<u>\$ 16,758,038</u>	<u>\$ 812,039</u>	<u>\$ 1,525,102</u>	<u>\$ 522,247</u>	<u>\$ 19,617,426</u>

Note 7 - Unearned Revenue

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund
State categorical aid	<u>\$ 711,932</u>

Note 8 - Long -Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 130,975,000	\$ -	\$ (4,780,000)	\$ 126,195,000	\$ 9,515,000
Premium on issuance	6,916,334	-	(562,236)	6,354,098	-
Certificates of participation	19,975,000	-	(1,035,000)	18,940,000	1,080,000
Premium on issuance	1,560,665	-	(121,611)	1,439,054	-
Qualified Zone Academy Bonds	30,000,000	-	-	30,000,000	-
Leases	1,151,902	2,577,222	(917,703)	2,811,421	979,230
Subscription-based IT arrangements	-	471,200	(207,446)	263,754	198,418
Financed purchase agreement	-	2,936,636	-	2,936,636	-
Compensated absences	2,657,526	146,479	(102,030)	2,701,975	-
Total	<u>\$ 193,236,427</u>	<u>\$ 6,131,537</u>	<u>\$ (7,726,026)</u>	<u>\$ 191,641,938</u>	<u>\$ 11,772,648</u>

Panama-Buena Vista Union School District

Notes to Financial Statements

June 30, 2024

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The Capital Facilities Fund makes payments for the Certificates of Participation. The Qualified Zone Academy Bonds (QZAB) will be paid by the General Fund. The leases are paid by the General Fund and the Capital Facilities Fund. The subscription-based IT arrangements are paid by the General Fund. The financed purchase agreement will be paid by the Special Reserve Fund for Capital Outlay Projects. The compensated absences will be paid primarily by the General Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
5/29/13	8/1/42	3.00-4.00%	\$ 18,405,000	\$ 120,000	\$ -	\$ (120,000)	\$ -
4/23/15	8/1/44	3.00-5.00%	28,110,000	24,480,000	-	(715,000)	23,765,000
4/12/17	8/1/46	4.00-5.00%	20,000,000	19,590,000	-	-	19,590,000
3/7/19	8/1/29	2.00-3.00%	22,000,000	11,145,000	-	(1,235,000)	9,910,000
10/16/19	8/1/37	2.00-5.00%	18,000,000	17,675,000	-	(35,000)	17,640,000
4/28/22	2/1/32	3.00-4.00%	22,000,000	22,000,000	-	(2,675,000)	19,325,000
3/28/23	8/1/33	0.05-4.00%	23,000,000	23,000,000	-	-	23,000,000
3/28/23	8/1/38	4.00-5.00%	12,965,000	12,965,000	-	-	12,965,000
				<u>\$ 130,975,000</u>	<u>\$ -</u>	<u>\$ (4,780,000)</u>	<u>\$ 126,195,000</u>

2012 General Obligation Bonds, Series A

On May 29, 2013, the Panama-Buena Vista Union School District issued 2012 General Obligation Bonds, Series A in the amount of \$18,405,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$18,409,562 (representing the principal amount of \$18,405,000, plus premium on issuance of \$188,592, less underwriter's discount of \$184,030). The bonds have a final maturity which occurs on August 1, 2042 with interest rates of 3.00 to 4.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the outstanding principal balance was paid in its entirety.

2012 General Obligation Bonds, Series B

On April 23, 2015, the Panama-Buena Vista Union School District issued 2012 General Obligation Bonds, Series B in the amount of \$28,110,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$29,171,329 (representing the principal amount of \$28,110,000, plus premium on issuance of \$1,372,248, less purchaser's discount of \$310,919). The bonds have a final maturity which occurs on August 1, 2044 with interest rates of 3.00 to 5.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$23,765,000.

2012 General Obligation Bonds, Series C

On April 12, 2017, the Panama-Buena Vista Union School District issued 2012 General Obligation Bonds, Series C in the amount of \$20,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$21,265,041 (representing the principal amount of \$20,000,000, plus premium on issuance of \$1,706,303, less cost of issuance and underwriter's discount of \$441,262). The bonds have a final maturity which occurs on August 1, 2046 with interest rates of 4.00 to 5.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$19,590,000.

2018 General Obligation Bonds, Series A

On March 7, 2019, the Panama-Buena Vista Union School District issued 2018 General Obligation Bonds, Series A in the amount of \$22,000,000. The Series 2019 represents the first of the authorized bonds not to exceed \$90,000,000 to be issued under the measure as approved by voters. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$22,599,809 (representing the principal amount of \$22,000,000, plus premium on issuance of \$905,150, less cost of issuance and underwriter's discount of \$305,341). The bonds have a final maturity which occurs on August 1, 2029 with interest rates of 2.00 to 3.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$9,910,000.

2012 General Obligation Bonds, 2019 Series D

On October 16, 2019, the Panama-Buena Vista Union School District issued 2012 General Obligation Bonds, 2019 Series D in the amount of \$18,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$18,617,651 (representing the principal amount of \$18,000,000, plus premium on issuance of \$1,040,414, less cost of issuance and underwriter's discount of \$422,763). The bonds have a final maturity which occurs on August 1, 2037 with interest rates of 2.00 to 5.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$17,640,000.

2018 General Obligation Bonds, Series 2022

On April 28, 2022, the Panama-Buena Vista Union School District issued 2018 General Obligation Bonds, Series 2022 in the amount of \$22,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$23,103,660 (representing the principal amount of \$22,000,000, plus premium on issuance of \$1,291,516, less cost of issuance and underwriter's discount of \$187,856). The bonds have a final maturity which occurs on February 1, 2032 with interest rates of 3.00 to 4.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$19,325,000.

2022 General Obligation Bonds, Series 2023

On March 28, 2023, the Panama-Buena Vista Union School District issued 2022 General Obligation Bonds, Series 2023 in the amount of \$23,000,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$23,363,190 (representing the principal amount of \$23,000,000, plus premium on issuance of \$573,577, less cost of issuance and underwriter's discount of \$210,387). The bonds have a final maturity which occurs on August 1, 2033 with interest rates of 0.05 to 4.00%. Proceeds from the sale of the bonds are used to finance the construction, renovation, and repair of District facilities and infrastructure projects, and to pay issuance costs. As of June 30, 2024, the principal balance outstanding was \$23,000,000.

Refunding General Obligation Bonds, Series 2023

On March 28, 2023, the Panama-Buena Vista Union School District issued the Refunding General Obligation Refunding Bonds, Series 2023 in the amount of \$12,965,000, with interest rates ranging from 4.00 to 5.00%. The bonds were issued as current interest bonds and have a final maturity date of August 1, 2038. The net proceeds of \$14,703,560 (representing the principal amount of \$12,965,000, plus premium on issuance of \$1,856,500, less cost of issuance and underwriter's discount of \$117,940) were used to advance refund portions of the District's 2012 General Obligation Bonds, Series A and to pay the costs of issuance associated with the refunding bonds. Amounts paid to the refunded bond escrow agent that are less than outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. As of June 30, 2024, the principal balance outstanding was \$12,965,000.

The bonds mature through 2047, as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2025	\$ 9,515,000	\$ 4,284,231	\$ 13,799,231
2026	9,455,000	4,103,544	13,558,544
2027	9,150,000	3,855,706	13,005,706
2028	6,805,000	3,579,981	10,384,981
2029	7,385,000	3,326,306	10,711,306
2030-2034	34,195,000	12,631,447	46,826,447
2035-2039	24,940,000	7,760,888	32,700,888
2040-2044	13,985,000	3,875,844	17,860,844
2045-2047	10,765,000	624,900	11,389,900
Total	<u>\$ 126,195,000</u>	<u>\$ 44,042,847</u>	<u>\$ 170,237,847</u>

Certificates of Participation

On April 23, 2015, the Panama-Buena Vista Union School District, pursuant to a lease/purchase agreement with the Panama-Buena Vista Union School District Financing Corporation, issued \$26,920,000 in Certificates of Participation. The certificates were issued to defease the remaining balance of 2006 Certificates of Participation and pay for the costs of issuance incurred in connection with the execution and delivery of the certificates. The certificates were issued at interest rates ranging from 2.00 to 5.00% and the certificates have a final maturity to occur on September 1, 2036. At June 30, 2024, the principal balance outstanding was \$18,940,000.

Panama-Buena Vista Union School District

Notes to Financial Statements

June 30, 2024

The certificates mature through 2037 as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,080,000	\$ 787,300	\$ 1,867,300
2026	1,140,000	731,800	1,871,800
2027	1,200,000	673,300	1,873,300
2028	1,260,000	611,800	1,871,800
2029	1,320,000	547,300	1,867,300
2030-2034	7,625,000	1,705,443	9,330,443
2035-2037	5,315,000	283,413	5,598,413
Total	<u>\$ 18,940,000</u>	<u>\$ 5,340,356</u>	<u>\$ 24,280,356</u>

Qualified Zone Academy Bonds (QZAB)

On March 17, 2016, the District, pursuant to a sublease agreement with the Public Property Financing Corporation of California (the Corporation), issued \$10,000,000 in Qualified Academy Zone Bonds (QZAB). The District has been granted authorization from the State Superintendent of Public Instruction to issue securities in an aggregate principal amount not to exceed \$30,000,000 in accordance with the qualified zone academy bonds tax credit program found in Section 1397E of the Internal Revenue Code of 1986 and State regulations, to finance certain projects at qualified zone academies within the District. The issuance represents the first series of bonds issued under the authorization. The District and the Corporation, in order to facilitate the financing of projects qualified under the QZAB Program, entered into a lease arrangement by which the District will lease to the Corporation those certain parcels of real property located within the District and pursuant to a sublease, the Corporation will sublease the property to the District, with the District required to pay base rental to the Corporation. The annual base rental payment of \$588,235 began March 17, 2017, which is deposited with New Mexico Bank into an interest generating investment to produce sufficient income to repay the \$10,000,000 bonds upon maturity on March 17, 2033. At June 30, 2024, the principal balance outstanding was \$10,000,000.

On April 27, 2016, the District, pursuant to a sublease agreement with the Public Property Financing Corporation of California (the Corporation), issued \$20,000,000 in Qualified Academy Zone Bonds (QZAB). The District has been granted authorization from the State Superintendent of Public Instruction to issue securities in an aggregate principal amount not to exceed \$30,000,000 in accordance with the qualified zone academy bonds tax credit program found in Section 1397E of the Internal Revenue Code of 1986 and State regulations, to finance certain projects at qualified zone academies within the District. The issuance represents the second and final series of bonds issued under the authorization. The District and the Corporation, in order to facilitate the financing of projects qualified under the QZAB Program, entered into a lease arrangement by which the District will lease to the Corporation those certain parcels of real property located within the District and pursuant to a sublease, the Corporation will sublease the property to the District, with the District required to pay base rental to the Corporation. The annual base rental payment of \$1,176,471 began April 27, 2017, which is deposited with New Mexico Bank into an interest generating investment to produce sufficient income to repay the \$20,000,000 bonds upon maturity on April 27, 2033. At June 30, 2024, the principal balance outstanding was \$20,000,000.

As of June 30, 2024, the District's remaining sinking fund deposits are as follows:

Year Ending June 30,	Amount
2025	\$ 1,764,706
2026	1,764,706
2027	1,764,706
2028	1,764,706
2029	1,764,706
2030-2033	7,058,823
Total	<u>\$ 15,882,353</u>

Leases

The District has entered into agreements to lease various facilities and equipment. As of June 30, 2024, the District recognized right-to-use leased assets totaling \$5,425,802 and lease liabilities totaling \$2,811,421 related to these agreements. The District is required to make principal and interest payments through November 2030 and the lease agreements have a discount rate of 4.0%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 979,230	\$ 95,214	\$ 1,074,444
2026	773,181	58,458	831,639
2027	390,980	34,366	425,346
2028	181,384	23,440	204,824
2029	192,947	15,974	208,921
2030-2031	293,699	8,924	302,623
Total	<u>\$ 2,811,421</u>	<u>\$ 236,376</u>	<u>\$ 3,047,797</u>

Subscription-Based Information Technology Arrangements (SBITAs)

The District entered into SBITAs for the use of instructional software licenses, student information management software, and other data management software. At June 30, 2024, the District has recognized total right-to-use subscription IT assets of \$1,374,689 and total SBITA liabilities of \$263,754 related to these agreements. During the fiscal year, the District recorded \$821,505 in amortization expense. The District is required to make annual principal and interest payments through December 2025. The subscriptions have an interest rate of 4.0%.

Panama-Buena Vista Union School District

Notes to Financial Statements

June 30, 2024

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 198,418	\$ 10,550	\$ 208,968
2026	65,336	2,613	67,949
Total	<u>\$ 263,754</u>	<u>\$ 13,163</u>	<u>\$ 276,917</u>

Financed Purchase Agreement

The District has entered into a financed purchase agreement for the financing of equipment. The agreement bears no interest. As of June 30, 2024, the principal balance outstanding on the agreement was \$2,936,636. The remaining principal payment requirements for the financed purchase agreement as of June 30, 2024 are as follows:

Year Ending June 30,	Principal
2025	\$ -
2026	309,120
2027	309,120
2028	309,120
2029	309,120
2030-2034	1,545,596
2035	154,560
Total	<u>\$ 2,936,636</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$2,701,975.

Note 9 - Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2024, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plan:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	<u>\$ 27,408,400</u>	<u>\$ 15,276,384</u>	<u>\$ 5,469,297</u>	<u>\$ 3,024,437</u>

The details of the plan are as follows:

District Plan

Plan Administration

The Panama-Buena Vista Union School District Postemployment Benefits Plan (the Plan) is an agent multiple-employer, defined benefit healthcare plan administered by Self-Insured Schools of California (SISC). Self-Insured Schools of California (SISC) GASB 75 Trust A (Trust A) was established to provide governmental agencies in the state of California a mechanism for pre-funding Other Post- Employment Benefits (OPEB) liabilities. The purpose of the plan is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. The Plan is included in the financial report of Self-Insured Schools of California (SISC) which can be obtained by contacting Katie Gonzalez, Ed.D., Assistant Superintendent of Business Services, Panama-Buena Vista Union School District, 4200 Ashe Road, Bakersfield, California 93313.

Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. Participating employers reserve the right at any time or times to discontinue contributions to any extent in their sole judgment. Failure to contribute to the Trust in any plan year will not discontinue the Trust. Participating employers may obtain a transfer of assets from the Trust only in accordance with the conditions set forth in the Trust document. Such a transfer cannot be effective prior to the end of any Trust year that is on or before the third anniversary of the employer's entry date into the Trust. The Trust is an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74 with pooled administrative and investment functions.

Participating employers may receive disbursements from the Trust not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the Trust terminates, all assets in the employer's prefunding account shall remain in the Trust except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily showing the Trust the transfer will satisfy applicable requirements of the Internal Revenue Code and the Trust's fiduciary duties, or the employer substantiates to the Trust that all of the employer's obligations for the payment of postemployment benefits has been satisfied.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	145
Active employees	<u>1,997</u>
Total	<u><u>2,142</u></u>

Benefits Provided

The Plan provides medical insurance benefits to eligible employees and their spouses (not surviving spouse). The District's Board of Trustees has the authority to establish and amend benefit provisions. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's Board of Trustees has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of plan members and the District are established by the District's Board of Trustees. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District's Board of Trustees. For the measurement period ending June 30, 2023, the District contributed \$3,288,300 to the Plan, of which \$354,200 represents implicit subsidy, \$2,454,200 was used for current premiums, and \$479,900 was used to fund the OPEB Trust.

Investment Policy

State statutes and SISC Trust A's Board policies allow investments in government and domestic debt, domestic equities, mutual funds, and other investments. Trust A's policy in regard to the allocation of invested assets is established and may be amended by the SISC III Board of Directors by a majority vote of its members. It is the policy of the SISC III Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are managed on a total return basis. The policy will be reviewed on an annual basis, and the SISC III Board of Directors must approve any modifications made thereto.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of \$27,408,400 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

Total OPEB liability	\$ 36,259,400
Plan fiduciary net position	<u>(8,851,000)</u>
Net OPEB liability	<u>\$ 27,408,400</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>24.41%</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.80%
Salary increases	2.80%, average, including inflation
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.75 for 2023

The investment rate of return of 6.50% is the expected long-term rate of return on District assets invested in the Self-Insured Schools of California (SISC) GASB 75 Trust.

Mortality rates are from the CalSTRS experience study of the three years ending June 30, 2018 and the CalPERS school employer experience study for the twenty years ending June 30, 2019. CalSTRS rates are customized tables that are projected generationally from 2019 with 110% of the ultimate MP-2019 project scale.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the future real rates of return by the target asset allocation percentage and by adding expected inflation.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Broad U.S. equity	60%	5.30%
U.S. fixed	40%	0.90%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study for the period July 1, 2022 to June 30, 2023.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2022 (Measurement Date)	\$ 28,265,800	\$ 7,522,900	\$ 20,742,900
Service cost	1,523,400	-	1,523,400
Interest	1,796,200	-	1,796,200
Contributions - employer	-	3,288,300	(3,288,300)
Expected investment return	-	504,456	(504,456)
Difference between expected and actual experience	7,471,800	347,734	7,124,066
Changes of assumptions	10,600	-	10,600
Benefit payments	(2,808,400)	(2,808,400)	-
Administrative expense	-	(3,990)	3,990
Net change in total OPEB liability	7,993,600	1,328,100	6,665,500
Balance, June 30, 2023 (Measurement Date)	\$ 36,259,400	\$ 8,851,000	\$ 27,408,400

There were no changes to benefit terms.

Changes of assumptions reflects a change in the health care cost trend rate from 5.00% in 2022 to 4.75% in 2023.

Sensitivity of the Net OPEB Liability to Changes in the Investment Rate of Return

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

Investment Rate of Return	Net OPEB Liability
1% decrease (5.50%)	\$ 29,373,500
Current investment return (6.50%)	27,408,400
1% increase (7.50%)	25,524,900

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

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

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (3.75%)	\$ 24,845,400
Current healthcare cost trend rate (4.75%)	27,408,400
1% increase (5.75%)	30,361,100

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$3,024,437. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 4,649,975	\$ -
Differences between expected and actual experience	10,570,453	3,871,193
Changes of assumptions	10,069	1,598,104
Net difference between projected and actual earnings on OPEB plan investments	45,887	-
Total	<u>\$ 15,276,384</u>	<u>\$ 5,469,297</u>

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 268,854
2026	196,234
2027	454,703
2028	198,572
2029	268,119
Thereafter	3,770,630
Total	<u>\$ 5,157,112</u>

Note 10 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable					
Revolving cash	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Stores inventories	1,148,171	-	-	292,971	1,441,142
Total nonspendable	1,223,171	-	-	292,971	1,516,142
Restricted					
Legally restricted programs	58,010,755	-	-	1,032,999	59,043,754
Food service	-	-	-	9,166,242	9,166,242
Capital projects	-	38,849,725	-	4,621,156	43,470,881
Debt services	-	-	17,097,591	14,563,878	31,661,469
Total restricted	58,010,755	38,849,725	17,097,591	29,384,275	143,342,346
Committed					
Textbook adoptions	5,000,000	-	-	-	5,000,000
Deferred maintenance and capital facilities projects	49,087,197	-	-	-	49,087,197
Total committed	54,087,197	-	-	-	54,087,197
Assigned					
Transitional kindergarten growth and capital projects	14,081,684	-	-	-	14,081,684
Capital projects	-	-	28,091,461	-	28,091,461
Child development programs	-	-	-	67,786	67,786
Total assigned	14,081,684	-	28,091,461	67,786	42,240,931
Unassigned					
Reserve for economic uncertainties	10,250,000	-	-	-	10,250,000
Total	\$ 137,652,807	\$ 38,849,725	\$ 45,189,052	\$ 29,745,032	\$ 251,436,616

Note 11 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with Self-Insured Schools of California (SISC II), a joint powers authority, for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024, the District participated in the Self-Insured Schools of California (SISC I), a joint powers authority. The intent of SISC I is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in SISC I. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts. Each participant pays its workers' compensation premium based on its individual rate.

Employee Medical Benefits

The District has contracted with Self-Insured Schools of California (SISC III), a joint powers authority, to provide employee medical and welfare benefits. SISC III is a shared risk pool comprised of several local educational agencies. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Note 12 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 145,441,039	\$ 58,806,493	\$ 16,108,949	\$ 24,496,682
CalPERS	91,602,592	37,229,350	2,804,708	16,056,627
Total	<u>\$ 237,043,631</u>	<u>\$ 96,035,843</u>	<u>\$ 18,913,657</u>	<u>\$ 40,553,309</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$22,567,660.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total Net Pension Liability, Including State Share	
Proportionate share of net pension liability	\$ 145,441,039
State's proportionate share of the net pension liability	<u>69,684,892</u>
Total	<u><u>\$ 215,125,931</u></u>

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.1910% and 0.1627%, resulting in a net increase in the proportionate share of 0.0283%.

For the year ended June 30, 2024, the District recognized pension expense of \$24,496,682. In addition, the District recognized pension expense and revenue of \$9,479,070 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 22,567,660	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	23,344,859	8,327,115
Differences between projected and actual earnings on pension plan investments	622,547	-
Differences between expected and actual experience in the measurement of the total pension liability	11,429,270	7,781,834
Changes of assumptions	<u>842,157</u>	<u>-</u>
Total	<u>\$ 58,806,493</u>	<u>\$ 16,108,949</u>

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

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ (4,575,686)
2026	(7,170,904)
2027	11,784,306
2028	<u>584,831</u>
Total	<u>\$ 622,547</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 4,615,097
2026	2,992,639
2027	2,585,863
2028	1,953,511
2029	2,619,198
Thereafter	4,741,029
Total	<u>\$ 19,507,337</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.1%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 243,965,737
Current discount rate (7.10%)	145,441,039
1% increase (8.10%)	63,604,794

California Public Employees Retirement System (CalPERS)**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 62 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$14,105,382.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$91,602,592. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2531% and 0.2314%, resulting in a net increase in the proportionate share of 0.0217%.

For the year ended June 30, 2024, the District recognized pension expense of \$16,056,627. 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	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,105,382	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,776,567	1,397,827
Differences between projected and actual earnings on pension plan investments	9,784,468	-
Differences between expected and actual experience in the measurement of the total pension liability	3,342,838	1,406,881
Changes of assumptions	4,220,095	-
Total	<u>\$ 37,229,350</u>	<u>\$ 2,804,708</u>

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 1,825,185
2026	1,081,286
2027	6,573,496
2028	304,501
Total	<u>\$ 9,784,468</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 4,692,563
2026	3,617,553
2027	2,224,676
Total	<u>\$ 10,534,792</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 132,433,669
Current discount rate (6.90%)	91,602,592
1% increase (7.90%)	57,856,635

Alternative Retirement System (SISC Defined Benefit Plan)

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the SISC Defined Benefit Plan as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.7% of an employee's gross earnings for employees hired prior to January 1, 2013 and 2.1% of an employee's gross earnings for employees hired after January 1, 2013. The District's contributions to SISC Defined Benefit Plan for the fiscal year ending June 30, 2024 was \$244,801.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$11,146,205 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 13 - Commitments and Contingencies**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

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

Property Taxes

The County of Kern and its related municipal entities have been subjected to continuing taxpayer litigation suits asserting over assessments of property taxes. The Auditor-Controller of Kern County has advised the District that it would be prudent to impound funds in anticipation of possibly adverse findings by the courts. The balance in the District's impound account was \$234,123 at June 30, 2024. The pending appeals plus interest was \$437,357, which leaves an unfunded liability balance of \$203,234 as of June 30, 2024.

Construction Commitments

As of June 30, 2024, the District had the following commitments (contractual obligations) with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Gymnasiums HVAC	\$ 1,332,889	8/1/2024
6313 Schirra Court Renovation	1,500,000	1/1/2025
Mountain View TK-8	70,884,080	8/1/2025
Modernization - Hart Elementary School	9,483,871	8/1/2025
Modernization - Tevis Junior High School	6,066,512	8/1/2025
Modernization - Actis Junior High School	6,458,441	8/1/2025
Modernization - Castle Elementary School	4,619,498	8/1/2025
Modernization - Sandrini Elementary School	3,489,538	8/1/2025
Modernization - Warren Junior High School	3,365,744	8/1/2025
Modernization - Van Horn Elementary School	2,798,532	8/1/2025
Communication Systems & Cameras (District-wide)	1,748,242	8/1/2025
Total	<u>\$ 111,747,347</u>	

Note 14 - Participation in Public Entity Risk Pools, Joint Powers Authorities and Other Related Party Transactions

The District is a member of the SISC I, SISC II, SISC III, and Schools Legal Services public entity risk pools. The District pays an annual premium to the applicable entities for its workers' compensation coverage, health coverage, property and liability coverage, and legal services.

The relationship between the District and the pools is such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2024, the District made payments of \$3,642,489, \$1,977,159, \$39,292,150, and \$35,706, to SISC I, SISC II, SISC III, and Schools Legal Services, respectively, for the coverages and services noted above.

Note 15 - Subsequent Events

General Obligation Bonds, Election of 2018, Series 2024

On August 21, 2024, the District issued \$25,000,000 of the General Obligation Bonds, Series 2024. The Series 2024 Bonds were issued as current interest bonds. The bonds have a final maturity to occur on August 1, 2035, with an interest rate of 4.00%. The bonds are being issued to finance specific construction, repair, and improvement projects approved by the voters of the District and to pay the costs of issuance of the bonds.



Required Supplementary Information
June 30, 2024

Panama-Buena Vista Union School District

Panama-Buena Vista Union School District

General Fund - Budgetary Comparison Schedule

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 250,346,331	\$ 250,621,290	\$ 251,013,162	\$ 391,872
Federal sources	16,680,112	18,973,362	18,197,967	(775,395)
Other State sources	58,764,946	67,641,660	66,951,105	(690,555)
Other local sources	1,681,348	6,170,339	10,535,779	4,365,440
Total revenues ¹	327,472,737	343,406,651	346,698,013	3,291,362
Expenditures				
Current				
Certificated salaries	118,831,010	132,379,745	129,799,165	2,580,580
Classified salaries	52,870,583	54,569,291	55,475,982	(906,691)
Employee benefits	97,615,047	93,816,477	93,626,130	190,347
Books and supplies	23,309,859	16,350,773	13,466,267	2,884,506
Services and operating expenditures	24,422,358	32,166,446	28,663,070	3,503,376
Other outgo	749,617	718,832	301,967	416,865
Capital outlay	12,033,858	4,758,539	7,591,644	(2,833,105)
Debt service				
Debt service - principal	-	-	533,760	(533,760)
Debt service - interest and other	200,000	200,000	259,247	(59,247)
Total expenditures ¹	330,032,332	334,960,103	329,717,232	5,242,871
Excess (Deficiency) of Revenues Over Expenditures	(2,559,595)	8,446,548	16,980,781	8,534,233
Other Financing Sources (Uses)				
Other sources - leases	-	-	1,281,209	1,281,209
Other sources - SBITAS	-	-	471,200	471,200
Transfers out	(1,764,706)	(2,972,818)	(7,822,818)	(4,850,000)
Net Financing Uses	(1,764,706)	(2,972,818)	(6,070,409)	(3,097,591)
Net Change in Fund Balances	(4,324,301)	5,473,730	10,910,372	5,436,642
Fund Balance - Beginning	126,742,435	126,742,435	126,742,435	-
Fund Balance - Ending	\$ 122,418,134	\$ 132,216,165	\$ 137,652,807	\$ 5,436,642

¹ Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to this fund are included in the actual revenues and expenditures, however, are not included in the original and final budgeted amounts.

Panama-Buena Vista Union School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 1,523,400	\$ 1,494,700	\$ 1,589,800	\$ 1,553,600
Interest	1,796,200	1,766,000	2,073,400	2,029,600
Difference between expected and actual experience	7,471,800	185,000	(4,839,800)	6,700
Changes of assumptions	10,600	(168,800)	(627,400)	-
Benefit payments	(2,808,400)	(2,846,200)	(2,909,100)	(2,955,500)
Net change in total OPEB liability	7,993,600	430,700	(4,713,100)	634,400
Total OPEB Liability - Beginning	28,265,800	27,835,100	32,548,200	31,913,800
Total OPEB Liability - Ending	<u>\$ 36,259,400</u>	<u>\$ 28,265,800</u>	<u>\$ 27,835,100</u>	<u>\$ 32,548,200</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 3,288,300	\$ 3,298,200	\$ 3,338,000	\$ 3,395,300
Expected investment return	504,456	523,634	386,136	358,397
Investment experience (loss)/gain	347,734	(1,280,663)	1,292,355	(363,100)
Benefit payments	(2,808,400)	(2,846,200)	(2,909,100)	(2,955,500)
Administrative expense	(3,990)	(3,971)	(3,191)	(2,597)
Net change in plan fiduciary net position	1,328,100	(309,000)	2,104,200	432,500
Plan Fiduciary Net Position - Beginning	7,522,900	7,831,900	5,727,700	5,295,200
Plan Fiduciary Net Position - Ending	<u>\$ 8,851,000</u>	<u>\$ 7,522,900</u>	<u>\$ 7,831,900</u>	<u>\$ 5,727,700</u>
Net OPEB Liability - Ending	<u>\$ 27,408,400</u>	<u>\$ 20,742,900</u>	<u>\$ 20,003,200</u>	<u>\$ 26,820,500</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>24.41%</u>	<u>26.61%</u>	<u>28.14%</u>	<u>17.60%</u>
Covered Payroll	<u>\$ 145,853,706</u>	<u>\$ 133,637,759</u>	<u>\$ 126,130,123</u>	<u>\$ 122,495,600</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>19%</u>	<u>16%</u>	<u>16%</u>	<u>22%</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

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

Panama-Buena Vista Union School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,249,200	\$ 1,225,600	\$ 1,225,600
Interest	1,802,300	1,751,000	1,711,900
Difference between expected and actual experience	4,666,200	459,600	-
Changes of assumptions	(1,452,100)	-	-
Benefit payments	(2,882,900)	(2,442,700)	(2,231,500)
Net change in total OPEB liability	3,382,700	993,500	706,000
Total OPEB Liability - Beginning	28,531,100	27,537,600	26,831,600
Total OPEB Liability - Ending	<u>\$ 31,913,800</u>	<u>\$ 28,531,100</u>	<u>\$ 27,537,600</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 3,343,400	\$ 2,959,700	\$ 2,730,900
Expected investment return	289,804	233,610	(1,596)
Investment experience (loss)/gain	317,751	144,291	-
Benefit payments	(2,882,900)	(2,442,700)	(2,231,500)
Administrative expense	(2,255)	(2,001)	(1,604)
Net change in plan fiduciary net position	1,065,800	892,900	496,200
Plan Fiduciary Net Position - Beginning	4,229,400	3,336,500	2,840,300
Plan Fiduciary Net Position - Ending	<u>\$ 5,295,200</u>	<u>\$ 4,229,400</u>	<u>\$ 3,336,500</u>
Net OPEB Liability - Ending	<u>\$ 26,618,600</u>	<u>\$ 24,301,700</u>	<u>\$ 24,201,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>16.59%</u>	<u>14.82%</u>	<u>12.12%</u>
Covered Payroll	<u>\$ 115,656,000</u>	<u>\$ 107,662,800</u>	<u>\$ 85,881,500</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>23%</u>	<u>23%</u>	<u>28%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

Panama-Buena Vista Union School District
Schedule of the District's Contributions for OPEB
Year Ended June 30, 2024

	2024	2023	2022	2021
Actuarially determined contribution	\$ 3,450,100	\$ 3,300,400	\$ 3,948,500	\$ 3,839,200
Contribution in relation to the actuarially determined contribution	<u>3,288,300</u>	<u>3,298,200</u>	<u>3,338,000</u>	<u>3,395,300</u>
Contribution deficiency (excess)	<u>\$ 161,800</u>	<u>\$ 2,200</u>	<u>\$ 610,500</u>	<u>\$ 443,900</u>
Covered payroll	<u>\$ 172,525,583</u>	<u>\$ 145,853,706</u>	<u>\$ 133,637,759</u>	<u>\$ 126,130,123</u>
Contributions as a percentage of Covered Payroll	<u>1.91%</u>	<u>2.26%</u>	<u>2.50%</u>	<u>2.69%</u>
		2020	2019	2018
Actuarially determined contribution		\$ 3,290,600	\$ 3,218,000	\$ 3,164,400
Contribution in relation to the actuarially determined contribution		<u>3,343,400</u>	<u>2,959,700</u>	<u>2,730,900</u>
Contribution deficiency (excess)		<u>\$ (52,800)</u>	<u>\$ 258,300</u>	<u>\$ 433,500</u>
Covered payroll		<u>\$ 122,495,600</u>	<u>\$ 115,656,000</u>	<u>\$ 107,662,800</u>
Contributions as a percentage of Covered Payroll		<u>2.73%</u>	<u>2.56%</u>	<u>2.54%</u>

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

Panama-Buena Vista Union School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS
Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.1910%	0.1627%	0.1696%	0.1657%	0.1595%
Proportionate share of the net pension liability	\$ 145,441,039	\$ 113,081,987	\$ 77,190,206	\$ 160,612,985	\$ 144,028,963
State's proportionate share of the net pension liability	69,684,892	56,631,017	38,839,118	82,796,013	78,577,415
Total	<u>\$ 215,125,931</u>	<u>\$ 169,713,004</u>	<u>\$ 116,029,324</u>	<u>\$ 243,408,998</u>	<u>\$ 222,606,378</u>
Covered payroll	<u>\$ 108,533,853</u>	<u>\$ 97,999,852</u>	<u>\$ 97,652,737</u>	<u>\$ 88,962,164</u>	<u>\$ 84,325,104</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	134%	115%	79%	181%	171%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.1514%	0.1368%	0.1360%	0.1420%	0.1250%
Proportionate share of the net pension liability	\$ 139,192,389	\$ 126,528,553	\$ 110,067,000	\$ 95,299,000	\$ 72,829,000
State's proportionate share of the net pension liability	79,694,152	74,853,223	62,659,013	50,402,846	43,977,417
Total	<u>\$ 218,886,541</u>	<u>\$ 201,381,776</u>	<u>\$ 172,726,013</u>	<u>\$ 145,701,846</u>	<u>\$ 116,806,417</u>
Covered payroll	<u>\$ 80,424,955</u>	<u>\$ 73,081,844</u>	<u>\$ 68,344,520</u>	<u>\$ 65,189,088</u>	<u>\$ 17,516,061</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	173%	173%	161%	146%	416%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Panama-Buena Vista Union School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS
Year Ended June 30, 2024

CalPERS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.2531%	0.2314%	0.2410%	0.2239%	0.2264%
Proportionate share of the net pension liability	\$ 91,602,592	\$ 79,627,122	\$ 48,997,547	\$ 68,686,062	\$ 65,973,736
Covered payroll	\$ 43,414,722	\$ 35,239,821	\$ 34,598,097	\$ 31,705,203	\$ 30,742,309
Proportionate share of the net pension liability as a percentage of its covered payroll	211%	226%	142%	217%	215%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.1875%	0.1875%	0.1850%	0.1840%	0.0185%
Proportionate share of the net pension liability	\$ 49,990,382	\$ 44,759,183	\$ 36,518,000	\$ 27,193,000	\$ 21,004,000
Covered payroll	\$ 27,757,234	\$ 24,003,435	\$ 22,647,463	\$ 20,432,809	\$ 6,239,102
Proportionate share of the net pension liability as a percentage of its covered payroll	180%	186%	161%	133%	337%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Panama-Buena Vista Union School District
Schedule of the District's Contributions - CalSTRS
Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 22,567,660	\$ 20,729,966	\$ 16,581,575	\$ 15,770,917	\$ 15,212,530
Less contributions in relation to the contractually required contribution	<u>22,567,660</u>	<u>20,729,966</u>	<u>16,581,575</u>	<u>15,770,917</u>	<u>15,212,530</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 118,155,288</u>	<u>\$ 108,533,853</u>	<u>\$ 97,999,852</u>	<u>\$ 97,652,737</u>	<u>\$ 88,962,164</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 13,728,127	\$ 11,605,321	\$ 9,193,696	\$ 7,333,367	\$ 5,788,791
Less contributions in relation to the contractually required contribution	<u>13,728,127</u>	<u>11,605,321</u>	<u>9,193,696</u>	<u>7,333,367</u>	<u>5,788,791</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 84,325,104</u>	<u>\$ 80,424,955</u>	<u>\$ 73,081,844</u>	<u>\$ 68,344,520</u>	<u>\$ 65,189,088</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>

Panama-Buena Vista Union School District
Schedule of the District's Contributions - CalPERS
Year Ended June 30, 2024

CalPERS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 14,105,382	\$ 11,014,315	\$ 8,073,443	\$ 7,161,806	\$ 6,252,266
Less contributions in relation to the contractually required contribution	14,105,382	11,014,315	8,073,443	7,161,806	6,252,266
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 52,868,748	\$ 43,414,722	\$ 35,239,821	\$ 34,598,097	\$ 31,705,203
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.720%
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 5,552,061	\$ 4,310,976	\$ 3,333,597	\$ 2,683,045	\$ 2,405,146
Less contributions in relation to the contractually required contribution	5,552,061	4,310,976	3,333,597	2,683,045	2,405,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 30,742,309	\$ 27,757,234	\$ 24,003,435	\$ 22,647,463	\$ 20,432,809
Contributions as a percentage of covered payroll	18.060%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules**Budgetary Comparison Schedule**

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

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

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

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

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

- *Change in Benefit Terms* – There were no changes in benefit terms.
- *Change of Assumptions* – Changes of assumptions reflects a change in the health care cost trend rate from 5.00% in 2022 to 4.75% in 2023.

Schedule of the District Contributions for OPEB

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

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

Schedule of the District's Contributions

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



Supplementary Information
June 30, 2024

Panama-Buena Vista Union School District

Panama-Buena Vista Union School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
Special Education Cluster (IDEA)			
Local Assistance, Part B, Sec 611, Private School			
Individual Service Plans	84.027	10115	\$ 5,720
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,561,704
Alternative Dispute Resolution	84.027A	13007	14,807
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	<u>223,423</u>
Subtotal			<u>3,805,654</u>
Preschool Grants, Part B, Sec 619	84.173	13430	45,797
Preschool Staff Development, Part B, Sec 619	84.173A	13431	<u>1,962</u>
Subtotal			<u>47,759</u>
Subtotal Special Education Cluster (IDEA)			<u>3,853,413</u>
Early Intervention Grants	84.181	23761	25,000
ARP Part C, Early Education Program	84.181X	25657	<u>91,510</u>
Subtotal			<u>116,510</u>
Passed through California Department of Education			
COVID-19 Elementary and Secondary School Emergency			
Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	3,659,791
COVID-19 ESSER III State Reserve Emergency Needs	84.425U	15620	1,155,851
COVID-19 ESSER III State Reserve Learning Loss	84.425U	15621	<u>2,113,236</u>
Subtotal			<u>6,928,878</u>
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	5,891,846
Title III, English Learner Student Program	84.365	14346	425,595
Title II, Part A, Supporting Effective Instruction	84.367	13007	700,728
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	<u>503,436</u>
Total U.S. Department of Education			<u>18,420,406</u>

Panama-Buena Vista Union School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Education			
Child Nutrition Cluster			
School Breakfast Needy	10.553	13526	\$ 1,513,228
School Lunch - Section 4	10.555	13523	1,221,978
Commodities	10.555	13524	959,824
School Lunch - Section 11	10.555	13524	7,362,574
Meal Supplements	10.555	13755	197,937
Supply Chain Assistance (SCA) Funds	10.555	15655	1,106,808
Local Food for Schools	10.555	15708	<u>134,017</u>
Subtotal			<u>10,983,138</u>
Subtotal Child Nutrition Cluster			<u>12,496,366</u>
Total U.S. Department of Agriculture			<u>12,496,366</u>
U.S. Department of Health and Human Services			
Passed through California Department of Social Services			
Child Care and Development Fund (CCDF) Cluster			
COVID-19 ARP California State Preschool Program			
One-time Stipend	93.575	15640	56,285
COVID-19 ARP California State Preschool Program - Rate Supplements	93.575	15641	<u>28,696</u>
Subtotal			<u>84,981</u>
Subtotal Child Care and Development Fund (CCDF) Cluster			<u>84,981</u>
Total U.S. Department of Health and Human Services			<u>84,981</u>
Total Federal Financial Assistance			<u><u>\$ 31,001,753</u></u>

Panama-Buena Vista Union School District

Schedule of Average Daily Attendance

Year Ended June 30, 2024

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	7,946.67	7,962.93
Fourth through sixth	5,923.55	5,932.06
Seventh and eighth	4,189.47	4,179.50
Total Regular ADA	18,059.69	18,074.49
Extended Year Special Education		
Transitional kindergarten through third	19.72	19.72
Fourth through sixth	10.60	10.60
Seventh and eighth	4.01	4.01
Total Extended Year Special Education	34.33	34.33
Total ADA	18,094.02	18,108.82

Panama-Buena Vista Union School District

Schedule of Instructional Time

Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	51,410	-	51,410	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		52,240	-	52,240	180	-	180	N/A	N/A	N/A	Complied
Grade 2		52,240	-	52,240	180	-	180	N/A	N/A	N/A	Complied
Grade 3		52,240	-	52,240	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		55,772	-	55,772	180	-	180	N/A	N/A	N/A	Complied
Grade 5		55,772	-	55,772	180	-	180	N/A	N/A	N/A	Complied
Grade 6		55,772	-	55,772	180	-	180	N/A	N/A	N/A	Complied
Grade 7		59,356	-	59,356	180	-	180	N/A	N/A	N/A	Complied
Grade 8		59,356	-	59,356	180	-	180	N/A	N/A	N/A	Complied

Panama-Buena Vista Union School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2024

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	<u>Building Fund</u>
Fund Balance	
Balance, June 30, 2024, Unaudited Actuals	\$ 38,647,669
Increase in Receivables	<u>202,056</u>
Balance, June 30, 2024, Audited Financial Statements	<u><u>\$ 38,849,725</u></u>

Panama-Buena Vista Union School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2024

	(Budget) 2025 ¹	2024	2023 ¹	2022 ¹
General Fund ³				
Revenues	\$ 338,527,986	\$ 346,606,851	\$ 339,169,983	\$ 294,871,248
Other sources	-	1,752,409	514,610	-
Total revenues and other sources	338,527,986	348,359,260	339,684,593	294,871,248
Expenditures	369,441,170	329,717,232	288,739,473	259,872,304
Other uses and transfers out	2,214,706	12,322,818	2,164,706	17,880,466
Total expenditures and other uses	371,655,876	342,040,050	290,904,179	277,752,770
Increase/(Decrease) in Fund Balance	(33,127,890)	6,319,210	48,780,414	17,118,478
Ending Fund Balance	\$ 97,911,788	\$ 131,039,678	\$ 124,720,468	\$ 75,940,054
Available Reserves ²	\$ 11,250,000	\$ 10,250,000	\$ 8,727,125	\$ 10,307,026
Available Reserves as a Percentage of Total Outgo	3.03%	3.00%	3.00%	3.71%
Long-Term Liabilities	N/A	\$ 456,093,969	\$ 404,688,436	\$ 320,639,343
K-12 Average Daily Attendance at P-2	18,256	18,094	17,495	16,226

The General Fund balance has increased by \$55,099,624 over the past two years. However, the fiscal year 2024-2025 budget projects a decrease of \$33,127,890 (25.3%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$135,454,626 over the past two years.

Average daily attendance has increased by 1,868 over the past two years. An increase of 162 ADA is anticipated during fiscal year 2024-2025.

¹ Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

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

³ General Fund amounts do not include activity related to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, as required by GASB Statement No. 54.

Note 1 - Purpose of Schedules**Schedule of Expenditures of Federal Awards**Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Panama-Buena Vista Union School District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or fund balance of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District did not have any commodities reported as inventory.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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



Combining Statements – Non-Major Governmental Funds
June 30, 2024

Panama-Buena Vista Union School District

Non-Major Governmental Funds account for the District's activities that do not meet the criteria of a major governmental fund. The following are brief descriptions of the District's non-major governmental funds.

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Child Development Fund** The Child Development Fund is used to account separately for federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51), authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

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

Panama-Buena Vista Union School District

Non-Major Governmental Funds

June 30, 2024

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets							
Deposits and investments	\$ 288,852	\$ 859,318	\$ 6,713,923	\$ 4,627,004	\$ -	\$ 14,481,890	\$ 26,970,987
Receivables	-	100,410	3,270,295	428,162	-	81,988	3,880,855
Due from other funds	-	122,946	4,306	-	-	-	127,252
Stores inventories	-	-	292,971	-	-	-	292,971
Total assets	\$ 288,852	\$ 1,082,674	\$ 10,281,495	\$ 5,055,166	\$ -	\$ 14,563,878	\$ 31,272,065
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 27,194	\$ 290,076	\$ 204,977	\$ -	\$ -	\$ 522,247
Due to other funds	-	243,547	532,206	229,033	-	-	1,004,786
Total liabilities	-	270,741	822,282	434,010	-	-	1,527,033
Fund Balances							
Nonspendable	-	-	292,971	-	-	-	292,971
Restricted	288,852	744,147	9,166,242	4,621,156	-	14,563,878	29,384,275
Assigned	-	67,786	-	-	-	-	67,786
Total fund balances	288,852	811,933	9,459,213	4,621,156	-	14,563,878	29,745,032
Total liabilities and fund balances	\$ 288,852	\$ 1,082,674	\$ 10,281,495	\$ 5,055,166	\$ -	\$ 14,563,878	\$ 31,272,065

Panama-Buena Vista Union School District

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

Year Ended June 30, 2024

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues							
Federal sources	\$ -	\$ -	\$ 11,911,562	\$ -	\$ -	\$ -	\$ 11,911,562
Other State sources	-	1,757,122	5,904,471	-	4,041,613	95,553	11,798,759
Other local sources	625,649	2,043,361	202,262	2,813,774	-	13,917,645	19,602,691
Total revenues	625,649	3,800,483	18,018,295	2,813,774	4,041,613	14,013,198	43,313,012
Expenditures							
Current							
Instruction	-	1,035,237	-	-	-	-	1,035,237
Instruction-related activities							
Supervision of instruction	-	283,332	-	-	-	-	283,332
Pupil services							
Food services	-	-	15,298,920	-	-	-	15,298,920
Administration							
All other administration	-	51,732	420,800	44,268	-	-	516,800
Plant services	-	164,059	122,374	1,371,578	-	-	1,658,011
Ancillary services	653,574	-	-	-	-	-	653,574
Community services	-	1,998,578	-	-	-	-	1,998,578
Facility acquisition and construction	-	-	109,773	3,090,548	-	-	3,200,321
Debt service							
Principal	-	-	-	1,626,389	-	4,780,000	6,406,389
Interest and other	-	-	-	876,420	-	4,186,932	5,063,352
Total expenditures	653,574	3,532,938	15,951,867	7,009,203	-	8,966,932	36,114,514
Excess (Deficiency) of Revenues Over Expenditures	(27,925)	267,545	2,066,428	(4,195,429)	4,041,613	5,046,266	7,198,498
Other Financing Sources (Uses)							
Transfers in	-	100,000	-	-	-	-	100,000
Other sources - leases	-	-	-	1,296,013	-	-	1,296,013
Transfers out	-	-	-	-	(4,041,613)	-	(4,041,613)
Net Financing Sources (Uses)	-	100,000	-	1,296,013	(4,041,613)	-	(2,645,600)
Net Change in Fund Balances	(27,925)	367,545	2,066,428	(2,899,416)	-	5,046,266	4,552,898
Fund Balance - Beginning	316,777	444,388	7,392,785	7,520,572	-	9,517,612	25,192,134
Fund Balance - Ending	\$ 288,852	\$ 811,933	\$ 9,459,213	\$ 4,621,156	\$ -	\$ 14,563,878	\$ 29,745,032

See Notes to Supplementary Information



Other Information (Unaudited)
June 30, 2024

Panama-Buena Vista Union School District

Panama-Buena Vista Union School District
Building Fund – Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Other local sources	\$ 400,000	\$ 1,000,000	\$ 2,180,860	\$ 1,180,860
Expenditures				
Current				
Materials and supplies	-	571,785	398,096	173,689
Services and operating expenditures	1,014,902	7,543,571	4,550,600	2,992,971
Capital outlay	28,185,098	6,238,644	2,788,256	3,450,388
Total expenditures	29,200,000	14,354,000	7,736,952	6,617,048
Net Change in Fund Balances	(28,800,000)	(13,354,000)	(5,556,092)	7,797,908
Fund Balance - Beginning	44,405,817	44,405,817	44,405,817	-
Fund Balance - Ending	\$ 15,605,817	\$ 31,051,817	\$ 38,849,725	\$ 7,797,908

Panama-Buena Vista Union School District
Special Reserve Fund for Capital Outlay Fund - Major Governmental Fund – Budgetary Comparison Schedule
(Unaudited)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Other local sources	\$ 9,590,000	\$ 10,250,000	\$ 1,489,446	\$ (8,760,554)
Expenditures				
Current				
Materials and supplies	-	75,028	75,028	-
Services and operating expenditures	-	439,480	594,105	(154,625)
Capital outlay	38,569,000	32,200,492	12,669,663	19,530,829
Total expenditures	38,569,000	32,715,000	13,338,796	19,376,204
Deficiency of Revenues Over Expenditures	(28,979,000)	(22,465,000)	(11,849,350)	10,615,650
Other Financing Sources				
Transfers in	19,036,162	19,539,710	11,764,431	(7,775,279)
Other sources - financed purchase agreement	-	-	2,936,636	2,936,636
Net Financing Sources	19,036,162	19,539,710	14,701,067	(4,838,643)
Net Change in Fund Balances	(9,942,838)	(2,925,290)	2,851,717	5,777,007
Fund Balance - Beginning	42,337,335	42,337,335	42,337,335	-
Fund Balance - Ending	\$ 32,394,497	\$ 39,412,045	\$ 45,189,052	\$ 5,777,007

Panama-Buena Vista Union School District

Student Activity Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)

Year Ended June 30, 2024

	Budgeted Amounts			Variances - Positive (Negative) Final to Actual
	Original ¹	Final	Actual	
Revenues				
Other local sources	\$ -	\$ 232,154	\$ 625,649	\$ 393,495
Expenditures				
Current				
Books and supplies	-	235,475	653,574	(418,099)
Net Change in Fund Balances	-	(3,321)	(27,925)	(24,604)
Fund Balance - Beginning	316,777	316,777	316,777	-
Fund Balance - Ending	<u>\$ 316,777</u>	<u>\$ 313,456</u>	<u>\$ 288,852</u>	<u>\$ (24,604)</u>

¹ The Student Activity Fund's budgetary information was not included within the original budget report approved by the District's governing board.

Panama-Buena Vista Union School District

Child Development Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Other State sources	\$ 1,267,517	\$ 1,668,337	\$ 1,757,122	\$ 88,785
Other local sources	2,503,000	2,132,515	2,043,361	(89,154)
Total revenues	3,770,517	3,800,852	3,800,483	(369)
Expenditures				
Current				
Certificated salaries	236,769	216,169	142,548	73,621
Classified salaries	2,115,057	2,088,513	2,085,470	3,043
Employee benefits	1,049,040	953,111	945,247	7,864
Books and supplies	174,504	315,057	173,524	141,533
Services and operating expenditures	178,291	131,374	134,417	(3,043)
Other outgo	75,382	77,167	51,732	25,435
Capital outlay	16,953	16,953	-	16,953
Total expenditures	3,845,996	3,798,344	3,532,938	265,406
Excess (Deficiency) of Revenues Over Expenditures	(75,479)	2,508	267,545	265,037
Other Financing Sources				
Transfers in	-	250,000	100,000	(150,000)
Net Change in Fund Balances	(75,479)	252,508	367,545	115,037
Fund Balance - Beginning	444,388	444,388	444,388	-
Fund Balance - Ending	\$ 368,909	\$ 696,896	\$ 811,933	\$ 115,037

Panama-Buena Vista Union School District
Cafeteria Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal sources	\$ 9,682,044	\$ 10,207,348	\$ 11,911,562	\$ 1,704,214
Other State sources	4,323,075	5,878,152	5,904,471	26,319
Other local sources	33,649	109,889	202,262	92,373
Total revenues	14,038,768	16,195,389	18,018,295	1,822,906
Expenditures				
Current				
Classified salaries	4,356,154	4,480,156	4,636,158	(156,002)
Employee benefits	2,658,930	2,746,555	2,819,277	(72,722)
Materials and supplies	5,982,952	7,727,844	7,688,135	39,709
Services and operating expenditures	160,871	205,479	222,597	(17,118)
Other outgo	475,000	404,000	420,800	(16,800)
Capital outlay	167,060	319,772	164,900	154,872
Total expenditures	13,800,967	15,883,806	15,951,867	(68,061)
Net Change in Fund Balances	237,801	311,583	2,066,428	1,754,845
Fund Balance - Beginning	7,392,785	7,392,785	7,392,785	-
Fund Balance - Ending	\$ 7,630,586	\$ 7,704,368	\$ 9,459,213	\$ 1,754,845

Panama-Buena Vista Union School District

Capital Facilities Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)

Year Ended June 30, 2024

	Budgeted Amounts			Variances - Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Other local sources	\$ 2,060,000	\$ 2,100,000	\$ 2,813,774	\$ 713,774
Expenditures				
Current				
Materials and supplies	-	76,585	-	76,585
Services and operating expenditures	136,000	1,533,676	200,720	1,332,956
Other outgo	1,875,175	1,863,106	-	1,863,106
Capital outlay	2,000,000	2,403,739	4,305,674	(1,901,935)
Debt service				
Debt service - principal	-	-	1,626,389	(1,626,389)
Debt service - interest and other	-	-	876,420	(876,420)
Total expenditures	4,011,175	5,877,106	7,009,203	(1,132,097)
Deficiency of Revenues Over Expenditures	(1,951,175)	(3,777,106)	(4,195,429)	(418,323)
Other Financing Sources				
Other sources - leases	-	-	1,296,013	1,296,013
Net Change in Fund Balances	(1,951,175)	(3,777,106)	(2,899,416)	877,690
Fund Balance - Beginning	7,520,572	7,520,572	7,520,572	-
Fund Balance - Ending	\$ 5,569,397	\$ 3,743,466	\$ 4,621,156	\$ 877,690

Panama-Buena Vista Union School District

County School Facilities Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule (Unaudited)

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Other State sources	<u>\$ 17,271,456</u>	<u>\$ 16,816,892</u>	<u>\$ 4,041,613</u>	<u>\$ (12,775,279)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(17,271,456)</u>	<u>(16,816,892)</u>	<u>(4,041,613)</u>	<u>12,775,279</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Panama-Buena Vista Union School District

Bond Interest and Redemption Fund - Non-Major Governmental Fund – Budgetary Comparison Schedule

(Unaudited)

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Other State sources	\$ -	\$ -	\$ 95,553	\$ 95,553
Other local sources	9,248,320	8,966,932	13,917,645	4,950,713
Total revenues	9,248,320	8,966,932	14,013,198	5,046,266
Expenditures				
Current				
Other outgo	9,248,320	8,966,932	-	8,966,932
Debt service				
Debt service - principal	-	-	4,780,000	(4,780,000)
Debt service - interest and other	-	-	4,186,932	(4,186,932)
Total expenditures	9,248,320	8,966,932	8,966,932	-
Net Change in Fund Balances	-	-	5,046,266	5,046,266
Fund Balance - Beginning	9,517,612	9,517,612	9,517,612	-
Fund Balance - Ending	<u>\$ 9,517,612</u>	<u>\$ 9,517,612</u>	<u>\$ 14,563,878</u>	<u>\$ 5,046,266</u>

ORGANIZATION

The Panama-Buena Vista Union School District (the District) was organized in 1988 through the merging of Panama Union School District and Buena Vista School District. The District operates under a locally elected five-member Board form of government and provides educational services to grades TK-8 as mandated by the State and/or Federal agencies. The District operates 19 elementary schools, five junior high schools, and one TK through eighth grade school. There were no boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Bryan Easter	President	November 2020 - December 2024
Paula Van Auken	Vice President	November 2020 - December 2024
Linda Garcia	Clerk	November 2022 - December 2026
Keith C. Wolaridge	Trustee	November 2020 - December 2024
Tom Webster	Trustee	July 2023 - December 2024

ADMINISTRATION

Katie Russell, Ed.D.	District Superintendent
Jennifer Irvin	Assistant Superintendent, Educational Services
Katie Gonzalez, CBO	Assistant Superintendent, Business Services
Brandie Dye	Assistant Superintendent, Instructional Services
Darryl Johnson	Assistant Superintendent, Human Resources
Dr. Denita Maughan	Assistant Superintendent, Special Services



STATISTICAL SECTION (UNAUDITED)

INTRODUCTION

The Statistical Section presents information useful in giving the reader an overall understanding of the school district as well as a historical perspective regarding financial information in this report. Unless noted otherwise, historical data is presented for the most recent ten-year period. The information in this section helps the reader better understand the overall financial health of the District.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

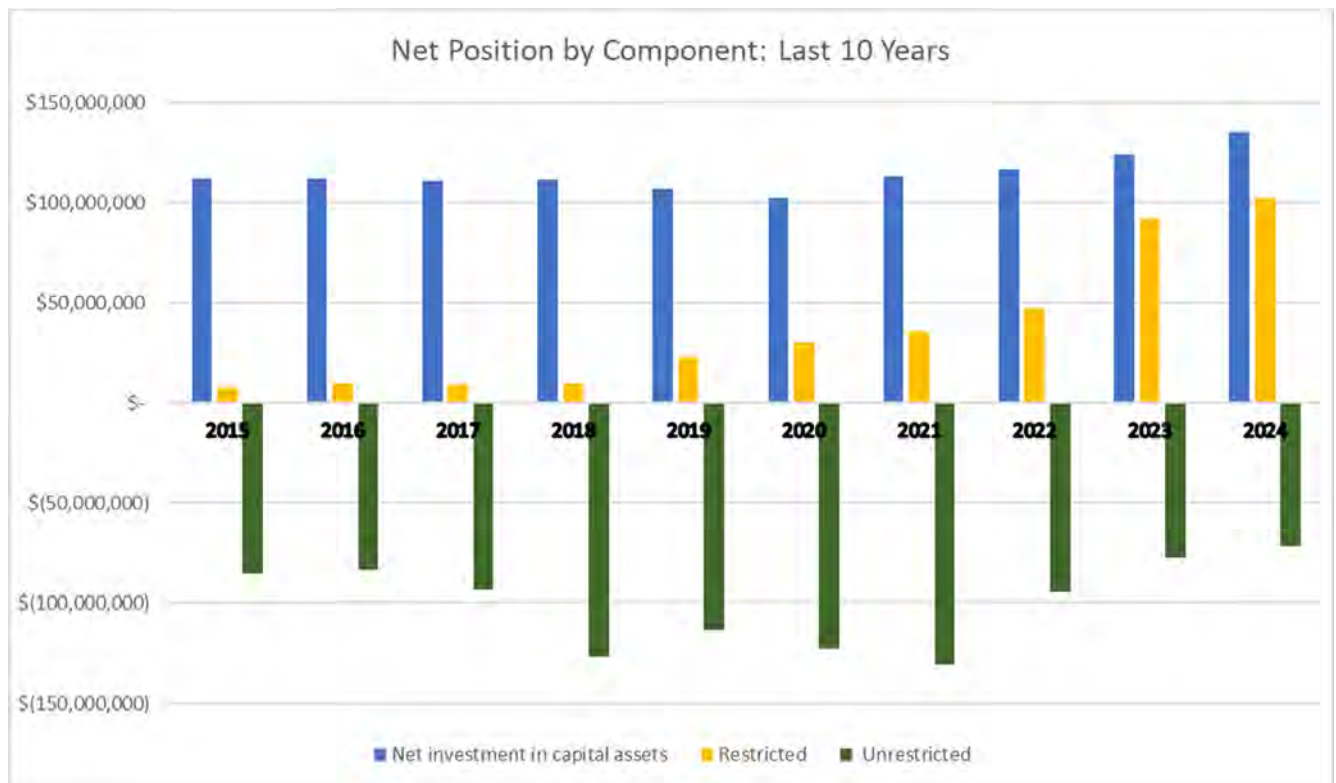
Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the financial report relates to the services the District provides and the activities it performs.

NET POSITION BY COMPONENT

Fiscal Year	Net investment in capital assets		Restricted	Unrestricted	Total
2015	\$	112,085,534	\$ 7,659,332	\$ (85,609,234)	\$ 34,135,632
2016		112,330,663	9,623,437	(83,843,282)	38,110,818
2017		111,067,586	9,241,554	(93,561,676)	26,747,464
2018		111,360,773	9,811,875	(126,156,426)	(4,983,778)
2019		106,784,622	22,914,325	(113,587,643)	16,111,304
2020		102,317,579	30,202,349	(122,352,715)	10,167,213
2021		113,346,158	36,154,330	(130,203,961)	19,296,527
2022		116,420,196	47,257,154	(94,490,966)	69,186,384
2023		124,214,517	92,141,807	(77,605,145)	138,751,179
2024		135,505,204	102,399,821	(72,130,463)	165,774,562

Source: Data extracted from District Financial Statements



CHANGE IN NET POSITION

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expenses					
Governmental Activities					
Instruction	\$ 84,126,215	\$ 117,016,233	\$ 139,361,732	\$ 151,454,044	\$ 144,331,700
Instruction-related activities	13,820,953	15,964,712	19,030,691	20,475,405	21,346,777
Pupil services	17,297,678	22,808,248	25,840,561	30,939,515	33,566,572
Administration	5,410,928	6,789,649	11,119,559	8,832,934	10,091,233
Plant services	13,866,265	18,898,027	16,465,345	19,111,217	25,575,627
Enterprise	22,798,943	7,357,492	6,448	-	-
Other educational programs	1,539,791	1,874,636	2,013,973	2,093,843	2,085,456
Interest and fiscal charges	14,026,520	14,629,855	13,464,075	13,392,336	6,042,018
Total Governmental Activities	<u>172,887,293</u>	<u>205,338,852</u>	<u>227,302,384</u>	<u>246,299,294</u>	<u>243,039,383</u>
Total Expenses	<u>172,887,293</u>	<u>205,338,852</u>	<u>227,302,384</u>	<u>246,299,294</u>	<u>243,039,383</u>
Revenues					
Program Revenues					
Charges for Services and Sales	1,700,817	1,618,322	1,292,243	1,170,086	1,169,856
Operating Grants and Contributions	26,491,557	46,244,000	46,773,146	40,464,512	45,314,786
Capital Grants and Contributions	-	-	-	-	-
Total Program Revenues	<u>28,192,374</u>	<u>47,862,322</u>	<u>48,065,389</u>	<u>41,634,598</u>	<u>46,484,642</u>
Net Revenue/Expense	<u>(144,694,919)</u>	<u>(157,476,530)</u>	<u>(179,236,995)</u>	<u>(204,664,696)</u>	<u>(196,554,741)</u>
General Revenues					
Property taxes	13,508,189	17,018,010	17,659,893	19,916,810	19,997,002
Grants and entitlements, unrestricted	115,327,185	137,145,251	141,973,130	158,512,046	163,662,973
Interest and investment earnings	265,944	451,631	708,227	1,070,557	1,188,443
Miscellaneous	<u>7,468,970</u>	<u>6,836,824</u>	<u>7,532,391</u>	<u>6,302,530</u>	<u>8,505,695</u>
Total General Revenues	<u>136,570,288</u>	<u>161,451,716</u>	<u>167,873,641</u>	<u>185,801,943</u>	<u>193,354,113</u>
Total Revenues	<u>164,762,662</u>	<u>209,314,038</u>	<u>215,939,030</u>	<u>227,436,541</u>	<u>239,838,755</u>
Change in Net Position	<u>\$ (8,124,631)</u>	<u>\$ 3,975,186</u>	<u>\$ (11,363,354)</u>	<u>\$ (18,862,753)</u>	<u>\$ (3,200,628)</u>

Source: Data Extracted from District Financial Statements

CHANGE IN NET POSITION (CONTINUED)

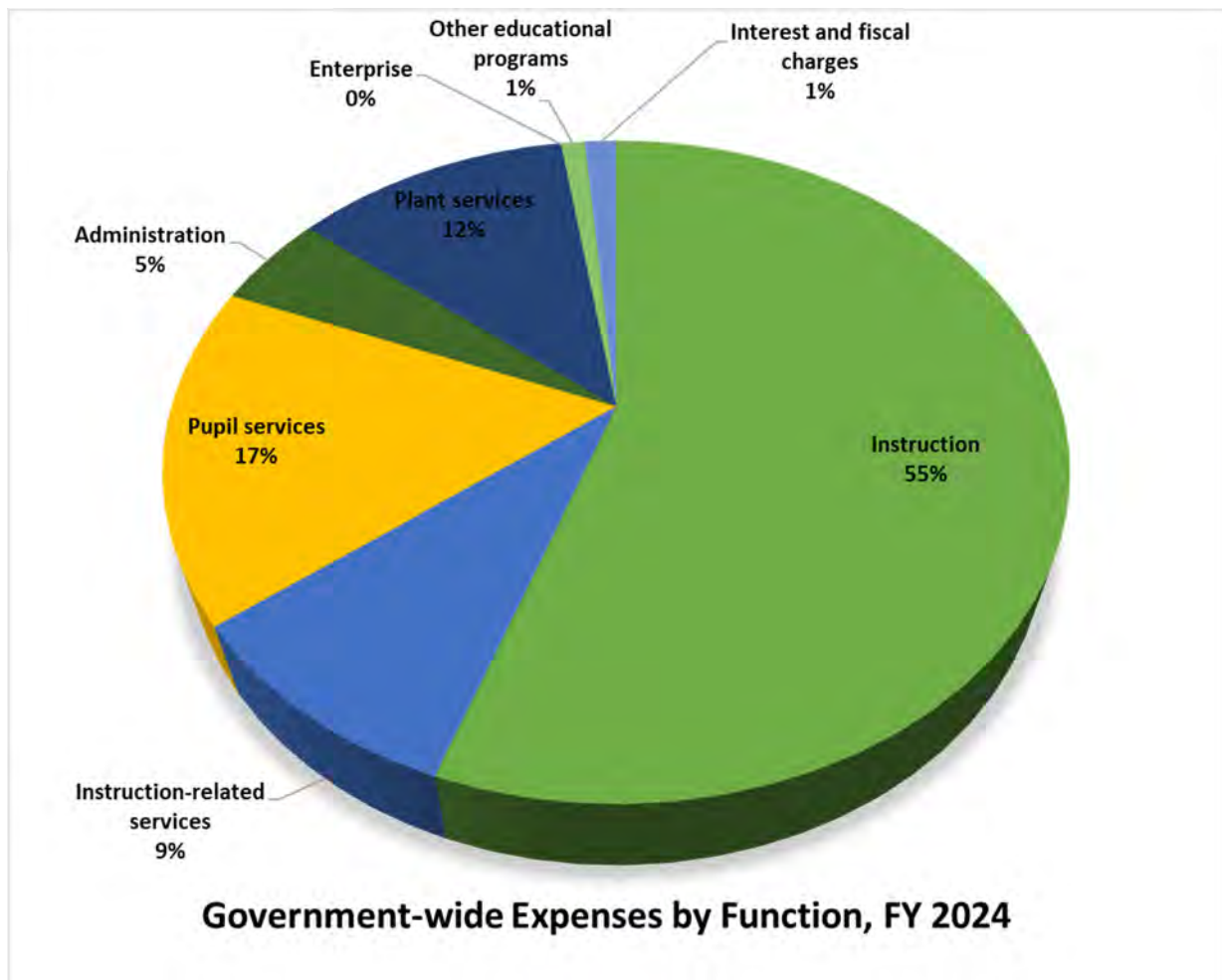
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Expenses					
Governmental Activities					
Instruction	\$ 156,791,677	\$ 192,631,672	\$ 158,848,552	\$ 175,517,575	\$ 202,132,266
Instruction-related activities	22,664,551	25,680,826	25,192,802	28,263,861	33,719,092
Pupil services	34,972,755	38,598,165	40,227,508	46,043,839	60,102,809
Administration	10,272,226	12,589,606	14,932,696	15,302,902	17,271,211
Plant services	24,775,938	28,700,874	28,267,883	33,669,765	43,087,139
Enterprise	-	-	-	-	-
Other educational programs	2,778,689	3,542,148	2,983,147	3,529,153	3,757,486
Interest and fiscal charges	4,669,201	4,091,319	4,621,020	4,735,275	4,920,810
Total Governmental Activities	<u>256,925,037</u>	<u>305,834,610</u>	<u>275,073,608</u>	<u>307,062,370</u>	<u>364,990,813</u>
Total Expenses	<u>256,925,037</u>	<u>305,834,610</u>	<u>275,073,608</u>	<u>307,062,370</u>	<u>364,990,813</u>
Revenues					
Program Revenues					
Charges for Services and Sales	4,650,903	2,713,784	1,754,785	1,483,793	1,641,030
Operating Grants and Contributions	46,329,954	94,279,674	98,916,864	117,496,516	100,789,285
Capital Grants and Contributions	-	12,669,506	13,578,879	11,228,544	4,041,613
Total Program Revenues	<u>50,980,857</u>	<u>109,662,964</u>	<u>114,250,528</u>	<u>130,208,853</u>	<u>106,471,928</u>
Net Revenue/Expense	<u>(205,944,180)</u>	<u>(196,171,646)</u>	<u>(160,823,080)</u>	<u>(176,853,517)</u>	<u>(258,518,885)</u>
General Revenues					
Property taxes	23,447,805	24,958,479	26,800,887	24,670,823	34,401,120
Grants and entitlements, unrestricted	169,445,626	165,868,198	180,185,716	214,822,490	240,413,924
Interest and investment earnings	1,662,740	1,393,777	(3,709,686)	308,549	9,635,297
Miscellaneous	<u>5,443,918</u>	<u>12,788,541</u>	<u>5,774,199</u>	<u>6,616,450</u>	<u>1,091,927</u>
Total General Revenues	<u>200,000,089</u>	<u>205,008,995</u>	<u>209,051,116</u>	<u>246,418,312</u>	<u>285,542,268</u>
Total Revenues	<u>250,980,946</u>	<u>314,671,959</u>	<u>323,301,644</u>	<u>376,627,165</u>	<u>392,014,196</u>
Change in Net Position	<u>\$ (5,944,091)</u>	<u>\$ 8,837,349</u>	<u>\$ 48,228,036</u>	<u>\$ 69,564,795</u>	<u>\$ 27,023,383</u>

Source: Data Extracted from District Financial Statements

GOVERNMENT-WIDE EXPENSES BY FUNCTION, TOTAL

Fiscal Year	Enrollment	Instruction	Instruction-related services	Pupil services	Administration	Plant services	Enterprise	Other educational programs	Interest and fiscal charges	Total
2015	17,469	\$84,126,215	\$13,820,953	\$17,297,678	\$ 5,410,928	\$13,866,265	\$22,798,943	\$1,539,791	\$14,026,520	\$172,887,293
2016	17,545	117,016,233	15,964,712	22,808,248	6,789,649	18,898,027	7,357,492	1,874,636	14,629,855	205,338,852
2017	17,900	139,361,732	19,030,691	25,840,561	11,119,559	16,465,345	6,448	2,013,973	13,464,075	227,302,384
2018	18,250	151,454,044	20,475,405	30,939,515	8,832,934	19,111,217	-	2,093,843	13,392,336	246,299,294
2019	18,619	144,331,700	21,346,777	33,566,572	10,091,233	25,575,627	-	2,085,456	6,042,018	243,039,383
2020	18,714	156,791,677	22,664,551	34,972,755	10,272,226	24,775,938	-	2,778,689	4,669,201	256,925,037
2021	18,262	192,631,672	25,680,826	38,598,165	12,589,606	28,700,874	-	3,542,148	4,091,319	305,834,610
2022	18,785	158,848,552	25,192,802	40,227,508	14,932,696	28,267,883	-	2,983,147	4,621,020	275,073,608
2023	19,023	175,517,575	28,263,861	46,043,839	15,302,902	33,669,765	-	3,529,153	4,735,275	307,062,370
2024	19,369	202,132,266	33,719,092	60,102,809	17,271,211	43,087,139	-	3,757,486	4,920,810	364,990,813

Source: District records



GOVERNMENT-WIDE EXPENSES BY FUNCTION, PER STUDENT

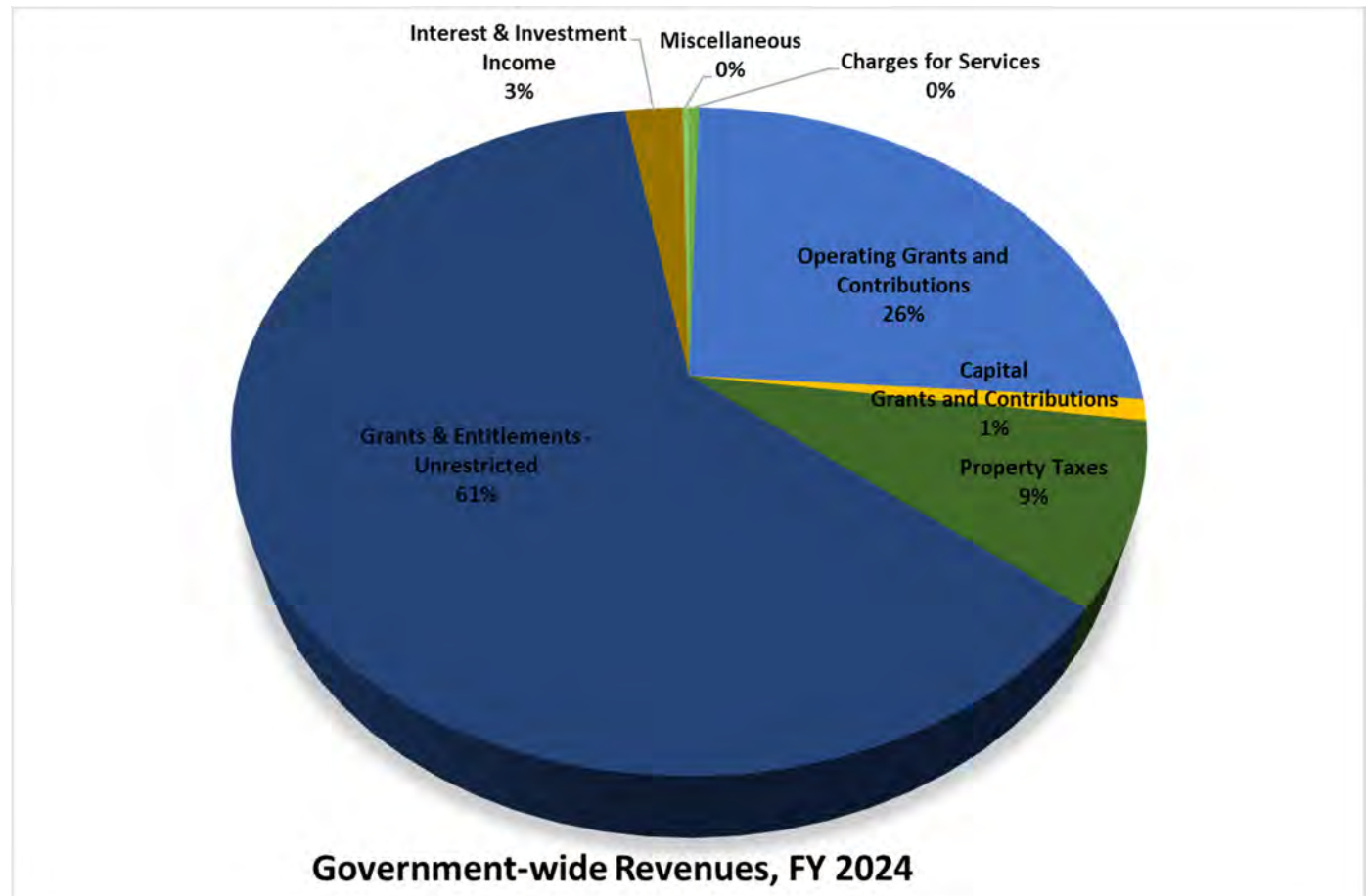
Fiscal Year	Enrollment	Instruction	Instruction-related services	Pupil services	Administration	Plant services	Enterprise	Other educational programs	Interest and fiscal charges	Total
2015	17,469	\$ 4,816	\$ 791	\$ 990	\$ 310	\$ 794	\$ 1,305	\$ 88	\$ 803	\$ 9,897
2016	17,545	6,669	910	1,300	387	1,077	419	107	834	11,704
2017	17,900	7,786	1,063	1,444	621	920	-	113	752	12,698
2018	18,250	8,299	1,122	1,695	484	1,047	-	115	734	13,496
2019	18,619	7,752	1,147	1,803	542	1,374	-	112	325	13,053
2020	18,714	8,378	1,211	1,869	549	1,324	-	148	250	13,729
2021	18,262	10,548	1,406	2,114	689	1,572	-	194	224	16,747
2022	18,785	8,456	1,341	2,141	795	1,505	-	159	246	14,643
2023	19,023	9,227	1,486	2,420	804	1,770	-	186	249	16,142
2024	19,369	10,436	1,741	3,103	892	2,225	-	194	254	18,844

Source: District records

GOVERNMENT-WIDE REVENUES

Fiscal Year	Program Revenues			General Revenues				Total
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Grants & Entitlements - Unrestricted	Interest & Investment Income	Miscellaneous	
2015	\$1,700,817	\$26,491,557	\$-	\$13,508,189	\$115,327,185	\$265,944	\$7,468,970	\$164,762,662
2016	1,618,322	46,244,000	-	17,018,010	137,145,251	451,631	6,836,824	209,314,038
2017	1,292,243	46,773,146	-	17,659,893	141,973,130	708,227	7,532,391	215,939,030
2018	1,170,086	40,464,512	-	19,916,810	158,512,046	1,070,557	6,302,530	227,436,541
2019	1,169,856	45,314,786	-	19,997,002	163,662,973	1,188,443	8,505,695	239,838,755
2020	4,650,903	46,329,954	-	23,447,805	169,445,626	1,662,740	5,443,918	250,980,946
2021	2,713,784	94,279,674	12,669,506	24,958,479	165,868,198	1,393,777	12,788,541	314,671,959
2022	1,754,785	98,916,864	13,578,879	26,800,887	180,185,716	(3,709,686)	5,774,199	323,301,644
2023	1,483,793	117,496,516	11,228,544	24,670,823	214,822,490	308,549	6,616,450	376,627,165
2024	1,641,030	100,789,285	4,041,613	34,401,120	240,413,924	9,635,297	1,091,927	392,014,196

Source: District records



GENERAL DISTRICT REVENUES BY SOURCE

Fiscal Year	Local Control Funding Formula	Federal sources	Other State sources	Other local sources	Other Financing Sources	Transfers in	Total Revenues
2015	\$ 122,483,268	\$ 14,327,001	\$ 14,537,364	\$ 7,369,803	\$ -	\$ 15,124,260	\$ 173,841,696
2016	138,616,680	14,035,426	30,744,336	13,265,921	30,000,000	1,851,309	228,513,672
2017	149,861,267	15,289,461	24,489,778	13,807,471	21,606,303	403,754	225,458,034
2018	156,639,724	18,051,120	28,180,632	11,714,065	-	569,716	215,155,257
2019	172,487,060	19,227,275	36,650,823	15,185,488	22,905,150	2,286,338	268,742,134
2020	179,563,726	17,868,863	33,188,621	19,620,655	19,040,414	1,941,301	271,223,580
2021	178,233,447	49,680,454	59,776,979	15,382,170	-	15,235,505	318,308,555
2022	195,259,382	63,520,798	63,279,357	10,845,488	24,367,062	31,476,043	388,748,130
2023	225,431,551	26,954,258	113,618,425	15,140,485	24,403,564	13,393,250	418,941,533
2024	251,013,162	30,109,529	78,749,864	33,808,776	4,689,045	11,864,431	410,234,807

Funds included are General Fund and Other Major and Non-Major Governmental Funds
Source: District records

GENERAL DISTRICT EXPENDITURES AND OTHER USES BY OBJECT

Fiscal Year	Certificated salaries	Classified salaries	Employee benefits	Books and supplies	Services and other operating expenditures	Capital outlay	Other outgo	Transfers out	Total Expenditures & Other Uses
2015	\$ 68,245,585	\$ 24,922,760	\$ 34,154,052	\$ 11,998,712	\$ 12,383,385	\$ 1,230,041	\$ 8,797,755	\$ 6,937,352	\$ 168,669,641
2016	70,524,706	26,966,973	42,475,118	10,016,792	16,757,805	33,603,899	17,225,790	154,957	217,726,040
2017	75,842,447	29,101,061	47,967,628	12,295,022	14,852,405	20,456,536	18,554,520	403,754	219,473,373
2018	83,839,426	32,736,231	55,076,537	11,495,227	13,770,339	24,553,598	13,035,728	569,716	235,076,802
2019	88,963,602	36,136,639	66,508,542	13,879,873	15,275,614	14,939,872	10,213,027	2,286,338	248,203,507
2020	92,118,768	37,585,492	68,627,878	13,937,751	14,464,485	26,328,435	7,573,907	1,941,301	262,578,017
2021	101,533,984	40,595,253	72,121,049	30,981,267	15,635,405	31,394,319	11,900,958	15,235,505	319,397,740
2022	105,562,163	43,380,699	79,251,326	24,699,599	20,197,260	11,013,087	11,353,127	31,476,043	326,933,304
2023	113,755,888	50,249,010	88,004,072	27,008,508	28,314,302	11,793,094	13,179,067	13,393,250	345,697,191
2024	129,941,713	62,197,610	97,390,654	22,454,624	34,365,509	27,520,137	13,037,247	11,864,431	398,771,925

Funds included are General Fund and Other Major and Non-Major Governmental Funds
Source: District records

GOVERNMENT-WIDE EXPENDITURES BY FUNCTION

Fiscal Year	Instruction	Instruction-related services	Pupil services	Administration	Plant services	Other educational programs	Total
2015	\$ 91,950,375	\$ 16,266,867	\$ 20,023,559	\$ 6,211,857	\$ 14,877,296	\$ 1,839,169	\$ 151,169,123
2016	101,136,976	14,845,324	22,126,146	6,679,274	16,813,302	1,821,710	163,422,732
2017	112,100,928	16,520,400	24,014,052	7,452,230	16,051,809	1,899,126	178,038,545
2018	123,190,442	17,554,354	28,948,314	8,193,584	18,031,839	1,934,257	197,852,790
2019	136,568,286	20,523,039	32,265,412	9,684,993	19,181,686	2,032,671	220,256,087
2020	140,942,621	20,926,558	32,541,585	9,604,144	18,980,985	2,068,034	225,063,927
2021	166,769,584	22,709,264	34,905,212	12,044,945	21,951,149	2,009,480	260,389,634
2022	164,815,487	26,704,503	41,786,176	15,164,196	23,021,178	2,416,195	273,907,735
2023	181,107,156	29,641,498	46,960,351	14,959,557	28,181,786	2,713,582	303,563,930
2024	198,306,417	33,636,931	61,219,453	17,653,933	32,734,195	43,356,565	386,907,494

*Funds included are General Fund and Other Major and Non-Major Governmental Funds
Source: District records*

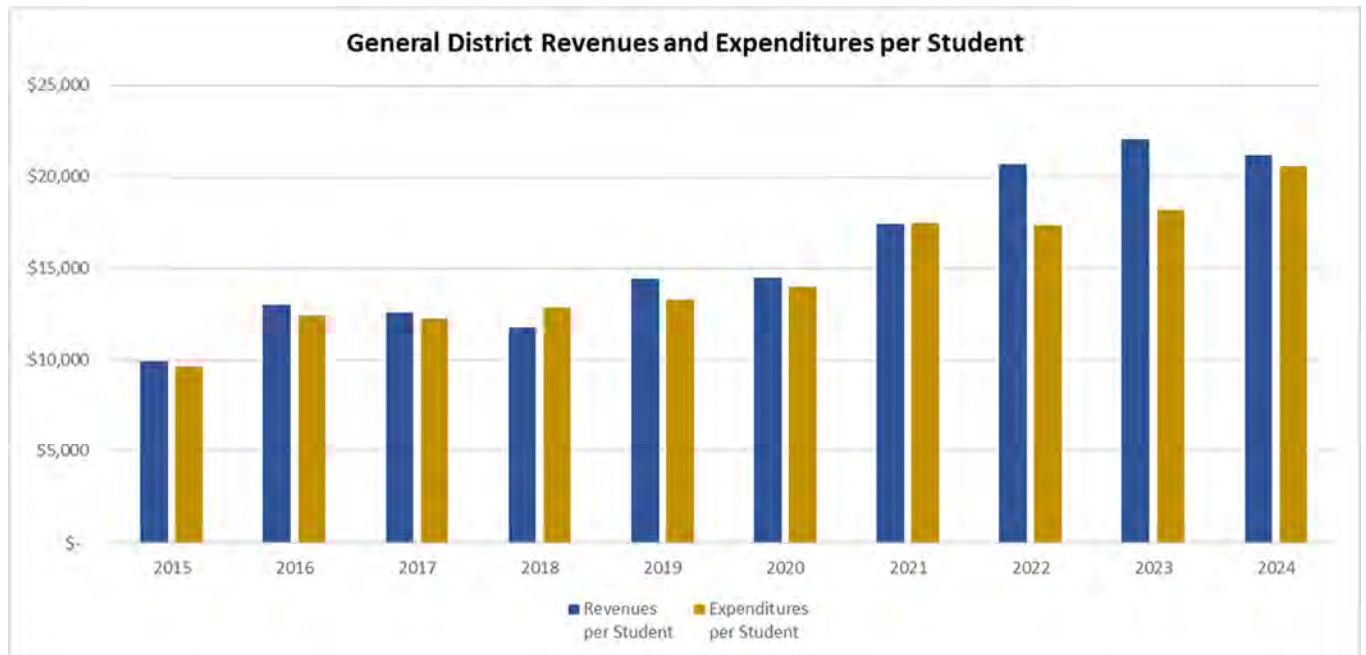
GENERAL DISTRICT REVENUES AND EXPENDITURES, PER STUDENT

Fiscal Year	Total Revenues	Total Expenditures	Enrollment	Revenues per Student	Expenditures per Student
2015	\$ 173,841,696	\$ 168,669,641	17,469	\$ 9,951	\$ 9,655
2016	228,513,672	217,726,040	17,545	13,024	12,410
2017	225,458,034	219,473,373	17,900	12,595	12,261
2018	215,155,257	235,076,802	18,250	11,789	12,881
2019	268,742,134	248,203,507	18,619	14,434	13,331
2020	271,223,580	262,578,017	18,714	14,493	14,031
2021	318,308,555	319,397,740	18,262	17,430	17,490
2022	388,748,130	326,933,304	18,785	20,695	17,404
2023	418,941,533	345,697,191	19,023	22,023	18,173
2024	410,234,807	398,771,925	19,369	21,180	20,588

Funds included are General Fund and Other Major and Non-Major Governmental Funds

Expenditures include Transfers Out

Source: District records



FUND BALANCES, GOVERNMENTAL FUNDS

General Fund						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2015	\$ 453,041	\$ 1,112,948	\$ -	\$ -	\$ 8,444,479	\$ 10,010,468
2016	451,855	2,360,697	14,808,526	-	5,009,587	22,630,665
2017	355,710	764,641	14,015,551	-	11,693,549	26,829,451
2018	363,907	1,712,233	17,880,354	-	5,893,611	25,850,105
2019	565,806	2,100,638	24,707,466	-	8,012,863	35,386,773
2020	825,556	2,327,939	33,143,699	-	6,452,504	42,749,698
2021	729,253	6,950,725	43,953,865	-	7,561,921	59,195,764
2022	1,855,578	15,897,519	49,854,374	-	10,307,026	77,914,497
2023	1,218,979	57,206,494	59,589,837	-	8,727,125	126,742,435
2024	1,223,171	58,010,755	54,087,197	14,081,684	10,250,000	137,652,807

All Other Governmental Funds						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2015	\$ 454,132	\$ 5,639,211	\$ -	\$ 54,048,975	\$ -	\$ 60,142,318
2016	474,240	6,336,645	-	51,498,868	-	58,309,753
2017	649,101	7,472,103	-	51,974,424	-	60,095,628
2018	658,735	7,077,000	-	33,024,842	-	40,760,577
2019	344,494	50,382,247	-	7,994,875	-	58,721,616
2020	953,067	51,215,264	-	7,835,923	-	60,004,254
2021	856,100	34,885,732	-	7,019,136	-	42,760,968
2022	1,177,608	57,894,623	-	28,446,651	-	87,518,882
2023	703,506	81,150,796	-	30,080,984	-	111,935,286
2024	292,971	85,331,591	-	28,159,247	-	113,783,809

Total, All Governmental Funds						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2015	\$ 907,173	\$ 6,752,159	\$ -	\$ 54,048,975	\$ 8,444,479	\$ 70,152,786
2016	926,095	8,697,342	14,808,526	51,498,868	5,009,587	80,940,418
2017	1,004,811	8,236,744	14,015,551	51,974,424	11,693,549	86,925,079
2018	1,022,642	8,789,233	17,880,354	33,024,842	5,893,611	66,610,682
2019	910,300	52,482,885	24,707,466	7,994,875	8,012,863	94,108,389
2020	1,778,623	53,543,203	33,143,699	7,835,923	6,452,504	102,753,952
2021	1,585,353	41,836,457	43,953,865	7,019,136	7,561,921	101,956,732
2022	3,033,186	73,792,142	49,854,374	28,446,651	10,307,026	165,433,379
2023	1,922,485	138,357,290	59,589,837	30,080,984	8,727,125	238,677,721
2024	1,516,142	143,342,346	54,087,197	42,240,931	10,250,000	251,436,616

Source: District records

Panama-Buena Vista Union School District
Statistical Section (Unaudited)
June 30, 2024

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues										
Local Control Funding Formula	\$ 155,730,302	\$ 138,616,680	\$ 149,861,267	\$ 156,639,724	\$ 172,487,060	\$ 179,563,726	\$ 178,233,447	\$ 195,259,382	\$ 225,431,551	\$ 251,013,162
Federal sources	14,327,001	14,035,426	15,289,461	18,051,120	19,227,275	17,868,863	49,680,454	63,520,798	26,954,258	30,109,529
Other State sources	14,537,364	30,744,336	24,489,778	28,180,632	36,650,823	33,188,621	59,776,979	63,279,357	113,618,425	78,749,864
Other local sources	12,353,673	13,265,921	13,807,471	11,714,065	15,185,488	19,620,655	15,382,170	10,845,488	15,140,485	33,808,776
Total Revenues	196,948,340	196,662,363	203,447,977	214,585,541	243,550,646	250,241,865	303,073,050	332,905,025	381,144,719	393,681,331
Expenditures										
Instruction	91,950,375	101,136,976	112,100,928	123,190,442	136,568,286	140,942,621	166,769,584	164,815,487	181,107,156	198,306,417
Instruction-related services										
Supervision of instruction	6,669,041	4,168,827	5,103,490	5,025,388	6,088,930	6,442,051	7,130,961	7,521,566	9,667,575	11,120,615
Instructional library, media and technology	1,570,245	1,687,126	1,800,807	1,877,953	2,237,217	2,322,933	2,668,136	3,317,215	3,263,002	3,569,539
School site administration	8,027,581	8,989,371	9,616,103	10,651,013	12,196,892	12,161,574	12,910,167	15,865,722	16,710,921	18,946,777
Pupil services:										
Home-to-school transportation	2,990,356	3,439,428	3,844,140	5,533,885	4,892,602	4,905,690	5,558,696	9,048,525	9,673,888	12,751,967
Food services	7,939,915	7,978,997	7,676,686	7,993,328	9,701,631	10,132,254	9,191,680	10,909,626	13,072,944	15,561,076
All other pupil services	9,093,288	10,707,721	12,493,226	15,421,101	17,671,179	17,503,641	20,154,836	21,828,025	24,213,519	32,906,410
Administration										
Data processing	831,006	1,100,069	1,490,464	1,622,356	1,801,940	1,586,105	2,759,538	2,961,301	2,716,973	3,688,962
All other administration	5,380,851	5,579,205	5,961,766	6,571,228	7,883,053	8,018,039	9,285,407	12,202,895	12,242,584	13,964,971
Plant services	14,877,296	16,813,302	16,051,809	18,031,839	19,181,686	18,980,985	21,951,149	23,021,178	28,181,786	32,734,195
Facility acquisition and construction	16,238,882	36,922,560	22,439,045	23,418,717	17,116,119	27,605,009	31,811,163	10,381,095	16,568,856	27,323,687
Other educational programs	1,839,169	1,821,710	1,899,126	1,934,257	2,032,671	2,068,034	2,009,480	2,416,195	2,713,582	2,995,631
Transfers between agencies	7,625,711	11,003,019	9,872,062	5,475,906	-	-	-	-	-	-
Other outgo	-	-	-	-	2,272,766	597,833	1,427,751	605,671	869,417	774,499
Debt service:										
Principal	1,100,000	2,415,000	4,934,706	3,799,706	2,286,000	2,480,000	5,675,000	5,735,860	5,904,705	6,940,149
Interest, fees and issuance costs	2,654,320	2,807,251	3,343,999	3,959,967	3,986,197	4,889,947	4,858,687	4,826,900	5,397,033	5,322,599
All Other Financing Uses	2,899,868	1,000,521	441,262	-	-	-	-	-	-	-
Total Expenditures	181,687,904	217,571,083	219,069,619	234,507,086	245,917,169	260,636,716	304,162,235	295,457,261	332,303,941	386,907,494
Excess (Deficiency) of Revenues Over Expenditures	15,260,436	(20,908,720)	(15,621,642)	(19,921,545)	(2,366,523)	(10,394,851)	(1,089,185)	37,447,764	48,840,778	6,773,837
Other Financing Sources (Uses)										
Transfers in	16,881,294	1,851,309	403,754	569,716	2,286,338	1,941,301	15,235,505	31,476,043	13,393,250	11,864,431
Transfers out	(22,318,645)	(154,957)	(403,754)	(569,716)	(2,286,338)	(1,941,301)	(15,235,505)	(31,476,043)	(13,393,250)	(11,864,431)
Other sources - proceeds from leases	-	-	-	-	-	-	-	1,075,546	712,047	2,577,222
Other sources - GO Bonds & premium on issue	-	30,000,000	21,606,303	-	22,905,150	19,040,414	-	23,291,516	38,395,077	-
All other financing sources (uses)	-	-	-	-	-	-	-	-	(14,703,560)	3,407,836
Net Financing Sources (Uses)	(5,437,351)	31,696,352	21,606,303	-	22,905,150	19,040,414	-	24,367,062	24,403,564	5,985,058
Net Change in Fund Balances	9,823,085	10,787,632	5,984,661	(19,921,545)	20,538,627	8,645,563	(1,089,185)	61,814,826	73,244,342	12,758,895
Fund Balance - Beginning	59,920,107	70,152,786	80,940,418	86,925,079	66,610,682	94,108,389	102,753,952	101,956,732	165,433,379	238,677,721
Prior Period Adjustments	409,594	-	-	(392,852)	6,959,080	-	291,965	1,661,821	-	-
Fund Balance - Ending	\$ 70,152,786	\$ 80,940,418	\$ 86,925,079	\$ 66,610,682	\$ 94,108,389	\$ 102,753,952	\$ 101,956,732	\$ 165,433,379	\$ 238,677,721	\$ 251,436,616
Debt Service as a % of non-capital expenditures	4.0%	3.5%	4.5%	3.7%	2.7%	3.2%	3.9%	3.7%	3.6%	3.3%

Source: Data extracted from District Financial Statements

Total Debt Service (from above)	6,654,188	6,222,772	8,719,967	7,759,673	6,272,197	7,369,947	10,533,687	10,562,760	11,301,738	12,262,748
Total Expenditures (from above)	181,687,904	217,571,083	219,069,619	234,507,086	245,917,169	260,636,716	304,162,235	295,457,261	332,303,941	386,907,494
less, Capital Expenditures ⁽¹⁾	16,375,105	37,583,368	23,293,095	25,665,306	17,641,089	28,374,002	32,311,079	12,308,833	17,734,881	15,206,765
Total Non-capital Expenditures	165,312,799	179,987,715	195,776,524	208,841,780	228,276,080	232,262,714	271,851,156	283,148,428	314,569,060	371,700,729

⁽¹⁾ Capital Expenditures reflect "Capital outlays" as shown in the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities.

REVENUE BASE: ASSESSED VALUATION (AV) AND PROPERTY TAX COLLECTIONS

Fiscal Year					Weighted Average Tax Rate per \$100 AV
	Local Secured	Utility	Unsecured	Total Net (Taxable) AV	
2015	\$ 9,737,213,234	\$ 609,494	\$ 264,772,067	\$ 10,002,594,795	0.0168
2016	10,308,992,898	608,010	268,314,248	10,577,915,156	0.0188
2017	10,972,747,246	503,232	266,402,297	11,239,652,775	0.0186
2018	11,475,964,043	500,146	261,332,938	11,737,797,127	0.0185
2019	11,983,651,289	496,258	272,390,246	12,256,537,793	0.0187
2020	12,590,047,338	426,709	293,609,485	12,884,083,532	0.0190
2021	13,208,760,888	462,294	294,889,233	13,504,112,415	0.0197
2022	13,833,704,637	461,129	291,584,956	14,125,750,722	0.1795
2023	14,828,442,823	457,936	305,586,956	15,134,487,715	0.1795
2024	15,828,029,204	455,909	357,648,409	16,186,133,522	0.1795

Source: California Municipal Statistics, Inc.

Panama-Buena Vista Union School District
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REVENUE BASE: PROPERTY TAX RATES, ALL DIRECT AND OVERLAPPING GOVERNMENTS

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
County-wide Rate (a)	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Kern County Water Agency Zone 7 Debt	0.0248%	0.0240%	0.0270%	0.0395%	0.0346%	0.0403%	0.0399%	0.0418%	0.0448%	0.0440%
Kern County Water Agency Zone 17 Debt	0.0113%	0.0136%	0.0153%	0.0178%	0.0166%	0.0189%	0.0177%	0.0173%	0.0148%	0.0131%
Kern County Water Agency Zone 19 Debt	0.0165%	0.0162%	0.0162%	0.0212%	0.0195%	0.0219%	0.0215%	0.0199%	0.0171%	0.0147%
Panama-Buena Vista Union School District Bond Series 2012A	0.0294%	0.0202%	0.0030%	0.0014%	0.0042%	0.0039%	0.0037%	0.0039%	0.0037%	-
Panama-Buena Vista Union School District Bond Series 2012B	-	0.0060%	0.0147%	0.0131%	0.0125%	0.0118%	0.0112%	0.0110%	0.0098%	0.0091%
Panama-Buena Vista Union School District Bond Series 2012C	-	0.0068%	0.0065%	0.0079%	0.0083%	-	-	-	-	-
Panama-Buena Vista Union School District Bond Series 2012D	-	-	-	-	0.0038%	0.0100%	0.0046%	0.0057%	0.0052%	0.0047%
Panama-Buena Vista Union School District Bond Series 2018A	-	-	-	-	-	0.0300%	0.0289%	0.0270%	0.0069%	0.0088%
Panama-Buena Vista Union School District Bond Series 2012E	-	-	-	-	-	-	0.0037%	0.0037%	0.0034%	0.0040%
Panama-Buena Vista Union School District Bond Series 2022-A	-	-	-	-	-	-	-	-	0.0186%	0.0178%
Panama-Buena Vista Union School District Bond Series REF23	-	-	-	-	-	-	-	-	-	0.0044%
Panama-Buena Vista Union School District Bond Series 2022-B	-	-	-	-	-	-	-	-	-	0.0300%
Kern High School District Bond 2004D	0.0018%	0.0049%	-	0.0018%	0.0019%	0.0032%	0.0027%	0.0021%	0.0031%	0.0017%
Kern High School District Bond 2011	0.0115%	0.0083%	0.0050%	-	-	-	-	-	-	-
Kern High School District Bond 2012	0.0077%	0.0070%	0.0067%	0.0066%	0.0057%	0.0056%	0.0050%	0.0051%	-	-
Kern High School District Bond 2013	0.0080%	0.0066%	0.0084%	0.0079%	0.0072%	0.0069%	0.0063%	0.0064%	-	-
Kern High School District RF 2013	-	-	-	-	-	-	-	-	0.0053%	0.0056%
Kern High School District RF 2004C	-	-	0.0025%	0.0049%	0.0042%	0.0039%	0.0036%	0.0036%	0.0029%	0.0025%
Kern High School District 2004E	-	-	0.0033%	0.0065%	0.0053%	0.0062%	0.0049%	0.0036%	0.0045%	0.0013%
Kern High School District 2016A	-	-	-	0.0257%	0.0136%	0.0119%	0.0112%	0.0111%	0.0094%	0.0084%
Kern High School District 2016B	-	-	-	-	0.0132%	0.0155%	0.0131%	0.0029%	0.0034%	0.0033%
Kern High School District 2016C	-	-	-	-	-	-	0.0017%	0.0070%	0.0113%	0.0105%
Kern High School District 2022 REF	-	-	-	-	-	-	-	-	0.0040%	0.0026%
Kern Community College District SRID 2002A Refunding	0.0059%	-	-	-	-	-	-	-	-	-
Kern Community College District SRID 2002B	-	0.0020%	0.0032%	0.0036%	0.0037%	-	-	0.0117%	0.0088%	0.0082%
Kern Community College District SRID 2002C	0.0035%	0.0033%	0.0062%	0.0032%	0.0023%	0.0034%	0.0024%	0.0023%	0.0003%	0.0020%
Kern Community College District SRID 2005A Refunding	0.0011%	0.0083%	0.0038%	0.0077%	0.0063%	0.0071%	0.0067%	0.0000%	-	-
Kern Community College District SRID 2002B Refunding	-	-	-	-	-	0.0037%	0.0040%	0.0000%	-	-
Kern Community College District SFID 2016A	-	-	-	0.0218%	0.0199%	0.0024%	-	-	-	-
Kern Community College District SFID 2016B	-	-	-	-	0.0015%	0.0164%	0.0196%	0.0186%	0.0196%	-
Kern Community College District SFID 2016C	-	-	-	-	-	-	0.0011%	0.0060%	0.0026%	0.0011%
Kern Community College District SFID 2016D	-	-	-	-	-	-	-	-	-	0.0170%
Kern Community College District SFID 2016E	-	-	-	-	-	-	-	-	-	0.0059%
TOTAL	1.1284%	1.1327%	1.1219%	1.1904%	1.1842%	1.2232%	1.2137%	1.2106%	1.1995%	1.2207%

(a) Maximum rate for purposes other than paying debt service in accordance with Article XIII A of the State Constitution. Only a portion of this rate applies to the District.

Data Extracted from Above

Panama-Buena Vista Union School District's share of the county-wide general purpose 1% secured tax rate is based on historical formulas and can vary slightly from year to year. For purposes of this table, we show the weighted average tax rate for all tax rates within the district. Tax rates for the ten year period directly applicable to Panama-Buena Vista Union School District include its share of the general purpose tax rate and the special purpose bond rate.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Panama-Buena Vista Union School District, General Purpose	0.0168%	0.0188%	0.0186%	0.0185%	0.0187%	0.0190%	0.0197%	0.1795%	0.1795%	0.1795%
Panama-Buena Vista Union School District Bond Series 2012A	0.0294%	0.0202%	0.0030%	0.0014%	0.0042%	0.0039%	0.0037%	0.0039%	0.0037%	-
Panama-Buena Vista Union School District Bond Series 2012B	-	0.0060%	0.0147%	0.0131%	0.0125%	0.0118%	0.0112%	0.0110%	0.0098%	0.0091%
Panama-Buena Vista Union School District Bond Series 2012C	-	0.0068%	0.0065%	0.0079%	0.0083%	-	-	-	-	-
Panama-Buena Vista Union School District Bond Series 2012D	-	-	-	-	0.0038%	0.0100%	0.0046%	0.0057%	0.0052%	0.0047%
Panama-Buena Vista Union School District Bond Series 2018A	-	-	-	-	-	0.0300%	0.0289%	0.0270%	0.0069%	0.0088%
Panama-Buena Vista Union School District Bond Series 2012E	-	-	-	-	-	-	0.0037%	0.0037%	0.0034%	0.0040%
Panama-Buena Vista Union School District Bond Series 2022-A	-	-	-	-	-	-	-	-	0.0186%	0.0178%
Panama-Buena Vista Union School District Bond Series REF23	-	-	-	-	-	-	-	-	-	0.0044%
Panama-Buena Vista Union School District Bond Series 2022-B	-	-	-	-	-	-	-	-	-	0.0300%
Total	0.0462%	0.0518%	0.0428%	0.0409%	0.0474%	0.0748%	0.0718%	0.2307%	0.2270%	0.2582%

Source: County of Kern Auditor-Controller's Office

PRINCIPAL LOCAL SECURED TAXPAYERS: 2023-24 COMPARED TO TEN YEARS EARLIER

Rank	Property Owner	Primary Land Use	2023-24		2013-14		Rank	% of Total ⁽²⁾
			Assessed Valuation	% of Total ⁽¹⁾	Assessed Valuation			
1	Nestle Dreyers Ice Cream Company	Industrial	\$ 235,787,343	1.49%	\$ 197,905,112		1	2.19%
2	Castle & Cooke Commercial CA Inc.	Shopping Center	160,015,865	1.01%				
3	Valley Plaza Mall LP	Shopping Center	148,435,218	0.94%	127,503,036		2	1.41%
4	DS Prop 18 LP	Shopping Center	94,931,567	0.60%				
5	Bolthouse Land Co. LLC	Commercial Properties	75,650,858	0.48%				
6	Chevron USA Inc.	Office Building	65,250,624	0.41%	81,863,523		3	0.80%
7	Maps 3500 Wilson Road CA LLC	Industrial	50,145,240	0.32%				
8	Old River Ranch LLC	Agricultural	47,222,318	0.30%				
9	GSF Springs I Investors LP	Apartments	44,477,895	0.28%	38,232,854		8	0.42%
10	Bakersfield Mall LLC	Movie Theater	44,051,984	0.28%	37,962,682		9	0.42%
11	DP Tower I & II LP	Office Building	38,301,335	0.24%				
12	United States Cold Storage of CA	Industrial	36,472,887	0.23%	28,217,544		11	0.31%
13	Laurelglen Properties LLC	Agricultural	34,066,004	0.22%	29,477,325		10	0.33%
14	Ming Prop LLC	Shopping Center	33,237,708	0.21%				
15	GSF Edgewater Investors LP	Agricultural	30,221,798	0.19%	26,445,890		13	0.29%
16	Kern Schools Federal Credit Union	Credit Union	28,865,060	0.18%				
17	Boardwalk Lux LLC	Apartments	28,127,056	0.18%				
18	Harris Road Prop LLC	Apartments	27,557,135	0.17%				
19	Ming Ave Plaza SPE LLC	Shopping Center	27,000,420	0.17%				
20	FSL Magnolia Place LLC	Assisted Living	24,480,000	0.15%				
	State Farm Insurance Co.	Office Building			71,489,323		4	0.79%
	Castle & Cooke Inc.	Commercial & Residential			65,890,862		5	0.73%
	Donahue Schriber Realty Group LP	Shopping Center			63,648,362		6	0.71%
	Ming Properties LLC	Office Building			38,307,502		7	0.42%
	Bolthouse Properties LLC	Commercial			27,908,974		12	0.31%
	Vintage Production Cal LLC	Office Building			23,796,241		14	0.26%
	Crimson Resource Management Corp	Industrial			22,557,758		15	0.25%
	Costco Wholesale Corp.	Commercial			21,751,708		16	0.24%
	New Albertsons Inc	Commercial			21,419,410		17	0.24%
	Target Corporation	Commercial			18,917,251		18	0.21%
	Stockdale Village LP	Shopping Center			18,302,555		19	0.20%
	Wal-Mart Real Estate Business Trust	Commercial			18,179,268		20	0.20%
			<u>\$ 1,274,298,315</u>	<u>8.05%</u>	<u>\$ 979,777,180</u>			<u>10.73%</u>

⁽¹⁾ 2023-24 Local Secured Assessed Valuation: \$15,828,029,204

⁽²⁾ 2013-14 Local Secured AV: \$9,027,012,108

Source: California Municipal Statistics, Inc.

PROPERTY TAX LEVIES AND COLLECTIONS

General Purpose Levy						
Fiscal Year	Taxes Levied ^(a)	Amount Collected as of June 30	% Collected as of June 30	Amount Collected in Subsequent Years	Total Amount Collected	Total Collected as % of Total Levy
2014	\$ 11,552,503	\$ 11,402,494	98.70%	-	\$ 11,402,494	98.70%
2015	12,403,958	12,241,979	98.69%	-	12,241,979	98.69%
2016	12,848,199	12,685,227	98.73%	-	12,685,227	98.73%
2017	13,745,001	13,553,274	98.61%	-	13,553,274	98.61%
2018	14,411,695	14,236,898	98.79%	-	14,236,898	98.79%
2019	15,108,157	14,912,457	98.70%	-	14,912,457	98.70%
2020	15,384,549	15,128,909	98.34%	-	15,128,909	98.34%
2021	16,651,398	16,436,236	98.71%	-	16,436,236	98.71%
2022	17,181,869	16,953,231	98.67%	-	16,953,231	98.67%
2023	18,428,894	18,141,636	98.44%	-	18,141,636	98.44%

^(a) Under the Teeter Plan (an alternative method of apportioning tax revenues to school districts), Kern County distributes 100% of the general purpose taxes levied to its districts each year.

Debt Service Levy						
Fiscal Year	Taxes Levied	Amount Collected as of June 30	% Collected as of June 30	Amount Collected in Subsequent Years	Total Amount Collected	Total Collected as % of Total Levy
2014	\$ 1,321,996	\$ 1,308,812	99.00%	-	\$ 1,308,812	99.00%
2015	2,126,038	2,106,941	99.10%	-	2,106,941	99.10%
2016	3,432,919	3,403,677	99.15%	-	3,403,677	99.15%
2017	2,733,025	2,704,726	98.96%	-	2,704,726	98.96%
2018	2,644,010	2,621,008	99.13%	-	2,621,008	99.13%
2019	3,118,524	3,095,658	99.27%	-	3,095,658	99.27%
2020	7,208,437	7,110,900	98.65%	-	7,110,900	98.65%
2021	7,156,009	7,100,104	99.22%	-	7,100,104	99.22%
2022	7,387,923	7,331,115	99.23%	-	7,331,115	99.23%
2023	7,457,673	7,386,374	99.04%	-	7,386,374	99.04%

Total, All Levies						
Fiscal Year	Taxes Levied	Amount Collected as of June 30	% Collected as of June 30	Amount Collected in Subsequent Years	Total Amount Collected	Total Collected as % of Total Levy
2014	\$ 12,874,499	\$ 12,711,306	98.73%	-	\$ 12,711,306	98.73%
2015	14,529,996	14,348,920	98.75%	-	14,348,920	98.75%
2016	16,281,118	16,088,904	98.82%	-	16,088,904	98.82%
2017	16,478,025	16,258,001	98.66%	-	16,258,001	98.66%
2018	17,055,705	16,857,906	98.84%	-	16,857,906	98.84%
2019	18,226,681	18,008,115	98.80%	-	18,008,115	98.80%
2020	22,592,986	22,239,810	98.44%	-	22,239,810	98.44%
2021	23,807,407	23,536,340	98.86%	-	23,536,340	98.86%
2022	24,569,792	24,284,346	98.84%	-	24,284,346	98.84%
2023	25,886,568	25,528,010	98.61%	-	25,528,010	98.61%

Source: California Municipal Statistics, Inc.

COMPUTATION OF LEGAL DEBT MARGIN

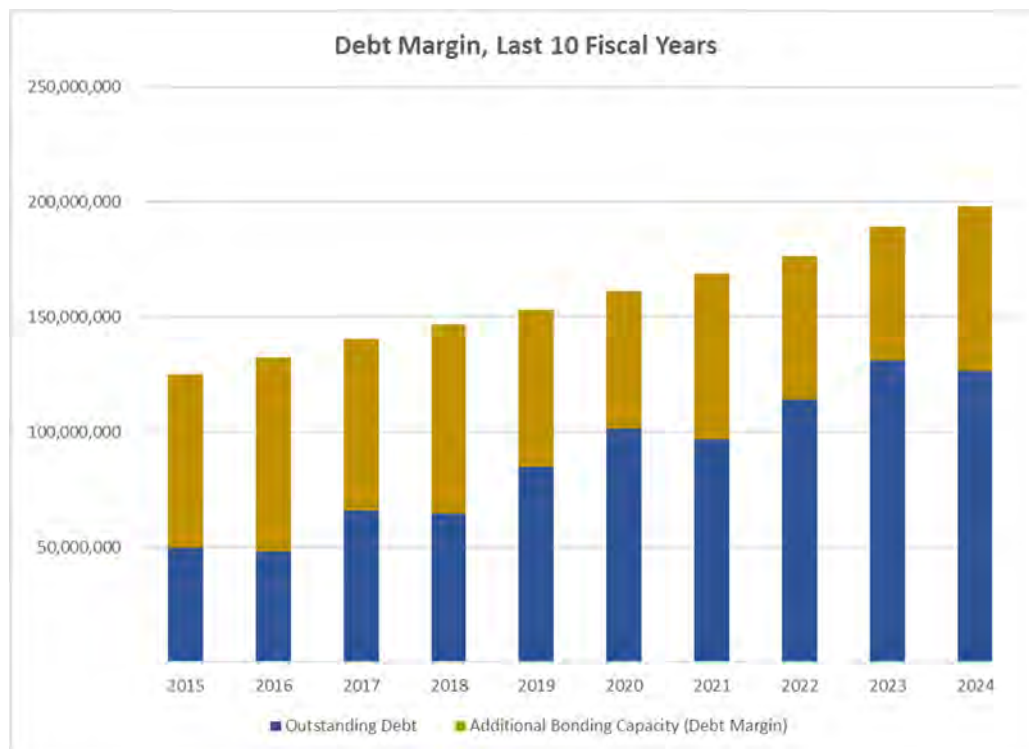
Fiscal Year	Assessed Valuation	Statutory Bonding Capacity ⁽¹⁾	Outstanding Debt	Additional Bonding Capacity (Debt Margin)	Ratio of Debt Margin to Debt Limit
2015	\$ 10,002,594,795	\$ 125,032,435	\$ 49,545,000	\$ 75,487,435	60.4%
2016	10,577,915,156	132,223,939	48,010,000	84,213,939	63.7%
2017	11,239,652,775	140,495,660	65,615,000	74,880,660	53.3%
2018	11,737,797,127	146,722,464	64,375,000	82,347,464	56.1%
2019	12,256,537,793	153,206,722	84,925,000	68,281,722	44.6%
2020	12,884,083,532	161,051,044	101,295,000	59,756,044	37.1%
2021	13,504,112,415	168,801,405	96,520,000	72,281,405	42.8%
2022	14,125,750,722	176,571,884	114,040,000	62,531,884	35.4%
2023	15,134,487,715	189,181,096	130,975,000	58,206,096	30.8%
2024	15,828,029,204	197,850,365	126,195,000	71,655,365	36.2%

Source California Municipal Statistics, Inc. and Kern County

⁽¹⁾ Statutory Bonding Capacity is equal to 1.25% of the District's total assessed valuation

The district's debt margin is calculated by subtracting outstanding debt principal (net) general bonded debt from the statutory bonding capacity. See table below for the net bonded debt for FY2024:

General Bonded Debt, gross	\$ 132,549,098
<u>Less, Unamortized Bond Premium</u>	<u>6,354,098</u>
General Bonded Debt (net)	\$ 126,195,000



RATIO OF TOTAL DEBT TO ASSESSED VALUE

Fiscal Year	General Bonded Debt, Gross ⁽¹⁾	Certificates of Participation, Gross ⁽¹⁾	Qualified Zone Academy Bond Debt ⁽¹⁾	Other Debt ^{(1) (2)}	Total Debt	Assessed Value	Debt / AV
2015	\$ 51,466,592	\$ 29,640,220	\$ -	\$ 84,000	\$ 81,190,812	\$ 10,002,594,795	0.812%
2016	49,866,738	28,644,137	30,000,000	63,000	108,573,875	10,577,915,156	1.026%
2017	69,000,876	27,753,054	30,000,000	42,000	126,795,930	11,239,652,775	1.128%
2018	67,570,524	26,638,720	30,000,000	21,000	124,230,244	11,737,797,127	1.058%
2019	88,749,296	25,702,109	30,000,000	-	144,451,405	12,256,537,793	1.179%
2020	105,825,532	24,730,498	30,000,000	-	160,556,030	12,884,083,532	1.246%
2021	100,793,312	23,708,887	30,000,000	-	154,502,199	13,504,112,415	1.144%
2022	119,218,456	22,642,276	30,000,000	924,560	172,785,292	14,125,750,722	1.223%
2023	137,891,334	21,535,665	30,000,000	1,151,902	190,578,901	15,134,487,715	1.259%
2024	132,549,098	20,379,054	30,000,000	6,011,811	188,939,963	15,828,029,204	1.194%

⁽¹⁾ As of June 30th

⁽²⁾ Includes Leases, Subscription-based IT arrangements and Financed purchase agreements

RATIO OF TOTAL DEBT TO CAPITA

Fiscal Year	Total Debt, Net	Bakersfield Estimated Population ⁽³⁾	Debt / Capita
2015	\$ 76,549,000	368,694	\$ 208
2016	104,113,000	358,700	290
2017	120,922,000	363,612	333
2018	118,866,000	367,555	323
2019	138,580,000	383,601	361
2020	154,100,000	384,159	401
2021	148,425,000	403,455	368
2022	165,924,560	407,581	407
2023	182,101,902	410,654	443
2024	181,146,811	413,376	438

⁽³⁾ Estimated Population Source: U.S. Census Bureau (<http://data.census.gov>)

DIRECT AND OVERLAPPING DEBT

2023-24 Assessed Valuation: \$ 16,186,133,522 (secured, utility, and unsecured)

		Debt 07/01/2024
<u>DIRECT AND OVERLAPPING TAX AND ASSESSEMENT DEBT:</u>	% Applicable	
Kern Community College District Safety, Repair and Improvement District	14.034%	\$ 11,627,984
Kern Community College District School Facilities Improvement District No. 1	13.950	52,711,865
Kern High School District	21.591	80,235,656
Panama-Buena Vista Union School District	100.000	126,195,000 ⁽¹⁾
City of Bakersfield 1915 Act Bonds	22.175-57.226	<u>1,107,428</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSEMENT DEBT		<u>271,877,933</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>		
Kern County Certificates of Participation	13.662%	13,378,990
Kern County Pension Obligation Bonds	13.662	10,403,427
Kern County Board of Education Certificates of Participation	13.662	4,096,551
Kern Community College District Certificates of Participation	12.574	2,673,610
Kern Community College District Post Employment Benefit Obligation Bonds	12.574	8,859,640
Panama-Buena Vista Union School District Certificates of Participation	100.000	48,940,000 ⁽²⁾
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u>88,352,218</u>
COMBINED TOTAL DEBT		<u>360,230,151</u> ⁽³⁾

⁽¹⁾ Excludes issuance of the Series 2024 Bonds

⁽²⁾ Qualified Zone Academy Bonds included based on principal due at maturity

⁽³⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

District Direct Debt

General Bonded Debt, Gross	137,891,334
Certificates of Participation, Gross	21,535,665
Qualified Zone Academy Bond Debt	30,000,000
Leases	<u>1,151,902</u>
Total, District Direct Debt	<u>190,578,901</u>

Ratios to 2023-24 Assessed Valuation:

Total District Direct Debt (\$126,195,000)	0.78%
Combined Direct Debt (\$173,135,000)	1.08%
Total Direct and Overlapping Tax and Assessment Debt	1.68%
Combined Total Debt	2.23%

Source: California Municipal Statistics

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO GENERAL EXPENDITURES

Fiscal Year	Annual Debt Service	Total General Expenditures ⁽¹⁾	Debt / Expenditures
2015	\$ 3,754,320	\$ 150,594,178	2.49%
2016	5,222,251	166,986,219	3.13%
2017	8,278,705	180,474,267	4.59%
2018	7,759,673	195,947,471	3.96%
2019	6,272,197	211,622,003	2.96%
2020	7,369,947	213,142,193	3.46%
2021	10,533,687	250,049,289	4.21%
2022	10,562,760	260,065,906	4.06%
2023	11,301,738	288,739,473	3.91%
2024	12,262,748	329,717,232	3.72%

⁽¹⁾ General Fund expenditures only

Annual debt service is bond debt due in the upcoming fiscal year as of June 30 of the prior year and excludes bonds issued during the fiscal year

Source: District records, Annual Budget Documents

ENROLLMENT AND ATTENDANCE HISTORY

Fiscal Year	Average Daily Attendance (ADA) 2nd Period	Enrollment (October)	Ratio, ADA to Enrollment	Enrollment Growth: %
2015	16,693	17,469	0.96	-0.1%
2016	16,856	17,545	0.96	0.4%
2017	17,224	17,900	0.96	2.0%
2018	17,528	18,250	0.96	2.0%
2019	17,846	18,619	0.96	2.0%
2020	17,892	18,714	0.96	2.5%
2021	* Not Calculated	18,262	N/A	0.1%
2022	16,713	18,785	0.89	2.9%
2023	17,495	19,023	0.92	4.2%
2024	18,094	19,369	0.93	4.0%

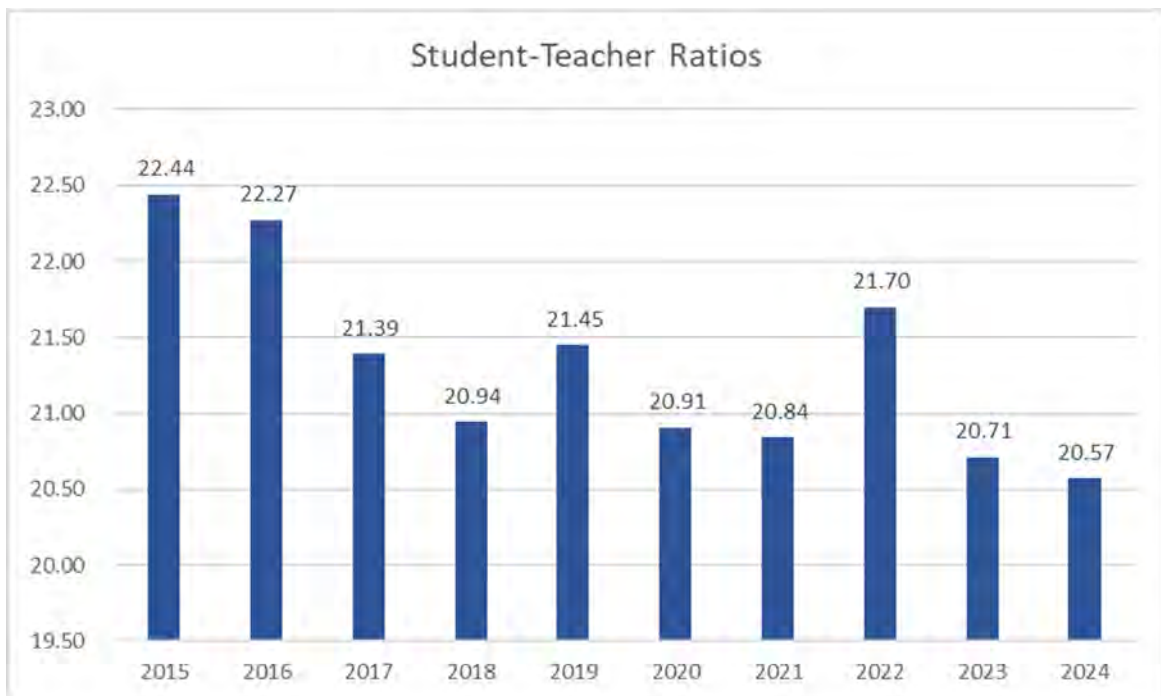
Source: District records

* Average Daily Attendance was not calculated or reported in Fiscal Year 2021 due to the COVID-19 pandemic

STUDENT – TEACHER RATIOS

Fiscal Year	Student Enrollment	No. of Classroom Teachers	Student-Teacher Ratio
2015	17,469	778.42	22.44
2016	17,545	787.73	22.27
2017	17,900	836.65	21.39
2018	18,250	871.37	20.94
2019	18,619	868.10	21.45
2020	18,714	895.08	20.91
2021	18,262	876.28	20.84
2022	18,785	865.70	21.70
2023	19,023	918.40	20.71
2024	19,369	941.50	20.57

Source: District records



TOTAL TAXABLE TRANSACTIONS FOR BAKERSFIELD AND KERN COUNTY

Year ⁽¹⁾		Bakersfield		Kern County
2014	\$	6,284,932,000	\$	15,722,694,000
2015		5,916,757,000		14,322,101,000
2016		5,737,514,000		13,885,643,000
2017		6,037,168,108		13,883,734,262
2018		6,378,357,987		15,130,972,391
2019		6,507,087,973		15,711,099,382
2020		6,536,165,806		16,145,355,463
2021		7,833,568,239		19,397,379,126
2022		8,227,405,401		22,919,753,346
2023		8,068,291,620		23,118,595,877

⁽¹⁾ Information available only through calendar year 2023

Source: California Department of Tax & Fee Administration (<https://www.cdtfa.ca.gov>)

BANK DEPOSITS FOR KERN COUNTY

Fiscal Year	Deposits (in millions)
2015	\$ 7,769,366
2016	8,109,356
2017	8,634,987
2018	8,960,023
2019	9,319,941
2020	10,548,470
2021	12,035,155
2022	12,435,097
2023	12,270,804
2024	11,733,346

Data unavailable for the District

Source: Federal Deposit Insurance Corporation
(<https://www7.fdic.gov/sod>)

PRINCIPAL EMPLOYERS, KERN COUNTY

Most recent (FY 2023) compared to nine years earlier

				Fiscal Year 2014		
2023			Percentage of			Percentage of
Rank	Employer	Employees	Total County Employment	Employees	Rank	Total County Employment
1	Government	66,464	16.72%			
2	Edwards Air Force Base	11,701	2.94%	1,000 - 4,999	10	0.28%
3	China Lake Naval Air Weapon Station	6,454	1.62%	10,000+	1	2.77%
4	Grimmway Farms	6,130	1.54%	5,000 - 9,999	3	1.38%
5	Amazon	5,723	1.44%			
6	Dignity Health	3,467	0.87%	1,000 - 4,999	9	0.28%
7	Mojave Air & Spaceport at Rutan Field	3,000	0.75%			
8	Adventist Health	2,826	0.71%			
9	Wonderful Corp	2,800	0.70%			
10	Kern Medical	2,400	0.60%			
	County of Kern			9,128	2	2.52%
	Naval Air Warfare Center			5,000 - 9,999	4	1.38%
	US Navy Public Affairs Office			5,000 - 9,999	5	1.38%
	Chevron			1,000 - 4,999	6	0.28%
	Kern County Superintenden of Schools			1,000 - 4,999	7	0.28%
	State Farm			1,000 - 4,999	8	0.28%
			<u>27.89%</u>			<u>10.83%</u>

Source: County of Kern annual financial report

STAFFING BY FTE BY FUNCTION

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Instruction					
Teachers	778.42	787.73	836.65	871.37	868.10
Paraprofessionals	<u>220.62</u>	<u>230.88</u>	<u>275.58</u>	<u>326.12</u>	<u>353.26</u>
Sub-total, Instruction	<u>999.04</u>	<u>1,018.61</u>	<u>1,112.23</u>	<u>1,197.49</u>	<u>1,221.36</u>
Instruction-related services	239.87	237.31	258.30	265.31	314.77
Pupil services	222.66	241.82	251.83	297.33	318.41
General administration	62.00	68.00	68.00	66.00	74.50
Plant services	<u>112.00</u>	<u>112.50</u>	<u>126.50</u>	<u>144.88</u>	<u>157.63</u>
Total, all staffing	<u>1,635.57</u>	<u>1,678.24</u>	<u>1,816.86</u>	<u>1,971.01</u>	<u>2,086.67</u>
Teachers (FTE)	778.42	787.73	836.65	871.37	868.10
% of total staffing	48%	47%	46%	44%	42%

Source: District records

	FY2020	FY2021	FY2022	FY2023	FY2024
Instruction					
Teachers	895.08	876.28	887.70	918.40	941.50
Paraprofessionals	<u>447.02</u>	<u>458.14</u>	<u>476.89</u>	<u>519.64</u>	<u>573.96</u>
Sub-total, Instruction	<u>1,342.10</u>	<u>1,334.42</u>	<u>1,364.59</u>	<u>1,438.04</u>	<u>1,515.46</u>
Instruction-related services	313.08	314.43	328.92	359.13	361.93
Pupil services	273.77	271.66	308.52	392.74	408.66
General administration	94.95	96.95	88.50	96.00	112.00
Plant services	<u>164.00</u>	<u>162.25</u>	<u>136.50</u>	<u>192.00</u>	<u>197.50</u>
Total, all staffing	<u>2,187.90</u>	<u>2,179.71</u>	<u>2,227.03</u>	<u>2,477.91</u>	<u>2,595.55</u>
Teachers (FTE)	895.08	876.28	887.70	918.40	941.50
% of total staffing	41%	40%	40%	37%	36%

Source: District records

CAPITAL ASSETS BY FUNCTION AND ACTIVITY

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Instruction	\$ 129,758,082	\$ 124,721,834	\$ 119,695,273	\$ 114,770,339	\$ 88,124,345
Supervision of instruction	8,248	6,729	5,210	18,841	16,507
Instruction library, media and technology	159,889	113,503	67,976	28,956	24,305
School site administration	56,065	51,229	40,722	30,491	20,284
Home-to-school transportation	476,737	582,769	955,017	2,168,629	1,864,513
Food services	447,578	559,896	484,805	484,059	519,782
All other pupil services	85,698	90,307	81,235	66,300	62,241
Data processing	34,374	143,380	170,975	17,587	108,607
All other general administration	1,463,531	1,316,691	1,139,153	1,340,089	646,605
Plant services	20,389,444	19,876,396	68,440,203	68,104,304	118,842,650
Work in progress	4,474,856	39,706,287	10,479,911	29,953,824	13,070,260
Total Capital Assets	<u>\$ 157,354,501</u>	<u>\$ 187,169,021</u>	<u>\$ 201,560,480</u>	<u>\$ 216,983,420</u>	<u>\$ 223,300,099</u>

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Instruction	\$ 84,379,886	\$ 81,960,047	\$ 79,893,894	\$ 73,264,523	\$ 75,152,650
Supervision of instruction	14,173	23,294	21,141	33,402	28,046
Instruction library, media and technology	19,654	15,422	24,405	17,698	10,816
School site administration	13,502	10,944	6,979	5,205	3,215
Home-to-school transportation	1,729,198	1,440,543	1,556,635	1,191,965	2,079,913
Food services	958,665	896,765	815,412	861,055	1,076,355
All other pupil services	49,598	86,196	105,102	97,497	95,619
Data processing	62,842	235,647	202,623	1,904,881	1,698,940
All other general administration	591,140	541,252	647,805	634,878	551,656
Plant services	118,091,934	143,300,943	174,908,237	173,164,729	179,679,896
Work in progress	35,489,837	35,057,357	5,351,186	17,743,541	18,431,836
Total Capital Assets	<u>\$ 241,400,430</u>	<u>\$ 263,568,410</u>	<u>\$ 263,533,419</u>	<u>\$ 268,919,374</u>	<u>\$ 278,808,942</u>

Source: Data extracted from District Financial Statements

Panama-Buena Vista Union School District
Statistical Section (Unaudited)
June 30, 2024

SCHOOL BUILDING INFORMATION

	<u>Year</u> <u>Built</u>	<u>Year</u> <u>Renovated</u>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
Panama Elementary	1875	2021										
Square Feet			38,304	38,304	38,304	38,304	38,304	38,304	44,627	44,627	44,627	44,147
Capacity			938	938	938	938	938	938	1,137	1,137	1,137	710
Enrollment			799	817	843	860	669	677	676	672	794	868
Percentage of Capacity in Use			85.2%	87.1%	89.9%	91.7%	71.3%	72.2%	59.5%	59.1%	69.8%	122.3%
Stine Elementary	1900	1991										
Square Feet			37,227	37,227	37,227	37,227	37,227	37,227	43,476	43,476	45,096	44,136
Capacity			941	941	941	941	941	941	1,053	1,053	1,100	627
Enrollment			716	674	684	661	693	697	610	620	603	607
Percentage of Capacity in Use			76.1%	71.6%	72.7%	70.3%	73.7%	74.1%	57.9%	58.9%	54.8%	96.8%
Amy B. Seibert Elementary	1963	2013										
Square Feet			39,360	39,360	39,360	39,360	39,360	39,360	42,720	42,720	42,720	42,720
Capacity			896	896	896	896	896	896	1,022	1,022	1,022	603
Enrollment			764	744	717	712	684	657	628	610	640	654
Percentage of Capacity in Use			85.3%	83.0%	80.0%	79.5%	76.3%	73.3%	61.4%	59.7%	62.6%	108.5%
Wayne Van Horn Elementary	1969	1988										
Square Feet			35,298	35,298	35,298	35,298	35,298	35,298	40,342	40,342	40,342	39,382
Capacity			840	840	840	840	840	840	990	990	990	702
Enrollment			575	528	556	583	625	619	575	625	603	597
Percentage of Capacity in Use			68.5%	62.9%	66.2%	69.4%	74.4%	73.7%	58.1%	63.1%	60.9%	85.0%
Charles H. Castle Elementary	1976	1989										
Square Feet			34,943	34,943	34,943	34,943	34,943	34,943	45,523	45,523	48,403	48,403
Capacity			924	924	924	924	924	924	1,229	1,229	1,313	873
Enrollment			704	723	696	843	853	823	789	797	836	844
Percentage of Capacity in Use			76.2%	78.2%	75.3%	91.2%	92.3%	89.1%	64.2%	64.9%	63.7%	96.7%
Stockdale Elementary	1977	1988										
Square Feet			33,643	33,643	33,643	33,643	33,643	33,643	35,563	35,563	35,563	37,003
Capacity			742	742	742	742	742	742	882	882	882	694
Enrollment			628	629	631	648	638	627	602	576	599	589
Percentage of Capacity in Use			84.6%	84.8%	85.0%	87.3%	86.0%	84.5%	68.3%	65.3%	67.9%	84.9%
Louise Sandrini Elementary	1979	1988										
Square Feet			34,610	34,610	34,610	34,610	34,610	34,610	40,270	40,270	40,270	40,270
Capacity			854	854	854	854	854	854	980	980	980	611
Enrollment			582	636	647	663	633	662	591	603	589	603
Percentage of Capacity in Use			68.1%	74.5%	75.8%	77.6%	74.1%	77.5%	60.3%	61.5%	60.1%	98.7%
Sing Lum Elementary	1984	2017										
Square Feet			33,278	33,278	32,790	32,790	32,790	32,790	30,770	30,770	34,252	34,252
Capacity			784	784	956	956	956	956	753	753	854	786
Enrollment			711	703	734	733	776	776	758	740	764	771
Percentage of Capacity in Use			90.7%	89.7%	76.7%	76.6%	81.1%	81.1%	100.7%	98.3%	89.4%	98.1%

SCHOOL BUILDING INFORMATION (CONTINUED)

	<u>Year Built</u>	<u>Year Renovated</u>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
Laurelglen Elementary	1985	2011										
Square Feet			30,398	30,398	30,398	30,398	30,398	30,398	36,570	36,570	36,570	36,251
Capacity			616	616	616	616	616	616	833	833	833	626
Enrollment			606	610	619	581	580	578	563	580	560	529
Percentage of Capacity in Use			98.4%	99.0%	100.5%	94.3%	94.2%	93.8%	67.6%	69.6%	67.2%	84.5%
Leo B. Hart Elementary	1988	n/a										
Square Feet			35,198	35,198	35,198	35,198	35,198	35,198	37,200	37,200	37,200	38,800
Capacity			798	798	798	798	798	798	936	936	936	794
Enrollment			700	726	729	723	767	779	709	702	666	713
Percentage of Capacity in Use			87.7%	91.0%	91.4%	90.6%	96.1%	97.6%	75.8%	75.0%	71.2%	89.8%
Roy W. Loudon Elementary	1989	2008										
Square Feet			42,414	42,414	42,414	42,414	42,414	42,414	44,814	44,814	44,814	43,854
Capacity			1,050	1,050	1,050	1,050	1,050	1,050	1,148	1,148	1,148	941
Enrollment			807	767	781	791	741	752	681	685	691	749
Percentage of Capacity in Use			76.9%	73.0%	74.4%	75.3%	70.6%	71.6%	59.3%	59.7%	60.2%	79.6%
Buena Vista Elementary	1875	2013										
Square Feet			39,706	39,706	39,706	39,706	39,706	39,706	45,594	45,594	45,594	44,634
Capacity			1,022	1,022	1,022	1,022	1,022	1,022	1,117	1,117	1,117	837
Enrollment			917	893	924	945	939	935	916	717	705	720
Percentage of Capacity in Use			89.7%	87.4%	90.4%	92.5%	91.9%	91.5%	82.0%	64.2%	63.1%	86.0%
Christa McAuliffe Elementary	1991	n/a										
Square Feet			32,951	32,951	32,951	32,951	32,951	32,951	34,916	34,916	34,916	34,916
Capacity			700	700	700	700	700	700	888	888	888	560
Enrollment			549	584	537	533	529	582	521	693	598	522
Percentage of Capacity in Use			78.4%	83.4%	76.7%	76.1%	75.6%	83.1%	58.7%	78.1%	67.4%	93.2%
Bill L. Williams Elementary	1996	2013										
Square Feet			38,662	38,662	41,542	41,542	41,542	41,542	44,340	44,340	44,340	44,340
Capacity			966	966	1,134	1,134	1,134	1,134	1,132	1,132	1,132	1,072
Enrollment			820	854	908	967	961	991	992	989	986	962
Percentage of Capacity in Use			84.9%	88.4%	80.1%	85.3%	84.7%	87.4%	87.7%	87.4%	87.1%	89.7%
Ronald Reagan Elementary	1998	n/a										
Square Feet			42,686	42,686	42,686	42,686	42,686	42,686	44,126	44,126	44,126	44,126
Capacity			1,036	1,036	1,036	1,036	1,036	1,036	1,115	1,115	1,115	931
Enrollment			942	936	971	935	942	978	951	861	894	843
Percentage of Capacity in Use			90.9%	90.3%	93.7%	90.3%	90.9%	94.4%	85.3%	77.2%	80.2%	90.5%
Berkshire Elementary	2002	2012										
Square Feet			41,259	41,259	41,259	41,259	41,259	41,259	45,839	45,839	45,839	44,879
Capacity			1,036	1,036	1,036	1,036	1,036	1,036	1,153	1,153	1,153	818
Enrollment			1,003	1,044	1,000	990	995	993	981	920	925	923
Percentage of Capacity in Use			96.8%	100.8%	96.5%	95.6%	96.0%	95.8%	85.1%	79.8%	80.2%	112.8%

SCHOOL BUILDING INFORMATION (CONTINUED)

	<u>Year</u> <u>Built</u>	<u>Year</u> <u>Renovated</u>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
Old River Elementary	2007	n/a										
Square Feet			44,715	44,715	44,715	44,715	44,715	44,715	40,275	40,275	40,275	39,315
Capacity			1,036	1,036	1,036	1,036	1,036	1,036	1,019	1,019	1,019	910
Enrollment			890	883	877	860	865	861	842	839	864	826
Percentage of Capacity in Use			85.9%	85.2%	84.7%	83.0%	83.5%	83.1%	82.7%	82.4%	84.8%	90.8%
Douglas J. Miller Elementary	2009	n/a										
Square Feet			36,460	36,460	39,820	39,820	39,820	39,820	53,356	53,356	58,780	58,780
Capacity			896	896	1,092	1,092	1,092	1,092	910	910	1,028	993
Enrollment			858	941	1,063	1,147	795	877	906	965	997	1,010
Percentage of Capacity in Use			95.8%	105.0%	97.3%	105.0%	72.8%	80.3%	99.6%	106.0%	96.9%	101.7%
Dolores S. Whitley Elementary	2018	n/a										
Square Feet			-	-	-	-	55,133	55,133	49,005	49,005	67,689	67,689
Capacity			-	-	-	-	1,161	1,161	1,217	1,217	1,762	1,175
Enrollment			-	-	-	-	761	798	822	872	981	1,092
Percentage of Capacity in Use			-	-	-	-	65.5%	68.7%	67.5%	71.6%	55.7%	92.9%
Highgate Elementary	2020	n/a										
Square Feet			-	-	-	-	-	-	-	41,827	41,827	41,827
Capacity			-	-	-	-	-	-	-	1,190	1,190	774
Enrollment			-	-	-	-	-	-	-	422	540	646
Percentage of Capacity in Use			-	-	-	-	-	-	-	35.5%	45.4%	83.5%
Fred L. Thompson Junior High School	1967	2009										
Square Feet			38,885	38,885	38,885	38,885	38,885	38,885	49,516	49,516	50,032	51,437
Capacity			981	981	981	981	981	981	1,347	1,347	1,403	813
Enrollment			741	679	753	768	768	726	741	786	728	762
Percentage of Capacity in Use			75.5%	69.2%	76.7%	78.3%	78.3%	74.0%	55.0%	58.3%	51.9%	93.7%
O.J. Actis Junior High School	1979	1992										
Square Feet			38,336	38,336	38,336	38,336	38,336	38,336	46,320	46,320	48,304	57,140
Capacity			924	924	924	924	924	924	1,213	1,213	1,325	630
Enrollment			676	666	683	669	666	640	678	698	680	700
Percentage of Capacity in Use			73.2%	72.1%	73.9%	72.4%	72.1%	69.3%	55.9%	57.5%	51.3%	111.1%
Tevis Junior High School	1988	1992										
Square Feet			41,872	41,872	41,872	41,872	41,872	41,872	43,301	43,301	44,830	46,182
Capacity			1,028	1,028	1,028	1,028	1,028	1,028	1,140	1,140	1,252	832
Enrollment			733	782	797	775	792	770	755	781	803	842
Percentage of Capacity in Use			71.3%	76.1%	77.5%	75.4%	77.1%	74.9%	66.3%	68.5%	64.2%	101.2%
Earl Warren Junior High School	1995	n/a										
Square Feet			44,529	44,529	44,529	44,529	44,529	44,529	40,988	40,988	41,420	47,229
Capacity			1,148	1,148	1,148	1,148	1,148	1,148	1,138	1,138	1,208	977
Enrollment			858	846	887	892	925	890	906	907	937	985
Percentage of Capacity in Use			74.7%	73.7%	77.3%	77.7%	80.6%	77.5%	79.6%	79.7%	77.6%	100.8%

SCHOOL BUILDING INFORMATION (CONTINUED)

	<u>Year</u> <u>Built</u>	<u>Year</u> <u>Renovated</u>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
Stonecreek Junior High School	2006	n/a										
Square Feet			42,609	42,609	42,609	42,609	42,609	42,609	50,252	50,252	50,683	52,652
Capacity			1,092	1,092	1,092	1,092	1,092	1,092	1,380	1,380	1,450	1,103
Enrollment			890	880	863	971	1,022	1,026	1,069	1,125	1,040	1,012
Percentage of Capacity in Use			81.5%	80.6%	79.0%	88.9%	93.6%	94.0%	77.4%	81.5%	71.7%	91.7%
District Office	1983	2015										
Square Feet			33,792	33,792	33,792	33,792	33,792	33,792	31,764	31,764	31,764	31,764
District Office East	1991	2011										
Square Feet			21,658	21,658	21,658	21,658	21,658	21,658	27,576	27,576	27,576	27,576
District Office South	2014	n/a										
Square Feet			17,040	17,040	17,040	17,040	17,040	17,040	15,582	15,582	15,582	15,582
Special Services	2010	n/a										
Square Feet			10,732	10,732	10,732	10,732	10,732	10,732	10,836	10,836	10,836	10,836

Square footage includes permanent buildings and portable units

School Site square footage includes classrooms, Day Care buildings and Cafeteria/MPR buildings

**Prior to FY24, capacity based on average of 28 students per classroom, including portable buildings*

**Beginning with FY24, capacity from the District's 3rd party Demographer using actual class size limits by grade*

Source: District records

HISTORY OF INVESTMENT INCOME BY FUND TYPE (INTEREST EARNINGS)

Fiscal Year	General	Special Revenue	Capital Projects	Bond Interest & Redemption	Total, All Funds
2015	\$ 55,352	\$ 30,481	\$ 159,581	\$ 20,530	\$ 265,944
2016	72,503	76,225	272,735	18,971	440,434
2017	231,991	36,627	411,716	27,893	708,227
2018	404,662	149,750	505,629	54,525	1,114,566
2019	445,936	185,467	542,123	63,686	1,237,212
2020	728,816	192,667	809,393	127,461	1,858,337
2021	414,736	164,117	238,133	54,663	871,649
2022	563,327	163,975	183,982	54,043	965,328
2023	1,869,833	583,839	742,372	126,027	3,322,071
2024	3,472,912	1,984,036	1,276,517	262,289	6,995,754

Source: District records

NEW CONSTRUCTION FOR KERN COUNTY

Year ⁽¹⁾	Number of New Units		
	Single Unit	Multi-Units	Total
2014	1,885	412	2,297
2015	2,098	102	2,200
2016	2,141	115	2,256
2017	1,138	167	1,305
2018	1,935	191	2,126
2019	2,182	71	2,253
2020	1,337	262	1,599
2021	2,117	141	2,258
2022	2,402	217	2,619
2023	833	145	978

Year ⁽¹⁾	Valuation		
	Single Unit	Multi-Units	Total
2014	\$ 371,661,751	\$ 37,477,156	\$ 409,138,907
2015	465,175,856	8,754,220	473,930,076
2016	475,649,494	12,850,552	488,500,046
2017	211,877,395	19,423,671	231,301,066
2018	431,488,488	29,958,821	461,447,309
2019	524,303,212	12,557,446	536,860,658
2020	290,909,898	33,311,160	324,221,058
2021	445,807,199	8,410,357	454,217,556
2022	624,245,425	27,927,727	652,173,152
2023	186,881,707	15,867,125	202,748,832

Source: Employment Development Department - California
(<https://www.labormarketinfo.edd.ca.gov/>)

⁽¹⁾ Information available only through calendar year 2023

MISCELLANEOUS STATISTICS

District Name: Panama-Buena Vista Union School District

Type of District: Elementary (TK-8)

Year Founded: 1875

Area (square miles): 93 (est.)

Number of schools:

Elementary (TK-6)	19
Elementary (TK-8)	1
Intermediate (7-8)	5
Total	25

Enrollment:

Elementary (TK-6)	13,976 (Fall 2023)
Elementary (TK-8)	1,092 (Fall 2023)
Intermediate (7-8)	4,301 (Fall 2023)
Total	19,369
 % of students eligible for free or reduced lunches	 78.13%

Number of employees:

Certificated:	1,061 full-time equivalents
Classified	1,230 full-time equivalents
Management/Confidential	305 full-time equivalents
Total	2,596
 Teacher per Pupil Ratio:	 20.57

Source: District records



Independent Auditor's Reports
June 30, 2024

**Panama-Buena Vista Union School
District**



**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 Trustees
Panama-Buena Vista Union School District
Bakersfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panama-Buena Vista Union 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 December 11, 2024.

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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 11, 2024.

Panama-Buena Vista Union School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 11, 2024



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

To the Board of Trustees
Panama-Buena Vista Union School District
Bakersfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Panama-Buena Vista Union 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 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 GAAS, *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 GAAS, *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.



Rancho Cucamonga, California
December 11, 2024



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

To the Board of Trustees
Panama-Buena Vista Union School District
Bakersfield, California

Report on Compliance

Opinion on State Compliance

We have audited Panama-Buena Vista Union School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards 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 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 opinion. 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 GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 consider 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No*
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Yes
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

*We did not perform testing for Independent Study because average daily attendance reported did not exceed thresholds required for testing.

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Esde Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 11, 2024



Schedule of Findings and Questioned Costs
June 30, 2024

Panama-Buena Vista Union School District

Panama-Buena Vista Union School District

Summary of Auditor's Results

Year Ended June 30, 2024

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Education Stabilization Fund	
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U
COVID-19 ESSER III State Reserve Emergency Needs	84.425U
COVID-19 ESSER III State Reserve Learning Loss	84.425U
Title I, Part A, Basic Grants Low Income and Neglected	84.010
Dollar threshold used to distinguish between Type A and Type B programs	\$930,053
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for programs	Unmodified

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code

AB 3627 Finding Type

30000

Internal Control

2024-001 30000 – Current Period Misstatement and Financial Statement Preparation**Criteria or Specific Requirements**

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 should include a review of all adjusting entries, reclassifying entries, and conversion entries used in the preparation of the District's financial statements. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified a material misstatement of receivable balances within the Building Fund, as reported within the District's 2023-2024 unaudited financial statements. The District understated receivables of \$202,056 as of June 30, 2024, resulting in a \$202,056 understatement of the Building Fund ending fund balance, as reported on the 2023-2024 unaudited financial statements.

Context

The condition was identified through inquiry with District personnel and through review of available District records related to balances reported in the District's 2023-2024 unaudited financial statements.

Cause

The cause of the condition identified appears to be due to inadequate review processes related to the preparation of the District's year-end financial statements.

Effect

The effect of this error resulted in misstatements that were not detected or prevented by the District's internal accounting control and review process. As a result of this error, the Building Fund ending fund balance was understated by \$202,056, as reported on the 2023-2024 unaudited financial statements.

Repeat Finding

No.

Recommendation

A thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

The District's business department is committed to performing a thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries before the financial statements are finalized.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Compliance Findings**2023-001 40000 - Immunizations (Significant Deficiency, Noncompliance)****Criteria or Specific Requirements**

Title 17, California Code of Regulations, Section 6025 requires that each pupil admitted to a school district must have received two doses of a varicella vaccine and two doses of a measles vaccine prior to admission. Alternatively, the pupil should have a current medical exemption from varicella and measles immunization on file. Pupils who do not meet these requirements should be excluded from attendance until the parent or guardian provides the required documentation indicating compliance.

Condition

During the audit of immunization records for 17 sampled students from Louise Sandrini Elementary School, it was discovered that one student was admitted without having received all required doses of the varicella and measles vaccines prior to admission. Furthermore, the identified student did not possess a current medical exemption. As the immunization records were not compliant under Title 17, California Code of Regulations Section 6025, the District should not have claimed average daily attendance (ADA) in relation to the student until both doses of each vaccination had been received.

Cause

It appears that the necessary checks and documentation procedures were not diligently followed, resulting in the admission of students who did not meet the vaccination requirements.

Effect

The ADA claimed for the identified student must be disallowed for the number of school days from the date that they enrolled through the date that they received all required doses. Through review of the students' attendance records, the total disallowed ADA was determined to be 0.05.

Questioned Costs

The District has overclaimed 0.05 units of average daily attendance (ADA) for apportionment on its Second Period Attendance Report. The penalty results in a decrease of approximately \$647. The estimated penalty was calculated using the CDE's LCFF Derived Value of ADA by Grade Span.

Recommendation

It is recommended that the District review and strengthen the immunization verification processes to ensure strict adherence to Title 17, California Code of Regulations, Section 6025 requirements.

Current Status

Implemented.

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APPENDIX C

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Upon issuance and delivery of the New Money Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the New Money Bonds in substantially the following form:

[Date of Delivery]

Panama-Buena Vista Union School District
Bakersfield, California

Panama-Buena Vista Union School District
(Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Panama-Buena Vista Union School District (the “District”), which is located in the County of Kern, California (the “County”), in connection with the issuance by the District of \$_____ aggregate principal amount of bonds designated as “Panama-Buena Vista Union School District (Kern County, California) General Obligation Bonds, Election of 2022, Series 2025” (the “New Money Bonds”), representing part of an issue in the aggregate principal amount of \$99,000,000 authorized at an election held in the District on November 8, 2022. The New Money Bonds are issued under and pursuant to a resolution of the Board of Trustees of the District adopted on August 12, 2025 (the “New Money Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the New Money Resolution.

In such connection, we have reviewed the New Money Resolution, the Tax Certificate of the District, dated the date hereof (the “Tax Certificate”), certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the New Money Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the New Money Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the New Money Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the District and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the New Money Resolution and the

Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the New Money Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the New Money Bonds, the New Money Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the New Money Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated _____, 2025, or other offering material relating to the New Money Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The New Money Bonds constitute valid and binding obligations of the District.
2. The New Money Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.
3. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the New Money Bonds and the interest thereon.
4. Interest on the New Money Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the New Money Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the New Money Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the New Money Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Upon issuance and delivery of the Refunding Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

[Date of Delivery]

Panama-Buena Vista Union School District
Bakersfield, California

Panama-Buena Vista Union School District
(Kern County, California)
General Obligation Refunding Bonds, Series 2025
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Panama-Buena Vista Union School District (the “District”), which is located in the County of Kern, California (the “County”), in connection with the issuance by the District of \$_____ aggregate principal amount of Panama-Buena Vista Union School District (Kern County, California) General Obligation Refunding Bonds, Series 2025 (the “Refunding Bonds”), pursuant to a resolution of the Board of Trustees of the District adopted on August 12, 2025 (the “Refunding Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Refunding Resolution.

In such connection, we have reviewed the Refunding Resolution, the Tax Certificate of the District, dated the date hereof (the “Tax Certificate”), certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Refunding Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Refunding Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Refunding Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the District and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Refunding Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Refunding Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Refunding Bonds, the Refunding Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the

application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Refunding Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. We also express no opinion regarding the accreted value table or calculation set forth or referred to in any of the Refunding Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated _____, 2025, or other offering material relating to the Refunding Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Refunding Bonds constitute the valid and binding obligations of the District.
2. The Refunding Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.
3. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Refunding Bonds and the interest thereon.
4. Interest on the Refunding Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Refunding Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Refunding Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Refunding Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Panama-Buena Vista Union School District (the “District”) in connection with the issuance of \$_____ aggregate principal amount of Panama-Buena Vista Union School District (Kern County, California) General Obligation Bonds, Election of 2022, Series 2025 (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on August 12, 2025 (the “Resolution”). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), 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 defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Series 2025 Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 2025 (including all exhibits or appendices thereto), relating to the offer and sale of Series 2025 Bonds.

“Participating Underwriter” shall mean the original underwriter(s) of the Series 2025 Bonds required to comply with the Rule in connection with offering of the Series 2025 Bonds.

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

Section 3. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which due date shall be March 31 of each year, so long as the District’s fiscal year ends on June 30), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Series 2025 Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; and

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

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

- (i) The average daily attendance in District schools on an aggregate basis for the preceding fiscal year;
- (ii) Pension plan contributions made by the District for the preceding fiscal year;
- (iii) The adopted budget of the District for the then-current fiscal year;
- (iv) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role;
- (v) If the County of Kern (the “County”) no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year; and
- (vi) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB’s website. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers or their failure to perform;
- (v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) tender offers;
- (vii) defeasances;
- (viii) rating changes;
- (ix) bankruptcy, insolvency, receivership or similar event of the District; or

(x) 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.

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

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2025 Bonds or other material events affecting the tax status of the Series 2025 Bonds;

(ii) modifications to rights of Series 2025 Bond Holders;

(iii) Series 2025 Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Series 2025 Bonds;

(v) non-payment related defaults;

(vi) 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;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, 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 Series 2025 Bond Holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such

occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2025 Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of “Financial Obligation” in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is 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 Series 2025 Bonds. If such termination occurs prior to the final maturity of the Series 2025 Bonds, the District shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices.

Section 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 Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District with respect to the Series 2025 Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2025 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by

the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 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 required to be filed pursuant to this Disclosure Certificate, 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 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 or any other event required to be reported.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

Section 14. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that, by signing of this Disclosure Certificate using an electronic signature, it is signing, adopting and accepting this Disclosure Certificate, and that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Dated: _____, 2025

**PANAMA-BUENA VISTA UNION
SCHOOL DISTRICT**

By: _____

ACCEPTED AND AGREED TO:

**FIELDMAN, ROLAPP & ASSOCIATES,
INC., doing business as Applied Best
Practices, LLC, as Dissemination Agent**

By: _____
Authorized Signatory

EXHIBIT A

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: **PANAMA-BUENA VISTA UNION SCHOOL DISTRICT**

Name of Issue: Panama-Buena Vista Union School District (Kern County, California)
General Obligation Bonds, Election of 2022, Series 2025

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Series 2025 Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated _____, 2025. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Panama-Buena Vista Union School District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of Panama-Buena Vista Union School District (Kern County, California) General Obligation Refunding Bonds, Series 2025 (the “Refunding Bonds”). The Refunding Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on August 12, 2025 (the “Resolution”). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Refunding Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Refunding Bonds (including persons holding Refunding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), 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 defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Refunding Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 2025 (including all exhibits or appendices thereto), relating to the offer and sale of Refunding Bonds.

“Participating Underwriter” shall mean the original underwriter(s) of the Refunding Bonds required to comply with the Rule in connection with offering of the Refunding Bonds.

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

Section 3. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which due date shall be March 31 of each year, so long as the District’s fiscal year ends on June 30), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Refunding Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; and

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

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) The average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) Pension plan contributions made by the District for the preceding fiscal year;

- (iii) The adopted budget of the District for the then-current fiscal year;
- (iv) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role;
- (v) If the County of Kern (the “County”) no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year; and
- (vi) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB’s website. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Refunding Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers or their failure to perform;
- (v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) tender offers;
- (vii) defeasances;
- (viii) rating changes;
- (ix) bankruptcy, insolvency, receivership or similar event of the District; or
- (x) 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.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business

of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Refunding Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Refunding Bonds or other material events affecting the tax status of the Refunding Bonds;

(ii) modifications to rights of Refunding Bond Holders;

(iii) Refunding Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Refunding Bonds;

(v) non-payment related defaults;

(vi) 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;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, 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 Refunding Bond Holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Refunding Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of “Financial Obligation” in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further

amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is 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 Refunding Bonds. If such termination occurs prior to the final maturity of the Refunding Bonds, the District shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices.

Section 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 Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District with respect to the Refunding Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 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 required to be filed pursuant to this Disclosure Certificate, 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 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 or any other event required to be reported.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Refunding Bonds.

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

Section 14. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that, by signing of this Disclosure Certificate using an electronic signature, it is signing, adopting and accepting this Disclosure Certificate, and that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Dated: _____, 2025

**PANAMA-BUENA VISTA UNION
SCHOOL DISTRICT**

By: _____

ACCEPTED AND AGREED TO:

**FIELDMAN, ROLAPP & ASSOCIATES,
INC., doing business as Applied Best
Practices, LLC, as Dissemination Agent**

By: _____
Authorized Signatory

EXHIBIT A

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: **PANAMA-BUENA VISTA UNION SCHOOL DISTRICT**

Name of Issue: Panama-Buena Vista Union School District (Kern County, California)
General Obligation Refunding Bonds, Series 2025

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Refunding Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated _____, 2025. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

PANAMA-BUENA VISTA UNION SCHOOL DISTRICT

APPENDIX E

COUNTY OF KERN INVESTMENT POLICY; DESCRIPTION OF INVESTMENT POOL

In accordance with California Education Code Section 41001, substantially all District operating funds are required to be held by the Treasurer-Tax Collector of the County of Kern (the "County Treasurer"). Included as part of this Appendix E is the Investment Policy of the County effective December 10, 2024, approved by the Board of Supervisors of the County on December 10, 2024, and the Kern County Pooled Cash Portfolio Summary for the quarter ending June 30, 2025, relating to certain information with respect to the County investment pool. These documents describe (i) the County policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other local agencies held by the County Treasurer, and (ii) the composition, carrying amount, market value and other information relating to the County investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, County of Kern, 1115 Truxtun Avenue, 2nd Floor, Bakersfield, CA 93301.

Neither the District nor the Initial Purchasers have made an independent investigation of the investments in the County investment pool and none have made an assessment of the current Investment Policy Statement. The value of the various investments in the investment pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, with the consent of the Treasury Oversight Committee and the County Board of Supervisors, may change the Investment Policy Statement at any time. Therefore, there can be no assurance that the values of the various investments in the investment pool will not vary significantly from the values described herein.

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County of Kern

Investment Policy

Effective 12/10/2024



OFFICE OF THE TREASURER-TAX COLLECTOR COUNTY OF KERN

TREASURER'S STATEMENT OF INVESTMENT POLICY *Approved By the Board of Supervisors December 10, 2024*

INTRODUCTION AND OVERVIEW:

The County of Kern is a political subdivision of the State of California organized in 1866, with Bakersfield as the county seat. The County covers an area of approximately 8,160 square miles in the southern end of the California's Central Valley. The County's economy is heavily linked to agriculture and to petroleum extraction. There is also a strong aviation, space, and military presence, such as Edwards Air Force Base, the China Lake Naval Air Weapons Station, and the Mojave Air and Space Port. The County is overseen by the five members of the Board of Supervisors.

FIDUCIARY RESPONSIBILITY, GOVERNING AUTHORITY, AND PRUDENCE:

CGC Section 27000.3, declares each Treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a fiduciary subject to the prudent investor standard as stated in CGC Section 53600.3:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law."

INVESTMENT PROGRAM OVERSIGHT:

In accordance with the CGC Section 27131, the Board of Supervisors has established a Treasury Oversight Committee. The Treasury Oversight Committee will render unbiased and objective opinions on matters involving the Treasurer's investment of public funds. Specifically, the law requires that the Treasury Oversight Committee meet to:

1. Review the Treasurer's annual Investment Policy Statement and any subsequent changes thereto, prior to its submission to the Board of Supervisors for review and adoption,
2. Review the Treasurer's investment portfolio reports and the portfolio's compliance with law and this Investment Policy,
3. Cause an external annual audit to be conducted on the Treasurer's Pooled Investment portfolio.

All meetings of the Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act. By law, the Treasury Oversight Committee is not allowed to direct individual

investment decisions, nor select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

This Policy shall be reviewed annually by the County's Treasury Oversight Committee and approved by the County Board of Supervisors. The purpose of this Policy is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the management and investment of the County Treasurer's Pool, which consists of pooled monies held on behalf of the County, school districts, community college districts and certain special districts within the County.

SCOPE:

The County of Kern's Investment Policy has been prepared in accordance with California Government Code (CGC) sections 53630 et seq. The complete text of California Government Code Section 53630 is set forth on the Internet at www.leginfo.ca.gov.

This Policy shall apply to all investments held within the County Treasurer's Pool and made on behalf of the County and member agencies of the Pool with the exception of certain bond funds for which the Board of Supervisors may specifically authorize other allowable investments, consistent with State law. Also exempt from this Policy are retirement funds and other post employment benefit (OPEB) funds managed through an external trust. The Treasurer and Treasurer's staff are responsible for the full-time management of the Pool. All investments and activities of the Treasurer and staff are conducted with the understanding that the Treasurer holds a public trust with the citizens of the County, which cannot be compromised.

POLICY STATEMENT:

The purpose of this Investment Policy is to establish investment guidelines for the County Treasurer, who is responsible for the stewardship of the County's Investment Program. Each transaction and the entire portfolio must comply with applicable CGC, and this Policy. All investment program activities will be judged by the standards of the Policy and ranking of Primary Investment Objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the Policy. This Policy conforms to customary standards of prudent investment management.

PRIMARY INVESTMENT OBJECTIVES:

It is the Policy of the Treasurer to invest public funds in a manner which will preserve the safety and liquidity of all investments within the County Investment Pool while obtaining a reasonable return within established investment guidelines. The portfolio should be actively managed in a manner that is responsive to the public trust and consistent with State law. Accordingly, the County Treasurer's Pool will be guided by the following principles, in order of importance:

- A. Safety of Principal:** Safety of principal is the foremost objective of the County's investment program. Investments by the County Treasurer shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification of security types, sectors, issuers, and maturities is necessary in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The investment portfolio shall be structured to timely meet expected cash flow needs and associated obligations which might be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected liabilities.

C. Investment Income: The investment portfolio shall be designed to earn a market rate of investment income in relation to prevailing budgetary and economic cycles, while taking into account investment risk constraints and liquidity needs of the portfolio.

PRIMARY INVESTMENT PHILOSOPHY:

The primary investment philosophy of the County is to match investment maturities with expected cash outflows. Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Liquidity needs of the portfolio require that the security be sold.
- A security rebalance would improve the quality, yield, or target duration in the portfolio.

AUTHORIZED INVESTMENTS:

Investments shall be restricted to those authorized in the CGC and as further restricted by this policy statement, with the exception of certain bond funds in which the Board of Supervisors has specifically authorized other allowable investments. All investments shall be further governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification (maximum percent of portfolio), credit quality standards, and purchase restrictions that apply. Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security or structural maturity range, the limit or maximum allowable is determined by the portfolio size at the close of the date on which the security is settled.

In conjunction with these restrictions, County Treasurer staff shall diversify its investments by security type, issuer and maturity. The purpose of this diversification is to reduce portfolio risk by avoiding an over concentration in any particular maturity sector, asset class or specific issuer. As Agency security holdings are the largest portion of the Pool, diversification among the Agency issuers should be considered to the extent practical when making investments.

PROHIBITED INVESTMENTS:

No investment shall be made that is prohibited by 53601.6 as may be from time to time amended.

STAFF AUTHORIZED TO MAKE INVESTMENTS:

Only the Treasurer, Assistant Treasurer, and Principal Treasury Investment Officer, when acting as the Investment Officer, are authorized to purchase and order the receipt and delivery of investment securities among custodial security clearance accounts.

AUTHORIZED BROKER/DEALERS:

The County Treasurer shall maintain an 'Eligible Broker/Dealer List'. Firms eligible to do business with the County are:

- Primary Broker/Dealers eligible to trade with the New York branch of the Federal Reserve Bank
- Regional Broker/Dealers meeting the minimum capital requirements of the Securities Exchange Commission
- Introducing Brokers meeting the minimum capital requirements of the Securities Exchange Commission
- National or State banks, domestic branches of properly licensed foreign banks, credit unions, savings and loan institutions, thrift associations
- Direct Issuers meeting the appropriate credit criteria for the securities being offered
- Other institutions as authorized by law

All firms with whom the County does business shall comply with the requirements set forth in Schedule IV.

Further, in compliance with CGC Section 27133(c) & (d), no dealer and/or securities firm shall be eligible if they have made a political contribution in excess of the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board or exceeded the limit on honoraria, gifts, and gratuities set by State law, or by the Fair Political Practices Commission, by County Ordinance or Departmental Policy.

AUTHORIZED INVESTMENT ADVISORS:

The County may enter into an agreement with an investment advisor for investment advisory services, and the investment advisor will operate under the direction of the County Treasurer. The investment advisor shall be registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The investment advisor shall offer to send on an annual basis to the County Treasurer form ADV Part 1 and form ADV Part 2.

DUE DILIGENCE:

County Treasurer staff shall conduct a thorough review and perform due diligence of all firms seeking to do business with the County prior to conducting transactions with those parties and on a continuing basis. This due diligence may include a periodic review of recent news, financial statements and SEC filings related to each entity.

INTERNAL CONTROL:

The County Treasurer has established a system of internal control to provide reasonable assurance that the investment objectives are met and to ensure that the assets of the County Treasury Pool are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that the cost of control shall not exceed the benefits likely to be derived and that the valuation of costs and benefits require estimates and judgments by management. The County Treasurer shall develop and maintain written procedures for the operation of the investment

program, which are consistent with this policy. These procedures shall include reference to separation of duties, safekeeping, collateralization, wire transfers and banking related activities.

Except for declared emergencies, the County Treasurer's Office shall observe the following procedures on a daily basis:

1. All investment transactions conducted by the County Treasurer's Office shall be immediately confirmed and entered into the Treasurer's Portfolio Accounting System.
2. A copy of each day's investment transactions shall be filed with the County Auditor-Controller.
3. County investments shall be executed, confirmed, accounted for, and audited by different people.

SECURITY CUSTODY & DELIVERIES:

All securities purchased shall be deposited for safekeeping with the Custodial Bank that has contracted to provide the County Treasurer with custodial security clearance services or with a tri-party custodian bank under a written tri-party custody agreement. These third party trust department arrangements provide the County with a perfected interest in, ownership of and control over the securities held by the bank custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are not to be held in investment firm/broker dealer accounts. All security holdings shall be reconciled monthly by the County Treasurer and audited at least quarterly by the County Auditor.

All security transactions are to be conducted on a "delivery-versus-payment basis". All trades will be immediately confirmed with the Broker/Dealer and reconfirmed through the Custodian Bank.

COMPETITIVE PRICING:

Investment transactions are to be made at current market prices. Wherever possible, competitive prices should be obtained through obtaining multiple bids or offers. When possible, bids and offers for any investment security shall be taken from a minimum of three security dealers/brokers or banks and awards shall be made to the best bid or offer. The primary source of pricing information and guidance will be that information available through Bloomberg LLP, a world-wide financial news service to which the County subscribes.

LIQUIDITY AND MATURITY PARAMETERS:

The portfolio will maintain a weighted-average maturity of no greater than 2.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio will maintain at least 30% of its total book value in securities having a maturity of one (1) year or less.

PORTFOLIO EVALUATION AND PERFORMANCE:

The portfolio is monitored and evaluated daily, monthly, and quarterly by the County Treasurer's Office. Monthly market value pricing is provided by a third party. Earned yield is calculated each month. Benchmarks for earned yield and investment performance will be commensurate with the Pool's investment goals, credit limits, and target weighted average maturity and duration.

MITIGATING MARKET & CREDIT RISKS:

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by Standard & Poor's, Moody's and Fitch's rating services on the credit worthiness of each issuer of securities, (2) limiting the duration of investments to the time frames noted in Schedule I, and (3) by maintaining the diversification and liquidity standards expressed within this policy.

In the event of a downgrade of a security held in the portfolio, the Principal Treasury Investment Officer shall report the downgrade to the Treasurer within a maximum of 3 days. In the event of a downgrade below the minimum credit ratings authorized by this policy, the security shall be evaluated on a case-by-case basis to determine whether the security shall be sold or held. Every effort will be made to sell such a security without a book loss. In the event of a potential loss upon sale, the Treasurer will evaluate whether to hold or sell the security based on the amount of loss, remaining maturity and any other relevant factors including the issuer's default risk, headline risk, and short term vs. long term financial metrics.

TRADING & EARLY SALE OF SECURITIES:

Securities should be purchased with the intent of holding them until maturity. However, in an effort to minimize market risks, credit risks, and increase the return of the portfolio, securities may be sold prior to maturity either at a profit or loss when economic circumstances or a deterioration in credit worthiness of the issuer warrant a sale of the securities to either enhance overall portfolio return or to minimize loss of investment principal. In measuring a profit or loss, the sale proceeds shall be compared to the original cost of the security plus accrued interest earned and/or any accretion or amortization of principal on the security from the date of purchase or the last coupon date, to the date of sale.

PORTFOLIO REPORTS/AUDITING:

On a monthly basis, the County Treasurer shall prepare and file with the Board of Supervisors, the County Administrative Officer, and County Auditor-Controller, a report consisting of, but not limited to, the following:

1. Monthly investment transactions, investments detailing each by type, issuer, date of maturity, par value and stating the book vs. current market value together with all other portfolio information required by law.
2. Compliance of investments to the existing County Investment Policy.
3. A statement confirming the ability of the Pool to meet anticipated cash requirements for the Pool for the next six months.

CALCULATION PARAMETERS:

Calculations of percentage allocations shall be done at the time of purchase and formulated on book value. Weighted average maturity is calculated using a security's stated final maturity and using the settlement date.

QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS:

All moneys deposited in this Pool by the participants represent an individual interest in all assets and investments in the Pool based upon the amount deposited. Portfolio income shall be reconciled daily against cash receipts, and quarterly prior to the distribution of earnings among those entities sharing in pooled fund investment income. Nonetheless, actual portfolio income and/or losses, net of any reserves, will be distributed quarterly using the accrual basis of accounting, in compliance with the CGC Section 53684, among those participants sharing in pooled investment income. Except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the calendar quarter.

QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS:

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is permitted by CGC Section 53684 to deduct from investment income before the distribution thereof, the actual cost of the investments, auditing, depositing, handling and distribution of such income. Accordingly, the Treasurer shall deduct from pooled fund investment earnings the actual cost incurred for banking and investment related services including but not limited to: wire transfers, custodial safekeeping charges, necessary capital outlays, the costs of investment advisory services, credit ratings, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the Treasurer-Tax Collector's Office engaged in the administration, investment, auditing, cashing, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions.

WITHDRAWAL OF FUNDS:

The Treasurer's Investment Policy establishes guidelines for unusual or unexpected withdrawal of cash and provides for adequate liquidity to cover day-to-day operations of Pool depositors. On occasion, depositors have need of withdrawals that exceed those normally associated with operations. To accommodate such withdrawals, the Treasurer-Tax Collector's Office has established written notification requirements as set forth below to allow for adjustments to the liquidity position of the Portfolio. The notification required is as follows:

Withdrawals of up to \$10,000,000	24 hours
Withdrawals of \$10,000,001 and more	72 hours

Notification should be by email to TTC@kerncounty.com. Failure to adhere to these requirements may result in payment being delayed by the Treasurer-Tax Collector's office.

Pursuant to CGC Section 27136, any local agency, public agency, public entity, or public official that has funds on deposit in the County Treasury Pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County Treasury Pool is required to first submit a request for the withdrawal to the County Treasurer-Tax Collector before withdrawing funds from the County Treasury Pool. Prior to approving such a request, the County Treasurer will find that the withdrawal will not adversely affect other depositors in the County Treasury Pool. Approval of the withdrawal does not constitute approval or endorsement of the investment.

POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY INTO COUNTY INVESTMENT POOL:

The County Treasurer is not soliciting nor accepting any new agency's voluntary entry into the County Treasurer's Pool.

ETHICS & CONFLICTS OF INTEREST:

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. The County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, and Principal Treasury Investment Officer are required to file annually the applicable financial disclosure statements as mandated by the Fair Political Practices Commission (FPPC) and/or by County Ordinance. In addition, the Principal Treasury Investment Officer is required to sign and abide by an Ethics Policy instituted by the Treasurer.

LIMIT ON RECEIPT OF HONORARIA, GIFTS, AND GRATUITIES:

Employees responsible for the management of the County's Investment Pool shall not accept honoraria, gifts or gratuities from any advisor, broker, dealer, banker or other person with whom the County Treasurer conducts business, in excess of specifications of CGC in any fiscal year.

BUSINESS CONTINUITY:

The County Treasurer has developed a Business Continuity Plan (Plan) describing the County's anticipated response to a range of events that could significantly disrupt its business. Because the timing and impact of disasters, emergencies and other events is unpredictable, flexibility is necessary when responding to actual disruptions as they occur. With that in mind, the goal of the Plan is to resume operations as quickly and smoothly as possible.

The County Treasurer's Plan for responding to a significant business disruption addresses safeguarding of employees' lives and County's property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the County's books and records, and allowing the continued ability to manage the investment program and transact business.

ONGOING TRAINING AND EDUCATION:

The County strives for professionalism and accountability in the investment of its funds. In order to assure the highest possible professional standards, the personnel involved in the investment function shall complete at least 16 hours per year of continuing education programs or other training in cash and investment management.

POLICY ADOPTION & AMENDMENTS:

This policy statement will become effective immediately following adoption by the Board of Supervisors, and will remain in force as long as the delegation of authority to the Treasurer to invest is in effect and until subsequently amended in writing by the County Treasurer, reviewed by the Treasury Oversight Committee and approved by the Board of Supervisors.

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**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

Schedule I

Authorized Investments

AUTHORIZED INVESTMENTS	MAXIMUM HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY (S&P/MOODY'S/ FITCH)
Inactive Accounts aka Money Market Accounts	\$50,000,000 per account	Limited to depository's described in CGC 53630.5	Daily	Collateralization requirements per Govt Code section 53652.
U.S. Treasury Obligations	100%	None	5 years	Not Applicable
Notes, participation's or obligations issued by an agency of the Federal Government or U.S. government-sponsored enterprises	75%	Maximum per issuer limit of 40%	5 years	Not Applicable
Bonds, notes, warrants or certificates of indebtedness issued by the State of California	10%	None	5 years	AA by at least 2 of the 3 rating agencies
Cash substitutes issued by the State of California	25%	Applies only to cash substitutes issued by the State during periods of fiscal emergency	5 years	Not Applicable
Bonds, notes, warrants or certificates of indebtedness issued by agencies within the State of California	10%	None	5 years	AAA by at least 2 of the 3 rating agencies
Bonds, notes, warrants or certificates of indebtedness issued by any of the other 49 states	10%	See Note 1	5 years	AAA by at least 2 of the 3 rating agencies
Bankers Acceptances	30%	See Note 1	180 Days	Minimum A-1, P-1 or F1

Commercial paper of U.S. Corps with total assets in excess of \$500 MM	40% total for all Commercial Paper	Max 10% of outstanding paper of any one issuer & max. See Note 1	270 Days	Minimum A-1, P-1 or F1
Asset-backed Commercial Paper	Included in Commercial Paper Requirements	Issuer must have program-wide credit enhancements	270 Days	Minimum A-1, P-1 or F1
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF	LAIF Policies	Daily	Not Applicable
Negotiable CD's issued by US National or State chartered banks or a savings association or a federal association, a state or federal credit union, or by a federally licensed or state licensed branch of a foreign bank	30%	See Note 1	5 years	Minimum A-1, P-1 or F1 for CDs issued with a maturity of one year or less. AA for CDs issued with a maturity of more than one year (must be rated by 2 of the 3 rating agencies)
Collateralized Certificates of Deposit/Deposits	10%	As stipulated in Article 2, Section 53630 et al of the Calif. Government Code	1 year	See Section 53630 et al of the California Government Code
Repurchase Agreements with 102% collateral	40%	Repurchase Agreements(contracts) must be on file	180 days	Restricted to Primary Dealers on Eligible Dealer list
Reverse Repurchase Agreements	10%	See Schedule II	92 days (See Schedule III)	Restricted to Primary Dealers on Eligible Dealer list
Medium Term Notes of corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	30%	See Note 1	5 years	Minimum rating of AA for maturities exceeding 1 year. A for maturities of one year or less. (must be rated by 2 of the 3 rating agencies)
Money Market Mutual Funds that meet requirements of Calif. Gov't. Code	20%	Registered with SEC. No NAV adjustments. No Front-end loads. No more than 10% per MMF.	Daily	AAAm or equivalent by at least 2 of the 3 rating agencies or advisor requirements

Shares of beneficial interest issued by a JPA aka Local Government Investment Pools (LGIPs)	10%	Max 20% of a JPA pool at time of purchase	Daily	Advisor requirements
Asset-Backed Securities	10%	See Note 1	5 years	AAA by at least 2 of the 3 ratings agencies
Supranationals	10%	International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) only. Permitted by CGC 53601 (q) and this policy effective January 1, 2015.	5 years	AAA by at least 2 of the 3 rating agencies

Note 1: Maximum investment per issuer across all investment types will not exceed 6% of the total book value of the Pool as of date of settlement.

Note 2: Consistent with the Government Code, rating criteria in this policy do not specify any modifier (+/- or 1/2/3) and it is implied that ratings with a modifier still meet the rating requirements of this policy regardless of modifier.

Note 3: While references to ratings of AAA, AA, A are in S&P's nomenclature, they imply the equivalent ratings by all other rating agencies.

MATURITY STRUCTURE		
Maturity Range	No less Than	No more than
0-366 Days - 0 to 12months	30%	n/a
367- 1097 Days – greater than 1 year to 3 years	n/a	70%
1098-1827 Days – greater than 3 years to 5 years	n/a	30%

The weighted-average maturity of the portfolio will not exceed 2.5 years.

Some securities purchased by the Pool will be callable securities. Callable securities are subject to redemption prior to the final maturity date. For accounting purposes, premiums will be amortized to the next applicable call date, whereas discounts will be accreted to the final maturity date. Callable securities will not exceed 20% of the portfolio.

Some callable securities have coupons that increase at specified periods if the security is not called (step-up notes). Step-up notes will be included in the 20% allocation of callable notes, but will not exceed 10% of the total portfolio.

REPURCHASE AGREEMENTS

Repurchase agreements are restricted to primary dealers of the Federal Reserve Bank of New York. All counterparties must sign a PSA Master Repurchase Agreement and for tri-party repurchase agreements a Tri-Party Repurchase Agreement as well before engaging in any repurchase agreement transactions. Collateral for repurchase agreements shall have a market value of at least 102% of the amount invested and must be marked to market by staff or by an independent third-party or custodial bank acting under contract to the County. Collateral for term

repurchase agreements should be marked to market on a regular basis. Repurchase agreements are required to be collateralized by securities authorized under Section 53601 et. seq. of the California Government Code. Confirmations resulting from securities purchased under repurchase agreements should clearly state (A) the exact and complete nomenclature of the underlying securities purchased; (B) that these securities have been sold to the County under a repurchase agreement; and (C) the stipulated date and amount of the resale by the County back to the seller of the securities.

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**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

SCHEDULE II

POLICY STATEMENT ON REVERSE REPURCHASE AGREEMENTS

The Treasurer hereby institutes the following policies as further safeguards governing investments in Reverse Repurchase Agreements.

The total of Reverse Repurchase Agreement transactions shall not exceed 10 percent of the base value of the portfolio. The term of such agreements shall not exceed 92 calendar days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using such an agreement and the final maturity date of the same security.

1. All loaned securities subject to Reverse Repurchase Agreements shall be properly flagged and immediately accounted for in the Treasurer's financial system.
2. Investments purchased from the loaned proceeds of the Reverse Repurchase Agreement shall have maturities not exceeding the due date for repayment of the Reverse Repurchase Agreement transaction.
3. Only U.S. Treasury Notes and Federal Agency securities owned, fully paid for, and held in the Treasurer's portfolio for a minimum of 30 days can be subject to Reverse Repurchase Agreements.
4. Reverse Repurchase Agreements shall only be placed on portfolio securities:
 - (a) intended to be held to maturity
 - (b) fully paid for and held in the portfolio for a minimum of 30 days
5. Reverse Repurchase Agreements shall only be made with the authorized primary dealers of the Federal Reserve.
6. A contractual agreement must be in place prior to entering into a Reverse Repurchase Agreement with any authorized primary dealer.
7. Reverse Repurchase Agreement transactions shall have the approval of the County Treasurer.

**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

SCHEDULE III

POLICY CRITERIA FOR COLLATERALIZED CERTIFICATE OF DEPOSITS

1. The issuing bank must provide us with an executed copy of the authorization for deposit of moneys.
2. The money-market yield on the certificate of deposit must be competitive to negotiable CD's offered by banks on the County's pre-approved list in the maturities desired by the County. The County Treasurer's Office reserves the right to negotiate higher yields based on market conditions at the time.
3. Collateral Requirements – The County will only accept municipal government securities ("muni bonds") or U.S. Treasury and Agency securities as collateral. The collateral must be held by a separate custodial bank in an account in the name of Kern County. The County must have a perfected interest in the collateral.
 - a. For municipal government securities, the following requirements are listed:
 - i. Securities must be issued by governmental agencies located within the State of California (generally general obligation bonds and revenue bonds only)
 - ii. Securities must be "AAA" rated
 - iii. Maximum maturity of securities is 5 years
 - iv. Collateral must be priced at 110% of the face value of the CD on a daily basis
 - v. Minimum face value of \$5 million per pledged security
 - b. For U.S. Treasuries and Agency securities, the following requirements are listed:
 - i. Maximum maturity of securities is 5 years
 - ii. Collateral must be priced at 110% of the face value of the CD on a daily basis
 - iii. Minimum face value of \$5 million per pledged security

The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. Additionally, a statement of the collateral shall be provided on a monthly basis from the custodial bank.

4. The County Treasurer must be given a current audited financial statement for the financial year just ended. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
5. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc.)
6. Deposits will only be made with banks and savings and loans having branch office locations within Kern County.

OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY

SCHEDULE IV

POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

1. All financial institutions wishing to be considered for the County of Kern's Broker/Dealer List must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses.
2. The County Treasurer's intent is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The assigned staff members must complete a Brokers Certificate stating in writing their acceptance and understanding of the County Treasurer's written Investment Policy guidelines. *Such Certificate must be renewed annually.* This is critical for the establishment of a stable, long-term relationship.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on the securities offered for sale.
 - (c) Be willing to purchase securities from our portfolio.
 - (d) Be capable of providing market analysis, economic projections, newsletters.
5. The firm must provide the County with annual financial statements. All firms with whom the County does business must have a stable financial condition.
6. The County Treasury is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's Custodial Bank.
7. Without exception, all transactions are to be conducted on a delivery vs. payment (DVP) basis or for repurchase agreements, on a tri-party basis.
8. The broker/dealer must have been in operation for more than five (5) years.
9. Firms must have adequate financial strength and capital to support the level of trading that is approved. Adequate financial strength will be assessed by a review of the balance sheet and income statement of the dealer.
10. Repurchase Agreement Counterparty Minimum Requirements:
Repurchase agreement counterparties will be limited to (i) primary government securities dealers who report daily to the Federal Reserve Bank of New York, or (ii) banks, savings

and loan associations or diversified securities broker-dealers subject to regulation of capital standards by any State or federal regulatory agency.

Counterparties must have:

- (a) short-term credit ratings of at least A-1/P-1; and
- (b) a minimum asset and capital size of \$25 billion in assets and \$350 million in capital for primary dealers

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GLOSSARY OF TERMS

ACCRUED INTEREST – Interest that has accumulated but has not yet been received.

AGENCY ISSUES – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

AMORTIZED COST – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the settlement date until a specific future date (also called “Book Value”).

BANKERS ACCEPTANCE – Money market instrument created from transactions involving foreign trade. Payment is guaranteed by a shipping manifest and a bank Letter of Credit accepted by the seller’s bank.

BASIS POINT – A unit of measurement equal to 1/100 of 1 percent. As an example, the difference between a security yielding 3.25% and one yielding 3.20% is five basis points.

BENCHMARK – An index or security used to compare the performance of a portfolio.

BOND – A long-term debt instrument of a government or corporation promising payment of the original investment plus periodic interest payments by a specified future date.

BOOK RETURN – The sum of all investment income plus changes in the realized gains or losses of a portfolio for a given period.

BULLET – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

CALLABLE BOND – A bond in which all or a portion of its outstanding principal may be redeemed prior to maturity by the issuer under specified conditions.

COLLATERALIZATION – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT – A non-negotiable instrument representing a deposit into a bank. The interest rate and maturity are specified on the receipt. It is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER – An unsecured short-term promissory note of a corporation or special purpose entity issued at a specified rate of return for a specified period of time.

COUPON – The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY – An indication of the risk that an issuer of a security will fulfill its obligation.

CREDIT RATING – A standardized assessment, expressed in alphanumeric characters, of a company’s credit quality.

CREDIT RISK – The risk to an investor that an issuer will default in the payment of interest and/or

principal on a security.

CUSIP – A unique identifier for a security developed by the Committee on Uniform Security Identification Procedures (CUSIP). The identifier is a nine-digit alphanumeric character *string*. The first six characters identify the issuer, the following two identify the issue, and the final character is a Check-digit.

DERIVATIVES – Securities which derive their value from that of another security or an underlying index, currency or other measure. Floating rate notes (also “floaters”) are not considered derivatives.

DISCOUNT INSTRUMENTS – Securities that are sold at a discount to face value.

DIVERSIFICATION – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY – The sum of the cost of each security investment multiplied by the number of days to maturity, divided by the total cost of security investments.

EFFECTIVE DURATION – Is a measure of the price volatility of a portfolio that provides an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in market interest rates. An effective duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would be expected to decrease by 1.0 percent.

EARNINGS APPORTIONMENT – Is the quarterly interest distribution to the Pool Participants. The actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool prior to apportionment.

GOVERNMENT OBLIGATIONS – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE’S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include:

- Federal National Mortgage Association (FNMA)
- Federal Home Loan Bank (FHLB)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Mortgage Corporation (FHLMC)

LIQUID – A security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

ILLIQUID – A security that is difficult to buy or sell or has a wide spread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

INTEREST RATE RISK – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. It is also called “Market

Risk”.

INVERSE FLOATERS – Floating rate notes which pay interest in inverse relationship to an underlying index.

LOCAL AGENCY OBLIGATION – An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM – The term used to describe a security when the maturity is greater than one year.

MARKET VALUE – The value of a security at which the principal could be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time, that is traded in secondary markets.

PAR – The stated maturity value, or face value, of a security.

PASS-THROUGH SECURITIES – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond. Principal and interest are ‘passed through’ to investors at specified intervals.

POOL – The pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

PORTFOLIO VALUE – The total book value amount of all the securities held in the Treasurer’s Pooled Money Fund.

PRIMARY DEALER – A dealer or bank that can buy and sell securities directly with the Federal Reserve Bank of New York.

PRIVATE PLACEMENTS – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors. Effective December 8, 2020, Rule 501(a) and Rule 144A of the Securities Act were amended to include government bodies in the definitions of “accredited investor” and “qualified institutional buyer” thereby allowing broker/dealers to sell private placement securities to government entities.

RANGE NOTES – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

REPURCHASE AGREEMENT – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price,

plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT – The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

SAFEKEEPING – A Custodian Bank's action to store and protect an investor's securities by segregating and identifying the securities.

SETTLEMENT DATE – The date on which cash and securities are exchanged and the transaction completed.

SHORT-TERM – The term used to describe a security when the maturity is one year or less.

SUPRANATIONAL SECURITIES – A supranational organization is formed by a group of countries through an international treaty with specific objectives such as promoting economic development. Supranational organizations also issue debt in the United States. The most commonly recognized supranational debt is issued by the International Bank for Reconstruction and Development (IBRD or World Bank).

TOTAL RETURN – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

VOLUNTARY PARTICIPANTS – Local agencies that are not required to deposit their funds with the County Treasurer.

WEIGHTED AVERAGE MATURITY – The remaining average maturity of all securities held in a portfolio. See Dollar Weighted Average Maturity.

WHEN-ISSUED SECURITIES – A security traded before it is actually *issued*. All Treasury bills, notes and bonds trade in the when-issued market before they are auctioned by the Treasury Department. Agencies and GSE's also use this method of trading. It serves to establish the initial offering price of the securities.

YIELD – The percentage return that an investor derives from a financial asset.

YIELD TO MATURITY – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

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Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

**BROKER/DIRECT ISSUER RECEIPT FOR INVESTMENT POLICY AND
CERTIFICATE OF COMPLIANCE**

TO:

Jordan Kaufman, Kern County Treasurer-Tax Collector
Aimee Espinoza, Kern County Auditor-Controller-County Clerk
1115 Truxtun Avenue
Bakersfield, CA 93301

By signing below, I _____ of _____
(Name) (Company)

hereby certify that:

- 1) I have reviewed the Investment Policy governing the Kern County Treasurer's Pooled Cash Portfolio, and that I understand its content. I am not expected to enforce provisions concerning Average Maturity, Category Limits or Issuer Limits. I am expected to offer only those investments that qualify under the County's credit requirement as directed in the Policy. The responsibility for overall portfolio structure and composition remains with the County.
- 2) I further certify that I have not made, nor do I intend to make, political contributions to any candidate for any Kern County elective office.

Signed:

_____ Date: _____

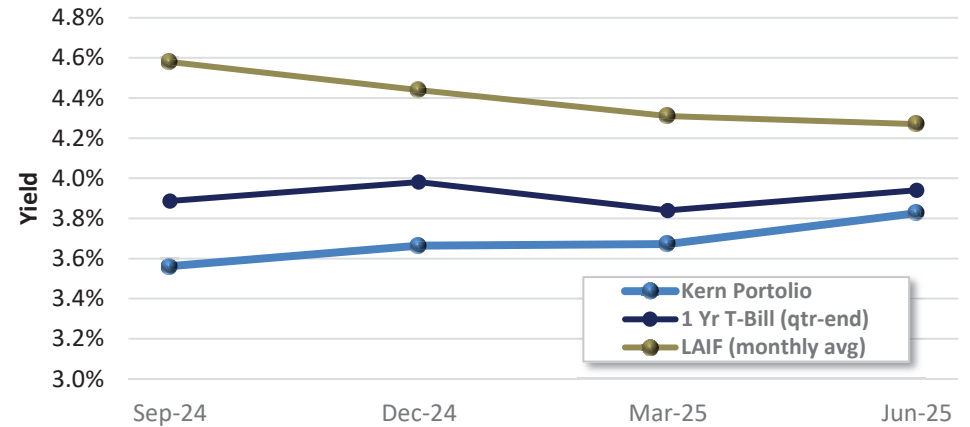


Kern County Treasurer's Pooled Cash Portfolio Summary

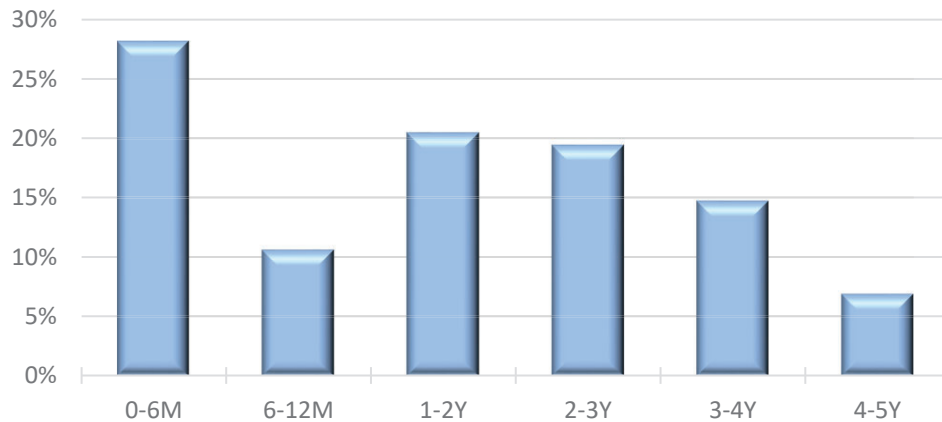
6/30/2025

Total Market Value	\$ 7,382,531,024
Yield to Maturity at Cost	3.83%
Yield to Maturity at Market	4.02%
Effective Duration	1.52
Weighted Average Years to Maturity	1.68

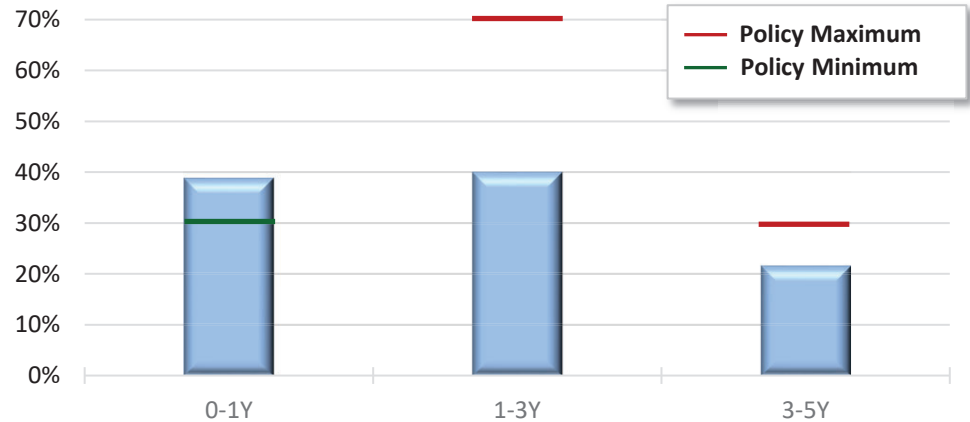
Portfolio Yield for the Trailing 4 Quarters



Maturity Distribution



Maturity Range



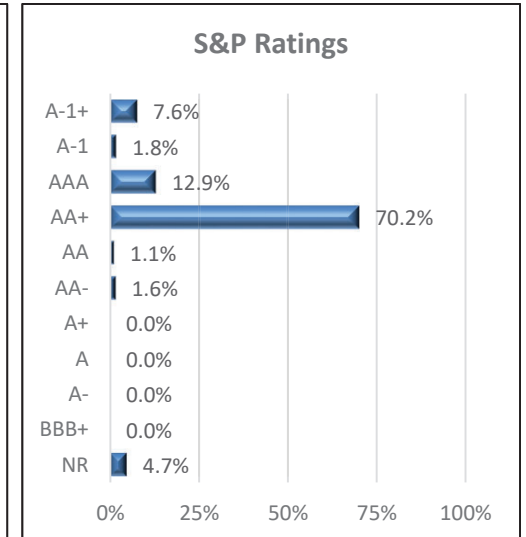
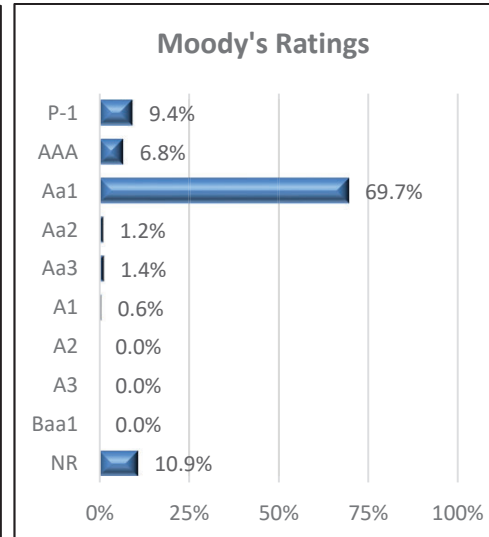
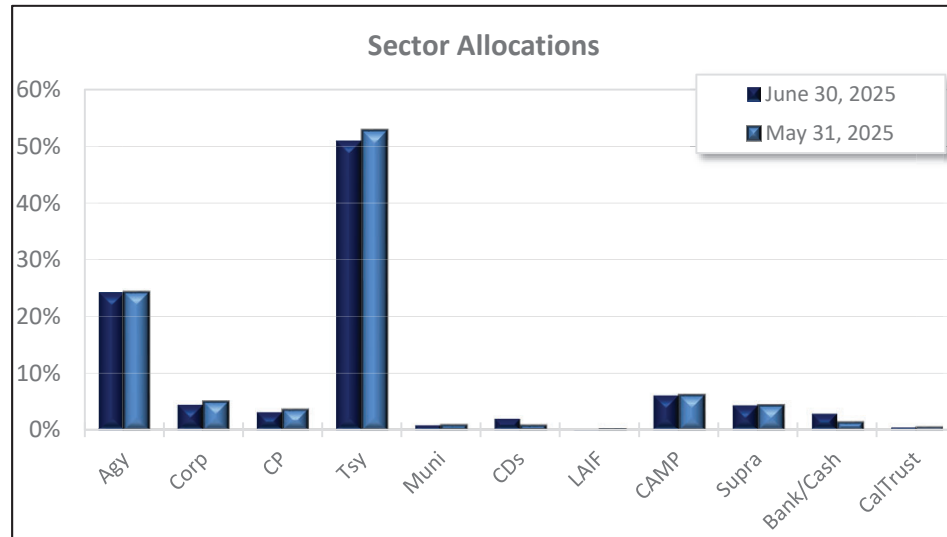
*The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures.



Kern County Treasurer's Pooled Cash Portfolio Summary

6/30/2025

Sector	Par Amount	Original Cost	Market Value	Original Yield	% of Total Assets	Policy Limit Rating	Days to Maturity
Local Agency Investment Fund	1,929,372	1,929,372	1,929,372	3.39%	0.03%	\$75 Million	1
California Asset Management Program	446,542,406	446,542,406	446,542,406	4.40%	6.05%	10%	1
CalTRUST	36,189,829	36,189,829	36,189,829	4.36%	0.49%	10%	1
Money Markets	103,222,376	103,222,376	103,222,376	4.21%	1.40%	10%	1
Bank Sweep (ICS)	21,852,164	21,852,164	21,852,164	3.66%	0.30%	10%	1
U.S. Treasuries	3,870,000,000	3,717,483,077	3,785,609,265	3.71%	51.28%	100%	710
Federal Agencies	1,794,271,000	1,773,281,015	1,786,185,419	3.85%	24.19%	75%	620
Municipal Bonds	64,590,000	65,154,180	65,386,271	3.46%	0.89%	10%	1,169
Supranationals	328,650,000	321,949,296	327,431,357	4.12%	4.44%	10%	1,105
Negotiable CDs	150,000,000	150,000,000	150,074,372	4.41%	2.03%	30%	190
Commercial Paper	240,000,000	233,894,033	239,200,968	4.50%	3.24%	40%	26
Corporate Notes	338,128,000	328,930,596	332,469,695	3.05%	4.50%	30%	613
Total Securities	7,395,375,147	7,200,428,346	7,296,093,495	3.83%	98.83%		612
Total Cash	86,437,529	86,437,529	86,437,529		1.17%		
Total Assets	7,481,812,676	7,286,865,875	7,382,531,024		100.00%		



Reporting Period:
06/30/2025

Cash By Structure Report
Kern County

Portfolio: KCTTC

Accounting ID	Ticker	Pool Description	Type	Par Value	Book Value	Market Value	Rate	% of Portfolio
004	ICS	Institutional Cash Sweep	Cash/Money Market	11,448,716.57	11,448,716.57	11,448,716.57	3.850	0.16%
005	JPMST	JP Morgan Short Term Fund	Cash/Money Market	396,309.44	396,309.44	396,309.44	0.001	0.01%
011	OPGXX	State Street US Govt MMF	Cash/Money Market	103,222,376.30	103,222,376.30	103,222,376.30	4.210	1.43%
012	ICS	Institutional Cash Sweep - Tri Counties	Cash/Money Market	10,403,447.51	10,403,447.51	10,403,447.51	3.445	0.14%
		Cash/Money Market Total		125,470,849.82	125,470,849.82	125,470,849.82		1.74%
001	LAIF	Local Agency Investment Fund	LGIP	1,533,062.89	1,533,062.89	1,533,062.89	4.269	0.02%
002	CAMP	California Asset Management Program	LGIP	446,542,405.62	446,542,405.62	446,542,405.62	4.400	6.20%
003	CALTRUST	CALTrust JPA	LGIP	36,189,829.08	36,189,829.08	36,189,829.08	4.360	0.50%
		LGIP Total		484,265,297.59	484,265,297.59	484,265,297.59		6.73%
006	WELLS	Wells Fargo Checking	Pass/Bank Book	33,275,844.92	33,275,844.92	33,275,844.92		
007	VAULT1	Vault #1	Pass/Bank Book	176,050.42	176,050.42	176,050.42		
008	VAULT2	Vault #2 Change Drawer	Pass/Bank Book	2,000.00	2,000.00	2,000.00		
009	DRAWERS	Drawers 1-8 Total	Pass/Bank Book	3,000.00	3,000.00	3,000.00		
010	DEPOSITS	Department Deposits Held	Pass/Bank Book	52,980,633.74	52,980,633.74	52,980,633.74		
		Pass/Bank Book Total		86,437,529.08	86,437,529.08	86,437,529.08		

Reporting Period:
06/30/2025

Bond Holdings By Sector Report
Kern County

Portfolio: KCTTC

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16372	63873Q5M2	NATXNY	4.520	07/02/2025	Natixis/NY	09/05/2024	09/05/2024	30,000,000.00	30,000,000.00	30,000,075.00	75.00	4.520	0.01	1	0.42%	P-1	A-1	F1
16369	78015JVX2	RY	4.590	07/03/2025	Royal Bank of Canada/NY	08/28/2024	08/28/2024	30,000,000.00	30,000,000.00	30,000,216.00	216.00	4.590	0.01	2	0.42%	P-1	A-1+	F1+
16455	89115DFQ4	TDNY	4.370	05/05/2026	Toronto Dominion Bank/NY	06/09/2025	06/09/2025	30,000,000.00	30,000,000.00	30,034,863.00	34,863.00	4.370	0.86	308	0.42%	P-1	A-1+	F1+
16457	89115DGG5	TDNY	4.340	05/12/2026	Toronto Dominion Bank/NY	06/16/2025	06/16/2025	20,000,000.00	20,000,000.00	20,020,538.00	20,538.00	4.340	0.88	315	0.28%	P-1	A-1+	F1+
16458	89115DHU3	TDNY	4.260	05/20/2026	Toronto Dominion Bank/NY	06/24/2025	06/24/2025	40,000,000.00	40,000,000.00	40,018,680.00	18,680.00	4.260	0.90	323	0.56%	P-1	A-1+	F1+
					Negotiable CDs			150,000,000.00	150,000,000.00	150,074,372.00	74,372.00				2.08%			
16383	62479LU37	MUFGBK	0.000	07/03/2025	MUFG Bank Ltd/NY	10/25/2024	10/25/2024	40,000,000.00	38,778,466.67	39,985,552.00	1,207,085.33	4.518	0.01	2	0.54%	P-1	A-1	F1
16408	89116EUA9	TDHUSA	0.000	07/10/2025	Toronto Dominion Bank	12/12/2024	12/12/2024	30,000,000.00	29,235,250.00	29,963,835.00	728,585.00	4.484	0.03	9	0.41%	P-1	A-1+	
16446	06741FUJ4	BARCCP	0.000	07/18/2025	Barclays US CCP	05/09/2025	05/09/2025	20,000,000.00	19,829,666.67	19,956,162.00	126,495.33	4.418	0.05	17	0.28%	P-1	A-1	F1
16384	89116EUN1	TDHUSA	0.000	07/22/2025	Toronto Dominion Bank	10/25/2024	10/25/2024	30,000,000.00	29,016,750.00	29,920,167.00	903,417.00	4.518	0.06	21	0.40%	P-1	A-1+	
16401	78015CV58	RYNYCP	0.000	08/05/2025	Royal Bank of Canada/NY	11/26/2024	11/26/2024	40,000,000.00	38,765,200.00	39,823,560.00	1,058,360.00	4.550	0.10	35	0.54%	P-1	A-1+	F1+
16402	78015CV82	RYNYCP	0.000	08/08/2025	Royal Bank of Canada/NY	11/26/2024	11/26/2024	40,000,000.00	38,750,500.00	39,808,920.00	1,058,420.00	4.552	0.11	38	0.54%	P-1	A-1+	F1+
16447	62479LVN2	MUFGBK	0.000	08/22/2025	MUFG Bank Ltd/NY	05/15/2025	05/15/2025	40,000,000.00	39,518,200.00	39,742,772.00	224,572.00	4.433	0.15	52	0.55%	P-1	A-1	F1
					Commercial Paper			240,000,000.00	233,894,033.34	239,200,968.00	5,306,934.66				3.25%			
16124	91282CEY3	T	3.000	07/15/2025	U.S. Treasury Note	10/04/2022	10/04/2022	20,000,000.00	19,417,187.50	19,989,309.40	572,121.90	4.119	0.04	14	0.27%	Aa1	AA+	AA+
16173	91282CEY3	T	3.000	07/15/2025	U.S. Treasury Note	12/15/2022	12/15/2022	35,000,000.00	34,108,593.75	34,981,291.45	872,697.70	4.047	0.04	14	0.47%	Aa1	AA+	AA+
16177	912828Y79	T	2.875	07/31/2025	U.S. Treasury Note	12/21/2022	12/21/2022	25,000,000.00	24,289,062.50	24,968,690.50	679,628.00	4.032	0.08	30	0.34%	Aa1	AA+	AA+
16209	912828Y79	T	2.875	07/31/2025	U.S. Treasury Note	04/03/2023	04/03/2023	25,000,000.00	24,457,031.25	24,968,690.50	511,659.25	3.858	0.08	30	0.34%	Aa1	AA+	AA+
16319	91282CAB7	T	0.250	07/31/2025	U.S. Treasury Note	01/31/2024	01/31/2024	40,000,000.00	37,615,625.00	39,864,769.60	2,249,144.60	4.400	0.08	30	0.52%	Aa1	AA+	AA+
15840	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/12/2021	02/12/2021	10,000,000.00	10,719,531.25	9,969,256.90	(750,274.35)	0.388	0.13	45	0.15%	Aa1	AA+	AA+
15841	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/17/2021	02/17/2021	10,000,000.00	10,687,890.63	9,969,256.90	(718,633.73)	0.452	0.13	45	0.15%	Aa1	AA+	AA+
15856	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	03/31/2021	03/31/2021	50,000,000.00	52,738,281.25	49,846,284.50	(2,891,996.75)	0.727	0.13	45	0.73%	Aa1	AA+	AA+
15876	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/25/2021	02/25/2021	15,000,000.00	15,930,468.75	14,953,885.35	(976,583.40)	0.592	0.13	45	0.22%	Aa1	AA+	AA+
15912	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	06/15/2021	06/15/2021	30,000,000.00	31,734,375.00	29,907,770.70	(1,826,604.30)	0.594	0.13	45	0.44%	Aa1	AA+	AA+
15962	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	10/25/2021	10/25/2021	12,000,000.00	12,479,062.50	11,963,108.28	(515,954.22)	0.930	0.13	45	0.17%	Aa1	AA+	AA+
15846	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	02/26/2021	02/26/2021	50,000,000.00	49,003,906.25	49,649,414.00	645,507.75	0.700	0.17	61	0.68%	Aa1	AA+	AA+
15917	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	06/22/2021	06/22/2021	27,000,000.00	26,469,492.19	26,810,683.56	341,191.37	0.727	0.17	61	0.37%	Aa1	AA+	AA+
15943	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	08/26/2021	08/26/2021	25,000,000.00	24,575,195.31	24,824,707.00	249,511.69	0.680	0.17	61	0.34%	Aa1	AA+	AA+
16163	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/08/2022	12/08/2022	20,000,000.00	19,723,437.50	19,978,125.00	254,687.50	4.031	0.21	76	0.27%	Aa1	AA+	AA+
16165	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/09/2022	12/09/2022	40,000,000.00	39,416,000.00	39,956,250.00	540,250.00	4.062	0.21	76	0.55%	Aa1	AA+	AA+
16182	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/29/2022	12/29/2022	20,000,000.00	19,633,987.40	19,978,125.00	344,137.60	4.220	0.21	76	0.27%	Aa1	AA+	AA+
16313	9128285C0	T	3.000	09/30/2025	U.S. Treasury Note	01/22/2024	01/22/2024	30,000,000.00	29,292,187.50	29,902,343.70	610,156.20	4.464	0.25	91	0.41%	Aa1	AA+	AA+
16129	91282CFP1	T	4.250	10/15/2025	U.S. Treasury Note	10/25/2022	10/25/2022	35,000,000.00	34,864,200.00	34,990,088.00	125,888.00	4.390	0.29	106	0.48%	Aa1	AA+	AA+
16134	91282CFP1	T	4.250	10/15/2025	U.S. Treasury Note	10/27/2022	10/27/2022	35,000,000.00	34,943,945.31	34,990,088.00	46,142.69	4.308	0.29	106	0.49%	Aa1	AA+	AA+
16289	9128285J5	T	3.000	10/31/2025	U.S. Treasury Note	11/22/2023	11/22/2023	40,000,000.00	38,606,250.00	39,829,687.60	1,223,437.60	4.904	0.33	122	0.54%	Aa1	AA+	AA+
15839	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	02/11/2021	02/11/2021	5,000,000.00	5,433,007.81	4,961,848.95	(471,158.86)	0.410	0.37	137	0.08%	Aa1	AA+	AA+
15903	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	05/26/2021	05/26/2021	5,000,000.00	5,352,343.75	4,961,848.95	(390,494.80)	0.648	0.37	137	0.07%	Aa1	AA+	AA+
15921	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	06/24/2021	06/24/2021	20,000,000.00	21,279,687.50	19,847,395.80	(1,432,291.70)	0.765	0.37	137	0.30%	Aa1	AA+	AA+
15991	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	12/21/2021	12/21/2021	30,000,000.00	31,299,609.38	29,771,093.70	(1,528,515.68)	1.112	0.37	137	0.43%	Aa1	AA+	AA+
16252	9128286A3	T	2.625	01/31/2026	U.S. Treasury Note	07/05/2023	07/06/2023	20,000,000.00	19,017,187.50	19,815,625.00	798,437.50	4.676	0.57	214	0.26%	Aa1	AA+	AA+
15914	912828P46	T	1.625	02/15/2026	U.S. Treasury Note	06/16/2021	06/16/2021	16,000,000.00	16,671,875.00	15,748,593.76	(923,281.24)	0.708	0.61	229	0.23%	Aa1	AA+	AA+
15996	912828P46	T	1.625	02/15/2026	U.S. Treasury Note	12/29/2021	12/29/2021	10,000,000.00	10,169,140.63	9,842,871.10	(326,269.53)	1.204	0.61	229	0.14%	Aa1	AA+	AA+
16227	91282CGL9	T	4.000	02/15/2026	U.S. Treasury Note	04/26/2023	04/26/2023	40,000,000.00	40,331,250.00	39,949,609.20	(381,640.80)	3.685	0.61	229	0.56%	Aa1	AA+	AA+
15961	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	10/20/2021	10/20/2021	10,000,000.00	9,767,187.50	9,760,156.20	(7,031.30)	1.047	0.65	242	0.14%	Aa1	AA+	AA+
16397	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	11/25/2024	11/25/2024	40,000,000.00	38,125,000.00	39,040,624.80	915,624.80	4.356	0.65	242	0.53%	Aa1	AA+	AA+
15958	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	09/29/2021	09/29/2021	9,000,000.00	9,284,062.50	8,813,144.52	(470,917.98)	0.927	0.85	318	0.13%	Aa1	AA+	AA+
15959	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	10/05/2021	10/05/2021	11,000,000.00	11,354,062.50	10,771,621.08	(582,441.42)	0.911	0.85	318	0.16%	Aa1	AA+	AA+
15992	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	12/21/2021	12/21/2021	17,000,000.00	17,315,860.00	16,647,050.76	(668,809.24)	1.190	0.85	318	0.24%	Aa1	AA+	AA+
16007	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	03/11/2022	03/14/2022	10,000,000.00	9,859,765.63	9,792,382.80	(67,382.83)	1.977	0.85	318	0.14%	Aa1	AA+	AA+
16387	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	10/30/2024	10/30/2024	40,000,000.00	38,487,500.00	39,169,531.20	682,031.20	4.180	0.85	318	0.53%	Aa1	AA+	AA+
16006	91282CCF6	T	0.750	05/31/2026	U.S. Treasury Note	03/10/2022	03/10/2022	7,500,000.00	7,134,375.00	7,279,101.60	144,726.60	1.958	0.89	334	0.10%	Aa1	AA+	AA+
16074	91282CCJ8	T	0.875	06/30/2026	U.S. Treasury Note	07/13/2022	07/14/2022	5,000,000.00	4,590,625.00	4,847,851.55	257,226.55	3.086	0.98	364	0.06%	Aa1	AA+	AA+
16183	9128287B0	T	1.875	06/30/2026	U.S. Treasury Note	01/04/2023	01/04/2023	25,000,000.00	23,296,875.00	24,481,933.50	1,185,058.50	3.986	0.97	364	0.32%	Aa1	AA+	AA+

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moodys Rating	S&P Rating	Fitch Rating
16315	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	01/24/2024	01/24/2024	30,000,000.00	30,189,843.75	30,157,910.10	(31,933.65)	4.228	0.99	379	0.42%	Aa1	AA+	AA+
16375	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	09/25/2024	09/25/2024	40,000,000.00	40,635,600.00	40,210,546.80	(425,053.20)	3.580	0.99	379	0.56%	Aa1	AA+	AA+
16460	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	06/24/2025	06/24/2025	40,000,000.00	40,192,187.50	40,210,546.80	18,359.30	4.029	0.99	379	0.56%	Aa1	AA+	AA+
16156	91282CCP4	T	0.625	07/31/2026	U.S. Treasury Note	11/28/2022	11/28/2022	27,000,000.00	23,842,265.63	26,047,617.12	2,205,351.49	4.085	1.06	395	0.33%	Aa1	AA+	AA+
16181	91282BY95	T	1.875	07/31/2026	U.S. Treasury Note	12/29/2022	12/29/2022	30,000,000.00	27,806,621.40	29,334,375.00	1,527,753.60	4.085	1.05	395	0.39%	Aa1	AA+	AA+
16228	91282BY95	T	1.875	07/31/2026	U.S. Treasury Note	04/26/2023	04/26/2023	10,000,000.00	9,475,000.00	9,778,125.00	303,125.00	3.593	1.05	395	0.13%	Aa1	AA+	AA+
15957	9128282A7	T	1.500	08/15/2026	U.S. Treasury Note	09/28/2021	09/28/2021	35,000,000.00	35,864,062.50	34,060,742.10	(1,803,320.40)	0.981	1.09	410	0.50%	Aa1	AA+	AA+
16010	9128282A7	T	1.500	08/15/2026	U.S. Treasury Note	03/17/2022	03/17/2022	22,000,000.00	21,400,060.00	21,409,609.32	9,549.32	2.150	1.09	410	0.30%	Aa1	AA+	AA+
16071	9128282A7	T	1.500	08/15/2026	U.S. Treasury Note	07/11/2022	07/12/2022	1,000,000.00	939,140.63	973,164.06	34,023.43	3.094	1.09	410	0.01%	Aa1	AA+	AA+
16380	9128282A7	T	1.500	08/15/2026	U.S. Treasury Note	09/27/2024	09/27/2024	30,000,000.00	28,863,281.25	29,194,921.80	331,640.55	3.598	1.09	410	0.40%	Aa1	AA+	AA+
16208	912828YD6	T	1.375	08/31/2026	U.S. Treasury Note	04/03/2023	04/03/2023	25,000,000.00	23,162,109.38	24,271,484.50	1,109,375.12	3.690	1.14	426	0.32%	Aa1	AA+	AA+
16365	912828YD6	T	1.375	08/31/2026	U.S. Treasury Note	08/26/2024	08/26/2024	40,000,000.00	38,073,437.50	38,834,375.20	760,937.70	3.885	1.14	426	0.53%	Aa1	AA+	AA+
16312	91282CHY0	T	4.625	09/15/2026	U.S. Treasury Note	01/18/2024	01/18/2024	39,000,000.00	39,432,656.25	39,313,828.32	(118,827.93)	4.177	1.16	441	0.55%	Aa1	AA+	AA+
16153	912828YG9	T	1.625	09/30/2026	U.S. Treasury Note	11/22/2022	11/23/2022	34,000,000.00	31,030,312.50	33,062,343.92	2,032,031.42	4.099	1.22	456	0.43%	Aa1	AA+	AA+
16314	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	01/22/2024	01/22/2024	24,000,000.00	24,281,250.00	24,213,750.00	(67,500.00)	4.164	1.24	471	0.34%	Aa1	AA+	AA+
16385	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	10/28/2024	10/28/2024	30,000,000.00	30,290,625.00	30,267,187.50	(23,437.50)	4.106	1.24	471	0.42%	Aa1	AA+	AA+
16417	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	01/08/2025	01/08/2025	40,000,000.00	40,245,312.50	40,356,250.00	110,937.50	4.257	1.24	471	0.56%	Aa1	AA+	AA+
16219	91282CDG3	T	1.125	10/31/2026	U.S. Treasury Note	04/17/2023	04/17/2023	30,000,000.00	27,315,234.38	28,930,078.20	1,614,843.82	3.857	1.30	487	0.38%	Aa1	AA+	AA+
16291	912828YQ7	T	1.625	10/31/2026	U.S. Treasury Note	11/27/2023	11/27/2023	30,000,000.00	27,551,953.13	29,126,953.20	1,575,000.07	4.639	1.30	487	0.38%	Aa1	AA+	AA+
15995	912828U24	T	2.000	11/15/2026	U.S. Treasury Note	12/28/2021	12/28/2021	10,000,000.00	10,359,765.63	9,750,390.60	(609,375.03)	1.238	1.34	502	0.14%	Aa1	AA+	AA+
16014	912828U24	T	2.000	11/15/2026	U.S. Treasury Note	03/21/2022	03/21/2022	24,000,000.00	23,712,187.50	23,400,937.44	(311,250.06)	2.273	1.34	502	0.33%	Aa1	AA+	AA+
16334	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	04/03/2024	04/04/2024	40,000,000.00	39,453,125.00	40,095,312.40	642,187.40	4.527	1.46	563	0.55%	Aa1	AA+	AA+
16366	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	08/27/2024	08/27/2024	25,000,000.00	25,094,726.56	25,059,570.25	(35,156.31)	3.831	1.46	563	0.35%	Aa1	AA+	AA+
16379	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	09/27/2024	09/27/2024	30,000,000.00	30,281,250.00	30,071,484.30	(209,765.70)	3.570	1.46	563	0.42%	Aa1	AA+	AA+
16188	912828Z78	T	1.500	01/31/2027	U.S. Treasury Note	01/27/2023	01/27/2023	32,000,000.00	29,355,000.00	30,866,249.92	1,511,249.92	3.738	1.53	579	0.41%	Aa1	AA+	AA+
16386	912828Z78	T	1.500	01/31/2027	U.S. Treasury Note	10/28/2024	10/28/2024	40,000,000.00	37,796,875.00	38,582,812.40	785,937.40	4.077	1.53	579	0.52%	Aa1	AA+	AA+
16158	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	11/29/2022	11/29/2022	30,000,000.00	27,949,411.20	29,268,750.00	1,319,338.80	4.030	1.56	594	0.39%	Aa1	AA+	AA+
16189	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	01/27/2023	01/27/2023	25,000,000.00	23,628,906.25	24,390,625.00	761,718.75	3.720	1.56	594	0.33%	Aa1	AA+	AA+
16225	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	04/26/2023	04/26/2023	40,000,000.00	38,198,474.00	39,025,000.00	826,526.00	3.524	1.56	594	0.53%	Aa1	AA+	AA+
16281	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	11/02/2023	11/02/2023	25,000,000.00	23,165,250.00	24,390,625.00	1,225,375.00	4.685	1.56	594	0.32%	Aa1	AA+	AA+
16083	912828ZB9	T	1.125	02/28/2027	U.S. Treasury Note	07/26/2022	07/26/2022	1,000,000.00	925,781.25	957,148.44	31,367.19	2.859	1.61	607	0.01%	Aa1	AA+	AA+
16336	91282CEC1	T	1.875	02/28/2027	U.S. Treasury Note	04/09/2024	04/09/2024	40,000,000.00	37,109,375.00	38,770,312.40	1,660,937.40	4.571	1.60	607	0.52%	Aa1	AA+	AA+
16398	91282CEC1	T	1.875	02/28/2027	U.S. Treasury Note	11/25/2024	11/25/2024	40,000,000.00	37,953,125.00	38,770,312.40	817,187.40	4.271	1.60	607	0.53%	Aa1	AA+	AA+
16084	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	07/26/2022	07/26/2022	5,000,000.00	4,890,625.00	4,876,367.20	(14,257.80)	2.865	1.80	683	0.07%	Aa1	AA+	AA+
16159	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	11/29/2022	11/29/2022	25,000,000.00	23,357,421.88	24,381,836.00	1,024,414.12	3.997	1.80	683	0.32%	Aa1	AA+	AA+
16238	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	05/26/2023	05/26/2023	30,000,000.00	28,126,171.88	29,258,203.20	1,132,031.32	4.095	1.80	683	0.39%	Aa1	AA+	AA+
16344	91282CET4	T	2.625	05/31/2027	U.S. Treasury Note	04/26/2024	04/26/2024	30,000,000.00	28,122,656.25	29,380,078.20	1,257,421.95	4.825	1.84	699	0.39%	Aa1	AA+	AA+
16363	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	08/21/2024	08/22/2024	20,000,000.00	20,328,125.00	20,249,218.80	(78,906.20)	3.771	1.90	744	0.28%	Aa1	AA+	AA+
16367	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	08/28/2024	08/28/2024	30,000,000.00	30,525,000.00	30,373,828.20	(151,171.80)	3.727	1.90	744	0.42%	Aa1	AA+	AA+
16376	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	09/25/2024	09/25/2024	40,000,000.00	40,934,375.00	40,498,437.60	(435,937.40)	3.492	1.90	744	0.57%	Aa1	AA+	AA+
16178	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	20,000,000.00	19,106,250.00	19,610,156.20	503,906.20	3.816	1.98	760	0.27%	Aa1	AA+	AA+
16204	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	03/28/2023	03/28/2023	40,000,000.00	38,431,250.00	39,220,312.40	789,062.40	3.735	1.98	760	0.53%	Aa1	AA+	AA+
16254	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	07/10/2023	07/10/2023	26,000,000.00	24,383,125.00	25,493,203.06	1,110,078.06	4.441	1.98	760	0.34%	Aa1	AA+	AA+
16359	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	07/30/2024	07/30/2024	40,000,000.00	38,388,400.00	39,220,312.40	831,912.40	4.192	1.98	760	0.53%	Aa1	AA+	AA+
16157	9128282R0	T	2.250	08/15/2027	U.S. Treasury Note	11/28/2022	11/28/2022	28,000,000.00	25,998,437.50	27,160,000.00	1,161,562.50	3.925	2.03	775	0.36%	Aa1	AA+	AA+
16212	9128282R0	T	2.250	08/15/2027	U.S. Treasury Note	04/04/2023	04/04/2023	30,000,000.00	28,535,156.25	29,100,000.00	564,843.75	3.464	2.03	775	0.40%	Aa1	AA+	AA+
16340	9128282R0	T	2.250	08/15/2027	U.S. Treasury Note	04/17/2024	04/17/2024	15,000,000.00	13,846,875.00	14,550,000.00	703,125.00	4.774	2.03	775	0.19%	Aa1	AA+	AA+
16179	91282CFH9	T	3.125	08/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	20,000,000.00	19,431,250.00	19,753,906.20	322,656.20	3.792	2.05	791	0.27%	Aa1	AA+	AA+
16206	91282CFH9	T	3.125	08/31/2027	U.S. Treasury Note	03/29/2023	03/29/2023	31,000,000.00	30,253,810.16	30,618,554.61	364,744.45	3.720	2.05	791	0.42%	Aa1	AA+	AA+
16194	91282CFM8	T	4.125	09/30/2027	U.S. Treasury Note	02/27/2023	02/27/2023	25,000,000.00	24,853,515.63	25,227,539.00	374,023.37	4.266	2.11	821	0.35%	Aa1	AA+	AA+
16195	91282CFM8	T	4.125	09/30/2027	U.S. Treasury Note	02/27/2023	02/27/2023	28,000,000.00	27,835,937.50	28,254,843.68	418,906.18	4.266	2.11	821	0.39%	Aa1	AA+	AA+
16390	91282CLQ2	T	3.875	10/15/2027	U.S. Treasury Note	11/15/2024	11/15/2024	40,000,000.00	39,547,200.00	40,139,062.40	591,862.40	4.291	2.16	836	0.55%	Aa1	AA+	AA+
16180	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	30,000,000.00	30,424,218.75	30,274,218.60	(150,000.15)	3.802	2.19	852	0.42%	Aa1	AA+	AA+
16220	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	04/17/2023	04/17/2023	30,000,000.00	30,450,000.00	30,274,218.60	(175,781.40)	3.762	2.19	852	0.42%	Aa1	AA+	AA+
16251	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	07/05/2023	07/06/2023	20,000,000.00	19,846,800.00	20,182,812.40	336,012.40	4.320	2.19					

Reporting Period:
06/30/2025

Bond Holdings By Sector Report
Kern County

Portfolio: KCTTC

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16341	9128283F5	T	2.250	11/15/2027	U.S. Treasury Note	04/18/2024	04/18/2024	40,000,000.00	36,731,250.00	38,679,687.60	1,948,437.60	4.763	2.28	867	0.51%	Aa1	AA+	AA+
16196	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	02/28/2023	02/28/2023	27,000,000.00	26,166,780.00	26,862,890.76	696,110.76	4.200	2.41	944	0.36%	Aa1	AA+	AA+
16197	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	02/28/2023	02/28/2023	27,000,000.00	26,166,780.00	26,862,890.76	696,110.76	4.200	2.41	944	0.36%	Aa1	AA+	AA+
16293	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	11/28/2023	11/28/2023	25,000,000.00	24,121,500.00	24,873,047.00	751,547.00	4.430	2.41	944	0.34%	Aa1	AA+	AA+
16231	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	05/19/2023	05/19/2023	15,000,000.00	14,381,250.00	14,643,164.10	261,914.10	3.706	2.48	959	0.20%	Aa1	AA+	AA+
16237	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	05/26/2023	05/26/2023	30,000,000.00	28,416,727.20	29,286,328.20	869,601.00	3.986	2.48	959	0.39%	Aa1	AA+	AA+
16303	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	12/14/2023	12/14/2023	18,500,000.00	17,638,593.75	18,059,902.39	421,308.64	3.972	2.48	959	0.24%	Aa1	AA+	AA+
16294	91282CBP5	T	1.125	02/29/2028	U.S. Treasury Note	11/28/2023	11/28/2023	40,000,000.00	34,895,312.50	37,404,687.60	2,509,375.10	4.449	2.57	973	0.48%	Aa1	AA+	AA+
16284	9128284N7	T	2.875	05/15/2028	U.S. Treasury Note	11/16/2023	11/16/2023	30,000,000.00	28,064,062.50	29,330,859.30	1,266,796.80	4.475	2.71	1,049	0.39%	Aa1	AA+	AA+
16391	9128284N7	T	2.875	05/15/2028	U.S. Treasury Note	11/15/2024	11/15/2024	20,000,000.00	19,077,343.75	19,553,906.20	476,562.45	4.309	2.71	1,049	0.26%	Aa1	AA+	AA+
16330	91282CCE9	T	1.250	05/31/2028	U.S. Treasury Note	03/26/2024	03/26/2024	30,000,000.00	26,519,531.25	27,986,718.60	1,467,187.35	4.312	2.81	1,065	0.37%	Aa1	AA+	AA+
16282	91282CHQ7	T	4.125	07/31/2028	U.S. Treasury Note	11/02/2023	11/02/2023	25,000,000.00	24,497,250.00	25,301,757.75	804,507.75	4.600	2.83	1,126	0.34%	Aa1	AA+	AA+
16285	91282CHQ7	T	4.125	07/31/2028	U.S. Treasury Note	11/16/2023	11/16/2023	30,000,000.00	29,599,218.75	30,362,109.30	762,890.55	4.441	2.83	1,126	0.41%	Aa1	AA+	AA+
16463	91282CCR0	T	1.000	07/31/2028	U.S. Treasury Note	06/27/2025	06/27/2025	40,000,000.00	36,831,250.00	36,876,562.40	45,312.40	3.735	2.97	1,126	0.51%	Aa1	AA+	AA+
16295	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	11/28/2023	11/28/2023	25,000,000.00	23,400,390.63	24,384,765.50	984,374.87	4.391	2.92	1,141	0.32%	Aa1	AA+	AA+
16300	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	12/11/2023	12/11/2023	45,000,000.00	42,269,983.20	43,892,577.90	1,622,594.70	4.320	2.92	1,141	0.59%	Aa1	AA+	AA+
16404	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	12/04/2024	12/04/2024	40,000,000.00	38,300,000.00	39,015,624.80	1,715,624.80	4.125	2.92	1,141	0.53%	Aa1	AA+	AA+
16309	91282CCV1	T	1.125	08/31/2028	U.S. Treasury Note	12/27/2023	12/27/2023	40,000,000.00	35,337,500.00	36,934,375.20	1,596,875.20	3.874	3.05	1,157	0.49%	Aa1	AA+	AA+
16301	91282CJA0	T	4.625	09/30/2028	U.S. Treasury Note	12/13/2023	12/13/2023	40,000,000.00	40,700,000.00	41,107,812.40	407,812.40	4.217	2.97	1,187	0.57%	Aa1	AA+	AA+
16332	91282CCY5	T	1.250	09/30/2028	U.S. Treasury Note	03/27/2024	03/27/2024	40,000,000.00	35,140,625.00	37,007,812.40	1,867,187.40	4.237	3.12	1,187	0.49%	Aa1	AA+	AA+
16292	91282CDF5	T	1.375	10/31/2028	U.S. Treasury Note	11/27/2023	11/27/2023	40,000,000.00	34,565,625.00	37,089,062.40	2,523,437.40	4.479	3.20	1,218	0.48%	Aa1	AA+	AA+
16287	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	11/17/2023	11/17/2023	40,000,000.00	37,584,375.00	39,253,124.80	1,668,749.80	4.488	3.16	1,233	0.52%	Aa1	AA+	AA+
16302	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	12/13/2023	12/13/2023	30,000,000.00	28,537,500.00	29,439,843.60	902,343.60	4.232	3.16	1,233	0.40%	Aa1	AA+	AA+
16305	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	12/20/2023	12/20/2023	11,000,000.00	10,599,531.25	10,794,609.32	195,078.07	3.948	3.16	1,233	0.15%	Aa1	AA+	AA+
16326	91282CDW8	T	1.750	01/31/2029	U.S. Treasury Note	03/21/2024	03/21/2024	40,000,000.00	35,606,250.00	37,368,750.00	1,762,500.00	4.275	3.40	1,310	0.49%	Aa1	AA+	AA+
16338	91282CDW8	T	1.750	01/31/2029	U.S. Treasury Note	04/15/2024	04/15/2024	40,000,000.00	34,968,750.00	37,368,750.00	2,400,000.00	4.711	3.40	1,310	0.49%	Aa1	AA+	AA+
16325	9128286B1	T	2.625	02/15/2029	U.S. Treasury Note	03/20/2024	03/20/2024	40,000,000.00	37,028,125.00	38,520,312.40	1,492,187.40	4.321	3.38	1,325	0.51%	Aa1	AA+	AA+
16329	9128286B1	T	2.625	02/15/2029	U.S. Treasury Note	03/25/2024	03/25/2024	40,000,000.00	37,156,250.00	38,520,312.40	1,364,062.40	4.249	3.38	1,325	0.52%	Aa1	AA+	AA+
16337	91282CEB3	T	1.875	02/28/2029	U.S. Treasury Note	04/10/2024	04/10/2024	40,000,000.00	35,296,875.00	37,485,937.60	2,189,062.60	4.587	3.47	1,338	0.49%	Aa1	AA+	AA+
16371	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	09/05/2024	09/05/2024	30,000,000.00	28,467,187.50	28,537,500.00	70,312.50	3.566	3.64	1,414	0.40%	Aa1	AA+	AA+
16420	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	01/29/2025	01/29/2025	40,000,000.00	37,018,750.00	38,050,000.00	1,031,250.00	4.294	3.64	1,414	0.51%	Aa1	AA+	AA+
16462	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	06/26/2025	06/26/2025	40,000,000.00	38,037,500.00	38,050,000.00	12,500.00	3.743	3.64	1,414	0.53%	Aa1	AA+	AA+
16370	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	08/29/2024	08/29/2024	31,000,000.00	29,483,906.25	29,693,398.36	209,492.11	3.721	3.78	1,491	0.41%	Aa1	AA+	AA+
16413	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	12/27/2024	12/27/2024	40,000,000.00	37,034,375.00	38,314,062.40	1,279,687.40	4.425	3.78	1,491	0.51%	Aa1	AA+	AA+
16429	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	03/03/2025	03/03/2025	40,000,000.00	37,787,500.00	38,314,062.40	526,562.40	4.004	3.78	1,491	0.52%	Aa1	AA+	AA+
16435	912828YB0	T	1.625	08/15/2029	U.S. Treasury Note	03/27/2025	03/28/2025	20,000,000.00	18,073,437.50	18,417,187.60	343,750.10	4.043	3.90	1,506	0.25%	Aa1	AA+	AA+
16434	91282CFT3	T	4.000	10/31/2029	U.S. Treasury Note	03/26/2025	03/26/2025	30,000,000.00	29,885,156.25	30,285,937.50	400,781.25	4.091	3.93	1,583	0.42%	Aa1	AA+	AA+
16438	91282CGJ4	T	3.500	01/31/2030	U.S. Treasury Note	03/28/2025	03/28/2025	40,000,000.00	39,109,375.00	39,534,375.20	425,000.20	4.009	4.14	1,675	0.54%	Aa1	AA+	AA+
16430	912828Z94	T	1.500	02/15/2030	U.S. Treasury Note	03/03/2025	03/03/2025	40,000,000.00	35,509,375.00	36,196,875.20	687,500.20	4.021	4.37	1,690	0.49%	Aa1	AA+	AA+
16445	912828Z94	T	1.500	02/15/2030	U.S. Treasury Note	04/09/2025	04/09/2025	30,000,000.00	26,732,812.50	27,147,656.40	414,843.90	3.990	4.37	1,690	0.37%	Aa1	AA+	AA+
16452	912828ZQ6	T	0.625	05/15/2030	U.S. Treasury Note	05/28/2025	05/28/2025	20,000,000.00	16,934,375.00	17,207,812.40	273,437.40	4.066	4.71	1,779	0.24%	Aa1	AA+	AA+
					U.S. Treasuries			3,870,000,000.00	3,717,483,077.44	3,785,609,265.15	68,126,187.71				51.63%			
15843	459058JL8	IBRD	0.500	10/28/2025	Int'l Bank for Recon and Dev	02/19/2021	02/23/2021	15,000,000.00	14,930,850.00	14,817,315.00	(113,535.00)	0.600	0.32	119	0.21%	Aaa	AAA	AAA
16077	459058KJ1	IBRD	3.125	06/15/2027	Int'l Bank for Recon and Dev	07/14/2022	07/19/2022	5,000,000.00	4,985,450.00	4,934,220.50	(51,229.50)	3.190	1.87	714	0.07%	Aaa	AAA	AAA
16339	4581X0EH7	IADB	4.000	01/12/2028	Inter-American Development Bank	04/17/2024	04/18/2024	25,000,000.00	24,334,750.00	25,135,480.00	800,730.00	4.785	2.35	925	0.34%	Aaa	AAA	AAA
16240	45906M3R0	IBRD	3.625	02/03/2028	Int'l Bank for Recon and Dev	05/31/2023	05/31/2023	30,000,000.00	29,619,600.00	29,469,846.00	(149,754.00)	3.924	2.41	947	0.41%	Aaa	AAA	AAA
16233	45818WEM4	IADB	4.250	03/03/2028	Inter-American Development Bank	05/19/2023	05/22/2023	20,000,000.00	20,306,800.00	19,942,528.00	(364,272.00)	3.894	2.47	976	0.28%	Aaa	AAA	AAA
16255	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	07/10/2023	07/12/2023	20,000,000.00	19,225,200.00	19,833,528.00	608,328.00	4.371	2.80	1,107	0.27%	Aaa	AAA	AAA
16298	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	12/08/2023	12/12/2023	25,000,000.00	24,095,750.00	24,791,910.00	696,160.00	4.379	2.80	1,107	0.33%	Aaa	AAA	AAA
16399	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	11/25/2024	11/25/2024	31,960,000.00	31,138,628.00	31,693,977.74	555,349.74	4.271	2.80	1,107	0.43%	Aaa	AAA	AAA
16441	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	04/04/2025	04/07/2025	19,963,000.00	19,849,610.16	19,796,835.97	(52,774.19)	3.685	2.80	1,107	0.28%	Aaa	AAA	AAA
16456	45950KDD9	IFC	4.500	07/13/2028	International Finance Corp	06/09/2025	06/10/2025	8,893,000.00	9,016,879.49	9,073,999.23	57,119.74	4.015	2.76	1,108	0.13%	Aaa	AAA	AAA
16400	4581X0DX3	IADB	1.125	07/20/2028	Inter-American Development Bank	11/25/2024	11/26/2024	10,000,000.00	8,947,000.00	9,201,327.00	254,327.00	4.271	2.93	1,115	0.12%	Aaa	AAA	AAA
16278	459058KW2	IBRD	4.625	08/01/2028	Int'l Bank for Recon and Dev	10/24/2023	10/26/2023	40,000,000.00	39,382,000.00	40,970,368.00	1,588,368.00	4.994	2.81	1,127	0.55%	Aaa	AAA	AAA
16331	459058JZ7	IBRD	1.125	09/13/2028	Int'l Bank for Recon and Dev													

Reporting Period:
06/30/2025

Bond Holdings By Sector Report
Kern County

Portfolio: KCTTC

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16333	45818WFE1	IADB	4.400	03/01/2029	Inter-American Development Bank	03/27/2024	03/28/2024	23,500,000.00	23,586,950.00	24,042,427.71	455,477.71	4.315	3.32	1,339	0.33%	Aaa	AAA	AAA
16431	459058LN1	IBRD	3.875	10/16/2029	Int'l Bank for Recon and Dev	03/17/2025	03/18/2025	20,000,000.00	19,772,000.00	20,017,922.00	245,922.00	4.151	3.89	1,568	0.27%	Aaa	AAA	AAA
16436	4581XOE53	IADB	4.500	02/15/2030	Inter-American Development Bank	03/27/2025	03/28/2025	20,000,000.00	20,256,000.00	20,518,120.00	262,120.00	4.205	4.08	1,690	0.28%	Aaa	AAA	AAA
					Supranational			328,650,000.00	321,949,295.77	327,431,356.68	5,482,060.91				4.47%			
16358	313385HW9	FHDN	0.000	07/08/2025	Federal Home Loan Bank Discount	07/29/2024	07/29/2024	25,000,000.00	23,916,638.89	24,976,833.25	1,060,194.36	4.753	0.02	7	0.33%	P-1	A-1+	
16416	313385JP2	FHDN	0.000	07/25/2025	Federal Home Loan Bank Discount	01/03/2025	01/03/2025	30,000,000.00	29,307,262.50	29,913,125.10	605,862.60	4.241	0.07	24	0.41%	P-1	A-1+	
16389	313385KD7	FHDN	0.000	08/08/2025	Federal Home Loan Bank Discount	11/12/2024	11/12/2024	20,000,000.00	19,373,080.56	19,908,566.60	535,486.04	4.360	0.11	38	0.27%	P-1	A-1+	
16169	3137EAEX3	FHLMC	0.375	09/23/2025	Freddie Mac	12/14/2022	12/14/2022	17,500,000.00	15,827,350.00	17,340,550.15	1,513,200.15	4.051	0.23	84	0.22%	Aa1	AA+	AA+
16114	31422XJ37	FAMCA	4.400	10/03/2025	Farmer Mac	09/26/2022	10/03/2022	25,000,000.00	25,000,000.00	24,993,237.75	(6,762.25)	4.400	0.26	94	0.35%			
16422	313385MM5	FHDN	0.000	10/03/2025	Federal Home Loan Bank Discount	01/31/2025	01/31/2025	40,000,000.00	38,892,055.56	39,565,111.20	673,055.64	4.221	0.26	94	0.54%	P-1	A-1+	
16425	313385MM5	FHDN	0.000	10/03/2025	Federal Home Loan Bank Discount	02/20/2025	02/20/2025	25,000,000.00	24,356,250.00	24,728,194.50	371,944.50	4.270	0.26	94	0.34%	P-1	A-1+	
16226	3133EPHF5	FFCB	4.125	10/27/2025	Federal Farm Credit Bank	04/26/2023	04/27/2023	40,000,000.00	40,146,000.00	39,957,144.80	(188,855.20)	3.970	0.32	118	0.56%	Aa1	AA+	AA+
16426	313385NX0	FHDN	0.000	11/06/2025	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	40,000,000.00	38,857,283.33	39,415,200.00	557,916.67	4.218	0.35	128	0.54%	P-1	A-1+	
16170	3135G06G3	FNMA	0.500	11/07/2025	Fannie Mae	12/14/2022	12/14/2022	20,000,000.00	18,097,200.00	19,736,029.40	1,638,829.40	4.011	0.35	129	0.25%	Aa1	AA+	AA+
16427	313385PB6	FHDN	0.000	11/10/2025	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	30,000,000.00	29,132,625.00	29,547,800.10	415,175.10	4.203	0.36	132	0.40%	P-1	A-1+	
16444	313385PB6	FHDN	0.000	11/10/2025	Federal Home Loan Bank Discount	04/09/2025	04/09/2025	30,000,000.00	29,321,854.17	29,547,800.10	225,945.93	3.915	0.36	132	0.41%	P-1	A-1+	
16040	3133ENKD1	FFCB	1.400	01/13/2026	Federal Farm Credit Bank	04/28/2022	04/29/2022	18,000,000.00	17,063,460.00	17,736,143.58	672,683.58	2.890	0.52	196	0.24%	Aa1	AA+	AA+
16168	3130AUAF1	FHLB	4.110	01/15/2026	Federal Home Loan Bank	12/12/2022	12/13/2022	20,000,000.00	20,000,000.00	19,990,624.00	(9,376.00)	4.110	0.52	198	0.28%	Aa1	AA+	
15838	3130AKWV4	FHLB	0.500	01/29/2026	Federal Home Loan Bank	01/28/2021	01/29/2021	10,000,000.00	10,000,000.00	9,783,295.50	(216,704.50)	0.500	0.57	212	0.14%	Aa1	AA+	
16428	313385ST4	FHDN	0.000	02/06/2026	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	40,000,000.00	38,482,000.00	39,043,561.20	561,561.20	4.133	0.59	220	0.53%	P-1	A-1+	
16232	3133EPJX4	FFCB	3.625	02/17/2026	Federal Farm Credit Bank	05/19/2023	05/19/2023	8,425,000.00	8,303,427.25	8,393,488.56	90,061.31	4.189	0.61	231	0.12%	Aa1	AA+	AA+
15842	3130AKVV5	FHLB	0.500	02/18/2026	Federal Home Loan Bank	02/18/2021	02/18/2021	20,000,000.00	20,000,000.00	19,542,879.40	(457,120.60)	0.500	0.62	232	0.28%	Aa1	AA+	
15844	3130AL7M0	FHLB	0.625	02/24/2026	Federal Home Loan Bank	02/24/2021	02/25/2021	15,000,000.00	15,000,000.00	14,659,149.00	(340,851.00)	0.625	0.64	238	0.21%	Aa1	AA+	
15845	3130ALDB7	FHLB	0.660	02/25/2026	Federal Home Loan Bank	02/16/2021	02/25/2021	10,000,000.00	10,000,000.00	9,768,826.00	(231,174.00)	0.660	0.64	239	0.14%	Aa1	AA+	
16210	313373B68	FHLB	4.375	03/13/2026	Federal Home Loan Bank	04/03/2023	04/04/2023	20,000,000.00	20,246,760.00	20,038,373.60	(208,386.40)	3.926	0.67	255	0.28%	Aa1	AA+	
16089	3130ALGJ7	FHLB	1.000	03/23/2026	Federal Home Loan Bank	07/28/2022	07/29/2022	9,750,000.00	9,043,905.00	9,527,190.17	483,285.17	3.114	0.71	265	0.13%	Aa1	AA+	
16218	3133EPFF7	FFCB	3.750	04/13/2026	Federal Farm Credit Bank	04/13/2023	04/13/2023	8,000,000.00	7,976,000.00	7,975,929.52	(70.48)	3.857	0.76	286	0.11%	Aa1	AA+	AA+
16453	313385WF9	FHDN	0.000	05/01/2026	Federal Home Loan Bank Discount	06/05/2025	06/05/2025	30,000,000.00	28,937,125.00	29,049,416.70	112,291.70	4.026	0.82	304	0.40%	P-1	A-1+	
15902	3130AMFE7	FHLB	1.350	05/26/2026	Federal Home Loan Bank	05/26/2021	05/26/2021	16,650,000.00	16,650,000.00	16,265,572.81	(384,427.19)	1.350	0.88	329	0.23%	Aa1	AA+	
15974	3130AQ6D0	FHLB	1.310	06/08/2026	Federal Home Loan Bank	12/01/2021	12/08/2021	15,000,000.00	15,000,000.00	14,617,648.35	(382,351.65)	1.310	0.92	342	0.21%	Aa1	AA+	
16244	3130AWGR5	FHLB	4.375	06/12/2026	Federal Home Loan Bank	06/29/2023	06/30/2023	30,000,000.00	29,830,500.00	30,084,705.90	254,205.90	4.582	0.92	346	0.41%	Aa1	AA+	
15951	3130ANWD8	FHLB	0.900	06/16/2026	Federal Home Loan Bank	09/16/2021	09/16/2021	15,000,000.00	15,000,000.00	14,552,656.50	(447,343.50)	0.900	0.94	350	0.21%	Aa1	AA+	
16234	3133ELM50	FFCB	0.580	06/18/2026	Federal Farm Credit Bank	05/24/2023	05/25/2023	20,000,000.00	17,961,200.00	19,358,378.20	1,397,178.20	4.158	0.94	352	0.25%	Aa1	AA+	AA+
15997	3130AQ7E7	FHLB	1.500	06/30/2026	Federal Home Loan Bank	12/17/2021	12/30/2021	9,320,000.00	9,320,000.00	9,085,371.33	(234,628.67)	1.500	0.98	364	0.13%	Aa1	AA+	
16247	31422X4Q2	FAMCA	4.580	07/02/2026	Farmer Mac	06/29/2023	07/03/2023	30,000,000.00	30,000,000.00	30,160,375.50	160,375.50	4.580	0.95	366	0.42%			
16356	31424WLG5	FAMCA	4.660	07/02/2026	Farmer Mac	07/08/2024	07/11/2024	10,000,000.00	10,000,000.00	10,061,240.20	61,240.20	4.660	0.95	366	0.14%			
16245	3133EPPE9	FFCB	4.375	07/06/2026	Federal Farm Credit Bank	06/29/2023	07/06/2023	32,870,000.00	32,675,080.90	33,049,179.96	374,099.06	4.589	0.97	370	0.45%	Aa1	AA+	AA+
16250	3133EPPE9	FFCB	4.375	07/06/2026	Federal Farm Credit Bank	07/05/2023	07/06/2023	22,000,000.00	21,831,480.00	22,119,925.74	288,445.74	4.652	0.97	370	0.30%	Aa1	AA+	AA+
15929	3130AN3A6	FHLB	0.960	07/08/2026	Federal Home Loan Bank	07/08/2021	07/08/2021	15,000,000.00	15,000,000.00	14,535,433.35	(464,566.65)	0.960	0.99	372	0.21%	Aa1	AA+	
16235	3133ELY32	FFCB	0.550	07/22/2026	Federal Farm Credit Bank	05/25/2023	05/26/2023	10,000,000.00	8,928,900.00	9,644,300.20	715,400.20	4.210	1.03	386	0.12%	Aa1	AA+	AA+
16088	3133END80	FFCB	3.000	08/03/2026	Federal Farm Credit Bank	07/28/2022	08/03/2022	10,000,000.00	10,060,000.00	9,893,375.20	(166,624.80)	2.840	1.05	398	0.14%	Aa1	AA+	AA+
16002	3130AQR70	FHLB	2.125	08/07/2026	Federal Home Loan Bank	01/25/2022	02/07/2022	40,000,000.00	40,000,000.00	39,253,088.00	(746,912.00)	2.125	1.07	402	0.56%	Aa1	AA+	
16041	3130AR5U6	FHLB	3.140	08/11/2026	Federal Home Loan Bank	04/18/2022	05/11/2022	20,000,000.00	20,000,000.00	19,797,067.00	(202,933.00)	3.140	1.07	406	0.28%	Aa1	AA+	
15948	3130ANNA4	FHLB	1.500	08/28/2026	Federal Home Loan Bank	08/30/2021	08/30/2021	15,000,000.00	15,322,200.00	14,601,179.25	(721,020.75)	1.500	1.13	423	0.21%	Aa1	AA+	
16200	3130A8XY4	FHLB	1.875	09/11/2026	Federal Home Loan Bank	03/22/2023	03/23/2023	31,140,000.00	28,759,035.60	30,405,157.97	1,646,122.37	4.271	1.16	437	0.40%	Aa1	AA+	
16243	31422X4L3	FAMCA	4.360	10/02/2026	Farmer Mac	06/27/2023	06/30/2023	30,000,000.00	30,000,000.00	30,136,078.50	136,078.50	4.360	1.20	458	0.42%			
16185	3133EN7A2	FFCB	3.625	10/26/2026	Federal Farm Credit Bank	01/19/2023	01/26/2023	20,000,000.00	19,969,400.00	19,909,722.40	(59,677.60)	3.670	1.27	482	0.28%	Aa1	AA+	AA+
16039	3134GW6C5	FHLMC	0.800	10/28/2026	Freddie Mac	04/27/2022	04/28/2022	25,000,000.00	22,769,075.00	23,981,577.75	1,212,502.75	2.931	1.30	484	0.32%	Aa1	AA+	AA+
16286	3130AXU63	FHLB	4.625	11/17/2026	Federal Home Loan Bank	11/16/2023	11/17/2023	40,000,000.00	39,929,200.00	40,349,334.80	420,134.80	4.689	1.32	504	0.55%	Aa1	AA+	
16230	31422XT28	FAMCA	4.000	12/16/2026	Farmer Mac	05/16/2023	05/17/2023	11,000,000.00	11,042,790.00	11,007,848.50	(34,941.50)	3.882	1.40	533	0.15%			
16202	3130AVBC5	FHLB	4.500	03/12/2027	Federal Home Loan Bank	03/24/2023	03/27/2023	30,000,000.00	31,001,700.00	30,325,765.50	(675,934.50)	3.587	1.60	619	0.43%	Aa1	AA+	
16046	3130AR6U0	FHLB	2.500	03/22/2027	Federal Home Loan Bank	05/25/2022	05/26/2022	10,000,000.00	9,700,163.08	9,759,298.50	95,135.42	3.175	1.62	629	0.13%	Aa1	AA+	
16043	3134GXSH8	FHLMC	4.000	05/17/2027	Freddie Mac	04/21/2022	05/17/2022	15,000,000.00	15,000,000.00	14,933,466.60	(66,533.40)	4.000	0.94	685	0.21%	Aa1	AA+	AA+
16068	3130ASG52	FHLB	4.100	06/30/2027	Federal Home Loan Bank	06/30/2022	06/30/2022	10,000,000.00	10,000,000.00	9,977,554.10	(22,445.90)	4.100	0.77	729	0.14%	Aa1	AA+	
16246	31422X4P4	FAMCA	4.380	07/02/2027	Farmer Mac	06/29/2023	07/03/2023	30,000,000.00	30,000,000.00	30,302,432.40	302,432.40	4.380	1.86	731	0.42%			

Reporting Period:
06/30/2025

Bond Holdings By Sector Report
Kern County

Portfolio: KCTTC

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16072	3134GXZN7	FHLMC	4.250	07/12/2027	Freddie Mac	07/12/2022	07/12/2022	15,000,000.00	15,000,000.00	14,989,308.45	(10,691.55)	4.250	0.60	741	0.21%	Aa1	AA+	AA+
16360	3133ERMB4	FFCB	4.250	07/23/2027	Federal Farm Credit Bank	07/31/2024	07/31/2024	33,570,000.00	33,620,355.00	33,833,557.40	213,202.40	4.196	1.92	752	0.47%	Aa1	AA+	AA+
16357	3130B25P6	FHLB	4.420	07/30/2027	Federal Home Loan Bank	07/26/2024	07/30/2024	30,000,000.00	30,000,000.00	30,063,474.00	63,474.00	4.420	1.30	759	0.42%	Aa1	AA+	
16423	3130B4VS7	FHLB	4.410	08/06/2027	Federal Home Loan Bank	01/31/2025	02/06/2025	25,000,000.00	25,000,000.00	24,978,485.50	(21,514.50)	4.410	0.43	766	0.35%	Aa1	AA+	
16236	3130ACDQ4	FHLB	2.375	09/10/2027	Federal Home Loan Bank	05/26/2023	05/26/2023	19,245,000.00	17,915,170.50	18,667,013.57	751,843.07	4.150	2.09	801	0.25%	Aa1	AA+	
16211	3133EPDJ1	FFCB	4.375	09/15/2027	Federal Farm Credit Bank	04/04/2023	04/04/2023	26,986,000.00	27,822,296.14	27,282,503.82	(539,792.32)	3.614	2.06	806	0.39%	Aa1	AA+	AA+
16377	3130B2WX9	FHLB	3.667	10/01/2027	Federal Home Loan Bank	09/25/2024	10/01/2024	20,000,000.00	20,000,000.00	19,823,195.40	(176,804.60)	3.667	1.61	822	0.28%	Aa1	AA+	
16113	31422XJ45	FAMCA	4.150	10/04/2027	Farmer Mac	09/26/2022	10/04/2022	25,000,000.00	25,000,000.00	25,162,042.00	162,042.00	4.150	2.12	825	0.35%			
16279	31424WBM3	FAMCA	4.930	11/01/2027	Farmer Mac	10/30/2023	11/01/2023	20,000,000.00	20,000,000.00	20,475,530.00	475,530.00	4.930	2.18	853	0.28%			
16199	3133EPCX1	FFCB	4.375	03/10/2028	Federal Farm Credit Bank	03/16/2023	03/16/2023	26,000,000.00	26,696,800.00	26,406,546.92	(290,253.08)	3.780	2.49	983	0.37%	Aa1	AA+	AA+
16248	31422X4R0	FAMCA	4.250	05/15/2028	Farmer Mac	06/29/2023	07/05/2023	20,000,000.00	20,000,000.00	20,232,389.40	232,389.40	4.250	2.67	1,049	0.28%			
16393	3130B3TB9	FHLB	4.549	05/15/2028	Federal Home Loan Bank	11/18/2024	11/21/2024	20,000,000.00	20,000,000.00	20,028,300.80	28,300.80	4.549	1.28	1,049	0.28%	Aa1	AA+	
16392	3135GAZF1	FNMA	4.450	05/19/2028	Fannie Mae	11/18/2024	11/20/2024	20,000,000.00	20,000,000.00	20,067,193.20	67,193.20	4.450	1.78	1,053	0.28%	Aa1	AA+	AA+
16394	3130B3TA1	FHLB	4.534	06/02/2028	Federal Home Loan Bank	11/18/2024	12/02/2024	20,000,000.00	20,000,000.00	20,025,236.20	25,236.20	4.534	1.35	1,067	0.28%	Aa1	AA+	
16242	3130AWC24	FHLB	4.000	06/09/2028	Federal Home Loan Bank	06/26/2023	06/26/2023	35,000,000.00	34,944,000.00	35,268,545.20	324,545.20	4.035	2.75	1,074	0.49%	Aa1	AA+	
16465	3133ETMY0	FFCB	4.000	06/30/2028	Federal Farm Credit Bank	06/27/2025	06/30/2025	24,175,000.00	24,175,000.00	24,161,883.85	(13,116.15)	4.000	2.36	1,095	0.34%	Aa1	AA+	AA+
16437	3133ETBR7	FFCB	4.000	07/03/2028	Federal Farm Credit Bank	03/27/2025	04/03/2025	20,000,000.00	19,979,263.22	20,107,373.00	128,109.78	4.036	2.78	1,098	0.28%	Aa1	AA+	AA+
16439	3136GAEQ8	FNMA	4.220	07/07/2028	Fannie Mae	03/31/2025	04/07/2025	40,000,000.00	40,000,000.00	40,077,968.80	77,968.80	4.220	1.51	1,102	0.56%	Aa1	AA+	AA+
16335	3130AVBD3	FHLB	4.500	03/09/2029	Federal Home Loan Bank	04/04/2024	04/05/2024	40,000,000.00	40,223,200.00	40,997,397.20	774,197.20	4.372	3.34	1,347	0.56%	Aa1	AA+	
16451	3136GAHW2	FNMA	4.140	05/25/2029	Fannie Mae	05/27/2025	05/29/2025	25,000,000.00	25,000,000.00	25,110,253.25	110,253.25	4.140	2.56	1,424	0.35%	Aa1	AA+	AA+
16432	3130BSNU8	FHLB	4.160	06/12/2029	Federal Home Loan Bank	03/19/2025	03/24/2025	28,000,000.00	28,000,000.00	27,982,099.04	(17,900.96)	4.160	3.26	1,442	0.39%	Aa1	AA+	
16442	3136GAFF9	FNMA	4.270	06/15/2029	Fannie Mae	04/08/2025	04/15/2025	20,000,000.00	20,000,000.00	20,041,061.60	41,061.60	4.270	1.72	1,445	0.28%	Aa1	AA+	AA+
16403	3130B3XC2	FHLB	4.420	07/06/2029	Federal Home Loan Bank	11/26/2024	12/06/2024	25,000,000.00	25,000,000.00	25,091,910.00	91,910.00	4.420	2.64	1,466	0.35%	Aa1	AA+	
16440	3136GAFF1	FNMA	4.100	07/09/2029	Fannie Mae	04/04/2025	04/09/2025	30,000,000.00	30,000,000.00	29,863,641.30	(136,358.70)	4.100	2.10	1,469	0.42%	Aa1	AA+	AA+
16443	3130BSVK1	FHLB	3.920	07/13/2029	Federal Home Loan Bank	04/08/2025	04/14/2025	20,000,000.00	20,000,000.00	20,093,976.40	93,976.40	3.920	2.70	1,473	0.28%	Aa1	AA+	
16368	3130B2KB0	FHLB	4.100	08/20/2029	Federal Home Loan Bank	08/28/2024	08/30/2024	10,000,000.00	10,000,000.00	9,909,757.90	(90,242.10)	4.100	2.35	1,511	0.14%	Aa1	AA+	
16454	3130AVSP3	FHLB	4.375	03/08/2030	Federal Home Loan Bank	06/06/2025	06/06/2025	21,640,000.00	21,873,928.40	22,155,993.47	282,065.07	4.121	4.16	1,711	0.30%	Aa1	AA+	
16459	3133ETMB0	FFCB	4.650	06/24/2030	Federal Farm Credit Bank	06/24/2025	06/24/2025	20,000,000.00	20,000,000.00	19,982,577.00	(17,423.00)	4.650	2.16	1,819	0.28%	Aa1	AA+	AA+
					U.S. Agencies			1,794,271,000.00	1,773,281,015.10	1,786,185,419.36	12,904,404.26				24.63%			
15873	59217GEJ4	MET	0.950	07/02/2025	MetLife	04/13/2021	04/15/2021	5,160,000.00	5,135,335.20	5,159,481.94	24,146.74	1.066	0.01	1	0.07%	Aa3	AA-	AA-
15900	59217GEJ4	MET	0.950	07/02/2025	MetLife	05/19/2021	05/24/2021	13,590,000.00	13,622,751.90	13,588,635.56	(34,116.34)	0.890	0.01	1	0.19%	Aa3	AA-	AA-
15990	59217GEJ4	MET	0.950	07/02/2025	MetLife	12/15/2021	12/17/2021	15,050,000.00	14,868,196.00	15,048,488.98	180,292.98	1.300	0.01	1	0.21%	Aa3	AA-	AA-
15978	742718FL8	PG	0.550	10/29/2025	Proctor & Gamble	12/09/2021	12/15/2021	15,000,000.00	14,615,100.00	14,818,250.10	203,150.10	1.231	0.33	120	0.20%	Aa3	AA-	
15901	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	05/19/2021	05/24/2021	10,000,000.00	9,888,600.00	9,810,334.10	(78,265.90)	1.047	0.53	197	0.14%	Aa1	AA+	AAA
16027	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	04/18/2022	04/20/2022	28,860,000.00	26,473,566.60	28,312,624.21	1,839,057.61	3.166	0.53	197	0.37%	Aa1	AA+	AAA
16087	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	07/27/2022	07/29/2022	10,000,000.00	9,095,300.00	9,810,334.10	715,034.10	3.606	0.53	197	0.13%	Aa1	AA+	AAA
16045	023135B3	AMZN	1.000	05/12/2026	Amazon	05/23/2022	05/25/2022	10,000,000.00	9,163,500.00	9,738,242.40	574,742.40	3.267	0.84	315	0.13%	A1	AA	AA-
15895	40139LBD4	GUARDN	1.250	05/13/2026	Guardian Life Global Funding	05/18/2021	05/19/2021	6,800,000.00	6,800,000.00	6,619,705.07	(180,294.93)	1.250	0.84	316	0.09%	Aa1	AA+	
15947	64952WED1	NYLIFE	1.150	06/09/2026	New York Life	08/26/2021	08/30/2021	9,860,000.00	9,912,159.40	9,573,840.91	(338,318.49)	1.036	0.92	343	0.14%	Aa1	AA+	AAA
15960	64952WED1	NYLIFE	1.150	06/09/2026	New York Life	10/06/2021	10/08/2021	10,383,000.00	10,368,879.12	10,081,662.29	(287,216.83)	1.180	0.92	343	0.14%	Aa1	AA+	AAA
16018	64952WCH4	NYLIFE	2.350	07/14/2026	New York Life	03/30/2022	03/31/2022	20,000,000.00	19,456,800.00	19,596,751.00	139,951.00	3.030	1.00	378	0.27%	Aa1	AA+	AAA
16000	59217GER6	MET	1.875	01/11/2027	MetLife	01/05/2022	01/11/2022	20,000,000.00	20,047,600.00	19,329,923.00	(717,677.00)	1.825	1.47	559	0.28%	Aa3	AA-	AA-
16448	023135BR6	AMZN	1.200	06/03/2027	Amazon	05/27/2025	05/28/2025	13,163,000.00	12,432,190.24	12,498,023.40	65,833.16	4.100	1.87	702	0.17%	A1	AA	AA-
16066	59217GFB0	MET	4.400	06/30/2027	MetLife	06/30/2022	06/30/2022	6,250,000.00	6,245,250.00	6,288,866.13	43,616.13	4.417	1.89	729	0.09%	Aa3	AA-	AA-
16396	30303M8G0	META	3.500	08/15/2027	Meta Platforms	11/19/2024	11/20/2024	26,012,000.00	25,378,867.92	25,763,184.29	384,316.37	4.453	1.98	775	0.35%	Aa3	AA-	
16395	023135BC9	AMZN	3.150	08/22/2027	Amazon	11/19/2024	11/20/2024	25,000,000.00	24,209,000.00	24,592,763.25	383,763.25	4.380	1.97	782	0.34%	A1	AA	AA-
16381	037833DB3	AAPL	2.900	09/12/2027	Apple	09/27/2024	09/27/2024	25,000,000.00	24,495,500.00	24,462,934.00	(32,566.00)	3.625	2.05	803	0.34%	Aaa	AA+	
16405	037833ECO	AAPL	1.200	02/08/2028	Apple	12/04/2024	12/05/2024	10,000,000.00	9,108,400.00	9,326,096.00	217,696.00	4.230	2.51	952	0.13%	Aaa	AA+	
16449	931142EE9	WMT	3.700	06/26/2028	Walmart	05/27/2025	05/28/2025	25,000,000.00	24,731,250.00	24,911,692.75	180,442.75	4.074	2.71	1,091	0.34%	Aa2	AA	AA
16450	931142EN9	WMT	3.250	07/08/2029	Walmart	05/27/2025	05/28/2025	13,000,000.00	12,570,350.00	12,666,978.22	96,628.22	4.132	3.62	1,468	0.17%	Aa2	AA	AA
16433	478160DJ0	JNJ	4.700	03/01/2030	Johnson & Johnson	03/25/2025	03/26/2025	20,000,000.00	20,312,000.00	20,470,883.20	158,883.20	4.339	4.07	1,704	0.28%	Aaa	AAA	
					Corporates			338,128,000.00	328,930,596.38	332,469,694.91	3,539,098.53				4.57%			
15931	880541F36	TN-TNS	0.859	11/01/2025	State of Tennessee	07/13/2021	07/13/2021	15,000,000.00	15,000,000.00	14,833,923.00	(166,077.00)	0.859	0.34	123	0.21%	Aaa	AAA	AAA

Reporting Period:
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Bond Holdings By Sector Report
Kern County

Portfolio: KCTTC

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16342	13063DMB1	CA-CAS	3.050	04/01/2029	State of California	04/25/2024	04/29/2024	14,740,000.00	13,594,407.20	14,257,167.72	662,760.52	4.843	3.47	1,370	0.19%	Aa2	AA-	AA
16364	13063EBP0	CA-CAS	5.125	09/01/2029	State of California	08/22/2024	09/03/2024	20,000,000.00	21,083,400.00	20,829,372.00	(254,028.00)	3.920	3.68	1,523	0.29%	Aa2	AA-	AA
16382	13063EBP0	CA-CAS	5.125	09/01/2029	State of California	10/21/2024	10/22/2024	14,850,000.00	15,476,373.00	15,465,808.71	(10,564.29)	4.156	3.68	1,523	0.21%	Aa2	AA-	AA
					Municipals			64,590,000.00	65,154,180.20	65,386,271.43	232,091.23				0.90%			
					Bond Holdings			6,785,639,000.00	6,590,692,198.23	6,686,357,347.53	95,665,149.30				91.53%			

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Series 2025 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Series 2025 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company (“DTC”) will act as securities depository for the Series 2025 Bonds (the “Securities”). The Securities 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 Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue 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, which is not incorporated herein by reference.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities 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 any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 the District or the 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, the Paying Agent or the 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 the District or the 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 depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates 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, Security certificates will be printed and delivered to DTC.

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

