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

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2024

NEW ISSUES – BOOK-ENTRY ONLY

Moody's: "Aa3"
(See "MISCELLANEOUS – Rating.")

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 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 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 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 Bonds. See "TAX MATTERS."

$20,030,000*
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 General Obligation Refunding Bonds,
Series A

$19,005,000*
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 General Obligation Refunding Bonds,
Series B

Dated: Date of Delivery **Due: As shown on the inside cover**

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series A (the "2024A Refunding Bonds") are being issued by the District for the purpose of providing funds (i) to refund and defease a portion of the District's outstanding 2014 General Obligation Refunding Bonds (the "2014 Bonds") and (ii) to pay costs of issuance of the 2024A Refunding Bonds.

The Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series B (the "2024B Refunding Bonds" and, together with the 2024A Refunding Bonds, the "Bonds") are being issued by the District for the purpose of providing funds (i) to refund and defease a portion of the District's outstanding 2018 General Obligation Refunding Bonds (the "2018 Bonds" and, together with the 2014 Bonds, the "Prior Bonds") and (ii) to pay costs of issuance of the 2024B Refunding Bonds. The portion of the Prior Bonds to be refunded and defeased are herein referred to as the "Refunded Bonds."

The Board of Supervisors of the County of San Diego, California (the "County") is empowered and is obligated to levy *ad valorem* 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 Bonds, all as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are general obligation bonds of the District, secured and payable from *ad valorem* property taxes assessed on taxable properties within the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). The Bonds are not obligations of the County or of the general fund of the District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds will be issued as current interest bonds and dated the date of their delivery. The Bonds will mature in the principal amounts and will bear interest payable commencing on August 1, 2024*, and thereafter on each February 1 and August 1 to maturity or upon earlier redemption, at the rates set forth on the inside cover page hereof. See "THE BONDS – Payment of Principal and Interest."

Payments of principal of the Bonds will be made by the Paying Agent (initially U.S. Bank Trust Company, National Association) to The Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners (as defined in Appendix F) of the Bonds. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of a nominee of DTC. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Payment of Principal and Interest" and APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

The Bonds are not subject to redemption prior to maturity.* See "THE BONDS – No Early Redemption."

The District has applied for a municipal bond insurance policy for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

See Inside Cover for
Maturity Schedule

The Bonds will be offered when, as, and if issued by the District and received by the Underwriter, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, and for the Underwriter by Norton Rose Fulbright US LLP. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about __________, 2024.

RAYMOND JAMES

The date of this Official Statement is __________, 2024.

* Preliminary, subject to change.

MATURITY SCHEDULES

$20,030,000*
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION REFUNDING BONDS, SERIES A

Maturity (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ (675383)

$19,005,000*
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION REFUNDING BONDS, SERIES B

Maturity (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ (675383)

* Preliminary, subject to change.
† Yields certified by the Underwriter. The District takes no responsibility for the accuracy therefor.
‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

OCEANSIDE UNIFIED SCHOOL DISTRICT

Board of Education

Raquel Alvarez
President

Stacy Begin
Vice President

Mike Blessing
Clerk

Eleanor Juanita Evans
Member

Nancy Licona
Member

District Administration

Dr. Julie A. Vitale
Superintendent

Dr. Andrea Norman
Associate Superintendent of Business Services

Dr. Todd McAteer
Associate Superintendent of Human Resources

Dr. Mercedes Lovie
Associate Superintendent of Educational Support Services

Bond Counsel
and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Municipal Advisor

KNN Public Finance, LLC
Berkeley, California

Paying Agent and Escrow Agent

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

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

This Official Statement does not constitute an offering of any security other than the original offering of the 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 Bonds are exempted 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 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 to be reliable, is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter listed on the cover page hereof (the "Underwriter") have provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that 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. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements are expressly qualified in their entirety by the foregoing and the other cautionary statements set forth in this Official Statement.

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

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

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$20,030,000[*]
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION
REFUNDING BONDS, SERIES A

$19,005,000[*]
OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION
REFUNDING BONDS, SERIES B

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the sale of the Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series A (the "2024A Refunding Bonds") and the Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series B (the "2024B Refunding Bonds" and, together with the 2024A Refunding Bonds, the "Bonds").

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as set forth in the Continuing Disclosure Certificate to be executed by the Oceanside Unified School District (the "District"), the District has no obligation to update the information in this Official Statement. See "OTHER LEGAL MATTERS – Continuing Disclosure."

The Bonds are being issued pursuant to a resolution of the District adopted on April 16, 2024 (the "District Resolution") and a paying agent agreement (the "Paying Agent Agreement"), dated as of May 1, 2024, by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent").

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the District Resolution and the Paying Agent Agreement providing for the issuance of the 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. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District upon request to the Superintendent, Oceanside Unified School District, 2111 Mission Avenue, Oceanside, California 92058. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District, a school district of the State, was established in 1970. It encompasses an area of about 63.5 square miles and is primarily located in the City of Oceanside but includes portions of unincorporated areas, including part of Marine Corps Base-Camp Pendleton, in the County. The District currently operates twelve elementary schools, three schools serving kindergarten through eighth grade, four middle schools, two comprehensive high schools and one continuation/alternative education high school. The Average Daily Attendance ("A.D.A.") of the District's students was 13,843.3 students in fiscal year 2022-23 and is budgeted to be 15,314.4 students in fiscal year 2023-24.

Taxable property in the District has a fiscal year 2023-24 assessed value of approximately $22.3 billion. For fiscal year 2023-24, the District has budgeted the employment of 959.0 full-time equivalent ("FTE") certificated employees (teaching staff), 951.0 FTE classified employees and 99.0 FTE management, supervisory and confidential personnel. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

The District is governed by a Board of Education consisting of five members (the "Board" or the "Board of Education"). The members of the Board are elected at-large to four-year terms in staggered years. Elections for

[*] Preliminary, subject to change.

positions to the Board are held every two years, alternating between two and three available positions. The day-to-day operations are managed by a Board-appointed Superintendent. The current Superintendent is Dr. Julie Vitale.

The District is a Local Control Funding Formula ("LCFF") district, which means that it receives some financial support from the State of California (the "State"). For additional information about the District's operations and finances, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT" and APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

THE BONDS

Authority for Issuance; Purpose

The Bonds described herein are authorized to be issued pursuant to the Constitution and laws of the State, including the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Government Code"), and other applicable provisions of law, including applicable provisions of the Education Code of the State (the "Education Code"), the District Resolution adopted by the Board of Education on April 16, 2024 and the Paying Agent Agreement, dated as of May 1, 2024, by and between the District and the Paying Agent. The Government Code permits the issuance of bonds payable from *ad valorem* property taxes without a vote of the electors solely in order to refund other outstanding bonds, provided that the total debt service to maturity on the refunding bonds does not exceed the total debt service to maturity on the bonds being refunded.

Proceeds of the 2024A Refunding Bonds will be applied (i) to defease and refund a portion of the District's outstanding 2014 General Obligation Refunding Bonds (the "2014 Bonds"), and (ii) to pay costs of issuance of the 2024A Refunding Bonds. Proceeds of the 2024B Refunding Bonds will be applied (i) to defease and refund a portion of the District's outstanding 2018 General Obligation Refunding Bonds (the "2018 Bonds" and, together with the 2014 Bonds, the "Prior Bonds"), and (ii) to pay costs of issuance of the 2024B Refunding Bonds. See "PLAN OF REFUNDING." Such portion of the Prior Bonds to be refunded is collectively referred to herein as the "Refunded Bonds." The 2014 Bonds were issued pursuant to the District's March 7, 2000 voter-approved election authorization (the "2000 Authorization"), and the 2018 Bonds were issued pursuant to the 2000 Authorization and the District's June 3, 2008 voter-approved election authorization (the "2008 Authorization").

Form and Registration

The Bonds will be issued in fully registered book-entry form only, in denominations of $5,000 or any integral multiple thereof. The 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 for the Bonds. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof 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 Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be issued as current interest bonds, and shall be dated as of their date of delivery. The Bonds will mature in the amounts and on the dates, in each of the years as set forth on the inside front cover page hereof. The Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on August 1, 2024[*], and on February 1 and August 1 of each year thereafter (each, an "Interest Payment Date"), computed on the basis of a 360-day year consisting of twelve 30-day months. Each of the Bonds shall bear interest (payable to the owner thereof) from the Interest Payment Date 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 (the "Record Date") and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any of the Bonds, interest is in default on any outstanding Bonds, such Bonds shall bear

[*] Preliminary, subject to change.

interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

No Early Redemption*

The Bonds are not subject to redemption prior to their respective stated maturity dates.

Defeasance of Bonds

The District may pay and discharge any or all of each series of the Bonds by depositing in trust with the Paying Agent or an escrow agent at maturity, money or Defeasance Securities (as defined below) in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest) at their respective maturity dates.

Any Outstanding Bond shall prior to the maturity date thereof be deemed to have been paid within the meaning of and with the effect expressed in the District Resolution (i) there shall have been deposited with the Paying Agent (or an escrow agent) either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the principal of, premium, if any, and interest on such Bond, and (ii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bond that the deposit required by clause (i) above has been made and that such Bond is deemed to have been paid in accordance with the District Resolution and stating the maturity date upon which money is to be available for the payment of the principal of, premium, if any, and interest on such Bond.

No Bond shall be deemed to have been paid pursuant to clause (i)(B) above unless the District shall have caused to be delivered (i) an executed copy of a verification report with respect to such deemed payment, addressed to the District and the Paying Agent, in form and in substance acceptable to the District and the Paying Agent, and (ii) a copy of the direction or the escrow agreement entered into in connection with the deposit pursuant to clause (i)(B) above resulting in such deemed payment, which direction or escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new verification report, and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original verification report or upon delivery of a new verification report.

The "Defeasance Securities" agreed to by the District for the Bonds is as follows: (i) direct, non-callable obligations of the United States Treasury; (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest; (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs; (iv) non-callable and non-prepayable (or irrevocably called to a specified redemption date) refunded municipal bonds that are backed by an escrow funded with obligations of or guaranteed by the United States of America; (v) Resolution Funding Corporation (REFCORP) securities consisting of interest components stripped by the Federal Reserve Bank of New York; (vi) United States State and Local Government Securities (SLGS); and (vii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration (provided such entities maintain a rating at the same level as obligations of the United States Treasury).

* Preliminary, subject to change.

Unclaimed Moneys

Any money held 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 Bonds or the Refunded Bonds and remaining unclaimed for two years after the principal of all of the Bonds or the Refunded Bonds has become due and payable, shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from the fund, or, if no such bonds of the District are at such time outstanding, the moneys shall be transferred to the general fund of the District as provided and to the extent permitted by law, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the District for the payment of such principal and interest.

Bond Insurance

The District has applied for a municipal bond insurance policy for the scheduled payment of principal of and interest on the Bonds when due, which, if purchased, would be issued concurrently with the delivery of the Bonds.

PLAN OF REFUNDING

A portion of the proceeds from the sale of the Bonds will be deposited in an escrow fund (the "Escrow Fund") to be created and maintained by U.S. Bank Trust Company, National Association, acting as escrow agent (the "Escrow Bank") under that certain Escrow Agreement, dated as of May 1, 2024 (the "Escrow Agreement"), by and between the District and the Escrow Bank. Moneys in the Escrow Fund will be invested in cash or United States government 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, and applied to pay all principal of, redemption premium and interest on the Refunded Bonds on and prior to the date designated for their redemption as set forth below. See "ESCROW VERIFICATION."

A portion of the proceeds of the Bonds will be deposited with the Paying Agent, in a costs of issuance account and used to pay costs associated with the issuance of the Bonds and the refunding of the Refunded Bonds. Any proceeds of sale of the Bonds not needed to fund the Escrow Fund or pay for costs of issuance will be transferred to the County Treasurer for deposit in the District's Interest and Sinking Fund, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Bonds, will be invested at the sole discretion of the County Treasurer pursuant to law and the investment policy of the County. See APPENDIX E – "SAN DIEGO COUNTY INVESTMENT POOL."

Causey Demgen & Moore P.C., a certified public accountant licensed to practice within the State, acting as verification agent (the "Verification Agent") with respect to the Escrow Fund, will verify the mathematical accuracy of the computations relating to the sufficiency of the moneys proposed to be deposited and invested in the Escrow Fund, together with earnings thereon and any uninvested money, for the payment of interest on the Bonds to the respective redemption dates of the Refunded Bonds, and the redemption prices of the Refunded Bonds on such redemption dates.

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The Refunded Bonds to be refunded by the Bonds are as follows*:

Oceanside Unified School District
2014 General Obligation Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No.† (675383)
2025	$3,050,000	5.000%	MK6
2026	3,195,000	5.000	ML4
2027	3,355,000	5.000	MM2
2028	3,515,000	5.000	MN0
2029	2,485,000	5.000	MP5
2030	1,380,000	3.500	MQ3
2031	1,415,000	3.625	MR1
2032	1,460,000	3.625	MS9
2033	1,505,000	3.750	MT7

Oceanside Unified School District
2018 General Obligation Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No.† (675383)
2025	$ 515,000	4.000%	QF3
2026	540,000	4.000	QG1
2032	5,245,000	3.125	QH9
2032	4,250,000	4.000	QK2
2033	6,375,000	3.250	QJ5
2033	5,100,000	4.000	QL0

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* Preliminary, subject to change.
† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes any responsibility for the accuracy of such numbers.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as shown in the following table:

Sources of Funds:	2024A Refunding Bonds	2024B Refunding Bonds	Total
Principal Amount of Bonds			
[Net] Original Issue [Premium/Discount]			
Total Sources			
Uses of Funds:			
Deposit to Interest and Sinking Fund			
Deposit to Escrow Fund			
Underwriter's Discount			
Costs of Issuance[1]			
Total Uses			

(1) Includes fees for the municipal advisor, Bond Counsel, Disclosure Counsel, rating agency, Paying Agent, Escrow Bank, Verification Agent, printing, Bond Insurance premium, if applicable, and other miscellaneous expenses.

DEBT SERVICE

Semi-Annual Debt Service

Upon issuance of the Bonds, the semi-annual debt service on the Bonds, assuming no early redemptions, will be as follows:

	2024A Refunding Bonds		2024B Refunding Bonds			
Date	Principal	Interest	Principal	Interest	Semi-Annual Debt Service	Total Annual Debt Service
8/1/2024						
2/1/2025						
8/1/2025						
2/1/2026						
8/1/2026						
2/1/2027						
8/1/2027						
2/1/2028						
8/1/2028						
2/1/2029						
8/1/2029						
2/1/2030						
8/1/2030						
2/1/2031						
8/1/2031						
2/1/2032						
8/1/2032						
2/1/2033						
8/1/2033						
TOTAL						

Aggregate Annual Debt Service

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

Year ending (August 1)	Outstanding General Obligation Bonds*	2024A Refunding Bonds	2024B Refunding Bonds	Combined Annual Debt Service of All Outstanding General Obligation Bonds
2024	$26,133,714.85			
2025	27,681,371.02			
2026	28,523,239.02			
2027	25,956,800.52			
2028	27,382,890.52			
2029	25,304,219.52			
2030	26,124,272.52			
2031	27,289,852.52			
2032	28,036,268.76			
2033	27,618,037.50			
2034	24,783,862.50			
2035	24,523,012.50			
2036	23,806,212.50			
2037	24,492,262.50			
2038	25,195,362.50			
2039	25,919,412.50			
2040	26,813,512.50			
2041	27,639,462.50			
2042	22,100,470.50			
2043	22,487,062.50			
2044	22,972,608.80			
2045	23,397,992.60			
2046	20,885,616.00			
2047	22,118,662.50			
2048	23,466,350.00			
2049	18,772,562.50			
2050	9,463,087.50			
2051	10,966,306.26			
TOTAL	$669,854,485.91			

* Includes debt service on the Refunded Bonds to be refunded.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for payment of principal and interest on the Bonds when due, the Board of Supervisors of the County is empowered and obligated to levy *ad valorem* 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). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of assessed value. When collected, the tax revenues levied to pay the Bonds will be deposited by the County Treasurer in the Interest and Sinking Fund, which is required by law to be maintained by the County and to be used solely for the payment of bonds of the District.

Pledge of and Lien on Tax Revenues

Pursuant to the District Resolution, the District pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors of the County with respect to each voter-approved bond measure of the District for the payment of District 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 District Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such District Bonds. This pledge and grant is valid and binding from the date of the District Resolution for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in any interest and sinking fund of the District shall be immediately subject to this pledge and grant, and the pledge and grant constitutes a lien and security interest which immediately attaches to (i) the property taxes theretofore and thereafter collected and (ii) the amounts held in any interest and sinking fund of the District. The pledge and grant shall secure the payment of District Bonds and shall 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 pledge and grant is an agreement between the District and the owners of District Bonds to provide security for the District Bonds in addition to any statutory lien that may exist, and the District Bonds secured by the pledge and grant are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

As used herein, "District Bonds" means all bonds, including 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 pursuant to the 2000 Authorization, the 2008 Authorization, and Measure W, approved by the voters on November 3, 2020 (the "2020 Authorization").

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the Government Code of the State (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.

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 levy property taxes for payment of voter-approved bonds and receive property taxes for general operating purposes as well.

Local property taxation in the State is the responsibility of various county officers. 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 general obligation 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. In addition, the county treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school general obligation bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a school district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Assessed Valuation of Property Within the District

All property (real, personal and intangible) is taxable unless an exemption is granted by the State Constitution or United States law. Under the State 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.

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.

State-Assessed Property. Under the State 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 State 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 State 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 State 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 State 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 California, 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, including the District.

Classification of Locally Taxed Property. 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 greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table sets forth the recent history of taxable property assessed valuation in the District.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Summary of Taxable Assessed Valuation
Fiscal Years 2014-15 to 2023-24

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2014-15	$12,581,896,627	--	$321,740,442	$12,903,637,069	-
2015-16	13,170,587,322	--	330,095,636	13,500,682,958	4.63%
2016-17	14,062,224,463	--	357,563,500	14,419,787,963	6.81
2017-18	15,073,592,388	--	429,294,485	15,502,886,873	7.51
2018-19	16,090,730,286	--	443,167,340	16,533,897,626	6.65
2019-20	17,085,202,479	--	454,176,772	17,539,379,251	6.08
2020-21	18,104,734,780	--	480,701,424	18,585,436,204	5.96
2021-22	18,971,569,926	--	434,139,660	19,405,709,586	4.41
2022-23	20,477,382,655	--	497,399,668	20,974,782,323	8.09
2023-24	21,744,055,610	--	605,697,605	22,349,753,215	6.56

Source: California Municipal Statistics, Inc.

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 land 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), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, and drought, 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.

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 activity occurs.

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, in the form prescribed by the State Board of Equalization, 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 (escalated to the 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.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the State Board of Equalization and creates two new agencies: (a) the California Department of Tax and Fee Administration (the "Tax Administration Department") and (b) the Office of Tax Appeals. Under AB 102, the Tax Administration Department will take over programs previously in the State Board of Equalization's Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the State Board of Equalization will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the State Board of Equalization only hears appeals related to the programs that it constitutionally administers and the Office of Tax Appeals hears appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Offices of Tax Appeals to adopt regulations as necessary to carry out its duties, powers and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

In addition, Article XIIIA of the State 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. 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 – 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* taxes.

Risk of Decline in Property Values. Property values could be reduced by factors beyond the District's control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or 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). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional bonds in the future might also cause the tax rate to increase.

Risk of Sea Level Changes and Flooding. In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property in the State is at risk of flooding as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly $100 billion (in year 2000 dollars). The District may be particularly vulnerable to impacts associated with sea-level rise due to extensive development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The District is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

Drought. In recent years the State has experienced severe drought conditions. In January 2014, the Governor declared a Statewide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the "State Water Board") subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures.

On March 5, 2021, the Secretary of the United States Department of Agriculture designated 50 of 58 counties in California, as primary natural disaster areas due to drought. On April 21, 2021, the Governor issued a drought emergency proclamation (the "April Drought Proclamation") which applied to two counties within the State. On May 10, 2021, the Governor declared a State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, significantly expanding the April Drought Proclamation to 41 counties within the State. On July 8, 2021, the Governor expanded the declaration further to include an additional nine counties in the State. On October 19, 2021, the Governor extended the declaration to include the remaining counties such that the drought state of emergency was then in effect Statewide. However, increased rainfall in late 2022 and early 2023 led to the rescission of certain of these restrictions, including in the County, as described in the following section "*– 2022-23 Winter Storms*."

It is not possible for the District to make any representation regarding the extent to which drought conditions 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.

2022-23 Winter Storms. The State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State (the "2022-23 Winter Storms"). The increased rainfall caused by the 2022-23 Winter Storms has eased drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State's drought restrictions, including restrictions in the County. In addition, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted by the 2022-23 Winter Storms and the resulting mudslides and flooding (the "2023 Winter Storm Tax Extension"). Most counties in the State were included in the 2023 Winter Storm Tax Extension, such that certain individual and business tax payments which would have typically been due at various times between January and September 2023 were then due on October 16, 2023. The potential results of this extension on the 2023-24 State Budget and the Proposed 2024-25 State Budget are discussed in APPENDIX A – "INFORMATION RELATING TO THE DISTRICT – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process."

2023-24 Winter Storms. Portions of the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2023 and early 2024, which impacted communities within the State (the "2023-24 Winter Storms"). In particular, portions of the County experienced severe storms and flooding. In February 2024, the Franchise Tax Board announced an extension of its tax filing deadline for residents and businesses in the County.

It is not possible for the District to make any representation regarding the extent to which the 2022-23 Winter Storms, the 2023-24 Winter Storms or any future winter storms, or related increased rainfall, mudslides or flooding conditions, could cause reduced economic activity within the boundaries of the District or the extent to which such conditions may impact District facilities or the assessed value of taxable property within the District.

Wildfire. In recent years, portions of California, including adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

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

Bonding Capacity. The District may not issue bonds in excess of 2.5% of the assessed valuation of taxable property within its boundaries. The District's gross bonding capacity is estimated at approximately $558.7 million, and its net bonding capacity is approximately $226.3 million, prior to the issuance of the 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 provides a distribution of taxable property located in the District by jurisdiction.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2023-24 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Carlsbad	$ 758,640	0.00%	$43,461,011,362	0.00%
City of Oceanside	22,306,809,541	99.81	31,726,229,129	70.31
Unincorporated San Diego County	42,185,034	0.19	98,183,901,220	0.04
Total District	$22,349,753,215	100.00%		
San Diego County	$22,349,753,215	100.00%	$703,049,568,898	3.18%

Source: California Municipal Statistics, Inc.

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Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use in fiscal year 2023-24. Single-family residential properties comprise 49.88% of the assessed value of property in the District.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2023-24 Assessed Valuation and Parcels by Land Use

	2023-24 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 5,129,171	0.02%	9	0.02%
Commercial	2,351,892,997	10.82	972	2.26
Vacant Commercial	148,803,770	0.68	110	0.26
Industrial	1,667,351,704	7.67	430	1.00
Vacant Industrial	75,770,236	0.35	60	0.14
Recreational/Marina	62,429,378	0.29	921	2.15
Government/Social/Institutional	28,840,189	0.13	93	0.22
Miscellaneous	5,012,639	0.02	70	0.16
Subtotal Non-Residential	$4,345,230,084	19.98%	2,665	6.21%
Residential:				
Single Family Residence	$10,846,155,270	49.88%	24,257	56.52%
Condominium/Townhouse	3,612,583,088	16.61	8,124	18.93
Timeshare	77,335,369	0.36	4,133	9.63
Mobile Home	181,562,813	0.83	1,542	3.59
Mobile Home Park	139,056,072	0.64	35	0.08
2-4 Residential Units	728,753,969	3.35	966	2.25
5+ Residential Units/Apartments	1,577,880,642	7.26	390	0.91
Miscellaneous Residential	6,342,652	0.03	229	0.53
Vacant Residential	229,155,651	1.05	578	1.35
Subtotal Residential	$17,398,825,526	80.02%	40,254	93.79%
Total	$21,744,055,610	100.00%	42,919	100.00%

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

Assessed Valuation of Single-Family Residential Properties. The following table shows the distribution of single family residential parcels by increments of assessed value in fiscal year 2023-24. For the fiscal year 2023-24, the average assessed value of single-family homes is $447,135, and the median assessed value is $394,310.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Per Parcel 2023-24 Assessed Valuation of Single Family Homes

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	24,257	$10,846,155,270	$447,135	$394,310

2023-24 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	269	1.109%	1.109%	$ 10,431,319	0.096%	0.096%
$50,000 - $99,999	1,026	4.230	5.339	74,576,765	0.688	0.784
$100,000 - $149,999	1,243	5.124	10.463	157,958,720	1.456	2.240
$150,000 - $199,999	1,808	7.454	17.916	317,576,050	2.928	5.168
$200,000 - $249,999	1,873	7.721	25.638	422,830,392	3.898	9.067
$250,000 - $299,999	2,149	8.859	34.497	591,529,847	5.454	14.520
$300,000 - $349,999	2,024	8.344	42.841	656,770,201	6.055	20.576
$350,000 - $399,999	1,963	8.093	50.934	736,042,362	6.786	27.362
$400,000 - $449,999	1,729	7.128	58.062	735,685,498	6.783	34.145
$450,000 - $499,999	1,658	6.835	64.897	787,461,112	7.260	41.405
$500,000 - $549,999	1,608	6.629	71.526	843,939,950	7.781	49.186
$550,000 - $599,999	1,359	5.603	77.128	781,177,898	7.202	56.388
$600,000 - $649,999	1,196	4.931	82.059	746,553,217	6.883	63.272
$650,000 - $699,999	913	3.764	85.823	615,276,287	5.673	68.944
$700,000 - $749,999	786	3.240	89.063	569,523,556	5.251	74.195
$750,000 - $799,999	621	2.560	91.623	480,679,798	4.432	78.627
$800,000 - $849,999	490	2.020	93.643	403,309,622	3.718	82.346
$850,000 - $899,999	360	1.484	95.127	314,141,344	2.896	85.242
$900,000 - $949,999	263	1.084	96.211	243,181,360	2.242	87.484
$950,000 - $999,999	178	0.734	96.945	172,750,138	1.593	89.077
$1,000,000 and greater	741	3.055	100.000	1,184,759,834	10.923	100.000
Total	24,257	100.000%		$10,846,155,270	100.000%	

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

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***Largest Taxpayers in District**.* The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2023-24 tax roll, and the assessed valuations thereof, are shown in the following table. In fiscal year 2023-24, no single taxpayer accounted for more than 2.07% of the total taxable property in the District. Each taxpayer listed is a unique entity. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Largest 2023-24 Local Secured Taxpayers

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total[1]
1.	Genentech Inc.	Industrial	$450,515,087	2.07%
2.	Gilead Sciences Inc.	Industrial	209,129,431	0.96
3.	Oceanside Beach Resort Owner LLC	Hotel	193,157,230	0.89
4.	PK II El Camino North LP	Shopping Center	145,290,581	0.67
5.	Meadow Woods at Alpine LLC	Apartments	111,910,320	0.51
6.	Rexford Industrial Realty LP	Industrial	110,091,387	0.51
7.	29SC Sunterra Owner LLC	Apartments	98,072,159	0.45
8.	Guardian Piazza Doro LLC	Residential Properties	95,407,472	0.44
9.	Rancho Presidio Fee Owner LLC	Apartments	91,198,142	0.42
10.	550 Los Arbolitos Owner LLC	Apartments	75,369,840	0.35
11.	Essex Cal-WA LP	Apartments	65,994,081	0.30
12.	Prime Mesa LP	Apartments	63,939,662	0.29
13.	Wyndham Vacation Resorts Inc.	Resort/Timeshare	61,199,554	0.28
14.	GFP Oceanside Block 19 LLC	Hotel	51,184,184	0.24
15.	PR II/Wood Oceanside LLC	Apartments	50,127,870	0.23
16.	Wal Mart Stores East LP	Commercial	49,542,617	0.23
17.	ZU Property Investments LLC	Apartments	46,295,760	0.21
18.	GFP Oceanside Block 21 LLC	Hotel	43,779,524	0.20
19.	Santa Juana Francisca Company LP	Condominiums	41,668,272	0.19
20.	FR Oceanside LLC	Industrial	40,125,875	0.18
	Total		$2,093,999,048	9.63%

(1) 2023-24 local secured assessed valuation: $21,744,055,610.
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

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property (determined in accordance with the State Constitution), 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 the 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 the 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 land 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), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, 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 the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The following table sets forth *ad valorem* property tax rates for fiscal years 2019-20 through 2023-24 in a typical Tax Rate Area of the District (TRA 7-000).

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Typical Total Tax Rates per $100 of Assessed Valuation: TRA 7-000
Fiscal Years 2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24(1)
1% General Fund	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
Oceanside Unified School District	0.08582	0.09600	0.12032	0.09344	0.09028
Mira Costa Community College District	0.01299	0.01373	0.01339	0.01357	0.01164
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Total	$1.10231	$1.11323	$1.13721	$1.11051	$1.10542

(1) 2023-24 assessed valuation of Tax Rate Area 7-000: $6,165,283,081 which is 27.59% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

A school district's share of the 1% countywide tax is based on the allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to statutory modifications enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the 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-tax collector 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. If taxes remain unpaid by June 30, the tax is deemed to be in default. Penalties then begin 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 county treasurer.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, 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. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Generally, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage lender, all past due property taxes, penalties, and interest are required to be paid before such property is transferred to a purchaser or new owner.

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, among other factors, high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire or toxic dumping. 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 the unprecedented events of a pandemic, such as the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies. Annual reserves can be used towards debt service where tax collections are insufficient to pay such debt service.

The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District's financial condition or operations. 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. See "– *Teeter Plan*" below.

The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service levy. The County uses 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, and the County does not provide a breakdown of the delinquencies with respect to property located in the District. See "– *Teeter Plan*" below.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Secured Tax Charges(1)
Fiscal Years 2013-14 to 2022-23

Fiscal Year	Secured Tax Charge(2)
2013-14	$42,255,381
2014-15	44,500,351
2015-16	46,597,448
2016-17	49,993,812
2017-18	53,603,057
2018-19	57,110,892
2019-20	60,447,624
2020-21	63,797,833
2021-22	66,984,824
2022-23	71,945,678

(1) 1% general fund apportionment.
(2) San Diego 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.
Source: California Municipal Statistics, Inc.

Teeter Plan. The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the Revenue and Taxation Code of the State. Under the Teeter Plan, the County distributes to each participating local tax-levying agency, including school districts, the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency in the absence of the Teeter Plan.

The County's policy is that any new taxing entity that includes its levy on the County's secured and supplemental tax rolls is qualified to be included in the Teeter Plan. The Teeter Plan is to remain in effect unless the County 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 procedures with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls in that agency. The County of San Diego applies the Teeter Plan to taxes levied on the secured roll for repayment of school district bonds.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression.

***Direct and Overlapping Debt**.* The following table was prepared by California Municipal Statistics Inc., and 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 had outstanding debt as of April 1, 2024, and whose territory overlaps the District in whole or in part. The second column shows 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 shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. 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.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Direct and Overlapping Bonded Debt
(as of April 1, 2024)

2023-24 Assessed Valuation: $22,349,753,215

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/24
Metropolitan Water District	0.576%	$ 104,890
Mira Vista Community College District	15.672	56,304,794
Oceanside Unified School District	**100.000**	**332,401,451**(1)
City of Oceanside Community Facilities Districts	18.968-100.000	24,487,920
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$413,299,055
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
San Diego County General Fund Obligations	3.179%	$11,908,534
San Diego County Pension Obligation Bonds	3.179	6,714,843
San Diego County Superintendent of Schools Obligations	3.179	192,330
Mira Costa Community College District Certificates of Participation	15.672	7,745,886
Oceanside Unified School District General Fund Obligations	**100.000**	**38,090,000**
City of Oceanside Certificates of Participation	70.310	15,672,099
City of Oceanside Pension Obligation Bonds	70.310	3,494,407
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$83,818,099
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$6,030,000
COMBINED TOTAL DEBT		$503,147,154(2)

Ratios to 2023-24 Assessed Valuation:
Direct Debt ($332,401,451)..1.49%
Direct and Overlapping Tax and Assessment Debt...............1.85%
Combined Direct Debt ($370,491,451)...............................1.66%
Combined Total Debt...2.25%

Ratio to Redevelopment Incremental Valuation ($2,187,143,472):
Total Overlapping Tax Increment Debt................................0.28%

(1) Excludes Bonds to be sold, but includes the Refunded Bonds.
(2) 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 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 personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 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 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 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 Bonds which is excluded from gross income for federal income tax purposes and exempt from State personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the 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 Bonds accrues daily over the term to maturity of such 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 Bonds to determine taxable gain or loss upon trade or business disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

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 bonds, 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 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 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 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is 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 Bonds is excluded from gross income for federal income tax purposes and is exempt from State personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 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 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 Bonds. Prospective purchasers of the 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 opinion of Bond Counsel is 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 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 Bonds ends with the issuance of the 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 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 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 Bonds, and may cause the District or the beneficial owners to incur significant expense.

Payments on the 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 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 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

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing the District from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District or the County (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair and equitable and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in the state in the exercise of its political or governmental powers, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the State law restriction on the levy and expenditure of *ad valorem* taxes is respected in a bankruptcy case, then *ad valorem* tax revenue in excess of the District's share of the 1% limited County tax could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to state law, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. State law provides that the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become the subject of bankruptcy proceedings. However, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. The Bonds and the District's other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District's debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, recently held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds without the bankruptcy court's permission. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

Bondholders may experience delays or reductions in payments on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the District file for bankruptcy.

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the Owners of the Bonds, it is not entirely clear what procedures the Owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

Risk of Investment Losses. Pending delivery of *ad valorem* tax revenues to the Paying Agent, the County Treasurer may invest the *ad valorem* tax revenues in the San Diego County Investment Pool or in other investments. Should any of these investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, attached hereto as Appendix C, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

Amounts Held in County Treasury Pool

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in APPENDIX E – "SAN DIEGO COUNTY INVESTMENT POOL." Should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel. A complete copy of the proposed form of opinion of Bond Counsel is contained in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Legality for Investment in California

Under provisions of the Financial Code of the State, including Section 1510(d), the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of its depositors. Under provisions of the Government Code of the State, the Bonds are eligible securities for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide certain 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 2023-24 (which is due no later than April 1, 2025), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System ("EMMA"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in APPENDIX D – "PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

The District has previously entered into a number of undertakings to provide continuing disclosure (the "Previous Undertakings"). During the five-year period preceding the offering of the Bonds, the District has generally filed its continuing disclosure reports on a timely basis. During the last five years, the District has failed to file certain material event notices in a timely manner. Since 2014, the District has engaged a Dissemination Agent to assist it in complying with all of its continuing disclosure undertakings and to compile and disseminate its annual reports and other required notices and information required under its continuing disclosure undertakings.

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the 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 or County officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the 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.

Pursuant to Assembly Bill 218 ("**AB 218**"), which became effective on January 1, 2020, certain changes have been made to the claim prerequisites, available damages and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022. There is currently one AB 218 lawsuit pending against the District. The District is currently trying to locate insurance for the lawsuit. The District has set aside reserves for uninsured lawsuits, the potential liability for which is not anticipated to materially affect the finances of the District. The District does not expect that any expenses or liabilities incurred in defending the AB 218 claim, including those resulting from a final court decision or settlement agreement, will have a materially adverse effect on the District's ability to repay the Bonds.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest on the government obligations, and the projected payments of principal, redemption premium, if any, and interest to redeem and defease the Refunded Bonds will be verified by Causey Demgen & Moore P.C., as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any effort 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.

MISCELLANEOUS

Risks Related to COVID-19

The outbreak of the novel strain of coronavirus called COVID-19, which was previously designated a global pandemic by the World Health Organization, impacted local and global economies, as governments, businesses, and citizens reacted to, planned for, and tried to prevent or slow further transmission of the virus. Financial markets, including both the bond and stock markets in the United States and globally, have experienced significant recent volatility that has been attributed to coronavirus concerns. The United States Centers for Disease Control and Prevention and the California Department of Public Health have been providing regular updates and guidelines to the public and to State and local governments. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, 2020, then President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. Many school districts across the State temporarily closed some or all school campuses in response to local and state directives or guidance.

On March 27, 2020, the U.S. House of Representatives approved and then President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act appropriated $30 billion to education, of which $3 billion was allocated to state governors to be used at their discretion to address the emergency, $13.5 billion was allocated for K-12 education, and $14.25 billion was allocated for postsecondary institutions.

On December 27, 2020, the United States Congress approved and then President Trump signed into law the Consolidated Appropriations Act, 2021 ("HR 133"), which included a $900 billion COVID-19 relief package. HR 133 provided $81.9 billion to education, specifically $4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which $2.75 billion was reserved for private K-12 education, $54.3 billion for K-12 education, $22.7 billion for postsecondary institutions, and $819 million for outlying areas and Bureau of Indian Affairs schools.

On March 12, 2021, the United States Congress approved and President Biden signed into law the American Rescue Plan Act of 2021 ("HR 1319"), a $1.9 trillion COVID-19 relief package. HR 1319 provided direct payments to individuals, extended unemployment benefits, provided funding to distribute COVID-19 vaccines and provided funding for schools, higher education institutions, state, tribal governments and businesses.

On March 5, 2021, the Governor signed into law Assembly Bill 86 ("AB 86"), providing $6.6 billion in State funding relating to COVID-19 relief, including $2 billion in incentives to expedite reopening schools and $4.6 billion to address the COVID-19 pandemic's impact on learning. The majority of such funding was to be apportioned through the Local Control Funding Formula (as defined herein). AB 86 provided, in part, in-person instruction grants to incentivize schools to offer in-person instruction. The $2 billion in incentives were to be utilized by school districts to reopen schools for in-person instruction for its most high-needs students.

The District received approximately $78.0 million in federal and State funding, including allocations from CARES Act funding from Elementary and Secondary School relief (ESSER) I, HR 133, ESSER II, HR 1319, ESSER III, and AB 86. The aforementioned federal and State funding is considered one-time, restricted, emergency relief funding to address the impact COVID-19 has had on elementary and secondary schools. To date, the District has expended approximately $64.0 million, and expects to expend the remaining $14.0 million by September 30, 2024.

School Re-opening for In-Person Instruction. The District closed for in-person instruction in March 2020. Commencing March 2021, the District reopened classrooms for in-person instruction to students who wished to return to campus for an onsite/online hybrid instructional model. The District operated the 2022-23 school year in-person, and is currently operating the 2023-24 school year in-person.

California fully reopened the economy on June 15, 2021. The District cannot provide any assurance that under certain circumstances, additional State measures may be put back into place or updated California Department of Public Health Orders may be issued due to variants, a significant increase in the number of COVID-19 cases, updated guidance by the Centers for Disease Control and Prevention, or other factors.

Notwithstanding the impacts the coronavirus may have on the global and national economy, the economy in the State and the District, or on the District's revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. Although the Bonds are payable solely from *ad valorem* property taxes and not from the general fund of the District, the District cannot predict what future impacts the outbreak may have on its operations and budget.

The District has in the past, and may again in the future, receive guidance on the COVID-19 pandemic from County health officials and the County Superintendent of Schools, which may monitor the coronavirus situation in accordance with coronavirus guidelines for schools published by the Centers for Disease Control and Prevention.

Cybersecurity

The District relies on a large and complex technology infrastructure to conduct its operations. The District and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. In August 2023, a teacher's email account was hacked. However, there was no data breach and the District did not incur any costs as a result of the hacking. The District maintains insurance to cover cybersecurity incidents. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the operations and finances of the District.

Rating

The Bonds have received the rating of "Aa3" by Moody's Investors Service ("Moody's"), without regard to any policy of municipal bond insurance. A rating agency generally bases its rating on its own investigations, studies and assumptions. The District has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement). Such ratings reflect only the view of the rating agency, and any explanation of the significance of such ratings may be obtained from Moody's at www.moodys.com. The information set forth on such website is not incorporated herein by reference. 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, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel to the District and as Disclosure Counsel, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. KNN Public Finance, LLC is acting as Municipal Advisor with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter by their counsel, Norton Rose Fulbright US LLP, which will receive compensation contingent upon sale and delivery of the Bonds.

Underwriting

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"), pursuant to the terms of a bond purchase agreement between the District and the Underwriter, dated __________, 2024 (the "Purchase Contract"). The Underwriter has agreed to purchase the Bonds from the District at a purchase price of $____________. The Underwriter's discount is $________. Under the terms of the Purchase Contract, the Underwriter will be obligated to purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions to be satisfied by the District.

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

Additional Information

Quotations from and summaries and explanations of the Bonds, the District Resolution and the Paying Agent Agreement providing for issuance and payment of the 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.

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

OCEANSIDE UNIFIED SCHOOL DISTRICT

By: ____
Associate Superintendent of
Business Services

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APPENDIX A

INFORMATION RELATING TO THE DISTRICT

Any information in the following appendix that indicates it has been obtained from a third-party has been obtained from sources which are believed to be reliable, but the District makes no guarantee as to the accuracy or completeness thereof, and is not to be construed as a representation by the District, the Underwriter or the Municipal Advisor.

Prospective purchasers of the Bonds should be aware that the tables below, which demonstrate historical income, employment, sales and other figures, may not be accurate predictors of future trends, nor do they provide an entirely current report of economic circumstances as of the date of printing of this Official Statement. The historical data displayed in this section is derived from a number of third-party sources from data accumulated over time, and thus cannot be presented on a real-time basis.

The information in this Appendix A concerning the operations of the Oceanside Unified 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 Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an *ad valorem* tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of San Diego (the "County") on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE DISTRICT

Introduction

The Oceanside Unified School District was established in 1970 and provides educational (K-12) services to the residents of the City of Oceanside (the "City") and some portions of unincorporated areas, including part of Marine Corps Base-Camp Pendleton, in the County of San Diego in the State of California. The District is located on the San Diego coastline and is coterminous with the City.

The District currently operates twelve elementary schools, three schools serving kindergarten through eighth grade, four middle schools, two comprehensive high schools and one continuation/alternative education high school. The Average Daily Attendance ("A.D.A.") of the District's students was 13,843.3 students in fiscal year 2022-23 and is projected to be 15,314.4 students in fiscal year 2023-24. For fiscal year 2023-24, the District has projected the employment of 959.0 full-time equivalent ("FTE") certificated employees (teaching staff), 951.0 FTE classified employees and 99.0 FTE management, supervisory and confidential personnel. The District has budgeted general fund revenues of approximately $317.4 million and expenditures of approximately $343.9 million for fiscal year 2023-24. Total assessed valuation of taxable property in the District for the fiscal year 2023-24 is approximately $22.3 billion. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

Board of Education

The District is governed by a Board of Education consisting of five members. Members are elected to four-year terms. Elections for positions to the Board of Education are held in staggered years, alternating between two and three available positions. The day-to-day operations are managed by a board-appointed superintendent of schools. Dr. Julie Vitale was appointed as the District's Superintendent by the Board of Education on June 26, 2018 and began her service as District Superintendent on July 1, 2018.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for most school districts in California, 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 (see "– Allocation of State Funding to School Districts; Local Control Funding Formula" below) and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution (see "– Local Sources of Education Funding" below). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District expects to receive approximately 58.0% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), budgeted at approximately $184.0 million in fiscal year 2023-24. Such amount includes both the State funding provided under the LCFF (as defined below) as well as other State revenues (see "– Allocation of State Funding to School Districts; Local Control Funding Formula – *Attendance 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 the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the State 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 revenues from 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 approximately half 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 educational agencies therein implemented a new funding formula for school finance system called the Local Control Funding Formula (the "Local Control Funding Formula" or "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" below for more information.

Constitutional Provisions Governing School Finance. On November 8, 1988, voters 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 school 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.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111: (1) liberalized the annual adjustments to the State 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 the law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated to school districts in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test") or a third test, which replaces 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 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 is used in any year, the difference between the third test and the second test becomes a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

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 State 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 on 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 of Public Schools (the "State Superintendent") and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them 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 now paid all settle-up obligations.

In the past, 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 temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; 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 State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

State Budget Process. According to the State 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. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two–thirds to a simple majority (50% plus one) of each house of the State Legislature. The lower vote requirement would also apply to trailer bills that appropriate funds and are identified by the State Legislature as "related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two–thirds vote of the State Legislature is still 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 2023-24 State budget on June 27, 2023.

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 State 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 State 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.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the 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 State 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.

State Rainy Day Fund; SB 858. In connection with the 2014-15 State Budget, the Governor proposed certain constitutional amendments ("Proposition 2") to the rainy day fund (the "State Rainy Day Fund") for the November 2014 Statewide election. Senate Bill 858 (2014) ("SB 858") amends the Education Code of the State to, among other things, limit the amount of reserves that may be maintained by a school district subject to certain State budget matters. Upon the approval of Proposition 2, SB 858 became operational. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2."

AB 1469. As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implements a new funding strategy for the California State Teachers' Retirement System ("CalSTRS"), increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. See "– Retirement Benefits – *CalSTRS*" below for more information about CalSTRS and AB 1469.

2023-24 State Budget. The Governor signed the fiscal year 2023-24 State budget on June 27, 2023, which was amended through a series of legislative bills (as amended, the "2023-24 State Budget"). The 2023-24 State Budget reflects a downturn in revenues and slower revenue growth than previous projections due to declining stock prices, high inflation, rising interest rates and layoffs in high-wage sectors. The 2023-24 State Budget projects to address the shortfall in revenues by paying down the State's debt and using one-time surplus funds on one-time commitments. The 2023-24 State Budget includes a package of solutions to bridge an approximately $31.7 billion shortfall while avoiding deep and damaging program cuts. Specifically, the 2023-24 State Budget shifts approximately $9.3 billion of spending commitments from the State's general fund to other funds and reduces or pulls back approximately $8.1 billion in previously approved State general fund spending. In addition, the 2023-24 State Budget delays approximately $7.9 billion in spending across multiple years, includes approximately $6.1 billion in additional revenue, primarily from the Managed Care Organization tax as well as internal borrowing from special fund balances not projected for programmatic purposes, and builds in approximately $340.0 million in trigger reductions that are projected to be restored in the proposed budget for fiscal year 2024-25, assuming sufficient funds at that time. The 2023-24 State Budget avoids new significant ongoing commitments and maintains fiscal discipline by setting aside a record $37.8 billion in total budgetary reserves. The 2023-24 State Budget notes that a tax filing delay due to unprecedented storms in fiscal year 2022-23 delayed the projected receipt of $42.0 billion in State tax receipt to October 2023, including $28.4 billion from personal income tax and $13.3 billion from corporation tax, representing nearly one-fourth of the fiscal year 2022-23 total projected personal income tax, and nearly one-third of the fiscal year 2022-23 corporation tax.

The 2023-24 State Budget estimates total resources available in fiscal year 2022-23 were approximately $260.9 billion, including revenues and transfers of approximately $205.1 billion and a prior year balance of approximately $55.8 billion, and total expenditures in fiscal year 2022-23 of approximately $234.6 billion. The 2023-24 State Budget projects total resources available for fiscal year 2023-24 of approximately $235.0 billion, inclusive of revenues and transfers of approximately $208.7 billion and a prior year balance of approximately $26.4 billion. The 2023-24 State Budget projects total expenditures in fiscal year 2023-24 of approximately $225.9 billion, inclusive of non-Proposition 98 expenditures of approximately $147.5 billion and Proposition 98 expenditures of approximately $78.4 billion. Citing revenue risks and uncertainties, the 2023-24 State Budget includes a historic level of reserves as an important resiliency tool, setting aside a total of $37.8 billion in fiscal year 2023-24 and allocates reserves as follows: approximately $22.3 billion in the State Rainy Day Fund for fiscal emergencies, approximately $10.8 billion in the Proposition 98 Rainy Day Fund (Public School System Stabilization Account) (the "PSSSA" or the "Proposition 98 Rainy Day Fund"), approximately $900.0 million in the Safety Net Reserve, and approximately $3.8 billion to the State's Special Fund for Economic Uncertainties (the "SFEU"). In addition, the 2023-24 State Budget allocates approximately $5.3 billion of the State general fund's projected fund balance in fiscal year 2023-24 to the State's Reserve for Liquidation of Encumbrances. The State Rainy Day Fund is at its constitutional maximum of 10% of State general fund revenues.

The 2023-24 State Budget includes total funding of $129.2 billion for all K-12 education programs, including $79.5 billion from the State's general fund and $49.7 billion from other funds. The 2023-24 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 2023-24 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2023-24 State Budget reflects Proposition 98 funding levels of $110.6 billion in fiscal year 2021-22, $107.4 billion in fiscal year 2022-23, and $108.3 billion in fiscal year 2023-24. Such funding represents approximately 38.5% of the State's general fund revenues, plus local property tax revenues. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2023-24 State Budget increased the funding level from approximately 38.2% to approximately 38.5% to increase the percentage of State general fund revenues due to the minimum guarantee.

- Proposition 98 Rainy Day Fund. The 2023-24 State Budget includes payments required to be made to the Proposition 98 Rainy Day Fund in fiscal years 2021-22 through 2023-24 for a total account balance of $10.8 billion at the end of fiscal year 2023-24. The balance of approximately $9.9 billion in fiscal year 2022-23 triggers a cap on school district reserves beginning in fiscal year 2023-24. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2." See also "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *State Rainy Day Fund; SB 858*."

- Local Control Funding Formula. The 2023-24 State Budget includes a LCFF cost-of-living adjustment of 8.22%, which is the largest cost-of-living adjustment in the history of LCFF. The 2023-24 State Budget provides approximately $556.3 million ongoing Proposition 98 general fund resources to reflect the cost-of-living adjustment for specified categorical programs. The cost-of-living adjustment, when combined with declining enrollment adjustments, increases the year-over-year discretionary funds available to local education agencies by approximately $3.4 billion. The 2023-24 State Budget also reflects the utilization of approximately $1.6 billion one-time Proposition 98 State general fund resources to support the overall costs of the LCFF in fiscal year 2023-24, and provides an increase of approximately $80.0 million ongoing Proposition 98 State general fund resources to support county offices of education serving students in juvenile court and other alternative school settings.

- Accountability Improvements and Equity Multiplier. To support accountability and a continuous improvement system to ensure student group and school site equity gaps within a local education agency are identified and addressed through the Local Control and Accountability Plan, the 2023-24 State Budget provides approximately $300.0 million ongoing Proposition 98 State general fund resources to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and approximately $2.0 million ongoing Proposition 98 general fund resources to support the critical work of the new Equity Leads within the statewide system of support.

- Literacy. The 2023-24 State Budget provides approximately $250.0 million one-time Proposition 98 general fund resources to build upon the existing Literacy Coaches and Reading Specialists Grant Program, which funds high-poverty schools to train and hire literacy coaches and reading specialists for one-on-one and small group intervention for struggling readers.

- State Preschool Program. The 2023-24 State Budget includes the following set asides to fund any adjustments related to reimbursement for preschool providers: approximately $343.1 million in Proposition 98 general fund resources and $20,000 in non-Proposition 98 general fund resources from fiscal year 2022-23; approximately $369.3 million in Proposition 98 general fund resources and $126.1 million in general fund resources from fiscal year 2023-24; and approximately $445.7 million in Proposition 98 general fund resources and $186.5 million in general fund resources from fiscal year 2024-25. Consistent with this approach, the 2023-24 State Budget suspends the annual cost-of-living adjustment applicable to the State Preschool Program in fiscal years 2023-24 and 2024-25. The 2023-24 State Budget reallocates approximately $4.4 million non-Proposition 98 general fund resources and approximately $5.3 million Proposition 98 general fund resources from the 2022-23 State budget to continue to waive family fees from July 1, 2023 through September 30, 2023, and provides approximately $112.0 million in available federal funds to provide temporary stipends for State Preschool Program employees.

- Transitional Kindergarten. The 2023-24 State Budget provides approximately $357.0 million in ongoing Proposition 98 general fund resources for fiscal year 2022-23 to support the first year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and February 2. The 2023-24 State Budget also provides approximately $283.0 million in Proposition 98 general fund resources to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2023-24 State Budget provides approximately $597.0 million in ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24 to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2023-24 State Budget also provides approximately $165.0 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2023-24 State Budget decreases one-time Proposition 98 general fund support for the Arts, Music, and Instructional Materials Block Grant by approximately $200.0 million, reducing total one-time program support from approximately $3.5 billion to approximately $3.3 billion. The Arts and Music in Schools: Funding Guarantee and

Accountability Act (Proposition 28) will provide approximately $938.0 million ongoing Proposition 98 general fund resources beginning in fiscal year 2023-24.

- Learning Recovery Emergency Block Grant. The 2023-24 State Budget delays approximately $1.1 billion one-time Proposition 98 general fund resources for the Learning Recovery Emergency Block Grant to fiscal years 2025-26, 2026-27, and 2027-28.

- Zero-Emission School Buses. The 2023-24 State Budget delays approximately $1.0 billion one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission to fiscal years 2024-25 and 2025-26.

- California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK Program). The 2022-23 State budget included $100.0 million one-time general fund resources and reflected an additional $550.0 million in fiscal year 2023-24 to support the FDK Program. The 2023-24 State Budget delays the planned $550.0 million investment for this program to fiscal year 2024-25.

- School Facility Program. The 2023-24 State Budget provides approximately $2.0 billion one-time general fund resources, which is $100.0 million less than previously planned, to support the School Facility Program in fiscal year 2023-24.

- Nutrition. The 2023-24 State Budget provides an additional $154.0 million in ongoing Proposition 98 general fund resources and an additional $110.0 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.

- Bipartisan Safer Communities Act, Stronger Connections Program. The 2023-24 State Budget provides approximately $119.6 million in one-time federal funds to support local education activities related to improving school climate and safety through the Stronger Connections Program.

- Charter School Facility Grant Program. Consistent with the 2022-23 State budget, the 2023-24 State Budget provides a one-time investment of $30.0 million Proposition 98 general fund resources to support eligible facilities costs.

The complete 2023-24 State Budget is available from the California Department of Finance website at **www.dof.ca.gov**. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2024-25 State Budget. The Governor released the fiscal year 2024-25 proposed State budget (the "Proposed 2024-25 State Budget") on January 10, 2024, which maintains the State's fiscal stability using some of the money saved in historic budget reserves. The Proposed 2024-25 State Budget notes that the estimated $37.9 billion budget shortfall poses a substantial challenge and is rooted in two separate but related developments during fiscal years 2022-23 and 2023-24 – the substantial decline in the stock market that drove down revenues in fiscal year 2022-23 and the unprecedented delay in critical income tax collections in fiscal year 2023-24. The Governor's proposed budgets in January and May 2023 warned of this increased budgetary uncertainty, and in June 2023, the State passed a budget that planned accordingly, setting aside record reserves of just under $38.0 billion. The Proposed 2024-25 State Budget solves for last fiscal year's shortfall while adjusting State spending to ensure continued fiscal stability in future fiscal years.

The stock market recovery and improved economic growth support the Proposed 2024-25 State Budget forecast assumptions that revenue growth will resume in fiscal year 2023-24 following the steep correction in fiscal year 2022-23, with potential upside through fiscal year 2024-25 if the markets continue to outperform the forecast. In addition, the Federal Reserve has indicated it intends to cut interest rates throughout 2024, which may stimulate real estate transactions and other sectors of State's economy. However, several risk factors such as a significant financial shock from tightening financial conditions, stock market and asset price volatility, and declines and geopolitical turmoil, could negatively impact the economy going forward. The Proposed 2024-25 State Budget provides that even after the proposed withdrawals from

State reserves, total reserves in fiscal year 2024-25 will remain substantial at $18.4 billion. This includes $11.1 billion in the State Rainy Day Fund, $3.9 billion in the Proposition 98 Rainy Day Fund, and $3.4 billion in the SFEU.

The Proposed 2024-25 State Budget incorporates the following balanced combination of measures to close the budgetary shortfall in fiscal year 2024-25:

- $13.1 billion in budget withdrawals from the State's reserves, including $10.4 billion from the mandatory State Rainy Day Fund and Transfer Suspension, $1.8 billion from the discretionary State Rainy Day Fund, and $900.0 million from the Safety Net Reserve.

- $8.5 billion in various budget spending reductions, including, but not limited to, $500.0 million in reductions to the School Facilities Aid Program and $494.0 million in reductions to the Student Housing Revolving Loan Fund Program.

- $5.7 billion in support from revenue sources and internal borrowing from special funds.

- $5.1 billion in delayed budgetary funding for multiple items spread across a three-year period, beginning in fiscal year 2025-26, including but not limited to, a $550.0 million funding delay to the Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.

- $3.4 billion in budget fund shifts of certain expenditures from the State general fund to other funds, including, but not limited to, a $1.3 billion reduction on State plans retirement contributions using Proposition 2 debt repayment funding.

- $2.1 billion in funding deferrals to fiscal year 2025-26.

In addition to the budgetary solutions listed above, the Proposed 2024-25 State Budget includes withdrawals from the Proposition 98 Rainy Day Fund of $5.7 billion to maintain support for local educational agencies and community college districts.

The Proposed 2024-25 State Budget estimates total resources available in fiscal year 2023-24 of approximately $238.9 billion, including revenues and transfers of approximately $196.9 billion and a prior year balance of approximately $42.1 billion, and total expenditures in fiscal year 2023-24 of approximately $230.9 billion. The Proposed 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately $222.7 billion, inclusive of revenues and transfers of approximately $214.7 billion and a prior year balance of approximately $8.0 billion. The Proposed 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately $208.7 billion, inclusive of non-Proposition 98 expenditures of approximately $131.8 billion and Proposition 98 expenditures of approximately $76.9 billion. The Proposed 2024-25 State Budget includes approximately $29.0 billion in reserves in fiscal year 2024-25 and allocates reserves as follows: approximately $11.1 billion in the State Rainy Day Fund for fiscal emergencies, approximately $3.9 billion in the Proposition 98 Rainy Day Fund, approximately $10.6 million in the Reserve for Liquidation and Encumbrances, and approximately $3.4 billion in the SFEU.

The Proposed 2024-25 State Budget includes total funding of approximately $126.8 billion for all K-12 education programs, including approximately $76.4 billion from the State's general fund and approximately $50.4 billion from other funds. Per-pupil funding totals $17,653 per pupil in Proposition 98 funding and $23,519 per pupil when accounting for all funding sources.

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

- <u>Proposition 98 Minimum Guarantee</u>. The revised estimates of general fund revenues in the Proposed 2024-25 State Budget result in notable adjustments to the Proposition 98 minimum guarantee, resulting in funding estimates of approximately $98.3 billion in fiscal year 2022-23, $105.6 billion in fiscal year 2023-24, and $109.1 billion in fiscal year 2024-25, representing a three-year decrease in the minimum guarantee of approximately $11.3 billion over the level funded in the 2023-24 State Budget. Recognizing that the delay in the State tax filing deadline in fiscal year 2022-23 impacted State revenue projections for fiscal year 2022-23 available at the time the 2023-24 State Budget was enacted, the Proposed 2024-25 State Budget proposes statutory changes to address approximately $8.0 billion of this decrease to avoid impacting existing school district and community college district budgets.

- Proposition 98 Rainy Day Fund. The 2023-24 State Budget projected a total balance of $10.8 billion in the Proposition 98 Rainy Day Fund. The Proposed 2024-25 State Budget reflects revised fiscal year 2022-23 and 2023-24 payments, and a fiscal year 2024-25 payment, of approximately $339.0 million, $288.0 million, and $752.0 million, respectively, into the Proposition 98 Rainy Day Fund, and withdrawals of approximately $3.0 billion in fiscal year 2023-24 and $2.7 billion in fiscal year 2024-25, for a total revised account balance of more than $3.8 billion at the end of fiscal year 2024-25. There is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Proposition 98 Rainy Day Fund is equal to or greater than 3% of the total K-12 share of the Proposition 98 minimum guarantee. The balance of $5.7 billion in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 continues to trigger school district reserve caps in fiscal year 2024-25. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2." See also "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *State Rainy Day Fund; SB 858.*"

- Local Control Funding Formula. The Proposed 2024-25 State Budget includes a LCFF cost-of-living adjustment of approximately 0.76%. When combined with population growth adjustments, this will result in a decrease of approximately $1.4 billion in discretionary funds for local educational agencies. To fully fund this increase and to maintain the level of current year principal apportionments, the Proposed 2024-25 State Budget proposes withdrawing approximately $2.8 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2023-24, withdrawing approximately $2.2 billion from the Proposition 98 Rainy Day Fund to support ongoing LCFF costs in fiscal year 2024-25, and using available reappropriation and reversion funding totaling $38.6 million to support ongoing LCFF costs in fiscal year 2024-25.

- Local Property Tax Adjustments. The Proposed 2024-25 State Budget includes decreases of in Proposition 98 general fund resources for school districts and county offices of education of $113.0 million and $996.0 million, respectively, in fiscal year 2023-24 and fiscal year 2024-25, as a result of increased offsetting property taxes.

- Instructional Continuity. To provide students with needed instructional continuity including when facing challenges such as severe climate events, illness, or other barriers that impact attendance, the Proposed 2024-25 State Budget proposes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss and chronic absenteeism, as well as related fiscal impacts.

- California State Preschool Program. To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Proposed 2024-25 State Budget includes $53.7 million in general fund resources. These resources are in addition to approximately $140.6 million in general fund resources and $206.3 million in Proposition 98 general fund resources identified in the 2023-24 State Budget.

- Teacher Preparation and Professional Development. To support training for educators to administer literacy screenings, the Proposed 2024-25 State Budget proposes $25.0 million in ongoing Proposition 98 general fund resources through the K-12 Mandate Block Grant.

  To further assist educators in teaching mathematics aligned to the State Board of Education's newly adopted Mathematics Framework, the Proposed 2024-25 State Budget proposes $20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training for mathematics coaches and leaders who can in turn provide training and support to math teachers to deliver high-quality instruction.

The Proposed 2024-25 State Budget also proposes to make statutory changes to focus the use of unexpended allocated Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs and incorporated into the existing Local Control and Accountability Plan (LCAP) development process, and to clarify that the allowable uses of such grant funds include professional development aligned to the new Mathematics Framework.

- School Facility Program. The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized $9.0 billion in State general obligation bonds to support K-12 and community college school facilities construction. With Proposition 51 bond authority funds nearly exhausted, the 2022-23 State budget and 2023-24 State Budget provided approximately $1.3 billion in one-time general fund resources and $2.0 billion in one-time general fund resources, respectively, for the School Facility Program, for K-12 school facilities construction. To address the projected budget shortfall, the Proposed 2024-25 State Budget adjusts a planned fiscal year 2024-25 investment for the School Facility Program from $875.0 million to $375.0 million in one-time general fund resources.

- Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program. The Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (the "**FDK Program**") supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022-23 State budget included $100.0 million in one-time general fund resources for the FDK Program, and the 2023-24 State Budget reflected an additional $550.0 million in fiscal year 2024-25 to support the FDK Program. To address the projected budget shortfall, the Proposed 2024-25 State Budget delays the fiscal year 2024-25 planned investment of $550.0 million to fiscal year 2025-26.

- Zero-Emission School Buses. The Proposed 2024-25 State Budget maintains $500.0 million one-time Proposition 98 general fund resources to support greening school bus fleets through programs operated by the California Air Resources Board and the California Energy Commission in fiscal year 2024-25.

- Nutrition. The Proposed 2024-25 State Budget includes an increase of $122.2 million in ongoing Proposition 98 general fund resources to fully fund the universal school meals program in fiscal year 2024-25.

The complete Proposed 2024-25 State Budget is available from the California Department of Finance website at **www.dof.ca.gov**. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Overview of Proposed 2024-25 State Budget. The LAO released its report on the Proposed 2024-25 State Budget entitled "The 2024-25 Budget: Proposition 98 and K-12 Education" on February 15, 2024 (the "LAO Analysis of the Proposed 2024-25 State Budget"). In the LAO Analysis of the Proposed 2024-25 State Budget, the LAO assesses changes related to the Proposition 98 minimum guarantee and the allocation of Proposition 98 funding to schools and analyzes the major proposals for K-12 education.

The LAO notes that Proposition 98 sets aside a minimum amount of funding for schools based upon a set of constitutional formulas. Due to the delayed deadline for personal income and corporation tax payments, State tax collections for fiscal year 2022-23 were nearly $26.0 billion lower than the levels the State estimated in June 2023. This led to an estimated $9.1 billion downward revision of the Proposition 98 minimum guarantee from the estimate of such guarantee for fiscal year 2022-23. The LAO observes that the reduction in the Proposition 98 minimum guarantee in fiscal year 2022-23 primarily reflects the significant decline in general fund revenue in such year, but is offset slightly by a small increase in property tax revenue. The downward revision is the largest reduction to the Proposition 98 minimum guarantee in a prior year since the passage of Proposition 98 in 1988. By contrast, previous downward revisions to the prior-year guarantee have never been larger than a couple hundred million dollars. The Proposed 2024-25 State Budget also estimates a modest decline in the Proposition 98 minimum guarantee in fiscal year 2023-24 and modest growth in such guarantee in fiscal years 2024-25 and 2025-26. The LAO notes that nearly half of the increase to the Proposition 98 minimum guarantee in fiscal year 2024-25 is due to two special adjustments.

First, the State adjusts the guarantee upward by more than $930.0 million to account for the arts education program established by Proposition 28 in fiscal year 2022-23. Second, the State makes a further upward adjustment of more than $630.0 million to account for the continued expansion of eligibility for transitional kindergarten.

Compared to the Proposed 2024-25 State Budget, the LAO estimates lower general fund revenues, due for the most part to lower tax collections, but estimates higher property tax revenues. Specifically, LAO's updated estimate of general fund revenue (released in February 2024) is $15.3 billion lower than the Proposed 2024-25 State Budget estimates for fiscal year 2023-24 and $8.4 billion lower for fiscal year 2024-25. The LAO estimates the Proposition 98 minimum guarantee is $7.7 billion lower than the Proposed 2024-25 State Budget level in fiscal years 2023-24. Specifically, the LAO's estimates are $5.2 billion lower in fiscal year 2023-24 and $2.5 billion lower in fiscal year 2024-25.

The LAO analyzes the plan for allocating Proposition 98 general fund resources to schools pursuant to the Proposed 2024-25 State Budget. The LAO notes that the Proposed 2024-25 State Budget includes four main solutions that would reduce general fund spending for K-12 districts by $13.7 billion across fiscal years 2022-23 through 2024-25. The LAO indicates that the largest budget solution is a funding maneuver that would move a portion of prior-year school spending to the non-Proposition 98 side of the budget and delay budgetary recognition of the expenditure for several years. The Proposed 2024-25 State Budget also includes discretionary reserve withdrawals, baseline savings, and a one-time reduction to unallocated preschool funds.

Pursuant to the proposed funding maneuver the State would, in effect, be using its cash resources to finance payments to schools that exceed the Proposition 98 minimum guarantee in the prior year and create an internal obligation to recognize the underlying budgetary cost in future fiscal years. Unlike a traditional loan, however, the State would not treat this mechanism as borrowing, make payments to an external creditor, or accrue any interest.

The Proposed 2024-25 State Budget also proposes a $4.9 billion discretionary withdrawal from the Proposition 98 Rainy Day Fund to cover school spending that would otherwise exceed the Proposition 98 minimum guarantee. Of this amount, $2.8 billion would be allocated to the LCFF in fiscal year 2023-24 and $2.1 billion would be allocated to the LCFF in fiscal year 2024-25. These withdrawals would leave $3.9 billion in the Proposition 98 Rainy Day Fund for use in future fiscal years, which balance exceeds the threshold triggering the cap on local school district reserves, meaning the cap would remain operative for at least another year. Additionally, most school districts are expected to experience funding declines in fiscal year 2024-25 as their higher attendance levels from prior years continue phasing out of their average. The Proposed 2024-25 State Budget estimates this phaseout will reduce LCFF statewide by $2.0 billion, approximately 2.6%. Partially offsetting this reduction, the Proposed 2024-25 State Budget estimates an LCFF increase of $796.0 million related to the expansion of transitional kindergarten. This increase consists of $635.0 million for base, supplemental, and concentration grant funding generated by students who are newly eligible in fiscal year 2024-25, and $161.0 million to support lower staffing ratios for these students. Accounting for the attendance phaseout and the expansion of transitional kindergarten, the overall reduction in LCFF costs is $1.2 billion.

The Proposed 2024-25 State Budget also proposes reducing Proposition 98 funding for the State Preschool Program by $446.0 million on a one-time basis in fiscal year 2024-25. This reduction reflects an estimate of State Preschool Program funds that would otherwise go unused. The proposal is not intended to reduce rates or slots. The Proposed 2024-25 State Budget also proposes a reduction of $172.0 million for non-Proposition 98 State Preschool Program. This proposal is likewise intended to only reduce funds that would otherwise go unused.

The LAO notes that the Proposed 2024-25 State Budget recognizes the budget problem and introduces reasonable ideas. Most notably, the Governor's apparent willingness to access funds in the Proposition 98 Rainy Day Fund and identify savings in the State Preschool Program, which the LAO recognizes as reasonable initial steps towards resolving the budget shortfall. However, the LAO expresses major concerns with the proposal to allow schools to keep cash disbursements above the Proposition 98 minimum guarantee without recognizing the budgetary cost of such payments. This proposal creates a new type of budget solution: effectively, an interest-free loan from the State's cash resources and, as such, it sets a problematic precedent. It also creates a binding obligation on the State – one which will worsen the State's already large forecasted deficits, requiring even more difficult decisions by the State Legislature in future fiscal years. It also raises transparency concerns by obfuscating the true condition of the budget.

The LAO has offered recommendations to address the budget shortfall. The LAO recommends that the State Legislature should prioritize core school programs and also promote stability for the budget moving forward. Taking this approach would require the State Legislature to make some difficult choices this fiscal year, but offers substantial advantages. The LAO notes various issues with the proposed funding maneuver included in the Proposed 2024-25 State Budget and strongly recommends the State Legislature reject it. The LAO recommends that the State Legislature begin identifying alternative reductions and solutions it would need to balance the budget. Specifically, the LAO recommends the following one-time and ongoing spending solutions:

- Build a budget that (1) contains a discretionary reserve withdrawal and (2) directs the entire withdrawal toward addressing the shortfall in fiscal year 2022-23. To the extent the State is required to withdraw any funds that remain in the Proposition 98 Rainy Day Fund after covering the shortfall in fiscal year 2022-23, the LAO recommends directing such funds toward existing program costs that would otherwise exceed the Proposition 98 minimum guarantee in fiscal year 2023-24.

- Reject all of the one-time spending increases included in the Proposed 2024-25 State Budget to achieve savings of $599.0 million.

- Review existing grants with unallocated funding and reduce or eliminate any grants that do not represent the State Legislature's highest priorities. The LAO recommends that one reasonable starting point would be to rescind some of the funding remaining unallocated under the Community Schools Partnership Program.

- For a few ongoing programs, the State likely could make one-time reductions that school districts could accommodate by drawing upon unspent carryover funding. Two of the programs for which the LAO anticipates school districts have unspent funds available are the Expanded Learning Opportunities Program and the Special Education Early Intervention Grant.

- Zero out the cost-of-living adjustment for the upcoming fiscal year. Rejecting the cost-of-living adjustment would reduce the ongoing budget shortfall by $628.0 million and assist the State in avoiding committing to an ongoing spending level it would have difficulty maintaining in future fiscal years.

- Reject most other ongoing increases included in the Proposed 2024-25 State Budget, including the increases for school meals and the funding for literacy screeners. However, the LAO does not recommend delaying expansion of transitional kindergarten. This recommendation would reduce ongoing costs by $156.0 million.

- Plan to adopt lower LCFF cost estimates than the Proposed 2024-25 State Budget anticipates for fiscal years 2023-24 and 2024-25 and use updated data to calibrate estimates. Related to these recommendations, the LAO recommends ensuring the estimates account for the interaction between the expansion of transitional kindergarten and the three-year rolling average attendance calculation. Under LAO's latest estimates, the overall cost of LCFF would be $1.8 billion lower across fiscal years 2023-24 and 2024-25.

- Explore changes to ongoing programs that could generate additional savings. The LAO outlines options for reducing costs in five large programs: Expanded Learning Opportunities Program, State Preschool Program, School Nutrition Program, School Transportation Program, and Transitional Kindergarten Staffing Add-On Program.

- Revisit three LCFF add-ons that provide additional funding for certain districts based on historical factors to reduce historical funding inequities among school districts, simplify the LCFF, and provide ongoing savings. The LAO profiles three such add-ons: Targeted Instructional Improvement Block Grants, Minimum State Aid, and Economic Recovery Targets.

The LAO Analysis of the Proposed 2024-25 State Budget is available on the LAO website at **www.lao.ca.gov**. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Early Action Agreement to Reduce State Budget Shortfall. On April 4, 2024, the Governor and the State Legislature agreed to an Early Action budget package (the "Early Action Agreement") to reduce the existing shortfall in the Proposed 2024-25 State Budget, to be addressed in the final State budget for fiscal year 2024-25, by approximately $17.3 billion. The Early Action Agreement consists of a mix of budgetary actions, including $3.6 billion in budgetary reductions (primarily to one-time funding), $5.2 billion in revenue and borrowing, $5.2 billion in delays and deferrals, and $3.4 billion in shifts of costs from the general fund to other State funds. With respect to the budgeted programs for K-12 education, the Early Action Agreement includes a $500.0 million reduction to the School Facility Aid Program and a $550.0 million funding delay with respect to the FDK Program. The Early Action Agreement does not address the Proposition 98 funding maneuver proposed in the Proposed 2024-25 State Budget. On April 11, 2023, the Early Action Agreement was approved by the State Legislature, and on April 15, 2024, the Early Action Agreement was signed into law by the Governor.

The Early Action Agreement is available from the State of California website at **www.ca.gov**. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2024-25 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2024-25 State Budget. In May 2024, the Governor will revise the Proposed 2024-25 State Budget based on updated information available at such time. Such revision in May 2024 may also differ substantially from the Proposed 2024-25 State Budget. The final fiscal year 2024-25 State budget may be affected by national and State economic conditions and other factors which the District cannot predict. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2024-25 State budget from the Proposed 2024-25 State Budget. The District cannot predict the impact that the final fiscal year 2024-25 State budget, or subsequent budgets, will have on its finances and operations.

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 Bonds are payable from *ad valorem* property taxes, the Proposed 2024-25 State Budget and the final fiscal year 2024-25 State budget are not expected to have a material impact on the payment of the Bonds.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 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 State Constitution, which the State's voters approved as "Proposition 1A" at the November 2004 election. That measure was generally superseded by the passage of a new 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 will be 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 "– *Dissolution of Redevelopment Agencies*" below). 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.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal year 2011-12, as signed by the Governor on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and Assembly Bill No. 27 (First Extraordinary Session) ("AB1X 27"), which the Governor signed on June 29, 2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. 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. Certain provisions of AB1X 26 are described further below.

In July of 2011, various parties filed an action before the Supreme Court of the State of California (the "Court") challenging the validity of AB1X 26 and AB1X 27 on various grounds *(California Redevelopment Association v. Matosantos).* On December 29, 2011, the Court rendered its decision in *Matosantos* upholding virtually all of AB1X 26 and invalidating AB1X 27. In its decision, the Court also modified various deadlines for the implementation of AB1X 26. The deadlines for implementation of AB1X 26 described below take into account the modifications made by the Court in *Matosantos*.

On February 1, 2012, and pursuant to *Matosantos*, 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, will be 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.

AB1X 26 requires redevelopment agencies to continue to make scheduled payments on and perform obligations required under its "enforceable obligations." For this purpose, AB1X 26 defines "enforceable obligations" to include "bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of outstanding bonds of the former redevelopment agency" and "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." AB1X 26 specifies that only payments included on an "enforceable obligation payment schedule" adopted by a redevelopment agency shall be made by a redevelopment agency until its dissolution. However, until a successor agency adopts a "recognized obligation payment schedule" the only payments permitted to be made are payments on enforceable obligations included on an enforceable obligation payment schedule. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a "redevelopment property tax trust fund" created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 (now each January 2 and June 1 pursuant to AB 1484, as described below) thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller's administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;

- To the former redevelopment agency's successor agency for payments listed on the successor agency's recognized obligation payment schedule for the ensuing six-month period;

- To the former redevelopment agency's successor agency for payment of administrative costs; and

- Any remaining balance to school entities and local taxing agencies.

The District received approximately $1,677,543 in pass-through payments in fiscal year 2022-23 and has received approximately $753,204 in pass-through payments in fiscal year 2023-24 to date.

It is possible that there will be additional legislation proposed and/or enacted to "clean up" 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.

Allocation of State Funding to School Districts; Local Control Funding Formula

Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under Section 42238 et seq. of the Education Code of the State, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance ("A.D.A."). The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization 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 State Constitution. Such districts were known as "basic aid districts" which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts."

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 revenue funding limit grant ("Base Grant") per unit of A.D.A. with additional supplemental funding allocated to local educational agencies ("LEAs") based on their proportion of English language learners, students from low-income families and foster youth. The LCFF originally had an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. In fiscal year 2018-19, the LCFF was fully funded ahead of the eight year implementation schedule. The LCFF includes the following components:

- A Base Grant for each local educational agency. The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2023-24, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to $9,919 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to $10,069 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to $10,367 per A.D.A. for grades 7 and 8; and (d) a Target Base Grant for each LEA equivalent to $12,015 per A.D.A. for grades 9 through 12. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. 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.

- 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 local educational agency 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. Upon full implementation, local educational agencies would receive the greater of the Base Grant or the ERT.

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 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.

Local Control Accountability Plan. 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 local control and accountability plan ("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.

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 educational agencies in achieving the goals identified in their LCAPs. For local educational 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 educational agency's LCAP.

Attendance and LCFF. The following table sets forth the District's actual and budgeted A.D.A. enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, "EL/LI Students")) and targeted Base Grant per unit of A.D.A. for fiscal years 2014-15 through 2023-24. The A.D.A. and enrollment numbers include special education in the following table.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2014-15 through 2023-24

		A.D.A./Base Grant					Enrollment[14]	
Fiscal Year		K-3	4-6	7-8	9-12	Total A.D.A.[2]	Total Enrollment	Unduplicated Percent of EL/LI Students
2014-15	A.D.A.[2]	6,262	4,547	2,623	4,975	18,407	19,271	67.80%
	Targeted Base Grant[3][4]	$7,011	$7,116	$7,328	$8,491	-	-	-
2015-16	A.D.A.[2]	6,126	4,239	2,611	4,980	17,956	19,000	63.11%
	Targeted Base Grant[3][5]	$7,083	$7,189	$7,403	$8,578	-	-	-
2016-17	A.D.A.[2]	5,829	4,178	2,599	4,824	17,430	18,438	63.39%
	Targeted Base Grant[3][6]	$7,083	$7,189	$7,403	$8,578	-	-	-
2017-18	A.D.A.[2]	5,676	3,962	2,555	4,858	17,051	18,055	64.33%
	Targeted Base Grant[3][7]	$7,193	$7,301	$7,518	$8,712	-	-	-
2018-19	A.D.A.[2]	5,457	3,809	2,516	4,918	16,700	17,648	63.53%
	Targeted Base Grant[3][8]	$7,459	$7,571	$7,796	$9,034	-	-	-
2019-20	A.D.A.	5,135	3,798	2,455	4,901	16,290	17,223	64.21%
	Targeted Base Grant[3][9]	$7,702	$7,818	$8,050	$9,329	-	-	-
2020-21	A.D.A.	5,135	3,798	2,455	4,901	16,290	16,374	63.47%
	Targeted Base Grant[3][10]	$7,702	$7,818	$8,050	$9,329	-	-	-
2021-22	A.D.A.	4,675	3,411	2,242	5,051	16,264	16,267	72.21%
	Targeted Base Grant[3][11]	$8,935	$8,215	$8,458	$10,057	-	-	-
2022-23	A.D.A.	4,478	3,128	2,154	4,504	15,961	15,866	72.44%
	Targeted Base Grant[3][12]	$10,119	$9,304	$9,280	$11,391	-	-	-
2023-24[1]	A.D.A.[2]	4,764	3,445	2,286	4,282	15,314	15,416	72.73%
	Targeted Base Grant[3][13]	$9,919	$10,069	$10,367	$12,015	-	-	-

(1) Figures are projections. For the budget in fiscal years 2020-21 and 2021-22, the State continued to hold school district's harmless for A.D.A. due to the COVID-19 pandemic, thus allowing school districts to keep their A.D.A. funding at the same amount as in fiscal year 2019-20 prior to the COVID-19 pandemic. School districts throughout the State are still experiencing lower A.D.A. levels. Therefore, for the 2022-23 school year the Governor has proposed a three-year rolling average, similar to what the State uses for the Unduplicated Pupil Percentage.
(2) A.D.A. for the second period of attendance, typically in mid-April of each school year.
(3) Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts were not fully funded until fiscal year 2018-19.
(4) Targeted fiscal year 2014-15 Base Grant amounts reflect a 0.85% cost of living adjustment from targeted fiscal year 2013-14 Base Grant amounts.
(5) Targeted fiscal year 2015-16 Base Grant amounts reflect a 1.02% cost of living adjustment from targeted fiscal year 2014-15 Base Grant amounts.
(6) Targeted fiscal year 2016-17 Base Grant amounts reflect a 0.00% cost of living adjustment from targeted fiscal year 2015-16 Base Grant amounts.
(7) Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.
(8) Targeted fiscal year 2018-19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts.
(9) Targeted fiscal year 2019-20 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2018-19 Base Grant amounts.
(10) Targeted fiscal year 2020-21 Base Grant amount reflects a 0.0% cost-of-living adjustment from targeted fiscal year 2019-20 Base Grant amounts.
(11) Targeted fiscal year 2021-22 Base Grant amount reflects a 5.07% cost-of-living adjustment from targeted fiscal year 2020-21 Base Grant amounts.
(12) Targeted fiscal year 2022-23 Base Grant amount reflects a 13.26% adjustment from targeted 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.
(13) Targeted fiscal year 2023-24 Base Grant amount reflects an 8.22% cost-of-living adjustment from targeted fiscal year 2022-23 Base Grant amounts.
(14) Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2014-15 percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, the percentage of unduplicated EL/LI Students was and will be 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: The District.

The District received approximately $207.8 million in aggregate revenues reported under LCFF sources in fiscal year 2022-23, and has projected to receive approximately $220.5 million in aggregate revenues under the LCFF in fiscal year 2023-24 (or approximately 69.5% of its general fund revenues in fiscal year 2023-24). Such amount includes supplemental and concentration grants estimated to be approximately $37.4 million in fiscal year 2022-23, and projected to be approximately $44.1 million in fiscal year 2023-24.

Local Sources of Education Funding

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 et seq. and Sections 95 et seq. of the Revenue and Taxation Code of the State. Section 42238(h) of the Education Code of the State 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 State Constitution. Such districts were known as "basic aid districts." School districts that received some State aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as an 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 "− Allocation of State Funding to School Districts; Local Control Funding Formula" above for more information.

Local property tax revenues are projected to account for approximately 35.6% of the District's aggregate revenues reported under LCFF sources and are projected to be approximately $78.4 million, or 24.7% of total general fund revenues in fiscal year 2023-24.

For information about the property taxation system in California and the District's property tax base, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Property Taxation System," "– Assessed Valuation of Property Within the District," and "– Tax Collections and Delinquencies."

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."

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

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the District to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's adopted budget and projected A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for the current fiscal year or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 11.1% (or approximately $35.3 million) of the District's general fund projected revenues for fiscal year 2023-24.

Impact Aid Funds. Many local school districts, including the District, include within their boundaries parcels of land that are owned by the federal government or that have been removed from the local tax rolls by the federal government. These school districts face special challenges – they must provide a quality education to the children living on Native American and other federal lands, while sometimes operating with less local revenue than is available to other school districts, because the federal property is exempt from local property taxes. Since 1950, Congress has provided financial assistance to these local school districts through the Impact Aid Program. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Native American lands, military bases, low-rent housing properties, and other federal properties, or have parents in the uniformed services or employed on eligible federal properties. Most Impact Aid funds, except for the additional payments for children with disabilities and construction payments, are considered general aid to the recipient school districts; these districts may use the funds in whatever manner they choose in accordance with their local and State requirements.

As of April 1, 2024, the District has received approximately $4,091,435 in Impact Aid funds allocated for fiscal year 2023-24. This includes payments for (i) Section 7002 in the amount of approximately $1,592,605, (ii) Section 7003(b) in the amount of approximately $2,363,748, and (iii) Section 7003(d) in the amount of approximately $135,082. The District received approximately $7,675,261 in Impact Aid funds allocated for fiscal year 2022-23. This includes payments for (i) Section 7002 in the amount of approximately $3,050,826, (ii) Section 7003(b) in the amount of approximately $4,245,913, and (iii) Section 7003(d) in the amount of approximately $378,522. The District received approximately $7,091,490 in Impact Aid funds allocated for fiscal year 2021-22. This includes payments for (i) Section 7002 in the amount of approximately $2,872,182, (ii) Section 7003(b) in the amount of approximately $3,840,960, and (iii) Section 7003(d) in the amount of approximately $378,348. The District received approximately $6,678,660 in Impact Aid funds allocated for fiscal year 2020-21. This includes payments for (i) Section 7002 in the amount of approximately $2,761,817, (ii) Section 7003(b) in the amount of approximately $3,545,388, and (iii) Section 7003(d) in the amount of approximately $371,455.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues which comprise approximately 13.2% (or approximately $41.9 million) of the District's general fund projected revenues for fiscal year 2023-24. A significant 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. The District's State lottery revenue is projected at approximately $3.8 million for fiscal year 2023-24.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from other local sources, such as interest earnings, which is projected to comprise approximately 6.2% (or approximately $19.7 million) of the District's general fund projected revenues for fiscal year 2023-24.

See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" and "– Article XIIIC and Article XIIID of the State Constitution."

Significant Accounting Policies and Audited Financial Reports

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the Education Code of the State. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Nigro & Nigro, PC, Murrieta, California, serves as independent auditor to the District and excerpts of its report for fiscal year ended June 30, 2023 are attached hereto as Appendix B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of excerpts from the audit herein that there has been no material change in the financial condition of the District since the audit was concluded. The District is required by law to file its audit report for each fiscal year with the County Superintendent and State officials by December 15 and to review the report and any recommended changes following a public meeting to be conducted no later than January 31.

The following table sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2018-19 through 2022-23.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
General Fund Revenues, Expenditures and Fund Balances
2018-19 through 2022-23[(1)]

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual
REVENUE/RECEIPTS					
LCFF Sources	$170,047,703	$173,293,585	$168,287,513	$182,843,985	$207,753,414
Federal Sources	19,117,277	18,006,263	30,881,790	30,057,803	36,113,395
Other State Sources	27,652,441	19,531,908	24,041,400	35,117,755	68,623,929
Other Local Sources	13,179,608	13,254,442	13,892,646	13,998,923	18,539,042
TOTAL	$229,997,029	$224,086,198	$237,103,349	$262,018,466	$331,029,780
EXPENDITURES/ DISBURSEMENTS					
Certificated Salaries	$89,889,754	$91,870,311	$92,801,781	$101,266,581	$105,653,996
Classified Salaries	31,272,862	31,776,984	31,431,691	35,751,194	38,295,220
Employee Benefits	71,902,086	68,893,455	67,871,539	74,351,604	83,790,960
Books and Supplies	5,457,781	8,094,266	14,395,312[(2)]	8,608,897	16,107,740
Services/Other Operating Expenditures	20,486,767	20,651,165	23,358,474	30,367,423	33,336,322
Capital Outlay	2,167,101	896,967	1,496,660	1,254,116	3,464,924
Other Outgo	1,456,462	1,490,855	1,215,925	1,323,202	1,535,111
Transfers of Indirect Costs	-	-	(252,208)	(274,462)	(200,683)
Debt Service - Interest	(426,515)	(314,052)	-	-	-
TOTAL	$222,206,298	$223,359,951	$232,319,174	$252,648,555	$281,983,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	$7,790,731	$726,247	$4,784,175	$9,369,911	$49,046,190
OTHER FINANCING SOURCES/(USES)					
Transfers In/Other Sources	-	-	-	-	$2,003,413
Transfers Out/Other Uses	$(17,189)	-	$(3,541)	$(2,082)	-
TOTAL	$(17,189)	-	$(3,541)	$(2,082)	$2,003,413
EXCESS OF REVENUE, OTHER SOURCES OVER/ (UNDER) EXPENDITURES, OTHER USES	$7,773,542	$726,247	$4,780,634	$9,367,829	$51,049,603
Fund Balance, beginning of year	$28,605,485	$36,379,027	$37,105,274	$41,885,908[(3)]	$51,253,737
Fund Balance, end of year	$36,379,027	$37,105,274	$41,885,908[(3)]	$51,253,737	$102,303,340

(1) Totals may not add up due to rounding.
(2) The increase in Books and Supplies expenditures in fiscal year 2020-21 reflects the purchase of personal protective equipment (PPE), electronic devices, and instructional materials purchased during the COVID-19 pandemic. Unallocated COVID-19-related expenditures were also budgeted in Books and Supplies for fiscal year 2020-21.
(3) The ending fund balance for fiscal year 2020-21 and beginning fund balance for fiscal year 2021-22 reflects an audit restatement resulting in a decrease of $22.48 from the fund balance provided in the audited actuals for fiscal year 2020-21.
Source: Audited financial statements for fiscal years 2018-19 through 2022-23.

School District Reserves. The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain unrestricted general fund reserves in the amount of 3% of its total general fund expenditures, the level of which is based on total student attendance below 30,000. For fiscal year 2023-24, the

District projects an unrestricted general fund reserve of 3.0%, or approximately $11.6 million, compared to the fiscal year 2022-23 unrestricted general fund reserve of $35.4 million. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer on behalf of the District, pursuant to law and the investment policy of the County. See APPENDIX E – "SAN DIEGO COUNTY INVESTMENT POOL."

The following table sets forth the budgeted revenues, expenditures and changes in fund balances for the District's general fund for fiscal year 2023-24. Certain adjustments may be made throughout the year based on actual State funding and actual District revenues and tax collections. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on the District. The District's budget is a planning tool, and does not represent a prediction as to the actual achievement of any budgeted revenues or fund balances.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Budgeted General Fund Summary for Fiscal Year 2023-24[1]

	2023-24 Adopted Budget[2]	2023-24 Second Interim[3]
REVENUES		
LCFF Sources	$219,159,385	$220,498,437
Federal Revenue	15,472,309	35,324,143
Other State Revenue	27,696,661	41,940,129
Other Local Revenue	15,318,809	19,650,164
TOTAL	**$277,647,164**	**$317,412,873**
EXPENDITURES		
Certificated Salaries	$102,417,628	$102,901,574
Classified Salaries	37,625,887	38,940,698
Employee Benefits	87,690,467	86,278,354
Books and Supplies	6,348,013	16,328,702
Services/Other Operating Expenditures	36,295,039	82,012,127
Other Outgo – Excluding Transfers of Indirect Costs	190,634	1,040,634
Other Outgo – Transfers of Indirect Costs	(228,498)	(241,650)
Capital Outlay	2,817,063	16,679,673
TOTAL	**$273,156,233**	**$343,940,112**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$4,490,931	$(26,527,239)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	$13,224
Transfers Out	-	-
Other Sources/Uses	-	-
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**$13,224**
NET CHANGE IN FUND BALANCE	$4,490,931	$(26,514,015)
Fund Balance – Beginning	**$101,101,436**	**$101,101,436**
Audit Adjustments	**-**	**-**
Fund Balance – Ending	**$105,592,367**	**$74,587,421**

[1] Totals may not add due to rounding.
[2] Adopted budget for fiscal year 2023-24, as of June 27, 2023.
[3] Approved on March 12, 2024.
Source: The District.

District Budget Process and County Review

State law requires school districts to adopt 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 County of San Diego Superintendent of Schools (the "County Superintendent").

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 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 Superintendent of Public Instruction 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 Superintendent of Public Instruction 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 Superintendent of Public Instruction 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.

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 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, will 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 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. The District received qualified certifications in connection with its interim reports for fiscal years 2019-20 through 2021-22. The District received positive certifications in connection with its interim reports for fiscal years 2022-23 and 2023-24.

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 Superintendent of Public Instruction 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 Superintendent of Public Instruction 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.

District Debt Structure

General Obligation Bonds. The District has bonds outstanding under three voter authorizations. On March 7, 2000, the District's voters approved a measure, known as Proposition G, authorizing the District to issue up to $125 million in general obligation bonds. There is no remaining authorization under Proposition G.

On June 3, 2008, the District's voters approved a measure, known as Proposition H, authorizing the District to issue up to $195 million in general obligation bonds. The District has issued seven series of bonds, in 2009, 2010, 2012, 2016, 2019 2020, and 2022. There is no remaining authorization under Proposition H.

On November 3, 2020, the District's voters approved a measure, known as Measure W, authorizing the District to issue up to $160 million in general obligation bonds. The District has issued two series of bonds, in 2021 and 2023, and $60 million of authorization remains under Measure W.

In addition, the District has outstanding eight series of refunding bonds used to pay prior outstanding bonds of the District. A summary of the District's general obligation bonds issued prior to the issuance of the Bonds is presented in the following table.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Summary of Outstanding General Obligation Bonds

Series	Issue Date	Original Principal Amount	Principal Amount Outstanding as of April 1, 2024[1]
Proposition H (2008)			
Series A	3/4/2009	$49,995,053.70	$13,093,902.55
Series B	5/19/2010	29,999,990.75	14,354,110.35
Series C	5/3/2012	14,999,281.90	3,943,940.55
Series D	4/7/2016	35,000,000.00	31,610,000.00
Series E	7/2/2019	25,000,000.00	20,350,000.00
Series F	9/2/2020	25,000,000.00	14,805,000.00
Series G	7/26/2022	15,005,000.00	15,005,000.00
Measure W (2020)			
Series A	8/17/2021	50,000,000.00	34,545,000.00
Series B	10/05/2023	50,000,000.00	50,000,000.00
Refunding Bonds			
2014[2]	7/15/2014	32,385,000.00	23,265,000.00
2015	11/19/2015	42,790,000.00	40,980,000.00
2018[2]	8/14/2018	30,370,000.00	22,520,000.00
2020 (CIBs)	9/2/2020	8,075,000.00	5,810,000.00
2020 (CABs)	9/2/2020	17,899,497.25	17,899,497.25
2021	8/17/2021	11,520,000.00	10,175,000.00
2022	7/26/2022	6,445,000.00	6,445,000.00
2023	10/05/2023	7,600,000.00	7,600,000.00

(1) Excludes accreted value on capital appreciation bonds.
(2) Expected to be refunded in part by the Bonds.
Source: The District.

Capital Lease. The District has a lease for buses under agreement with an option to purchase. The annual requirements on the capital lease outstanding as of June 30, 2023, are as follows:

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Annual Lease Payments
Capital Leases

Fiscal Year	Total
2023-24	$200,263
2024-25	257,263
2025-26	200,263
2026-27	200,263
	$858,052

Source: The District.

Lease Obligation. On December 20, 2023, the District entered into a lease obligation with an aggregate principal amount of $38,090,000 (the "Lease Obligation") with interest of 5.17% on each maturity of such Lease Obligation. The Lease Obligation was entered into to finance construction of the District's operations complex. Interest with respect to the Lease Obligation is payable semi-annually on each May 1 and November 1, through the final maturity of the Lease Obligation on November 1, 2043. Principal with respect to the Lease Obligation is payable annually on each May 1, and annual principal payments range from $1,315,610.13 to $3,168,937.57. As of April 1, 2024, the principal balance outstanding was $38,090,000.

Tax and Revenue Anticipation Notes. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available moneys. The District evaluates each year whether or not temporary borrowing will be necessary or economically beneficial. The District does not currently plan to issue TRANs in fiscal year 2023-24.

Accrued Vacation. The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2023, was $831,237. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

Labor Relations

For fiscal year 2023-24, the District budgeted a total of 2,009.0 FTE employees, including 959.0 FTE certificated (non-management) staff, 951.0 FTE classified (non-management) staff, and 99.0 FTE management, supervisor and confidential FTE personnel. For fiscal year 2023-24, the total certificated and classified payrolls are budgeted at $102.9 million and $38.9 million, respectively.

The District's certificated and classified employees are represented by formal bargaining organizations as shown in the following table.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Labor Organizations

Labor Organization	FTEs Represented	Contract Expiration
Oceanside Teachers Association (OTA)	959.0	June 30, 2026
California Schools Employees Association (CSEA)	951.0	June 30, 2025
	1,910.0	

Source: The District.

Early Retirement Incentive. The District provided a supplementary early retirement plan for eligible employees, effective July 2018. The incentive was financed over five years and was paid in full as of June 30, 2023.

Retirement Benefits

The District participates in retirement plans with CalSTRS which covers all full-time certificated District employees, and the State Public Employees' Retirement System ("CalPERS"), which covers certain classified employees. Classified school 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 year 2022-23, the employer contribution rate was approximately 19.10% of covered payroll and is approximately 18.48% for fiscal year 2023-24. 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 year 2022-23 and is approximately 10.33% for fiscal year 2023-24. 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 2022-23 and remains at 10.25% for fiscal year 2023-24. 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 2022-23 and remains at approximately 10.21% for fiscal year 2023-24.

The following table sets forth the District's total employer contributions to CalSTRS for fiscal years 2014-15 through 2022-23, and the projected contribution for fiscal year 2023-24.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Contributions to CalSTRS for Fiscal Years 2014-15 through 2023-24

Fiscal Year	Contribution
2014-15	$7,727,385
2015-16	10,001,655
2016-17	11,715,177
2017-18	13,431,816
2018-19	14,442,236
2019-20	15,567,188
2020-21	14,844,381
2021-22	16,646,395
2022-23	19,346,645
2023-24(1)	28,803,207

(1) Projected. Includes on-behalf payments.
Source: The District.

The District's total employer contributions to CalSTRS for fiscal years 2014-15 through 2022-23 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, 2022 (the "2022 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of $88.55 billion, a decrease of approximately $1.17 billion from the June 30, 2021, valuation. Such estimated unfunded actuarial liability was projected to increase in the June 30, 2021, valuation, which projected an unfunded actuarial liability of $89.80 billion as of June 30, 2022. The actual unfunded actuarial liability as of June 30, 2022, represents a net actuarial gain of approximately $1.25 billion. Such net actuarial gain is due primarily to member salary increases being more than assumed and market value returns (estimated at negative 2.40%) being less than assumed (7.00%). The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2022, and June 30, 2021, based on the actuarial assumptions, were approximately 74.40% and 73.00%, respectively. According to the 2022 CalSTRS Actuarial Valuation, the funded ratio increased by 1.40% during the past year. As described in the 2022 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the recognition of deferred investment gains from prior fiscal years that were used to offset the reported negative 2.40% return on investments on the market value of assets for fiscal year 2021-22, which is CalSTRS' first negative return on investments since fiscal year 2008-09. Other factors contributing to such increase include the additional State contributions made in the prior fiscal years and contributions to pay down the unfunded actuarial liability under the State Teachers' Retirement Board's valuation policy. 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 2022 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, 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 2022 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "− California Public Employees' Pension Reform Act of 2013" 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.

CalPERS. All qualifying classified employees of K-14 districts in the State are members in CalPERS. All K-14 districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. K-14 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 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 district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and K-14 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 fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2021-22, which increased to 8.00% in fiscal year 2022-23 and remains at 8.00% for fiscal year 2023-24. K-14 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 and is 26.68% for fiscal year 2023-24.

The following table sets forth the District's total employer contributions to CalPERS for fiscal years 2014-15 through 2022-23, and the projected contribution for fiscal year 2023-24.

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
Contributions to CalPERS for Fiscal Years 2014-15 through 2023-24

Fiscal Year	Contribution
2014-15	$3,483,635
2015-16	3,913,069
2016-17	4,647,290
2017-18	5,195,018
2018-19	5,654,103
2019-20	6,414,539
2020-21	6,689,590
2021-22	7,957,686
2022-23	9,223,995
2023-24(1)	10,198,758

(1) Projected.
Source: The District.

The District's total employer contributions to CalPERS for fiscal years 2014-15 through 2022-23 were equal to 100% of the required contributions for each year.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 (the "2022 CalPERS Schools Pool Actuarial Valuation"), was released in September 2023, and such valuation reported an actuarial accrued liability of approximately $116.98 billion with the market value of assets at approximately $79.39 billion, and a funded status of approximately 67.90%. From June 30, 2021, to June 30, 2022, the funded status of the CalPERS Schools Pool decreased by approximately 10.40%, and the unfunded accrued liability increased by approximately $13.61 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 2023-24 by 1.69% of payroll. The 2022 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 are projected to be 27.80%, 28.50%, 28.90%, 30.30% and 30.10%, 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 2022 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 2022 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 2022 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative expenses) as of June 30, 2022. 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 2022 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.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 (the "Reform Act" or "PEPRA") into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2.0% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2.0% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in social security.

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 (except as already announced). CalSTRS and CalPERS liabilities are more fully described in APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023." The District is not permitted to pay down its portion of retirement liability for CalSTRS or CalPERS.

GASB 67 and 68. In June 2012, the Governmental Accounting Standards Board approved a pair of related statements, GASB Statement No. 67, Financial Reporting for Pension Plans ("GASB 67"), which addresses financial reporting for pension plans, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements changed how governments calculate and report the costs and obligations associated with pensions. GASB 67 replaced the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and GASB 68 replaced the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of GASB Statement No. 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes included: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. GASB 67 took effect in fiscal years beginning after June 15, 2013, and GASB 68 took effect in fiscal years beginning after June 15, 2014. The District's audited financial statements following the effective date of GASB 68 reflect the reporting requirements pursuant to GASB 68.

The District implemented the provisions of GASB 68 which required the District to recognize its proportionate share of its unfunded pension liabilities with CalPERS and CalSTRS. These amounts were presented as long-term liabilities and are funded as a component of the annual required contribution that District makes to CalPERS and CalSTRS on behalf of its employees.

Other Post-Employment Benefits (OPEB). In June 2015, GASB approved new accounting and financial reporting standards for state and local government OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("GASB 74"), applies to OPEB plans. Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"), applies to state and local employers that sponsor OPEB. Generally, the new OPEB standards parallel those applied to defined-benefit pension plans and participating employers by GASB 67 and 68, respectively. The new standards introduce new procedures for measuring OPEB liabilities and costs, require employers to report a net OPEB liability on their financial statements, and require more extensive disclosure in plan and employer financial statements. GASB 74 was effective for plans with fiscal years beginning after June 15, 2016. GASB 75 is effective for employers for fiscal years beginning after June 15, 2017.

The District has implemented GASB 74 and GASB 75, the latter as a replacement to GASB 45. Under GASB 75, net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service ("total OPEB liability"), less the amount of the OPEB plan's fiduciary net position.

In addition to the retirement plan benefits with CalSTRS and CalPERS (see "– Retirement Benefits" above), the District provides medical, dental and vision benefits to retirees and their covered eligible dependents. The Postemployment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. As of June 30, 2023, membership of the Plan consisted of 112 retirees and beneficiaries receiving benefits and 1,440 active plan members. For a description of the District's Plan, see Note 8 to the District's financial statements attached hereto as APPENDIX B − "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023." The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. As of June 30, 2023, the District has a total OPEB liability related to the Plan of $12,004,175 and an OPEB expense of $567,356.

The District also provides a Medicare Premium Payment Program ("MPP Program"), a cost-sharing multiple-employer other postemployment benefit plan, administered by CalPERS. For a description of the MPP Program, see Note 8 to the District's financial statements attached hereto as APPENDIX B − "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023." As of June 30, 2023, the District reported a liability related to the MPP Program of $844,802 for its proportionate share of the net OPEB liability and an OPEB expense of $(65,647).

Participation in Joint Powers Authority

The District participates in one joint venture under joint powers authorities ("JPAs"), including the Protected Insurance Program for schools ("PIPS") and the San Diego County Schools Risk Management JPA ("RM"). PIPS arranges for and provides various types of insurances such as workers' compensation, cybersecurity, crime, equipment, health and property and liability insurance as requested by its member school districts. RM arranges for and provides stormwater insurance, as well as assists with maintenance and operations and transportation permitting for the District. For more information, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023," Note 10.

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 Education Code of the State (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 dependent 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. Dependent 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.

There are currently three independent charter schools operating in the District: Coastal Academy, serving transitional kindergarten through grade twelve, Pacific View Charter, serving kindergarten through grade twelve, and Scholarship Prep – Oceanside, serving kindergarten through grade eight, with a combined total estimated enrollment of 3,042.0 in fiscal year 2022-23 and a projected enrollment of 3,042.0 in fiscal year 2023-24. The District can make no representation as to whether enrollment at such charter school may increase at the expense of District enrollment in future years, whether additional charter schools will be established within the territory of the District, or as to the impact these or other charter school developments may have on the District's A.D.A. or finances in future years.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, State voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) 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. The tax for the payment of the Bonds fall within the exceptions described in (ii) and (iii) of the immediately preceding sentence. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the Revenue and Taxation Code of the State 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 XIIIA. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

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.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, 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, allows eligible homeowners to transfer their tax assessments anywhere within the State and allows tax assessments to be transferred to a more expensive home with an upward adjustment; requires that inherited homes that are not used as principal residences, such as second homes or rentals, be reassessed at market value when transferred; and allocates additional revenue or net savings resulting from the ballot measure to wildfire agencies and counties.

Article XIIIB of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB 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 XIIIB 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 XIIIB, 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 its allowable appropriations limit are absorbed into the State's allowable limit.

Article XIIIC and Article XIIID of the State Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State Constitution Articles XIIIC and XIIID ("Article XIIIC" and "Article XIIID," 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 State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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 XIIIA of the State 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, State voters 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 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 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act") which amends Section 1 of Article XIIIA, Section 18 of Article XVI of the State Constitution and Section 47614 of the State Education Code and allows an alternative means of seeking voter approval for bonded indebtedness of a school district or community college district by 55% of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the State Constitution. The 55% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA has been added to exempt from the 1% ad valorem property tax limitation under Section 1(a) of Article XIIIA of the State Constitution levies to pay bonds approved by the 55% of the voters, subject to the restrictions explained above. The ad valorem property tax for payment on the Bonds falls within the exception described in the preceding sentence.

The State Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the State Education Code. Under amendments to Section 15268 and 15270 of the State Education Code, the following limits on ad valorem property taxes apply in any single election: (1) for a school district, indebtedness shall not exceed $30 per $100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed to review the use of the bond funds and inform the public about their proper usage. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Proposition 98 and Proposition 111

On November 8, 1988, voters 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-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 XIIIB 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 school Appropriations Limits 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 XIIIB 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, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State 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 XIIIB 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.

Proposition 30 and Proposition 55

On November 6, 2012, voters 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 from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. 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 on November 8, 2016, extends by twelve 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 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 the voters 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 multiyear 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.

The 2023-24 State Budget includes a constitutionally required deposit into the Proposition 98 Rainy Day Fund in the amount of $376.5 million. Such deposit to the Proposition 98 Rainy Day Fund does not initiate any school district reserve caps under SB8 858 or SB 751 (described below), as the amount in the Proposition 98 Rainy Day Fund (which is equal to the fiscal year 2023-24 deposit) is not equal to or greater than 3% of the total Proposition 98 guarantee (approximately $2.1 billion).

SB 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 students, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code of the State, or

(b) for school districts with an A.D.A. that is more than 400,000 students, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code of the State. 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.

The District, which has an A.D.A. of less than 400,000 students, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 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 average daily attendance.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State 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 Bonds as and when due.

Proposition 51

At the November 8, 2016 Election, voters in the State approved the Kindergarten Through Community College Public Education Facilities Bond Act of 2016 ("Proposition 51"). Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds for new construction and modernization of K-14 facilities. The District makes no representation or guarantee that it will either pursue or qualify for Proposition 51 State facilities funding.

K-12 School Facilities. Proposition 51 includes $3 billion for new construction of K-12 facilities and an additional $3 billion for modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of new construction costs and 40% of modernization costs with local revenues. If a school district lacks sufficient local funding it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school facilities ($500 million) and technical education facilities ($500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two project types may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound prior to project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including land acquisition, new building construction, modernization of existing buildings, and equipment purchases. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then determines which projects to submit to the State Legislature and Governor based on a scoring system that considers in the amount of local funds contributed to the project. The Governor and State Legislature select among eligible projects as part of the annual state budget process.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 2, 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 revenues.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OCEANSIDE UNIFIED SCHOOL DISTRICT

SAN DIEGO COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2023

Nigro & Nigro PC

OCEANSIDE UNIFIED SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2023
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NIGRO & NIGRO PC

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Governing Board
Oceanside Unified School District
Oceanside, California

Report on the Audit of the Financial Statements

Qualified Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oceanside Unified School District, as of and for the fiscal year ended June 30, 2023, 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, except for the effects of the matters described in the Basis for Qualified Opinions, 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 Oceanside Unified School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions
The District's financial statements do not disclose Subscription Based Information Technology Arrangements under GASB 96. In our opinion, disclosure of that information is required by accounting principles generally accepted in the United States of America.

We conducted our audit 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, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards are further described in the Auditors' 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.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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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.

Auditors' 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 auditors' 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 proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the LEA Organization Structure and the Schedule of Charter Schools, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the LEA Organization Structure and the Schedule of Charter Schools, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The LEA Organization Structure and the Schedule of Charter Schools have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued our report dated March 4, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro + Nigro, PC.

Murrieta, California
March 4, 2024

This discussion and analysis of Oceanside Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $89.8 million, or 168.6%.
- Governmental expenses were about $292.0 million. Revenues were about $381.8 million.
- The District acquired almost $15.0 million in new capital assets during the year.
- Governmental funds increased by $73.2 million, or 37.5%.
- Unassigned Reserves for the General Fund decreased by $3.0 million or 26.0%. Revenues and other financing sources were $333.0 million, and expenditures and other financing uses were $282.0 million.

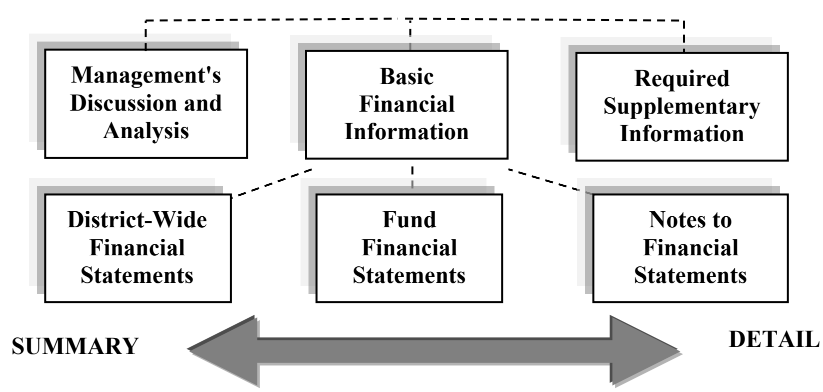
OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-wide financial* statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
  - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary funds* statements.
  - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary funds* statements.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Oceanside Unified School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

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

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

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

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

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

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

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

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that is properly using certain revenues.

The District has two kinds of funds:

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

2) ***Proprietary funds*** – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the District-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured programs for medical and dental claims.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2023, than it was the year before – increasing 168.6% to $36.5 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2023	**2022**	**Net Change**
Assets			
Current assets	$ 312,000,575	$ 222,674,654	$ 89,325,921
Capital assets	311,820,089	308,025,199	3,794,890
Total assets	623,820,664	530,699,853	93,120,811
Total deferred outflows of resources	77,978,573	52,721,329	25,257,244
Liabilities			
Current liabilities	41,327,407	25,945,702	15,381,705
Long-term liabilities	575,304,644	499,118,711	76,185,933
Total liabilities	616,632,051	525,064,413	91,567,638
Total deferred inflows of resources	48,637,453	111,582,408	(62,944,955)
Net position			
Net investment in capital assets	98,664,068	93,116,304	5,547,764
Restricted	134,353,129	74,336,456	60,016,673
Unrestricted	(196,487,464)	(220,678,399)	24,190,935
Total net position	$ 36,529,733	$ (53,225,639)	$ 89,755,372

Changes in net position, governmental activities. The District's total revenues increased 33.3% to $381.8 million (See Table A-2). The increase is due primarily to one time grants and contributions.

The total cost of all programs and services increased 19.3% to $292.0 million. The District's expenses are predominantly related to educating and caring for students, 71.9%. The purely administrative activities of the District accounted for just 6.1% of total costs. Significant contributors to the increase in costs were instruction related costs and pension expense.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		
	2023	**2022**	**Net Change**
Revenues			
Program Revenues:			
Charges for services	$ 7,022,170	$ 5,268,343	$ 1,753,827
Operating grants and contributions	116,248,050	58,866,923	57,381,127
General Revenues:			
Property taxes	111,922,057	106,394,591	5,527,466
Federal and state aid not restricted	132,995,098	114,526,921	18,468,177
Other general revenues	13,575,873	1,285,104	12,290,769
Total Revenues	381,763,248	286,341,882	95,421,366
Expenses			
Instruction-related	177,206,877	152,199,099	25,007,778
Pupil services	32,636,579	28,252,401	4,384,178
Administration	17,769,013	11,927,187	5,841,826
Plant services	27,616,616	24,954,395	2,662,221
All other activities	36,778,791	27,449,279	9,329,512
Total Expenses	292,007,876	244,782,361	47,225,515
Increase (decrease) in net position	$ 89,755,372	$ 41,559,521	$ 48,195,851
Total Net Position	$ 36,529,733	$ (53,225,639)	

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $268.5 million, which is above last year's ending fund balance of $195.3 million. The primary cause of the increased fund balance is from proceeds in the Building Fund and the Special Reserve for Capital Outlay Fund.

Table A-3: The District's Fund Balances

	Fund Balances				
	July 1, 2022	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2023
Fund					
General Fund	$ 51,253,737	$ 331,029,780	$ 281,983,590	$ 2,003,413	$ 102,303,340
Student Activity Fund	1,003,856	1,221,255	1,079,399	-	1,145,712
Child Development Fund	241,855	1,087,057	1,096,930	-	231,982
Cafeteria Fund	9,691,605	13,854,287	10,535,429	-	13,010,463
Building Fund	87,409,744	1,945,050	10,874,430	15,005,000	93,485,364
Capital Facilities Fund	17,335,314	5,228,424	905,436	-	21,658,302
Special Reserve Fund (Capital Outlay)	2,326,907	(120,871)	-	10,991,885	13,197,921
Bond Interest and Redemption Fund	26,016,611	22,409,040	27,458,911	2,471,629	23,438,369
	$ 195,279,629	$ 376,654,022	$ 333,934,125	$ 30,471,927	$ 268,471,453

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $66.4 million primarily to reflect changes in federal, state, and local categorical funding.
- Salaries and Benefits – increased approximately $38.9 million due to revised cost estimates.
- Other Non-Capital Expenditures – increased approximately $34.8 million to re-budget carryover funds and revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about $12.1 million, the actual results for the year show that revenues exceeded expenditures by roughly $49.0 million. Actual revenues were $23.7 million less than anticipated, and expenditures were $84.8 million less than budgeted. That amount consists primarily of restricted program dollars that were not spent as of June 30, 2023, that will be carried over into the 2023-24 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022-23 the District had invested $15.0 million in new capital assets, related to building improvements and equipment. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was approximately $11.2 million.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2023	2022	Net Change
Land	$ 16,662,847	$ 16,662,847	$ -
Improvement of sites	7,795,695	4,333,711	3,461,984
Buildings	268,813,447	278,970,724	(10,157,277)
Equipment	5,270,482	3,668,480	1,602,002
Construction in progress	13,277,618	4,389,437	8,888,181
Total	$ 311,820,089	$ 308,025,199	$ 3,794,890

Long-Term Debt

At year-end the District had $575.3 million in long term debt – an increase of 15.3% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2023	2022	Net Change
General obligation bonds	$ 364,983,962	$ 359,599,339	$ 5,384,623
Supplemental Early Retirement Plan	-	2,488,440	(2,488,440)
Compensated Absences	831,237	2,002,347	(1,171,110)
Financed Purchase	683,617	-	683,617
Net pension liability	195,956,851	122,395,924	73,560,927
Other Postemployment Benefits	12,848,977	12,632,661	216,316
Total	$ 575,304,644	$ 499,118,711	$ 76,185,933

FACTORS BEARING ON THE DISTRICT'S FUTURE

State Budget

The Legislature passed an initial budget package on June 15, 2023. The Legislature's budget package adopted LAO estimates of local property tax revenues, which resulted in an increase to the Proposition 98 guarantee by $2.1 billion across 2022-23 and 2023-24. The legislative package used this additional funding primarily to help maintain previously approved programs. Relative to the May Revision, the Legislature's budget package also: (1) reallocated projected unspent funds in child care and State Preschool programs to increase provider rates and reduce family fees beginning October 1, 2023; (2) included a slightly different mix of reductions as the Governor from climate change-related packages (although a similar overall level); (3) restored $1 billion in 2023-24 in proposed General Fund reductions to transit capital funding and added flexibility to allow local agencies to use this funding for operations; (4) rejected the Governor's proposals to use General Fund cash to pay for certain capital outlay project costs, instead using lease revenue bond financing to pay for these costs; and (5) accelerated the time line to spend funds for MCO tax-related augmentations to around four years from eight to ten years. The Legislature passed an amended budget act and associated trailer bills on June 27, 2023 and June 29, 2023.

K-14 Education

Funds Modest Increase in School and Community College Funding

The Proposition 98 minimum guarantee depends upon various formulas that adjust for several factors, including changes in state General Fund revenue. For 2022-23, the guarantee is down $3 billion (2.7 percent) compared with the estimates made in June 2022. The decrease in the guarantee is primarily attributable to lower General Fund revenue estimates, somewhat offset by higher local property tax revenue. For 2023-24, the guarantee increases by $953 million (0.9 percent) relative to the revised 2022-23 level. For 2023-24, projected increases in property tax revenue offset declines associated with lower General Fund revenue estimates.

Increase in Required Reserve Deposits

In certain circumstances, the Constitution requires the state to deposit some of the available Proposition 98 funding into a statewide reserve account for schools and community colleges. Under the adopted budget plan, the state deposits a total of $7.5 billion into this account across the 2021-22 through 2023-24 period—an increase of $1.3 billion compared with the estimates made in June 2022. The higher required deposits are primarily due to revenue estimates from the administration that have capital gains accounting for a larger share of General Fund revenue over the period.

Provides Large COLA to School and Community College Districts

In addition to the required reserve deposits, the budget package has several ongoing and one-time increases. The largest ongoing augmentation is $4.8 billion to provide an 8.22 percent COLA for K-12 and community college programs. In K-12, the budget also includes $300 million ongoing targeted to low-income schools with relatively high rates of student mobility within the school year, as well as $250 million one time for literacy coaches and reading specialists.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Budget Has Notable K-14 Structural Gap
The 2023-24 Proposition 98 spending level is not sufficient to fully fund all ongoing spending authorized in the budget package. To cover these costs, the budget package uses $1.9 billion in one-time, prior-year funding to fund the primary school and community college funding formulas ($1.6 billion for schools and $290 million for California Community Colleges). Using one-time funds to cover ongoing costs creates a deficit in the Proposition 98 budget the following year.

Funds School Facilities Grants
The 2022-23 budget package provided $1.3 billion one-time non-Proposition 98 General Fund to cover the state share for new construction and modernization projects under the School Facility Program (SFP). The 2022-23 budget package also included intent language to provide an additional $2.1 billion in 2023-24 and $875 million in 2024-25. The budget provides about $2 billion to the SFP in 2023-24, which is $100 million less than the previously intended augmentation, and continues to assume an additional $875 million will be provided in 2024-25. The budget also delays the intended $550 million non-Proposition 98 General Fund increase to the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program from 2023-24 to 2024-25.

All of these factors were considered in preparing the Oceanside Unified School District budget for the 2023-24 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District Business Office at 2111 Mission Avenue, Oceanside, California 92054-2326.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Deposits and investments	$ 291,596,188
Accounts receivable	19,973,009
Inventories	258,871
Prepaid expenses	172,507
Capital assets:	
Non-depreciable capital assets	29,940,465
Depreciable capital assets	466,231,296
Less accumulated depreciation	(184,351,672)
Total assets	623,820,664
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	7,876,845
Deferred outflows related to pensions	68,672,620
Deferred outflows related to OPEB	1,429,108
Total deferred outflows of resources	77,978,573
LIABILITIES	
Accounts payable	31,496,535
Accrued interest payable	3,950,070
Unearned revenue	5,880,802
Noncurrent liabilities:	
Due or payable within one year	14,066,782
Due in more than one year:	
Other than OPEB and pensions	352,432,034
Total OPEB liability	12,848,977
Net pension liability	195,956,851
Total liabilities	616,632,051
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on refunding	471,496
Deferred inflows related to pensions	40,082,484
Deferred inflows related to OPEB	8,083,473
Total deferred inflows of resources	48,637,453
NET POSITION	
Net investment in capital assets	98,664,068
Restricted for:	
Capital projects	34,856,223
Debt service	23,438,369
Categorical programs	68,761,040
Student body activity	1,145,712
Self-insurance programs	6,151,785
Unrestricted	(196,487,464)
Total net position	$ 36,529,733

OCEANSIDE UNIFIED SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**
Governmental Activities:				
Instruction	$ 146,436,421	$ 960,931	$ 75,006,702	$ (70,468,788)
Instruction-Related Services:				
Supervision of instruction	13,988,298	217,197	9,433,672	(4,337,429)
Instructional library, media and technology	3,059,439	2,574	98,026	(2,958,839)
School site administration	13,722,719	17,200	(161,064)	(13,866,583)
Pupil Support Services:				
Home-to-school transportation	5,873,653	512	1,298	(5,871,843)
Food services	10,107,191	586,347	13,350,126	3,829,282
All other pupil services	16,655,735	124,341	4,019,500	(12,511,894)
General Administration Services:				
Data processing services	2,263,076	-	-	(2,263,076)
Other general administration	15,505,937	23,621	1,276,978	(14,205,338)
Plant services	27,616,616	3,917,912	4,503,880	(19,194,824)
Ancillary services	1,999,166	1,171,535	37,550	(790,081)
Community services	33,406	-	-	(33,406)
Enterprise activities	-	-	990,788	990,788
Interest on long-term debt	22,026,217	-	-	(22,026,217)
Other outgo	1,535,110	-	7,690,594	6,155,484
Depreciation (unallocated)	11,184,892	-	-	(11,184,892)
Total Governmental Activities	$ 292,007,876	$ 7,022,170	$ 116,248,050	(168,737,656)

General Revenues:	
Property taxes	111,922,057
Federal and state aid not restricted to specific purpose	132,995,098
Interest and investment earnings	861,299
Miscellaneous	12,714,574
Subtotal general revenues	258,493,028
Change in net position	89,755,372
Net position - July 1, 2022	(53,225,639)
Net position - June 30, 2023	$ 36,529,733

OCEANSIDE UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2023

	General Fund	Building Fund	Bond Interest Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 120,541,464	$ 96,678,785	$ 23,438,369	$ 45,010,911	$ 285,669,529
Accounts receivable	15,084,308	618,043	-	4,045,532	19,747,883
Due from other funds	133,560	-	-	1,036,896	1,170,456
Stores inventories	37,655	-	-	221,216	258,871
Prepaid expenditures	172,507	-	-	-	172,507
Total Assets	$ 135,969,494	$ 97,296,828	$ 23,438,369	$ 50,314,555	$ 307,019,246
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 27,143,866	$ 3,811,404	$ -	$ 541,265	$ 31,496,535
Due to other funds	1,036,896	60	-	133,500	1,170,456
Unearned revenue	5,485,392	-	-	395,410	5,880,802
Total Liabilities	33,666,154	3,811,464	-	1,070,175	38,547,793
Fund Balances					
Nonspendable	500,162	-	-	231,216	731,378
Restricted	55,518,595	93,485,364	23,438,369	48,884,547	221,326,875
Committed	17,963,795	-	-	-	17,963,795
Assigned	19,887,796	-	-	128,617	20,016,413
Unassigned	8,432,992	-	-	-	8,432,992
Total Fund Balances	102,303,340	93,485,364	23,438,369	49,244,380	268,471,453
Total Liabilities and Fund Balances	$ 135,969,494	$ 97,296,828	$ 23,438,369	$ 50,314,555	$ 307,019,246

OCEANSIDE UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds			$ 268,471,453
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.			
	Capital assets at historical cost:	496,171,761	
	Accumulated depreciation:	(184,351,672)	
	Net		311,820,089
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:			(3,950,070)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow or inflow. The remaining net deferred amounts on refunding at the end of the period were:			7,405,349
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
	General obligation bonds payable	364,983,962	
	Compensated absences payable	831,237	
	Financed purchase	683,617	
	Net pension liability	195,956,851	
	Other postemployment benefits	12,848,977	
	Total		(575,304,644)
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:			6,151,785
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred outflows and inflows relating to pensions for the period were:			
	Deferred outflows of resources	68,672,620	
	Deferred inflows of resources	(40,082,484)	
	Total		28,590,136
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:			
	Deferred outflows of resources	1,429,108	
	Deferred inflows of resources	(8,083,473)	
	Total		(6,654,365)
Total net position - governmental activities			$ 36,529,733

OCEANSIDE UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 207,753,414	$ -	$ -	$ -	$ 207,753,414
Federal sources	36,113,395	-	-	7,952,896	44,066,291
Other state sources	68,623,929	-	112,618	6,174,333	74,910,880
Other local sources	18,539,042	1,945,050	22,296,422	7,142,923	49,923,437
Total Revenues	331,029,780	1,945,050	22,409,040	21,270,152	376,654,022
EXPENDITURES					
Current:					
Instruction	169,652,229	-	-	885,868	170,538,097
Instruction-Related Services:					
Supervision of instruction	15,603,771	-	-	157,389	15,761,160
Instructional library, media and technology	3,045,191	-	-	-	3,045,191
School site administration	15,701,548	-	-	153	15,701,701
Pupil Support Services:					
Home-to-school transportation	6,023,751	-	-	-	6,023,751
Food services	323,655	-	-	10,336,247	10,659,902
All other pupil services	18,948,631	-	-	13,619	18,962,250
Ancillary services	997,962	-	-	1,079,399	2,077,361
Community services	33,672	-	-	-	33,672
General Administration Services:					
Data processing services	2,318,457	-	-	-	2,318,457
Other general administration	17,319,582	-	-	-	17,319,582
Transfers of indirect costs	(200,683)	-	-	200,683	-
Plant services	28,700,966	-	-	40,154	28,741,120
Capital outlay	1,779,485	10,681,383	-	903,682	13,364,550
Intergovernmental transfers	1,535,110	-	-	-	1,535,110
Debt service:					
Issuance costs	-	193,047	182,606	-	375,653
Principal	200,263	-	17,549,454	-	17,749,717
Interest	-	-	9,726,851	-	9,726,851
Total Expenditures	281,983,590	10,874,430	27,458,911	13,617,194	333,934,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,046,190	(8,929,380)	(5,049,871)	7,652,958	42,719,897
OTHER FINANCING SOURCES (USES)					
All other financing sources for escrow payments	-	-	15,887,708	-	15,887,708
Other outgo for escrow payments			(15,011,415)		(15,011,415)
Proceeds from financed purchase	883,880	-	-	-	883,880
Issuance of debt - proceeds from GO bonds	-	15,005,000	-	-	15,005,000
Issuance of debt- proceeds from refunding bonds	-	-	6,445,000	-	6,445,000
Premiums on debt issuance	-	-	1,754,753	-	1,754,753
Proposition H Reserves	-	-	3,468,737	-	3,468,737
Deposit with escrow agent from refunding bonds			(6,619,038)	-	(6,619,038)
Partial defeasance of Proposition H	-	-	(3,454,116)	-	(3,454,116)
County transfer of 2011 Bond Anticipation Note Fund	1,119,533	-	-	-	1,119,533
Proceeds from property sales	-	-	-	10,991,885	10,991,885
Total Other Financing Sources and Uses	2,003,413	15,005,000	2,471,629	10,991,885	30,471,927
Net Change in Fund Balances	51,049,603	6,075,620	(2,578,242)	18,644,843	73,191,824
Fund Balances, July 1, 2022	51,253,737	87,409,744	26,016,611	30,599,537	195,279,629
Fund Balances, June 30, 2023	$ 102,303,340	$ 93,485,364	$ 23,438,369	$ 49,244,380	$ 268,471,453

Total net change in fund balances - governmental funds			$ 73,191,824
Amounts reported for governmental *activities* in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period was:			
	Expenditures for capital outlay	14,979,782	
	Depreciation expense	(11,184,892)	3,794,890
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:			17,749,717
In governmental funds, issuances of debt are recognized as other financing sources. In the government-wide statements, issuances from debt are reported as increases to liabilities. Amounts recognized in governmental funds, net of issue premium were:			(24,088,633)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:			(234,151)
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. Accreted interest additions less accreted interest paid during the year was:			(1,296,028)
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:			1,566,704
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:			(238,396)
In the statement of activities, compensated absences 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).			1,171,110
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, including early retirement incentives. This year, expenses incurred for such obligations were:			2,488,440
In government funds, OPEB costs are recognized when employer contributions are made in the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:			306,628
The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.			990,788
In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:			14,352,479
Change in net position of governmental activities			$ 89,755,372

		Governmental Activities
		Internal Service Funds
CURRENT ASSETS		
Deposits and investments	$	5,926,659
Accounts receivable		225,126
Total Assets		6,151,785
NET POSITION		
Restricted for insurance claims	$	6,151,785

OCEANSIDE UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund

For the Fiscal Year Ended June 30, 2023

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges to other funds	$ 1,937,969
Other local revenues	37,603
Total operating revenues	1,975,572
OPERATING EXPENSES	
Services and other operating expenses	1,075,219
Total operating expenses	1,075,219
Operating Income (Loss)	900,353
NON-OPERATING REVENUES	
Interest income	90,435
Change in net position	990,788
Net position, July 1, 2022	5,160,997
Net position, June 30, 2023	$ 6,151,785

OCEANSIDE UNIFIED SCHOOL DISTRICT
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from assessments made to other funds	$ 1,990,052
Cash payments for payroll, insurance and operating costs	(1,075,219)
Net cash provided (used) by operating activities	914,833
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	65,588
Net increase (decrease) in cash and cash equivalents	980,421
Cash, July 1, 2022	4,946,238
Cash, June 30, 2023	$ 5,926,659
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 900,353
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	14,480
Net cash provided (used) by operating activities	$ 914,833

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oceanside Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category - *governmental* and *proprietary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. 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.

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

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

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

Special Revenue Funds: Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, 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 District maintains a separate fund for each school that operates an Associated Student Body (ASB), whether it is organized or not.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090 and 38093).

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

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* sections 17620-17626 and *Government Code* Section 65995 et seq.). This fund had no activity in fiscal year 2020-21 and has no balance as of June 30, 2023.

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Proprietary Funds
Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary funds:

Internal Service Funds: These funds are used to account for services rendered on a cost-reimbursement basis within the District. The District operates workers' compensation and property and liability insurance programs that are accounted for in the Internal Service Fund. In addition, the District's health and welfare benefit programs are accounted for in the Internal Service Fund.

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds in the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* Section 17566).

2. Measurement Focus, Basis of Accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. 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. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

C. Budgetary Data
The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

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

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Inventories and Prepaid Items
Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Description	Estimated Lives
Buildings and Improvements	25-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

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

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

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases

Lessee:
At the commencement of a lease, the District initially 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 lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor:
At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Subscription-Based Information Technology Arrangements
A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

The District did not implement GASB 96 in fiscal year 2022-23.

9. 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 CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

10. 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 District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition 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. Investments are reported at fair value.

11. Fund Balances
The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Fund Balances (continued)

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy

The District has adopted a policy to maintain a minimum economic uncertainty reserve of at least 4% of total general fund expenditures and other financing uses. The reserve may be increased from time to time in order to address specific anticipated revenue or cash flow shortfalls. In the event that the balance drops below the established minimum level, the governing board will develop a plan and time line to replenish the fund balance to established minimum level. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Property Tax Calendar
The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Governmental funds	$	285,669,529
Proprietary funds		5,926,659
Governmental activities	$	291,596,188

Deposits and investments as of June 30, 2023 consist of the following:

Cash on hand and in banks	$	1,212,339
Cash in revolving fund		300,000
Cash collections awaiting deposit		2,657,259
Investments		287,426,590
Total deposits and investments	$	291,596,188

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing San Diego County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the San Diego County Treasurer for the entire portfolio (in relation to the amortized cost of that polio). The balance available for withdrawal is based on the accounting records maintained by the San Diego County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk 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. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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).

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits (continued)
The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2023, $967,386 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Governing Board. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2023, consist of the following:

			Maturity		
	Rating	Fair Value Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
County Pool	N/A	$ 287,426,590	$ 287,426,590	-	Uncategorized

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2023, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no investments other than Cash in County Treasury Pool.

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements (continued)

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

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

All assets have been valued using a market approach, with quoted market prices.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2023, consisted of the following:

	Governmental Activities				
	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Fund
Federal Government:					
Categorical aid programs	$ 3,249,040	$ -	$ -	$ 3,249,040	$ -
Special education	3,435,875	-	-	3,435,875	-
Child nutrition	-	-	2,529,998	2,529,998	-
State Government:					
Lottery	944,671	-	-	944,671	-
Categorical aid programs	6,060,039	-	-	6,060,039	-
Child nutrition	-	-	1,206,403	1,206,403	-
Local:					
Interest	695,111	618,043	252,934	1,566,088	36,025
Interagency services	381,594	-	-	381,594	-
Other local	317,978	-	56,197	374,175	189,101
Total	$ 15,084,308	$ 618,043	$ 4,045,532	$ 19,747,883	$ 225,126

NOTE 4 – INTERFUND TRANSACTIONS

Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2023, consisted of the following:

	Due From Other Funds		
	General Fund	Non-Major Governmental Funds	Total Governmental Funds
General Fund	$ -	$ 1,036,896	$ 1,036,896
Building Fund	60	-	60
Non-Major Governmental Funds	133,500	-	133,500
Total	$ 133,560	$ 1,036,896	$ 1,170,456

General Fund due to Cafeteria Fund for adult meals	$ 57
General Fund due to Cafeteria Fund for catering	47,821
General Fund due to Capital Facilities Fund for June redevelopment payment	989,018
Child Development Fund due to General Fund to reclass workers compensation and salaries, indirect costs, and GASB 75	2,248
Child Development Fund due to General Fund for revised charge PK rent	38,400
Cafeteria Fund due to General Fund to reclass workers compensation, indirect costs, and GASB 75	92,852
Building Fund due to General Fund to reclass workers compensation and salaries, indirect costs, and GASB 75	60
Total Due to/Due from Balances	$ 1,170,456

NOTE 5 – FUND BALANCES

At June 30, 2023, fund balances of the District's governmental funds were classified as follows:

	General Fund	Building Fund	Bond Interest Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	$ 290,000	$ -	$ -	$ 10,000	$ 300,000
Stores inventories	37,655	-	-	221,216	258,871
Prepaid expenditures	172,507	-	-	-	172,507
Total Nonspendable	500,162	-	-	231,216	731,378
Restricted:					
Categorical programs	55,518,595	-	-	231,982	55,750,577
Student activity	-	-	-	1,130,726	1,130,726
Food service program	-	-	-	12,781,009	12,781,009
Capital projects	-	93,485,364	-	34,740,830	128,226,194
Debt service	-	-	23,438,369	-	23,438,369
Total Restricted	55,518,595	93,485,364	23,438,369	48,884,547	221,326,875
Committed:					
OPEB	512,500	-	-	-	512,500
Facilities	7,000,000	-	-	-	7,000,000
Deferred maintenance program	7,000,000	-	-	-	7,000,000
Furniture and equipment	3,451,295	-	-	-	3,451,295
Total Committed	17,963,795	-	-	-	17,963,795
Assigned:					
Employee compensation	4,676,823	-	-	-	4,676,823
Enrollment mitgation	15,000,000	-	-	-	15,000,000
Other assigned	210,973	-	-	128,617	339,590
Total Assigned	19,887,796	-	-	128,617	20,016,413
Unassigned:					
Reserve for economic uncertainties	8,432,992	-	-	-	8,432,992
Total Unassigned	8,432,992	-	-	-	8,432,992
Total	$ 102,303,340	$ 93,485,364	$ 23,438,369	$ 49,244,380	$ 268,471,453

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance, July 1, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets not being depreciated:				
Land	$ 16,662,847	$ -	$ -	$ 16,662,847
Construction in progress	4,389,437	12,774,959	3,886,778	13,277,618
Total capital assets not being depreciated	21,052,284	12,774,959	3,886,778	29,940,465
Capital assets being depreciated:				
Site improvements	10,999,544	3,788,199	-	14,787,743
Buildings	426,628,928	98,579	-	426,727,507
Furniture and equipment	22,511,223	2,204,823	-	24,716,046
Total capital assets being depreciated	460,139,695	6,091,601	-	466,231,296
Less accumulated depreciation:				
Site improvements	(6,665,833)	(326,215)	-	(6,992,048)
Buildings	(147,658,204)	(10,255,856)	-	(157,914,060)
Furniture and equipment	(18,842,743)	(602,821)	-	(19,445,564)
Total accumulated depreciation	(173,166,780)	(11,184,892)	-	(184,351,672)
Total capital assets being depreciated, net	286,972,915	(5,093,291)	-	281,879,624
Governmental Activities Capital Assets, net	$ 308,025,199	$ 7,681,668	$ 3,886,778	$ 311,820,089

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2023, were as follows:

	Balance, July 1, 2022	Additions	Deductions	Balance, June 30, 2023	Amount Due Within One Year
General Obligation Bonds:					
Principal repayments	$ 286,410,666	$ 21,450,000	$ 17,549,454	$ 290,311,212	$ 11,523,744
Accreted interest component	49,641,200	6,136,638	4,840,610	50,937,228	948,392
Issuance premium	23,547,473	1,754,753	1,566,704	23,735,522	1,439,892
Total - Bonds	359,599,339	29,341,391	23,956,768	364,983,962	13,912,028
Early retirement incentive	2,488,440	-	2,488,440	-	-
Compensated absences	2,002,347	-	1,171,110	831,237	-
Financed purchase	-	883,880	200,263	683,617	154,754
Totals	$ 364,090,126	$ 30,225,271	$ 27,816,581	$ 366,498,816	$ 14,066,782

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund. Compensated absences and OPEB will be paid by the fund for which the employee worked. The supplemental early retirement plan was paid from the General Fund. The financed purchase is paid from the General Fund.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds

Election of 2008 (Proposition H)
On June 3, 2008, the voters of the District passed by 71% Proposition H, a $195 million general obligation bond authorization. The bonds are general obligations of the District, and the County is obligated to annually levy ad valorem taxes for the payment of, the interest on, and the principal of the bonds. Bond proceeds were used to finance the construction and improvements of certain real property for the District.

On July 26, 2022, the District issued $15,005,000 Election of 2008, Series G General Obligation Bonds. The bonds were issued for the purpose of funding construction, acquisition and modernization projects of the District and to pay for the cost of issuance of the bonds. The bonds bear interest of 5.0% annually between August 1, 2034, and August 1, 2045.

Election of 2020 (Measure W)
On August 17, 2021, the District issued $50,000,000 Election of 2020, Series A General Obligation Bonds. The bonds were issued for the purpose of funding construction, acquisition and modernization projects of the District and to pay for the cost of issuance of the bonds. The bonds bear interest between .11% and 4.00% annually between October 1, 2021, and August 1, 2051.

2022 General Obligation Refunding Bonds
On July 26, 2022, the District issued $6,445,000 in General Obligation Refunding Bonds as current interest bonds. The bonds bear an interest rate of between 4.0% and 5.0% with annual maturities between August 1, 2034, and August 1, 2041. The net proceeds of $6,619,038 net of issue premium, underwriter, and insurance costs of $167,985 were used to refund a portion of the outstanding 2008 Series C General Obligation Bonds. The refunding decreased total debt service payments by $6,216,442. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of $2,691,566.

Prior Refunding Bonds
In prior years, the District defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

At June 30, 2023, all of the bonds outstanding are considered defeased. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow or a deferred inflow of resources and recognized as a component (or offset) of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, deferred outflows from refundings were $7,876,845 while deferred inflows from refunding is $471,496.

Defeasance
On December 7, 2022, the District used $3,468,737 of Proposition H reserves less issue costs of $14,621 to defease a portion of principal and interest payments for 2008, Series A Capital Appreciation Bonds.

OCEANSIDE UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

Prior Refunding Bonds (continued)

A summary of outstanding general obligation bonds issued is presented below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2022	Issued	Redeemed	Advance Refunded	Balance, June 30, 2023
Refunding Bonds									
2014	7/15/2014	8/1/2034	3.00%-5.00%	32,385,000	$ 26,790,000	$ -	$ 1,720,000	$ -	$ 25,070,000
2015	11/19/2015	8/1/2051	2.00%-5.00%	42,790,000	40,980,000	-	-	-	40,980,000
2018	8/14/2018	8/1/2033	3.125%-4.000%	30,370,000	25,465,000	-	2,465,000	-	23,000,000
2020	9/2/2020	8/1/2028	4.00%	8,075,000	7,015,000	-	1,070,000	-	5,945,000
2020	9/2/2020	8/1/2045	2.72%-2.77%	17,899,497	17,899,497	-	-	-	17,899,497
2021	8/17/2021	8/1/2032	0.290%-2.00%	11,520,000	11,520,000	-	250,000	-	11,270,000
2022	7/26/2022	8/1/2041	4.00%-5.00%	6,445,000	-	6,445,000	-	-	6,445,000
				Subtotal Refunding Bonds	129,669,497	6,445,000	5,505,000	-	130,609,497
2008 Election									
A	3/4/2009	8/1/2031	3.83%-8.00%	49,995,054	17,260,497	-	866,608	1,296,241	15,097,648
B	5/19/2010	8/1/2049	6.51%-10.45%	29,999,991	14,354,111	-	-	-	14,354,111
C	5/3/2012	8/1/2051	5.82%-6.98%	14,999,282	11,486,561	-	-	3,556,605	7,929,956
D	4/7/2016	8/1/2045	2.0%-5.0%	35,000,000	31,610,000	-	-	-	31,610,000
E	7/2/2019	8/1/2048	2.37%-4.000%	25,000,000	20,350,000	-	-	-	20,350,000
F	9/2/2020	8/1/2033	.250%-4.000%	25,000,000	19,700,000	-	2,650,000	-	17,050,000
G	7/26/2022	8/1/2045	5.00%	15,005,000	-	15,005,000	-	-	15,005,000
				Subtotal 2008 Election Bonds	114,761,169	15,005,000	3,516,608	4,852,846	121,396,715
2020 Election									
A	8/17/2021	8/1/2051	4%	50,000,000	41,980,000	-	3,675,000	-	38,305,000
				Total	$ 286,410,666	$ 21,450,000	$ 12,696,608	$ 4,852,846	$ 290,311,212

Accreted Interest		July 1, 2022	Additions	Deductions	Defeased	June 30, 2023
2008	Series A	$ 21,987,194	$ 2,209,927	$ -	$ 1,778,177	$ 22,418,944
2008	Series B	17,715,502	2,308,062	-	-	20,023,564
2008	Series C	9,235,293	1,104,678	-	3,062,433	7,277,538
2020	Refunding	703,211	513,971	-	-	1,217,182
Total Accreted Interest		$ 49,641,200	$ 6,136,638	$ -	$ 4,840,610	$ 50,937,228

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2023, were as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 11,523,744	$ 10,885,347	$ 22,409,091
2024-2025	7,847,668	10,443,351	18,291,019
2025-2026	9,623,931	10,607,928	20,231,859
2026-2027	10,189,440	10,642,712	20,832,152
2027-2028	10,896,662	11,104,422	22,001,084
2028-2033	61,841,202	52,397,062	114,238,264
2033-2038	50,223,725	62,030,187	112,253,912
2038-2043	42,362,666	81,898,942	124,261,608
2043-2048	49,282,742	36,493,013	85,775,755
2048-2052	36,519,432	10,403,969	46,923,401
Totals	$ 290,311,212	$ 296,906,933	$ 587,218,145

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

B. Financed Purchase

On April 18, 2023, the District entered into separate lease-purchase agreements for four new school buses and one electric bus through Wells Fargo Bank for a total of $883,880 in principal. The District made a payment at the time the agreements were executed in the amount of $200,263 and will pay that amount annually to April of 2027. Upon completion of the rental payments, the District expects to exercise the final purchase option and is therefore recognizing the transaction as a financed purchase. The interest rate for the two agreements are 6.66% and the payments will be as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 154,754	$ 45,509	$ 200,263
2024-2025	165,056	92,207	257,263
2025-2026	176,044	24,219	200,263
2026-2027	187,763	12,500	200,263
	$ 683,617	$ 174,435	$ 858,052

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2023, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 12,004,175	$ 1,429,108	$ 8,083,473	$ 567,356
MPP Program	844,802	-	-	(65,647)
Total	$ 12,848,977	$ 1,429,108	$ 8,083,473	$ 501,709

The details of each plan are as follows:

District Plan

Plan description
The District's single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided
The eligibility requirements and benefits provided by the Plan are described below:

	Certificated*	**Classified***	**Management***
Benefit types provided	Medical only	Medical only	Medical only
Duration of benefits	To age 65	To age 65	To age 65
Required service	20 years	20 years	20 years
Minimum age	55	55	55
Dependent coverage	No	No	No
District contribution %	100%	100%	100%
District cap	$1,800 per year	$1,800 per year	$1,800 per year

* Certain retirees are covered under other, grandfathered retiree health benefit plans.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The details of each plan are as follows:

District Plan (continued)

Employees covered by benefit terms
At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	112
Active employees	1,440
Total	1,552

Total OPEB Liability
The District's total OPEB liability of $12,004,175 for the Plan was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Inflation	2.50 percent
Salary increases	2.75 percent
Healthcare cost trend rates	4.00 percent

Discount Rate
The discount rate of 3.65% was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed eighteen years.

Mortality Rates
Mortality rates are based on:

Certificated	2020 CalSTRS Mortality Table
Classified	2017 CalPERS Active Mortality for Miscellaneous Employees Table
Miscellaneous	2017 CalPERS Active Mortality for Miscellaneous Employees Table

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	$ 11,617,740
Changes for the year:	
Service cost	616,402
Interest	412,505
Changes of assumptions	(95,981)
Benefit payments	(546,491)
Net changes	386,435
Balance at June 30, 2023	$ 12,004,175

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 12,815,750
Current discount rate	$ 12,004,175
1% increase	$ 11,251,642

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 10,940,210
Current trend rate	$ 12,004,175
1% increase	$ 13,242,042

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2023, the District recognized OPEB expense of $567,356. In addition, at June 30, 2023, 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
Differences between expected and actual experience	$ -	$ 7,075,367
Changes of assumptions	1,429,108	1,008,106
Total	$ 1,429,108	$ 8,083,473

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 156,180	$ 775,105
2025	156,180	775,105
2026	156,180	775,105
2027	156,180	775,105
2028	156,180	775,105
Thereafter	648,208	4,207,948
Totals	$ 1,429,108	$ 8,083,473

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2022, 4,770 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability
At June 30, 2023, the District reported a liability of $844,802 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2022, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2023	**Fiscal Year Ending June 30, 2022**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net OPEB Liability	0.256458%	0.254453%	0.002005%

For the year ended June 30, 2023, the District reported OPEB expense of $(65,647).

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)(continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial assumptions and other inputs
The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Experience Study	June 30, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.54%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population of 145,282.

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

Discount Rate
The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2022, was 3.54%, which is an increase of 1.38% from 2.16% as of June 30, 2021.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

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

Discount Rate	MPP OPEB Liability	
1% decrease	$	1,127,540
Current discount rate	$	844,802
1% increase	$	778,829

Sensitivity of the proportionate share of the net OPEB liability to changes in the Medicare costs trend rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability	
1% decrease	$	775,138
Current trend rate	$	844,802
1% increase	$	923,771

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2023, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability		Deferred Outflows of Resources		Deferred Inflows of Resources		Pension Expense	
CalSTRS	$	118,738,810	$	29,263,723	$	21,547,671	$	938,832
CalPERS		77,218,041		39,408,897		18,534,813		8,831,879
Totals	$	195,956,851	$	68,672,620	$	40,082,484		9,770,711

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. 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, 2021, 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: https://www.calstrs.com/general-information/gasb-6768.

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 a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. 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 and obligor of the trust. In addition, the state is both an employer and non-employer 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, 2023, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Benefits Provided (continued)

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)—signed into law in June 2019 and June 2020, respectively —provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

The contribution rates for each program for the year ended June 30, 2023, are presented above, and the District's total contributions were $19,346,645.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2023, 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:

District's proportionate share of net pension liability	$ 118,738,810
State's proportionate share of the net pension liability associated with the District	59,463,932
Total	$ 178,202,742

The net pension liability was measured as of June 30, 2022. 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 proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.170882%	0.169279%	0.001603%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
For the year ended June 30, 2023, the District recognized pension expense of $938,832. In addition, the District recognized pension expense and revenue of $(4,447,470) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	$ 19,346,645	$ -
Net change in proportionate share of net pension liability	3,931,094	6,838,181
Difference between projected and actual earnings on pension plan investments	-	5,806,558
Changes of assumptions	5,888,581	-
Differences between expected and actual experience	97,403	8,902,932
Totals	$ 29,263,723	$ 21,547,671

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. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, 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 7 years.

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 5,838,537	$ 8,585,620
2025	954,740	8,650,395
2026	954,740	10,171,856
2027	954,740	(7,534,841)
2028	703,544	1,249,999
Thereafter	510,777	424,642
Totals	$ 9,917,078	$ 21,547,671

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll 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 our 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 investment rate of return assumption 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 investment staff and investment consultants as inputs 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 as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. 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 expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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%)	$ 201,662,539
Current discount rate (7.10%)	118,738,810
1% increase (8.10%)	49,887,183

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 pursuant to Sections 22954, 22955, and 22955.1 of the Education Code and Public Resources Code Section 6217.5. Through the special legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately $2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $9,539,251.

B. California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer 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, 2021 annual actuarial valuation report, Schools Pool Accounting Report. 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/employers/actuarial-resources/gasb.

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NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	25.37%	25.37%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023 are presented above, and the total District contributions were $9,223,995.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $77,218,041. The net pension liability was measured as of June 30, 2022. 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 proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.224412%	0.223073%	0.001339%

For the year ended June 30, 2023, the District recognized pension expense of $8,831,879. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	$ 9,223,995	$ -
Net change in proportionate share of net pension liability	394,692	2,001,802
Difference between projected and actual earnings on pension plan investments	23,729,078	14,611,728
Changes of assumptions	5,712,152	-
Differences between expected and actual experience	348,980	1,921,283
Totals	$ 39,408,897	$ 18,534,813

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. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, 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 3.9 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 8,791,789	$ 7,113,426
2025	8,320,420	5,831,718
2026	7,428,055	5,589,669
2027	5,644,638	-
2028	-	-
Thereafter	-	-
Totals	$ 30,184,902	$ 18,534,813

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

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.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the 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 (5.9%)	$ 111,545,371
Current discount rate (6.9%)	77,218,041
1% increase (7.9%)	48,847,766

C. Social Security
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 Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2023, the District reported payables of $92,907 and $49,323 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2023.

NOTE 10 – JOINT VENTURES

The District participates in one joint powers agreement (JPA) entity, the Protected Insurance Program for schools (PIPS). The relationship between the District and the JPA is such that the JPA is not a component unit of the District.

The JPA arranges for and provides for various types of insurances for its member districts as requested. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

Financial information for the JPA can be obtained directly from the entity.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

B. Construction Commitments
As of June 30, 2023, the District had commitments with respect to unfinished capital projects of approximately $5.4 million to be paid from a combination of State and local funds.

C. Legal Matters
The District is involved in various legal matters that arose out of the normal course of business. In the opinion of management, none of these matters are expected to have a material effect on the financial statements, therefore, no liability has been recorded in these financial statements.

NOTE 12 – RISK MANAGEMENT

Property and Liability
The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

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

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

The District is not obligated to cover any losses beyond the premiums paid for the insurance costs. As a result, there has not been a liability recorded for incurred but not reported claims.

Workers' Compensation
For fiscal year 2022-23, the District participated in the Protected Insurance Program for Schools (PIPS) risk pool for workers' compensation, with excess coverage provided by the SELF public entity risk pool. The District maintains a $100,000 S.I.R. account.

Employee Medical Benefits
The District has contracted with Voluntary Employee Benefits Association (VEBA) to provide employee health and welfare benefits and is self-insured for dental and vision benefits.

NOTE 13 – SUBSEQUENT EVENTS

On October 5, 2023 the District issued 2020 Series B General Obligation Bonds for $50.0 million and 2022 General Obligation Refunding Bonds in the amount of $7.6 million.

The sale for the Pacifica site closed on February 14, 2024, in the amount of $15.3 million.

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Required Supplementary Information

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OCEANSIDE UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 203,784,893	$ 205,397,951	$ 207,753,414	$ 2,355,463
Federal Sources	40,763,238	56,247,937	36,113,395	(20,134,542)
Other State Sources	28,282,346	72,199,140	68,623,929	(3,575,211)
Other Local Sources	15,543,640	20,887,368	18,539,042	(2,348,326)
Total Revenues	288,374,117	354,732,396	331,029,780	(23,702,616)
Expenditures				
Current:				
Certificated Salaries	100,326,208	108,981,709	105,653,996	3,327,713
Classified Salaries	34,895,855	42,579,100	38,295,220	4,283,880
Employee Benefits	80,962,998	103,526,704	83,790,960	19,735,744
Books and Supplies	19,302,219	34,440,483	16,107,740	18,332,743
Services and Other Operating Expenditures	41,195,226	60,825,610	33,336,322	27,489,288
Transfers of indirect costs	(267,482)	(221,149)	(200,683)	(20,466)
Capital Outlay	1,905,000	15,629,909	3,464,924	12,164,985
Other Outgo	1,080,634	1,040,040	1,535,111	(495,071)
Total Expenditures	279,400,658	366,802,406	281,983,590	84,818,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,973,459	(12,070,010)	49,046,190	61,116,200
Other Financing Sources and Uses				
County transfer of 2011 Bond Anticipation Note Fund	-	1,119,533	1,119,533	-
Proceeds from financed purchase	-	-	883,880	883,880
Total Other Financing Sources and Uses	-	1,119,533	2,003,413	883,880
Excess (Deficiency) of Revenues and Other Expenditures and Other Financing Uses	8,973,459	(10,950,477)	51,049,603	62,000,080
Fund Balance, July 1, 2022	49,757,979	51,253,737	51,253,737	-
Fund Balance, June 30, 2023	$ 58,731,438	$ 40,303,260	$ 102,303,340	$ 62,000,080

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

CalSTRS	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.1709%	0.1693%	0.1682%	0.1651%	0.1740%
District's proportionate share of the net pension liability	$ 118,738,810	$ 77,035,275	$ 163,047,792	$ 149,152,095	$ 159,672,511
State's proportionate share of the net pension liability associated with the District	59,463,932	38,761,163	84,051,156	81,373,083	91,420,428
Totals	$ 178,202,742	$ 115,796,438	$ 247,098,948	$ 230,525,178	$ 251,092,939
District's covered-employee payroll	$ 98,382,951	$ 91,915,672	$ 91,890,525	$ 88,910,053	$ 93,212,643
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	120.69%	88.74%	179.10%	167.80%	171.30%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.1770%	0.1850%	0.1900%	0.1940%
District's proportionate share of the net pension liability	$ 163,579,928	$ 149,651,338	$ 127,591,187	$ 113,507,163
State's proportionate share of the net pension liability associated with the District	96,773,292	85,206,379	67,481,492	68,316,977
Totals	$ 260,353,220	$ 234,857,717	$ 195,072,679	$ 181,824,140
District's covered-employee payroll	$ 92,888,107	$ 93,104,876	$ 87,020,090	$ 86,514,376
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.10%	160.70%	146.60%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.2244%	0.2231%	0.2251%	0.2249%	0.2520%
District's proportionate share of the net pension liability	77,218,041	$ 45,360,649	$ 69,072,484	$ 65,552,352	$ 67,069,960
District's covered-employee payroll	38,056,844	$ 32,316,860	$ 32,760,640	$ 31,493,974	$ 33,418,192
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	222.31%	133.72%	212.36%	208.14%	200.70%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.2620%	0.2750%	0.2650%	0.2820%
District's proportionate share of the net pension liability	$ 62,629,580	$ 54,340,175	$ 39,028,960	$ 31,982,217
District's covered-employee payroll	$ 33,618,277	$ 32,909,499	$ 29,597,587	$ 29,573,702
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	186.30%	165.12%	131.87%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalSTRS
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	$ 19,346,645	$ 16,646,395	$ 14,844,381	$ 15,567,188	$ 14,442,236
Contributions in relation to the contractually required contribution	19,346,645	16,646,395	14,844,381	15,567,188	14,442,236
Contribution deficiency (excess):		$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 101,291,337	$ 98,382,951	$ 91,915,672	$ 91,890,525	$ 88,910,053
Contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	16.94%	16.24%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 13,431,816	$ 11,715,177	$ 10,001,655	$ 7,727,385
Contributions in relation to the contractually required contribution	13,431,816	11,715,177	10,001,655	7,727,385
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 93,212,643	$ 92,888,107	$ 93,104,876	$ 87,020,090
Contributions as a percentage of covered-employee payroll	14.41%	12.61%	10.74%	8.88%

**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OCEANSIDE UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

	2022-23	2021-22	2020-21	2019-20	2018-19
CalPERS					
Contractually required contribution	$ 9,223,995	$ 7,957,686	$ 6,689,590	$ 6,414,539	$ 5,654,103
Contributions in relation to the contractually required contribution	9,223,995	7,957,686	6,689,590	6,414,539	5,654,103
Contribution deficiency (excess):		$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 36,357,883	$ 38,056,844	$ 32,316,860	$ 32,760,640	$ 31,493,974
Contributions as a percentage of covered-employee payroll	25.370%	20.910%	20.700%	19.580%	17.953%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 5,195,018	$ 4,647,290	$ 3,913,069	$ 3,483,635
Contributions in relation to the contractually required contribution	5,195,018	4,647,290	3,913,069	3,483,635
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 33,418,192	$ 33,618,277	$ 32,909,499	$ 29,597,587
Contributions as a percentage of covered-employee payroll	15.545%	13.824%	11.890%	11.770%

**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OCEANSIDE UNIFIED SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

Employer Fiscal Year End	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Measurement Period	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Total OPEB liability						
Service cost	$ 616,402	$ 771,260	$ 744,780	$ 1,177,871	$ 1,088,112	$ 1,058,990
Interest	412,505	407,463	406,294	640,257	591,966	603,449
Differences between expected and actual experience	-	(6,529,564)	-	(2,243,905)	-	-
Changes of assumptions or other inputs	(95,981)	(1,091,587)	70,392	1,627,407	380,252	-
Benefit payments	(546,491)	(836,418)	(840,837)	(779,573)	(671,382)	(645,560)
Net change in total OPEB liability	386,435	(7,278,846)	380,629	422,057	1,388,948	1,016,879
Total OPEB liability - beginning	11,617,740	18,896,586	18,515,957	18,093,900	16,704,952	15,688,073
Total OPEB liability - ending	12,004,175	$ 11,617,740	$ 18,896,586	$ 18,515,957	$ 18,093,900	$ 16,704,952
Covered-employee payroll	$ 137,424,419	$ 133,746,393	$ 130,166,806	$ 126,683,023	$ 123,727,639	$ 123,237,566
Total OPEB liability as a percentage of covered-employee payroll	8.7%	8.7%	14.5%	14.6%	14.6%	13.6%

**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

Employer Fiscal Year End Measurement Period	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
District's proportion of net OPEB liability	0.2565%	0.2545%	0.2550%	0.2552%	0.2066%	0.2083%
District's proportionate share of net OPEB liability	$ 844,802	$ 1,014,921	$ 1,080,568	$ 950,513	$ 875,522	$ 775,691
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)	(0.81%)	0.40%	0.01%

Notes to Schedule:
**This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

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 adoptions 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 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.

> ***Change in benefit terms*** – There were no changes in benefit terms since the previous valuations for either CalSTRS and CalPERS.

> ***Change of assumptions* -** There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions

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

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total 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 since the previous valuation.

> ***Change of assumptions*** – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 2.16 percent to 2.54 percent since the previous valuation

Supplementary Information

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The Oceanside Unified School District was established in 1970. The District boundaries encompass the city of Oceanside, as well as part of Marine Corps Base-Camp Pendleton. There were no changes in the boundaries of the District during the current year. The District provides primary and secondary education for all students within the District's boundaries through operation of its twenty-two schools, which consist of twelve elementary, three K-8 schools, four middle schools, two high schools, and two alternative/independent schools.

GOVERNING BOARD

Member	Office	Term Expires
Raquel Alvarez	President	December, 2026
Stacy Begin	Vice President	December, 2026
Mike Blessing	Clerk	December, 2024
Eleanor Evans	Member	December, 2024
Nancy Licona	Member	December, 2026

DISTRICT ADMINISTRATORS

Julie Vitale, Ed.D.,
Superintendent

Andrea Norman, Ed.D.,
Associate Superintendent, Administrative Services

Mercedes Lovie, Ed.D.,
Associate Superintendent, Education Services

Todd McAteer, Ed.D.,
Associate Superintendent, Human Resources

OCEANSIDE UNIFIED SCHOOL DISTRICT
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2023

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
ASSETS						
Cash	$ 1,176,412	$ 660,510	$ 9,411,329	$ 20,637,660	$ 13,125,000	$ 45,010,911
Accounts receivable	-	45,082	3,799,616	127,913	72,921	4,045,532
Due from other funds	-	-	47,878	989,018	-	1,036,896
Stores inventories	14,986	-	206,230	-	-	221,216
Total Assets	$ 1,191,398	$ 705,592	$ 13,465,053	$ 21,754,591	$ 13,197,921	$ 50,314,555
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 45,686	$ 37,552	$ 361,738	$ 96,289	$ -	$ 541,265
Due to other funds	-	40,648	92,852	-	-	133,500
Unearned revenue	-	395,410	-	-	-	395,410
Total Liabilities	45,686	473,610	454,590	96,289	-	1,070,175
Fund Balances						
Nonspendable	14,986	-	216,230	-	-	231,216
Restricted	1,130,726	231,982	12,781,009	21,658,302	13,082,528	48,884,547
Assigned	-	-	13,224	-	115,393	128,617
Total Fund Balances	1,145,712	231,982	13,010,463	21,658,302	13,197,921	49,244,380
Total Liabilities and Fund Balances	$ 1,191,398	$ 705,592	$ 13,465,053	$ 21,754,591	$ 13,197,921	$ 50,314,555

OCEANSIDE UNIFIED SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2023

REVENUES	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
Federal sources	$ -	-	$ 7,952,896	$ -	$ -	$ 7,952,896
Other state sources	-	1,057,714	5,116,619	-	-	6,174,333
Other local sources	1,221,255	29,343	784,772	5,228,424	(120,871)	7,142,923
Total Revenues	1,221,255	1,087,057	13,854,287	5,228,424	(120,871)	21,270,152
EXPENDITURES						
Current:						
Instruction	-	885,868	-	-	-	885,868
Instruction-Related Services:						
Supervision of instruction	-	157,389	-	-	-	157,389
School site administration	-	153.00	-	-	-	153
Pupil Services:						
Food services	-	-	10,336,247	-	-	10,336,247
All other pupil services	-	13,619	-	-	-	13,619
Ancilary services	1,079,399	-	-	-	-	1,079,399
General Administration Services:						
Transfers of indirect costs	-	1,501	199,182	-	-	200,683
Plant services	-	38,400	-	1,754	-	40,154
Capital outlay	-	-	-	903,682	-	903,682
Total Expenditures	1,079,399	1,096,930	10,535,429	905,436	-	13,617,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,856	(9,873)	3,318,858	4,322,988	(120,871)	7,652,958
OTHER FINANCING SOURCES (USES)						
Proceeds from sales of property	-	-	-	-	10,991,885	10,991,885
Net Change in Fund Balances	141,856	(9,873)	3,318,858	4,322,988	10,871,014	18,644,843
Fund Balances, July 1, 2022	1,003,856	241,855	9,691,605	17,335,314	2,326,907	30,599,537
Fund Balances, June 30, 2023	$ 1,145,712	231,982	$ 13,010,463	$ 21,658,302	$ 13,197,921	$ 49,244,380

OCEANSIDE UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2023

	Second Period Report	Annual Report
Regular ADA:		
TK/Grades K-3	4,359.54	4,402.80
Grades 4-6	2,988.06	2,959.71
Grades 7-8	2,127.67	2,123.76
Grades 9-12	4,420.11	4,357.04
Total Regular ADA	13,895.38	13,843.31
Special Education, Nonpublic, Nonsectarian Schools:		
TK/Grades K-3	1.73	1.67
Grades 4-6	4.54	4.70
Grades 7-8	2.53	2.42
Grades 9-12	14.09	13.92
Total Special Education, Nonpublic ADA Nonsectarian Schools ADA	22.89	22.71
Total ADA	13,918.27	13,866.02

OCEANSIDE UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2023

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	45,380	180	Complied
Grade 1	50,400	54,090	180	Complied
Grade 2	50,400	54,090	180	Complied
Grade 3	50,400	54,090	180	Complied
Grade 4	54,000	54,090	180	Complied
Grade 5	54,000	54,090	180	Complied
Grade 6	54,000	58,345	180	Complied
Grade 7	54,000	58,345	180	Complied
Grade 8	54,000	58,345	180	Complied
Grade 9	64,800	65,596	180	Complied
Grade 10	64,800	65,596	180	Complied
Grade 11	64,800	65,596	180	Complied
Grade 12	64,800	65,596	180	Complied

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2023

General Fund	(Budget) 2024 [2]	2023	2022	2021
Revenues and other financing sources	$ 277,647,164	$ 333,033,193	$ 262,018,466	$ 237,103,349
Expenditures and other financing uses	273,156,233	281,983,590	252,650,637	232,322,715
Change in fund balance (deficit)	4,490,931	51,049,603	9,367,829	4,780,634
Ending fund balance	$ 106,794,271	$ 102,303,340	$ 51,253,737	$ 41,885,908
Available reserves [1]	$ 8,194,687	$ 8,432,992	$ 11,448,627	$ 11,615,782
Available reserves as a percentage of total outgo	3.0%	3.0%	4.5%	5.0%
Total long-term debt	$ 561,237,862	$ 575,304,644	$ 499,118,711	$ 575,177,757
Average daily attendance at P-2	13,847	13,918	14,660	N/A

General Fund balance has increased by $60.4 million over the past two years. The fiscal year 2023-24 adopted budget projects an increase of $4.5 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District incurred an operating surplus in each of the last three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Long-term debt has decreased by $0.1 million over the past two years.

ADA has decreased by 742 in the past year and is expected to decrease by 71 in 2023-24.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2023.

	General Fund	Building Fund	Bond Interest and Redemption Fund
June 30, 2023, annual financial and budget report (SACS) fund balance	$ 101,101,436	$ 94,858,133	$ 24,095,581
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
Cash FMV overstated	-	-	(657,212)
Accounts receivable understated	4,592,702	-	-
Accounts payable understated	(3,390,798)	(1,372,769)	-
Net adjustments and reclassifications	1,201,904	(1,372,769)	(657,212)
June 30, 2023, audited financial statement fund balance	$ 102,303,340	$ 93,485,364	$ 23,438,369

Charter School		
Name	Number	Inclusion in Financial Statements
Coastal Academy Charter	0516	Not included
Pacific View Charter	0247	Not included

OCEANSIDE UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Basic	10.553	13525	$ 28,554	
School Breakfast Program - Especially Needy	10.553	13526	1,488,088	
National School Lunch Program	10.555	13523	4,227,957	
USDA Donated Foods	10.555	N/A	696,921	
Total Child Nutrition Cluster				$ 6,441,520
Child and Adult Care Food Program Cluster:				
Child and Adult Care Food Program	10.558	13393	856,163	
Cash in Lieu of Commodities	10.558	N/A	64,302	
Total Child and Adult Care Food Program Cluster				920,465
Fresh Fruit and Vegetable Program	10.582	14968		2,526
Total U.S. Department of Agriculture				7,364,511
U.S. Department of Defense:				
Promoting K-12 Student Achievement at Military Connected Schools	12.556	N/A		233,791
Support for Student Achievement	12.000	N/A		4,442
Impact aid for Children with Severe Disabilities	12.558	N/A		501,525
Total U.S. Department of Defense				739,758
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Every Student Succeeds Act (ESSA):				
Title I Grants				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329	3,538,448	
ESEA School Improvement Funding	84.010	15438	215,485	
Total Title I Grants				3,753,933
Title II, Part A, Supporting Effective Instruction	84.367	14341		483,072
Title III, English Learner Student Program	84.365	14346		437,296
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		148,693
Title VIII Impact Aid	84.041	10015		6,980,841
Carl D. Perkins Career and Technical Education: Adult, Sec. 132	84.048	14893		140,366
Title IV 21st Century Community Learning Centers Grants:				
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14535	554,366	
21st Century Community Learning Centers: ESSER III Summer Learning Program	84.245	15650	22,288	
Total 21st Century Community Learning Centers Grants				576,654
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425 D	15536	39,103	
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425 D	15547	10,144,827	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425 U	15559	5,239,523	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund Learning Loss	84.425 U	10155	735,248	
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425 D	15618	1,034,075	
Expanded Learning Opportunities (ELO Grant GEER II	84.425 D	15619	393,762	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425U	15620	771,950	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425U	15621	96,827	
American Rescue Plan-Homeless Children and Youth II	84.425	15566	30,513	
Total Education Stabilization Fund				18,485,828
Passed through East County SELPA:				
Special Education Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	3,435,875	
Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	9,507	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	109,755	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	190,634	
Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,199	
IDEA Quality Assurance & Focused Monitoring	84.027A	13693	35,335	
Total Special Education (IDEA) Cluster				3,782,305
Total U.S. Department of Education				34,788,988
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
CCDF Cluster Funds:				
COVID-19 Coronavirus Response and Relief Supplemental Appropriations	93.575	15555	1,059	
COVID-19 ARP California State Preschool Program One Time Stipend	93.575	15640	13,425	
Total CCDF Cluster				14,484
Total U.S. Department of Health & Human Services				14,484
Total Expenditures of Federal Awards				$ 42,907,741

Of the Federal expenditures presented in the schedule, the District provided no Federal awards to recipients.

NOTE 1 – PURPOSE OF SCHEDULES

Combining Fund Financial Statements
Combining fund balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the non-major and fiduciary funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

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
This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

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.

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 Charter Schools
This schedule lists all charter schools chartered by the District and displays information for each charter school and whether or not the charter school is included in the District audit.

The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of Expenditures of Federal Awards
The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenue by June 30, 2023, without a corresponding recognition of expenditures.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 44,066,291
Differences between Federal Revenues and Expenditures:		
Promoting K-12 Student Achievement at Military Connected Schools	12.556	(465,466)
Support for Student Achievement	12.000	(119,182)
Child and Adult Care Food Program Cluster:	10.558	(81,504)
Coronavirus Response and Relief Supplemental Appropriations Act	93.575	1,059
ARP California State Preschool Program One Time Stipend	93.575	13,425
Supply Chain Assistance Funds	10.555	(506,882)
Total Schedule of Expenditures of Federal Awards		$ 42,907,741

Other Independent Auditors' Reports

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

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

Governing Board
Oceanside Unified School District
Oceanside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oceanside Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 4, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2023-002 to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2023-001 and 2023-002.

Oceanside Unified School District's Response to Findings

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

Purpose of this Report

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

Nigro + Nigro, PC.

Murrieta, California
March 4, 2024

NIGRO & NIGRO PC
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board
Oceanside Unified School District
Oceanside, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Oceanside Unified School District's 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 Oceanside Unified School District's major federal programs for the year ended June 30, 2023. The Oceanside Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Oceanside Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 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 Oceanside Unified School 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 Oceanside Unified School 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 Oceanside Unified School District's federal program.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Oceanside Unified School 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 Oceanside Unified School 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 Oceanside Unified School 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.

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2023-003. Our opinion on each major federal program is not modified with respect to this matter.

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

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

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

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

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

Nigro + Nigro, PC.

Murrieta, California
March 4, 2024

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
Oceanside Unified School District
Oceanside, California

Report on Compliance

Opinion
We have audited the Oceanside Unified School District's (District) compliance with the requirements specified in the *2022-23 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, 2023.

In our opinion, Oceanside Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

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, and the *2022-23 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 Oceanside Unified School District's state programs.

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Auditors' 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 *2022-23 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 *2022-23 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 *2022-23 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:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
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
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	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	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

Areas marked as “Not Applicable” were not operated by the District.

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 identify in the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings 2023-004 and 2023-005.

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

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, 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 identity 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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Nigro + Nigro, PC.

Murrieta, California
March 4, 2024

Schedule of Findings and Questioned Costs

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Financial Statements

Type of auditors' report issued	Qualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516(a)?	Yes

Identification of major programs:

Assistance Listing	Name of Federal Program or Cluster
84.425 D, U	Education Stabilization Fund
84.041	Title VIII Impact Aid
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,287,232
Auditee qualified as low-risk auditee?	No

State Awards

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

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

Finding 2023-001: Implementation of GASB 96 (60000)

Criteria: A government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Condition: The District did not comply with implementing GASB 96.

Context: Implementation was required beginning July 1, 2022, and forward.

Questioned Cost: Not applicable

Cause: The District did not implement the standard.

Effect: Right to use assets and subscription liabilities are understated.

Recommendation: We recommend the District implement the standard in order to follow generally accepted accounting principles.

Views of Responsible Officials: The district is in the process of gathering the GASB 96 information. It now has a contract with an outside vendor who is assisting with this process. The contracts and leases have been uploaded into the vendors' system and the vendor is currently compiling the data into an appropriate GASB 96 report. The district will be able to use this information to remain in compliance with the GASB 96 requirements.

Finding 2023-002: Capital Asset Accounting (20000)

Criteria: Capital assets represent one of the largest investments of the District; control and accountability are of significant concern. Generally accepted accounting principles (GAAP), Education Code Section 35168, and District Board Policy require the District to maintain records that properly account for capital assets. Capital asset records serve as a management tool and have an important bearing on management decisions, such as long-range acquisition and abandonment projections. The need for data on capital assets is an important aspect to the District.

Condition: The District provided an incomplete record of additions to capital assets for the fiscal year 2022-23 causing the financial reports to require adjustment. Property sales and financed purchases that don't capitalize transpired during the year were not reflected in the asset records.

Context: The finding is for fiscal year 2022-23

Questioned Cost: Not applicable.

Cause: Turnover and job responsibility changes.

Effect: The financial statements had to be adjusted and the capital asset record is out of date.

Recommendation: We recommend the District reconcile all costs expended annually to the capital asset record. Also, any sales that occur during the year should be identified and removed from the record. Finally, it may be prudent for the District to contract with an outside consultant to perform a physical inventory of all District assets, including all construction projects, improvements, equipment, as well as accumulated depreciation. Then the District needs to appoint an individual the responsibility of maintaining the inventory on a current basis.

Views of Responsible Officials: The district will continue to reconcile the costs expended annually to the capital asset record. The purchasing department will update and remove sales from the record as they occur throughout the year. OUSD has contracted with an outside vendor to conduct a physical inventory of all assets. This inventory will commence on March 19, 2024.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

Finding 2023-003: Annual Report Card, High School Graduation Rate (50000)

Program Identification:

Federal Agency: U.S. Department of Education
Pass-through Entity: California Department of Education
Program Names: Title I, Part A Grants:
Title I, Part A, Basic Grants Local-Income and Neglected (AL No. 84.010)
ESEA, School Improvement Grant Funding for LEAs (AL No. 84.010)

Criteria: ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25))) require a local educational agency to have official written documentation that a student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma in order to remove a student from the graduation cohort. A student who is retained in grade, enrolled in a GED program, or leaves school for any other reason may not be counted has having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort.

Condition: During our testing of compliance and controls over the graduation cohort, we identified two instances in which the District was unable to provide supporting documentation to demonstrate that the students enrolled in another school or in a educational program that culminates in the award of a regular high school diploma.

Context: Exceptions were identified in two of the sixteen students sampled.

Questioned Costs: None.

Cause: The District did not maintain adequate documentation to support the removal of a student from the regulatory adjusted cohort.

Effect: School site's graduation rate will be overstated on the school site's annual report card.

Recommendation: We recommend the District train school site staff on allowable documentation to remove students from a graduation cohort as well as other cohort codes. Subsequently the District should assist school sites in developing the record retention process to ensure documentation is available upon request.

Views of Responsible Officials: The district will develop a process for properly accounting for and documenting when a student is taken from the regulatory-adjusted cohort. In addition, formal training will be provided to both Counselors and site Guidance Technicians on the manner in which to implement the developed process in order to ensure that documentation is available upon request. This will be provided prior to May of 2024.

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

Finding 2023-004: After/Before School Education and Safety Program (40000)
This is a repeat of Finding 2022-001

Criteria: The After School Education and Safety Program (ASES) was established to serve pupils in kindergarten through grade nine. In accordance with Education Code Section 8483 (a)(1), there are stringent regulations in operating and reporting attendance for the program.

Condition/Context: For two sites tested, we could not reconcile the amounts reported by the District in the supporting attendance system with the amount reported in the first half semiannual report. At one site, we noted fourteen instances where students had attendance recorded but were marked as absent or there were no time entries on the sign in sign out sheets. In one instance the sign in out sheets did not have a code or other information that permitted the student to leave the program early or arrive late.

Cause: The amount recorded through the system has not been reconciled with the amount reported. Additionally, sign in/out procedures are not being followed at one of the sites tested.

Effect: There is no financial impact from this finding. The amount reported was less than the amount shown in the attendance system but could not be reconciled.

Recommendation: We recommend that the District reconcile their attendance monthly, follow-up on any variances between the support and amount reported and provide training to all levels of employees involved with the program regarding all policies and procedures for early release or late start.

District Response: The District has partnered with the Expanded Learning Division from the San Diego County Office of Education to provide training to the ASES providers on the student attendance system (CitySpan) and policy for early release and late start. The district also monitors the accuracy of daily sign-in and sign-out sheets by requiring ASES providers to submit copies of the forms with each monthly invoice. The district will continue to meet bi-weekly with the ASES providers to facilitate training, reconcile attendance reports, and plan for student enrichment opportunities.

Finding 2023-005: School Accountability Report Card (72000)

Criteria: The information on the School Accountability Report Card (SARC) should be reported consistent with the Williams Quarterly Reports for each school as required by the provisions of Education Code Section 33126.

Condition/Context: For two of eight sites tested, the District reported information on the SARC that was inconsistent with the Williams Quarterly Reports.

Cause: The District reported the incorrect Williams Quarterly Reports on the 2022-23 SARC.

Effect: The District was not in compliance with this requirement. There is no questioned cost for this finding.

Recommendation: We recommend that an employee verify the information presented in the SARC. This information is essential to present the required information about the school fairly to the public.

District Response: The District will ensure that the annual School Accountability Report Card data utilizes the correct data year as the Williams Quarterly Report data to ensure transparency to our community. Additionally, the District will implement an audit process to monitor this data and to ensure all teachers eligible for a teacher consent forms to support their assignments and credentialing are provided this in a timely manner. The SARCs will be revised to document the correct data and will be posted by May of 2024.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2022-001: after/before school education and safety program	The After School Education and Safety Program (ASES) was established to serve pupils in kindergarten through grade nine. In accordance with Education Code Section 8483(a)(1), there are stringent regulations in operating and reporting attendance for the program. For 3 sites tested, we could not reconcile the amounts reported by the District in the supporting attendance system with the amount reported in the first half semiannual report.	40000	We recommend the District reconcile attendance monthly, follow-up on any variances between the support and amount reported and provide training to all levels of employees involved with the program regarding all policies and procedures for early release or late start.	Not implemented, See Finding 2023-004.

NIGRO & NIGRO PC
A Professional Accountancy Corporation

To the Governing Board
Oceanside Unified School District
Oceanside, California

In planning and performing our audit of the basic financial statements of Oceanside Unified School District for the year ending June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated March 4, 2024 on the financial statements of Oceanside Unified School District.

DISTRICT OFFICE

Observation: While speaking with the District's accountant, we noted that bank reconciliations are prepared on a quarterly basis.

> **Recommendation:** We recommend the district reconcile bank accounts monthly to mitigate risk of misstatements due to errors or fraud.

Observation: During our test of district office cash disbursements, we noted five of sixty-seven expenditures were not approved prior to incurring the expenditure.

> **Recommendation:** We recommend that the district work with staff to ensure all expenditures are approved for the appropriate amount prior to incurring each expenditure.

Observation: During our cash receipt testing of the child nutrition department, we noted four of four receipts were not deposited timely. All four receipts were collected during fiscal year 2021-22 and were deposited in March 2023, May 2023, and June 2023.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
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www.nncpas.com • Licensed by the California Board of Accountancy

DISTRICT OFFICE (continued)

Recommendation: We recommend the District deposit cash at least during the same week that it is collected or daily if necessary. Cash should never be left over the weekend or over a holiday since funds can be stolen or lost over these times.

ASSOCIATED STUDENT BODY ACTIVITIES

Observation: During our cash receipts testing at **Jefferson Middle**, we noted tally sheets or prenumbered receipts are not used for sales when using the cash box and revenue potentials are not prepared. Furthermore, we noted that only one adult is usually present when collecting cash for at the door ticket sales for after school events.

Recommendation: Without adequate supporting documentation, we cannot verify whether all cash collected had been deposited intact and into the correct ASB accounts. Sound internal controls for handling cash discourage theft of ASB funds and protect those who handle the cash. It is important to tie all proceeds to the specific event from which they were generated and to ensure that all proceeds from an event or activity are turned in and properly accounted for. We recommend that before any events are held, control procedures such as utilizing ticket logs, tally sheets, prenumbered cash receipts, or cash register receipts, be established which will allow for the reconciliation between money collected and sales. We also recommend using a revenue potential worksheet for any fundraisers.

Observation: During our cash receipts testing we noted that two receipts at **Jefferson Middle** were not deposited in a timely manner. Collected receipts were dated up to one month prior to being deposited in the bank.

Recommendation: We recommend that the sites emphasize to the advisors and teachers that deposits should be made to the bookkeeper on a weekly basis or more often as needed. Money should never be left over the weekend or holidays because thefts often occur during these times.

We will review the status of the current year comments during our next audit engagement.

Nigro + Nigro, PC.

Murrieta, California
March 4, 2024

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Education
Oceanside Unified School District
Oceanside, California

Oceanside Unified School District
2024 General Obligation Refunding Bonds, Series A

and

Oceanside Unified School District
2024 General Obligation Refunding Bonds, Series B
(Final Opinion)

Greetings:

We have acted as bond counsel to the Oceanside Unified School District (the "District"), which is located in the County of San Diego, California (the "County"), in connection with the issuance by the District of $__________ aggregate principal amount of bonds designated as "Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series A" and $__________ aggregate principal amount of bonds designated as "Oceanside Unified School District 2024 General Obligation Refunding Bonds, Series B" (collectively, the "Bonds"). The Bonds are issued pursuant to a resolution of the Board of Education of the District adopted on April 16, 2024 (the "Resolution") and a Paying Agent Agreement, dated as of May 1, 2024 (the "Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent") and acknowledged by the Treasurer-Tax Collector of the County. The Board of Supervisors of the County authorized the District to issue the Bonds on its own behalf by a resolution adopted on June 8, 2021. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution or the Paying Agent Agreement.

In such connection, we have reviewed the Resolution, the Paying Agent Agreement, 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 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 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 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 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 thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Paying Agent Agreement 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 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 Bonds, the Resolution, the Paying Agent Agreement 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 assets described in or as subject to the lien of the Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. 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 or other offering material relating to the 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 Bonds constitute the valid and binding obligations of the District.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. The Paying Agent Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the District.

4. 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 Bonds and the interest thereon.

5. Interest on the 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 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the 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 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION
REFUNDING BONDS, SERIES A

OCEANSIDE UNIFIED SCHOOL DISTRICT
(San Diego County, California)
2024 GENERAL OBLIGATION
REFUNDING BONDS, SERIES B

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated __________, 2024, is executed and delivered by the Oceanside Unified School District (the "District") in connection with the issuance of the above-named bonds (the "Bonds"). The Bonds are being issued pursuant to the resolution (the "Resolution") adopted by the Board of Education of the District on April 16, 2024, and in accordance with the terms of the Paying Agent Agreement, dated as of May 1, 2024 (the "Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"). The District covenants and agrees as follows:

SECTION 1. <u>Purpose of the Disclosure Certificate</u>. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. <u>Definitions</u>. In addition to the definitions set forth in the Paying Agent Agreement, 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 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the KNN Public Finance, LLC, 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 purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), 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 Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"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 S.E.C., 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 final official statement dated __________, 2024 relating to the Bonds.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the 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 (currently ending June 30), commencing with the report for the fiscal year of the District ending June 30, 2024 (which is due not later than April 1, 2025), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. 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 of this Disclosure Certificate; provided, 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 the same manner as for a Listed Event under Section 5.

(b) Not later than 15 business days prior to said date, 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 send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, 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:

* 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), 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.

To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

* Outstanding indebtedness and lease obligations, as of the preceding fiscal year;
* General fund budget and actual results, as of the preceding fiscal year;
* Average daily attendance and State funding information, or equivalent information, as may be reasonably available, as of the preceding fiscal year;
* Assessed valuations, as of the most recent equalized assessed roll; and
* Largest local secured taxpayers, as of the most recent equalized assessed roll.

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 are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. 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 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. 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);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. 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.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person 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 obligated person, 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 obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

7. Appointment of a successor or additional paying agent or the change of name of a paying agent; or

8. 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 security 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, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) 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 in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(f) The District intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. 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 KNN Public Finance, LLC.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or 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 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 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 the same manner as for a Listed Event under Section 5(e), 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. 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 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 of San Diego or in U.S. District Court in or nearest to the County. 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 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate on the date as first written above.

OCEANSIDE UNIFIED SCHOOL
DISTRICT

By:____

Associate Superintendent of
Business Services

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of District:	OCEANSIDE UNIFIED SCHOOL DISTRICT
Name of Bond Issue:	OCEANSIDE UNIFIED SCHOOL DISTRICT 2024 GENERAL OBLIGATION REFUNDING BONDS, SERIES A OCEANSIDE UNIFIED SCHOOL DISTRICT 2024 GENERAL OBLIGATION REFUNDING BONDS, SERIES B
Date of Issuance:	__________, 2024

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

OCEANSIDE UNIFIED SCHOOL DISTRICT

By ____________[to be signed only if filed]___________

APPENDIX E

SAN DIEGO COUNTY INVESTMENT POOL

The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the County Treasurer and has not been confirmed or verified by the District or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

In accordance with Section 53600 et seq. of the Government Code of the State of California (the "Government Code"), the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with Section 53635 et seq. of the Government Code. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the Treasurer's investment portfolio conform to the statutory requirements of Section 53635 et seq. of the Government Code, authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

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SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND
INVESTMENT POLICY

January 1, 2024

The Investment Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686. Section 53635 shall apply to a local agency that is a county or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

The practices of this office will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this policy statement. All matters contained in this policy are to be read and applied pursuant to and consistent with state law. Where this Investment Policy specifies a percentage limitation, compliance will be measured as of the date of purchase. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Pooled Money Fund (the "Fund") the objectives of this office shall be as follows.

1. **The primary objective shall be to safeguard the principal of the funds under the County Treasurer's control.**

2. **The secondary objective shall be to meet the liquidity needs of the participants.**

3. **The third objective shall be to achieve an investment return on the funds under control of the County Treasurer within the parameters of prudent risk management.**

The Fund is an actively managed portfolio. By this, it is meant that the County Treasurer and staff will observe, review, and adjust to changing conditions that affect the Fund. This shall be viewed as a full-time responsibility by the County Treasurer and staff. The authority to execute investment transactions that will affect the Fund will be limited to:

County Treasurer-Tax Collector
Assistant Treasurer-Tax Collector
Chief Deputy Treasurer
Chief Investment Officer
Investment Officers

The County Treasurer-Tax Collector (the "County Treasurer") and the above staff will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund.

Government Code Sections 27000.3 and Section 53600.3 provide that the "prudent investor" standard is to be used by the County Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the County Treasurer and their staff 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 County and other depositors, 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 County and the other depositors. Within the limitations of this policy and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law. The County Treasurer and their staff shall act in accordance with written procedures and the Investment Policy, exercise due diligence, report in a timely fashion, and implement appropriate controls to mitigate adverse developments.

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SAN DIEGO COUNTY TREASURER INVESTMENT POLICY

2024 SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND INVESTMENT POLICY

The purpose of the County Treasurer's Investment Policy is to implement the legislated parameters of the investment authority of the Fund. As an elected official of the County of San Diego, the County Treasurer must manage public monies in a way that is consistent with its objectives, investment oversight, and sound investment practices and not solely to maximize returns. The basic concept of investment return is based on a risk/reward relationship: the higher the risk, the higher the expected return. Risk management must be an integral part of any investment policy. Risk management must include adequate internal controls so that Fund depositors and the public have confidence that public monies are secure. The policy stated below will concern itself with risk management.

1. **SECURITY OF PRINCIPAL POLICY** - The policy issues directed to protecting the principal entrusted to this office are:

   A. Limiting the Fund's exposure to each type of security.

   B. Limiting the Fund's exposure to each issuer of debt.

   C. Determining the minimum credit requirement for each type of security.

2. **LIQUIDITY POLICY** - The policy issues directed to provide the necessary liquidity to the participants are:

   A. Limiting the length of maturity for securities in the Fund.

   B. Limiting the Fund's exposure to Moderately Liquid and Illiquid securities.

3. **RETURN POLICY** - The policy issues directed to achieving a return are:

   A. Attaining a market rate of return, while taking into account the investment risk constraints and liquidity needs.

   B. Limiting a majority of the investments to low-risk securities in anticipation of earning a fair return relative to the risk being taken.

4. **MATURITY POLICY**

   A. The maximum maturity allowed by the California Government Code is 5 years, with shorter limitations specified for certain types of securities. The guidelines for maturities of investments and duration of the Fund, as established under this Policy, shall be:

   - At least 35% of the Fund maturing within 1 year
   - At least 15% of the Fund maturing within 90 days, and
   - A maximum effective duration of 2.0 years

B. The Fund will be considered in compliance with the maturity policy if it meets the maturity targets above. In the event that the Fund distribution does not comply with the table above, until such time as the Fund is within maturity targets, all securities purchased shall be of a maturity or duration that will lower the maturity and or duration of the Fund. In the event a compliance violation has occurred, a variance report shall be made to the County Treasury Oversight Committee as part of the normal public monthly reporting.

5. **GENERAL STRATEGY**

The County Treasurer will generally use a buy and hold investment strategy, where securities are purchased with the intent of holding them to maturity. The investment staff will update the County Treasury Oversight Committee on its asset allocation and investment strategy at its regularly scheduled public meetings. Securities may be sold prior to maturity when deemed prudent. Reasons for selling include, but are not limited to:

- Disposing of a security with declining credit quality
- A financially advantageous sale and replacement of a security that improves the quality, yield, or target duration of the portfolio
- Meeting the liquidity needs of the portfolio
- Portfolio rebalancing to bring the portfolio back into compliance

6. **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS**

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms their commitment to the consideration of ESG criteria in evaluating securities. Investments in entities that promote environmental stewardship by considering climate change, carbon emissions, pollution, biodiversity, deforestation, and food and water waste are encouraged. The County Treasurer also advocates investments in entities that support labor fairness and equality while opposing discrimination related to sex, race, age, disability, sexual orientation, color, religion, veteran status, genetic information, and other protected classes. Additionally, the County shall not purchase any investments issued directly by a corporation, classified under the Standard Industrial Classification (SIC) codes listed in Appendix C, that engages in the exploration, production, drilling, or refining of coal, petroleum, or natural gas.

7. **PROHIBITED SECURITIES**

The California Government Code prohibits a local agency from investing in any of the following derivative notes:

- Inverse Floaters
- Range Notes
- Interest-only strips derived from a pool of mortgages

  Any security that could result in zero interest accrual, except for securities issued by, or backed by, the United States government that could result in zero or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

8. **CREDIT RATING POLICY**

A. This Investment Policy sets forth minimum credit ratings for each type of security. These credit limits apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits.

B. Minimum credit ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one nationally recognized statistical rating organization (the "NRSRO").

b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, the County Treasurer and staff will analyze and evaluate the credit to determine whether to hold or sell the security.

2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit requirement, the County Treasurer will report the rating change to the County Treasury Oversight Committee in the monthly public report. In the same manner, the County Treasury Oversight Committee will be informed on the decision to hold or sell a downgraded security.

3. The Investment Group shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

9. **INTERNAL CONTROLS**

A. The Chief Deputy Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived; and

2. The valuation of costs and benefits requires estimates and judgments by management.

B. Accordingly, the Chief Deputy Treasurer shall establish and maintain internal controls that shall address the following points:

1. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.

2. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

3. Delivery-Versus-Payment (DVP) - All investment transactions shall be conducted on a delivery-versus-payment basis.

4. Safekeeping and Custody - Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the County's portfolio shall be held in safekeeping in the County's name by a third-party custodian, acting as agent for the County under the terms of a custody agreement executed by the bank and the County. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the County from the custodian listing all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, (iii) Local Agency Investment Fund, and (iv) mutual funds and money market mutual funds, since these securities are not deliverable.

5. Avoidance of Physical Delivered Bearer Securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.

6. Written Confirmation of Telephone Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person.

7. Development of a Wire Transfer Agreement with the Lead Bank or Third-Party Custodian - This agreement should outline the various controls, security provisions, and responsibilities of each party making and receiving wire transfers.

8. A treasury operations manual, as overseen by the Chief Deputy Treasurer, will be reviewed and updated by the treasury staff every two years or on an as needed basis.

10. **ANNUAL AUDIT** - The County Treasury Oversight Committee shall cause an independent audit to be conducted annually on a fiscal year basis by an external auditor to determine if the County Treasury is in compliance with the Investment Policy, other internal policies and procedures, and the California Government Code.

11. **PERMISSIBLE INVESTMENTS** - Government Codes 53601, 53601.1, 53601.2, 53601.8, 53635, 53635.8, 53637, 53638, 53651, 53652, and 53653 address permissible investments. These investment categories are addressed individually in sections 12-29 below.

12. **GOVERNMENT OBLIGATIONS** - The Fund invests in two categories of Government Obligations: U.S. Treasury and Agency obligations. Both are issued at the Federal level. U.S. Treasury obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government. Agency obligations are notes and bonds of federal agencies and government sponsored enterprises, including:

    Federal Agricultural Mortgage Corporation (Farmer Mac)
    Federal National Mortgage Association (FNMA, or Fannie Mae)
    Federal Home Loan Bank (FHLB)
    Federal Farm Credit Bank (FFCB)
    Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac)
    Government National Mortgage Corporation (GNMA, or Ginnie Mae)
    Tennessee Valley Authority (TVA)

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category is unlimited.

C. Maximum Exposure Per Issuer - The maximum exposure to the Fund for an individual issuer shall be:

1. Treasury - Unlimited

2. Agency - No more than 35% of the Fund value shall be invested in any single issuer.

D. Minimum Credit Requirement - None

E. Liquidity Category - Liquid

13. **LOCAL AGENCY AND STATE OBLIGATIONS** -These include registered state warrants or treasury notes or bonds of the state of California and registered bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state and bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

D. Minimum Credit Requirement - Issuers must be at or above the following ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category **-** Moderately Liquid

14. **BANKER'S ACCEPTANCES** - This is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the Banker's Acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed. Since their inception in 1914, there has been no known loss of principal to investors holding Banker's Acceptances.

A. Maximum Maturity - The maximum maturity of a security shall be 180 days from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

D. Minimum Credit Requirement – The rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

E. Liquidity Category – Liquid

15. **COMMERCIAL PAPER** - These are short-term, unsecured or secured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, some other support agreement, or collateralized by other financial assets.

A. Maximum Maturity - The maximum maturity of a security shall be 270 days from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-CP investments with said issuer.

D. Minimum Credit Requirements - The Rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

E. Liquidity Category - Liquid

16. **MEDIUM-TERM NOTES ("MTN")** - These are corporate notes**,** deposit notes**,** and bank notes sold by an agent in the open market on a continually offered basis. Issuers include well-recognized banks and bank holding companies, thrifts, finance companies, insurance companies, and industrial corporations. These medium-term notes are generally unsecured debt obligations, although some issues come to market on a collateralized or secured basis.

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-MTN investments with said issuer.

D. Minimum Credit Requirements - Issuers must be at or above the following ratings**:**

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

17. **NEGOTIABLE CERTIFICATES OF DEPOSIT** - These are issued by commercial banks and thrift institutions against funds deposited for specified periods of time, and they earn specified or variable rates of interest. Negotiable certificates of deposit ("NCD") differ from other certificates of deposit by their liquidity. NCD's are traded actively in secondary markets.

A. Maximum Maturity

1. The maximum maturity of an NCD security shall be 5 years from the settlement date.
2. The maximum maturity of any FDIC insured CDs, whether directly placed or placed through a private sector entity, shall be 13 months.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-NCD investments with said issuer

D. Minimum Credit Requirement – Issuers must be at or above the following ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

18. **REPURCHASE AGREEMENTS** - A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (the Fund); 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-upon future date.

A. Maximum Maturity - The maximum maturity of repurchase agreements shall be one year.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Broker/Dealer - The maximum exposure to a single broker/dealer shall be 10% of the Fund when the dollar-weighted average maturity is greater than 5 days or 15% of the Fund when the dollar-weighted average maturity is 5 days or less.

D. Eligible Broker/Dealers - Broker/Dealers shall sign a PSA Master Repurchase Agreement or a Tri-Party Repurchase Agreement. The Agreement must specify a minimum margin percentage of 102% and also provide for daily mark-to-market of the collateral by the custodian bank.

E. Eligible Collateral - The securities eligible for repurchase agreement transactions shall be securities authorized in Section 53601 of the California Government Code. Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency obligations.

F. Delivery of Collateral - Broker/Dealers shall deliver the underlying securities to the County's safekeeping bank, a mutually agreed-upon third party custodian bank, or a counterparty bank's customer book-entry account. When a third-party custodian is used, it will be the custodian's responsibility to transfer funds and securities between the broker/dealer and the Fund in accordance with the terms of the repurchase agreement.

G. Liquidity Category - Liquid

19. **REVERSE REPURCHASE AGREEMENTS** - Reverse repurchase agreements (RRPs) are essentially the mirror image of RPs. In this instance, the Fund is the seller of securities, and the broker or bank is the investor.

Due to the nature of RRPs, the policy regarding this instrument is different from the above RP policy.

A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRP.

B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to RRPs and/or securities lending at any one time.

C. Maximum Exposure Per Broker/Dealer – No more than 10% of the Fund shall be invested in RRPs with any one broker/dealer at any one time.

D. Purpose of RRPs - The uses of RRPs shall be to invest the proceeds from the agreement into permissible securities that are in the highest short-term rating category; to supplement the yield on securities owned; or to provide funds for the immediate payment of an obligation. The maturity of the RRP and the maturity of the security purchased shall be the same.

E. Eligible Securities - A RRP may only be entered into with a security authorized in California Government Code 53601 which has been owned and paid for 30 days prior to the settlement of the RRP.

F. Eligible Broker/Dealer - Broker/Dealers shall be primary broker/dealers of the Federal Reserve Bank of New York.

G. Liquidity Category - Liquid

20. **SECURITIES LENDING** - This is a program conducted by an agent authorized to execute securities lending under the guidelines listed under RRPs and as detailed in the "Services for Securities Lending Agreement." A securities lending transaction is when the Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future. The loans must be secured continuously by cash collateral or securities and maintained at a value of at least equal to 102 % of the market value of the securities loaned. During the term of the loan, the Fund will continue to receive the equivalent of the interest paid by the issuer of the securities loaned. The Fund will have the right to call the loan and receive the securities loaned at any time with one day's notice.

A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days.

B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to securities lending and/or RRPs at any one time.

C. Maximum Exposure Per Counterparty - No more than 10% of the Fund shall be on loan with any single counterparty at any one time.

D. Proceeds shall be invested in securities authorized by California Government Code and this Investment Policy.

21. **COLLATERALIZED CERTIFICATES OF DEPOSIT** - This is the deposit of funds in state or national banks, state or federal savings and loan associations, federal credit unions, or FDIC-insured industrial loan companies in California per California Government Code Section 53652. The deposit of the funds will be made under the following conditions:

A. The deposit may not exceed the total of the paid-in capital and surplus of a depository.

B. The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits. These securities will be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed-upon third party custodian bank.

C. The County Treasurer may waive the first $250,000 of collateral for each depository, so long as that amount is insured by an agency of the Federal Government. The documents listed below in D will not be required for deposits of $250,000 or less.

D. Each institution that receives Fund deposits must provide the County Treasurer with an up-to-date Contract, Annual Report, Affirmative Action Policy, Community Reinvestment Act Statement, and EEO-1 Form.

E. Maximum Maturity – The maximum maturity of a collateralized CD shall be 13 months.

F. Maximum Exposure of Fund – The maximum exposure to the Fund for this category shall be 5%.

G. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

H. Institutions at or above the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

I. Liquidity Category - Illiquid

22. **FDIC & NCUA INSURED DEPOSIT ACCOUNTS –** This is the deposit of funds in a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state per California Government Code Section 53635.8. The deposit of funds will be made under the following conditions:

A. The deposit of funds may be placed directly with a selected depository institution, not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

B. A selected depository may use a private sector entity to help place deposits with one or more commercial bank, savings bank, savings and loan association, or credit union located in the United States.

C. The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

D. Maximum Maturity - The maximum maturity of an FDIC or NCUA Insured Deposit Account shall be 13 months.

E. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 5%.

F. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

G. Minimum Credit Requirement - There is no minimum credit requirement for FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity.

H. Liquidity Category - Illiquid

23. **COVERED CALL OPTION/PUT OPTION** - An option is the right to buy or sell a specific security within a specific time period at a specific price.

A. A covered call is when the County Treasurer sells the option to another party giving them the right to buy an existing security in the Fund at a specific price within a specific time period.

B. A put option is when the County Treasurer sells the option to another party giving them the right to sell to the County Treasurer a security at a specific price within a specific time period.

C. The seller of a covered call option/put option is paid at the time of the sale of the option. At the end of the option period, if the option is not exercised, the right to buy or sell the security is canceled.

D. The County Treasurer will act only as a seller of covered call and put options with the following exception: County Treasurer may buy an option to offset an existing open option position.

E. Securities subject to covered calls shall not be used for Reverse Repurchase Agreements.

F. Cash sufficient to pay for outstanding puts shall be invested in securities maturing on or before the expiration date of the options.

G. Maximum Maturity - The maximum maturity of a covered call option/put option shall be 90 days.

H. Maximum Exposure of Fund - No more than 10% of the Fund may have options written against it at any given time.

I. Counterparty Risk - Options shall only be written with primary broker/dealers of the Federal Reserve Bank of New York.

J. Liquidity Category - Liquid

24. **MONEY MARKET MUTUAL FUND** – These investments consist of shares of beneficial interest issued by management companies. Such shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value. The Government Code allows for purchases of many types of mutual funds, but the Fund will limit use to money market mutual funds managed to maintain a stable NAV.

A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.

B. Maximum Exposure Per Fund - The maximum exposure to a single mutual fund shall be 10% of the Fund value.

C. Purchase Price - The purchase price of the mutual fund shall not include any commission.

D. Minimum Credit Requirement - Mutual fund ratings must be in the highest rating category by at least two NRSROs or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience in managing money market mutual funds and with assets under management in excess of five hundred million dollars.

E. Liquidity Category - Liquid

25. **LOCAL GOVERNMENT INVESTMENT POOLS (LGIPs)** – These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The Fund shall only invest in LGIPs that comply with the California Government Code and all relevant sections of this Investment Policy and are managed to maintain a stable NAV.

    A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.

    B. Minimum Credit Requirement – LGIP ratings must be in the highest rating category by at least one NRSRO.

    C. Liquidity Category – Liquid

26. **LOCAL AGENCY INVESTMENT FUND (LAIF)** – This fund was established by Government Code Section 16429.1 for use by local agencies in California and operates similarly to a LGIP. It is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.

    A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.

    B. Minimum Credit Requirement – LAIF is an unrated fund.

    C. Liquidity Category – Liquid

27. **PASS-THROUGH SECURITIES** - These will be limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds.

    A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

    B. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.

    C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

    D. Minimum Credit Requirement - The security must be rated "AA" or higher by at least one NRSRO.

    E. Liquidity Category - Liquid

28. **WHEN-ISSUED SECURITIES** - The Fund may invest in new issues of Government Obligations offered on a when-issued basis; that is, delivery and payment take place after the date of the commitment to purchase, normally within 15 days. Both price and interest rate are fixed at the time of commitment. This allows the Fund to lock in an interest rate that may not be available on the issue date. The Fund does not earn interest on the securities until settlement, and the market value of the securities may fluctuate between purchase and settlement. Such securities can be sold before settlement.

29. **SUPRANATIONALS** – The fund may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by multi-national organizations, including:

- Inter-American Development Bank (IADB)
- International Bank for Reconstruction and Development (IBRD)
- International Finance Corporation (IFC)

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

D. Minimum Credit Requirement - The issuer must be rated "AA" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

30. **QUALIFIED BROKERS AND DEALERS** - In order to minimize risk in executing security transactions under this Investment Policy, all transactions will be made only through qualified dealers.

A. A qualified dealer must be a bank, savings and loan association, or an investment securities dealer. Commercial Paper and Certificate of Deposit issuers may be considered qualified dealers for direct issuance of their paper.

B. Any dealer entering into a new business relationship to conduct security transactions with the County Treasurer is required to make application to the County Treasurer.

C. The dealer must ensure that its staff is aware of the County Treasurer's Investment Policy and the California Government Code Sections 53601 and 53635.

D. Investment securities dealers for Reverse Repurchase Agreements must be primary dealers regularly reporting to the Federal Reserve Bank.

E. The dealer is required to have net capital in excess of $10 million with liquidity lines of $50 million or more.

F. The dealer is required to maintain an active secondary market for securities sold to the County and must be competitive in price for bids and offers.

G. The dealer will be monitored by the Chief Investment Officer and staff to ensure the services the County requires are delivered in a timely and efficient manner.

H. The primary account representative must be in the institutional or middle market fixed income division with 5 years or more experience covering large municipalities.

I. A qualified dealer must not have made any political contributions to the County Treasurer, any member of the Board of Supervisors, or any candidate for these offices within any consecutive 48-month period following January 1996. The exception is if the broker/dealer is entitled to vote for any of these offices, in which case the contributions shall not be in excess of $250 to each official per election.

J. Each dealer, at minimum every three years, or more frequently if requested, will be required to respond to the County's Request for Information (RFI) providing the County with up-to-date financial and investment experience information in order to continue in its role.

31. **DELEGATION OF INVESTMENT AUTHORITY TO THE COUNTY TREASURER** - The State of California gives the Board of Supervisors the ability to delegate investment authority to the County Treasurer for a one-year period in accordance with Section 53607 of the California Government Code. The delegation will require renewal each year.

32. **SAFEKEEPING AUTHORITY**

A. The State of California gives the Board of Supervisors the ability to delegate the deposit for safekeeping authority to the County Treasurer in accordance with Section 53608 of the California Government Code. Board Resolution 109 adopted September 29, 1959 delegated this authority to the County Treasurer.

B. In exercising this safekeeping function, the County Treasurer will require depositories to provide evidence that they are taking reasonable measures to prevent unauthorized access to the depository's electronic data files.

C. The County Treasurer's Continuity of Operations Plan (COOP) addresses contingency plans in the event that a disaster, natural or otherwise, disrupts normal operations. Contingency plans vary depending upon the severity and expected longevity of the disruption.

33. **EXTERNAL OVERSIGHT** - The County Treasurer shall retain an independent third-party investment advisor to provide oversight and compliance monitoring.

The County Treasurer will also retain an NRSRO to provide a rating for the Fund and will have in place an internal system to provide credit and compliance monitoring.

34. **COUNTY TREASURY OVERSIGHT COMMITTEE** - The Board of Supervisors has established a County Treasury Oversight Committee pursuant to Sections 27130-27137 of the California Government Code. The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the County Treasury Oversight Committee and shall be reviewed and approved at a public hearing by the Board of Supervisors.

35. **RULES GOVERNING THE ACCEPTANCE OF HONORARIA, GIFTS, AND GRATUITIES:**

A. The County Treasury Oversight Committee:

1. Gifts and Gratuity Limits: - Members may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the County Treasurer conducts business.

2. Honorarium Limits - Members may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business.

3. Employment - A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of the County Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or during the period the employee is a member of the County Treasury Oversight Committee. A member may not secure employment with bond underwriters, bond counsel, security brokers or dealers, or financial services firms during the period that the person is a member of the Committee or for one year after leaving the County Treasury Oversight Committee.

4. Contributions - A member may not directly or indirectly raise money for a candidate for County Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the County Treasury Oversight Committee.

B. The County Treasurer and Designated Employees:

1. Gifts and Gratuity Limits - The County Treasurer and designated employees may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office.

2. Honorarium Limits - The County Treasurer and designated employees may not accept any honorarium.

3. Form 700 "Statement of Economic Interests" - The County Treasurer and designated employees are required to file a Form 700 annually.

36. **REPORTING** - The County Treasurer shall prepare an investment report monthly to be posted on the County Treasurer Tax-Collector's public website.

A. The report will be available to the following officials:

1. Board of Supervisors
2. County Treasury Oversight Committee
3. Chief Administrative Officer
4. Auditor & Controller
5. Pool Participants

B. The report will include the following:

1. A summary of Fund statistics

2. The type of investment, issuer, maturity date, par value, and dollar amount invested for all securities, investments, and monies held by the Fund

3. A description of any of the Fund's investments or programs that are under management of contracted parties, including the securities lending program

4. Current market value and the source of the valuation as of the date of the report for all securities held by the Fund

5. Securities lending portfolio, if applicable

6. Pool purchases, sales, and maturities

7. Statement denoting the Fund's ability to meet expenditure requirements for the next six months

8. Statement of compliance with the Investment Policy

37. **COSTS AND EARNINGS APPORTIONMENT**

A. Prior to quarterly interest apportionment, investment costs incurred by the County Treasurer will be deducted from the interest earnings of the pool and Dedicated Portfolios based on an equitable distribution formula. The costs, which are authorized by Government Code Section 27013, are made up of direct costs (salaries, banking services, computer services, and supplies) and indirect costs (department overhead and external overhead).

B. The Pool earnings distributed to each participant are proportionate to the average daily balance of the amounts on deposit by the participant. The County Auditor & Controller conducts the apportionment process based on the net earnings of the Fund each quarter.

C. In the event there is a negative balance in a participant's fund at any time, it shall reduce the average daily balance for the fund. If at quarter-end there is a negative average daily balance in a participant's fund, that fund will be charged the higher of the pool's earning rate for the quarter or a proxy TRANs cost.

D. The apportionment rate is set approximately ten business days after each calendar quarter end. Apportionments are not paid out by warrants; all earnings are credited to the participant's fund balance.

38. **TERMS AND CONDITIONS FOR DEPOSITING FUNDS BY VOLUNTARY PARTICIPANTS** - California Government Code Section 53684 allows local agencies, upon adoption of a resolution by the governing body of the agency, the option of depositing excess funds in the County Treasury for the purpose of investment by the County Treasurer.

A. The County, in its regional role to assist and aid other local agencies, adopted Board Resolution 11 on March 24, 1987, to allow agencies to deposit excess funds with the County Treasurer for investment. The limitation on acceptance of voluntary deposits and this Investment Policy are structured to help to ensure that, pursuant to Section 27133 of the California Government Code, the County Treasurer shall be able to find that all proposed deposits/withdrawals will not adversely affect the interests of the other depositors in the Fund.

B. The policy for the acceptance of local agency deposits is:

1. The local agency must sign an Investment Management Agreement.

2. The local agency may be asked to provide cash flows on a quarterly basis indicating projected withdrawals from the Fund.

C. Before any deposits for new accounts from Voluntary Participants can be accepted by the County Treasurer, the local agency must perform the following:

1. Provide a resolution adopted by the Board or governing body that authorizes the local agency to deposit excess funds in the County Treasury for the purpose of investment by the County Treasurer. The resolution must:

    a. be signed by an authorized official,

    b. indicate the resolution number and date passed by the Board or governing body,

    c. indicate the persons authorized to initiate deposits to and instruct withdrawals from the Fund and,

    d. bear the seal of the local agency, if the local agency has a seal.

2. Provide wire/ACH transfer instructions for cash withdrawals from the Fund. All withdrawals will be paid by electronic funds transfer.

3. Establish a trust account through the County Auditor & Controller's General Accounting Division.

39. CRITERIA FOR WITHDRAWAL OF MONIES FROM THE FUND BY VOLUNTARY PARTICIPANTS

A. Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.

B. When monies are requested for withdrawal, the County Treasurer's Office must find that the withdrawal will not adversely affect the interests of all other depositors in the Fund.

40. GRANDFATHERED AGENCIES

A. Grandfathered agencies that use the services of the County to keep their records and/or issue warrants/wires for the agency can continue to function in this manner and will be treated as a mandatory participant (assuming the agency continues to make deposits into the Fund).

B. These agencies can also opt to be treated as Voluntary Participants and elect to withdraw funds in the same fashion as the other Voluntary Participants. However, any agency so opting shall be subject to all restrictions placed upon the other Voluntary Participants.

GLOSSARY OF TERMS

BID - The price offered by a buyer of securities.

CREDIT RATING - The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations for a particular investment or issuing entity.

DEDICATED PORTFOLIO - Any assets, besides those held in the Fund, invested by the County Treasurer on behalf of any San Diego County agency.

DOLLAR-WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - The quarterly interest distribution to the Pool Participants after the actual investment costs incurred by the County Treasurer are deducted from the interest earnings of the Fund.

EFFECTIVE DURATION OR OPTION-ADJUSTED DURATION - The approximate percentage price change of a bond for a 100 basis point parallel shift in the yield curve, allowing for the cash flow to change as a result of the change in yield.

GRANDFATHERED AGENCIES- Some fire districts and other agencies that use the County's banking and accounting services.

ILLIQUID – Investments for which 1) the secondary market is non-existent or thinly traded, 2) it is not possible to access funds prior to maturity, or 3) One cannot liquidate at the cost of principal.

ISSUER - The entity identified as the counterparty or obligator related to a security trade.

INVESTMENT GROUP - Group consisting of the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, and Investment Officers.

INVESTMENT MANAGEMENT AGREEMENT - An agreement between a voluntary participant and the San Diego County Treasurer-Tax Collector. The agreement addresses the terms and conditions of local agencies' deposits of funds for investment into the Fund.

LIQUID – Term for securities that can be converted to cash quickly.

MODERATELY LIQUID - Securities that can be converted to cash quickly with the potential for minimum loss of principal.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER - The price at which a holder of a security would be willing to sell the security.

PORTFOLIO VALUE - The total book value of all the securities held in the Fund.

PRUDENT RISK - An investment system in which the investor will invest conservatively to receive a stable income with little risk.

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SELECTED DEPOSITORY INSTITUTION - A nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in the state of California.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization, with the investor receiving the certificate/security only after the final approval is granted.

Appendix A
Approved Broker/Dealers

Link to approved broker/dealers

APPENDIX B - POLICY GUIDELINES

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum % With One Issuer	Minimum Rating
US Treasury Obligations	5 years	No Limit	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%	No Limit
Local Agency Obligations	5 years	30%	10%	A
Banker's Acceptances	180 days	40%	5%	A-1
Commercial Paper (1)	270 days	40%	10% (2)	A-1
Medium Term Notes	5 years	30%	10% (2)	A
Negotiable Certificate of Deposits	5 years	30%	10% (2)	A-1/A
Repurchase Agreements	1 year	40%	Note (3)	No Limit
Reverse Repurchase Agreements	92 days	20%	10%	No Limit
Collateralized Certificates of Deposit	13 months	5%	5%	No Limit
FDIC & NCUA Insured Deposit Accounts	13 months	5%	5%	No Limit
Money Market Funds	N/A	20%	10%	AAAm
Local Government Investment Pools (LGIPs)	N/A	5%	5%	AAAm
Local Agency Investment Fund (LAIF)	N/A	5%	N/A	N/A
Pass-Through Securities	5 years	20%	10%	AA
Supranationals	5 years	30%	10%	AA

(1) *Government Code Section 53635(a) (1-2) specifies percentage limitations for this security type for county investment pools.*

(2) *10% issuer limit includes CP, MTN, and NCD exposure combined, if applicable.*

(3) *Maximum exposure per issue – The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days and 15% of the portfolio for RPs maturing in 5 days or less. The maximum exposure to a single broker/dealer of RPs shall be 10% of the portfolio value for maturities greater than 5 days and 15% of the portfolio value for maturities of 5 days or less.*

APPENDIX C – STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

CATEGORIES

GENERAL → *SPECIFIC*

3-DIGITS	4-DIGITS
131 - Crude Petroleum and Natural Gas	1311 - Crude Petroleum and Natural Gas
132 - Natural Gas Liquids	1321 - Natural Gas Liquids
138 - Oil and Gas Field Services	1381 - Drilling Oil and Gas Wells
	1382 - Oil and Gas Field Exploration Services
	1389 - Oil and Gas Field Services, Not Elsewhere Classified
122 - Bituminous Coal and Lignite Mining	1221 - Bituminous Coal and Lignite Surface Mining
	1222 - Bituminous Coal Underground Mining
123 - Anthracite Mining	1231 - Anthracite Mining
124 - Coal Mining Services	1241 - Coal Mining Services
291 - Petroleum Refining	2911 - Petroleum Refining
295 - Asphalt Paving and Roofing Materials	2951 - Asphalt Paving Mixtures and Blocks
	2952 - Asphalt Felts and Coatings
299 - Miscellaneous Products of Petroleum and Coal	2992 - Lubricating Oils and Greases
	2999 - Products of Petroleum and Coal, Not Elsewhere Classified
492 - Gas Production and Distribution	4922 - Natural Gas Transmission
	4923 - Natural Gas Transmission and Distribution
	4924 - Natural Gas Distribution
	4925 - Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution

COUNTY OF SAN DIEGO INVESTMENT POOL

TREASURY INVESTMENT RESULTS

Mar 2024

County of San Diego Treasurer-Tax Collector | 1600 Pacific Hwy, San Diego, CA 92101 | www.sdttc.com

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Note: The Information provided, including all charts, tables, graphs and numerical representations, are provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions.

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of March 31, 2024

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	932,319,898	931,817,867	923,248,414	5.99%	99.03	1190	4.02%	1,565,450	(8,569,453)
Agency	3,166,598,000	3,161,642,644	3,019,771,084	19.63%	95.36	763	1.76%	12,276,255	(141,871,560)
Bank Deposit	189,113,418	189,113,418	189,113,418	1.22%	100.00	0	3.38%	-	-
Commercial Paper	4,790,000,000	4,726,381,690	4,726,381,690	30.60%	98.67	91	5.63%	-	-
Corporate	418,834,000	419,146,040	409,339,491	2.67%	97.73	285	2.16%	2,665,882	(9,806,549)
LAIF	2,169	2,169	2,169	0.00%	100.00	0	4.27%	22	-
Local Gov Investment Pool	252,790,972	252,790,972	252,790,972	1.64%	100.00	0	5.48%	-	-
Money Market Fund FI	156,000,000	156,000,000	156,000,000	1.01%	100.00	0	5.24%	-	-
Municipal Bonds	533,750,000	534,144,280	521,336,818	3.40%	97.67	726	2.53%	4,250,441	(12,807,462)
Negotiable CD	2,785,000,000	2,785,000,000	2,785,701,612	18.47%	100.03	88	5.69%	67,123,588	701,612
Supranationals	1,111,834,000	1,100,325,039	1,070,537,633	6.97%	96.29	1066	2.61%	5,395,193	(29,787,406)
US Treasury	1,373,000,000	1,365,799,046	1,295,035,483	8.40%	94.32	577	1.14%	2,742,433	(70,763,563)
Total for March 2024	15,709,242,457	15,622,163,164	15,349,258,784	100%	97.71	420	3.92%	96,019,265	(272,904,380)
Total for February 2024	15,626,501,429	15,525,646,731	15,236,815,412	100%	97.51	431	3.92%	107,305,767	(288,831,319)
Change from Prior Month	82,741,029	96,516,433	112,443,371		0.20	(11)	0.00%	(11,286,502)	15,926,938
Portfolio Effective Duration	0.98								

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.31%	3.83%	2.78%	3.72%	0.95%	3.86%

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

Monthly Investment Returns are reported gross of fees. Administration fees since fiscal year 17-18 have averaged approximately 7 basis points per annum. **All Investments held during the month of March 2024 were in compliance with the Investment Policy dated January 1, 2023. 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.

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms his/her commitment to the consideration of ESG criteria in evaluating securities. Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 21.92 as of 03/31/24, placing it in the "Medium Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

PARTICIPANT CASH BALANCES

County of San Diego Pooled Money Fund

As of March 31, 2024

($000)

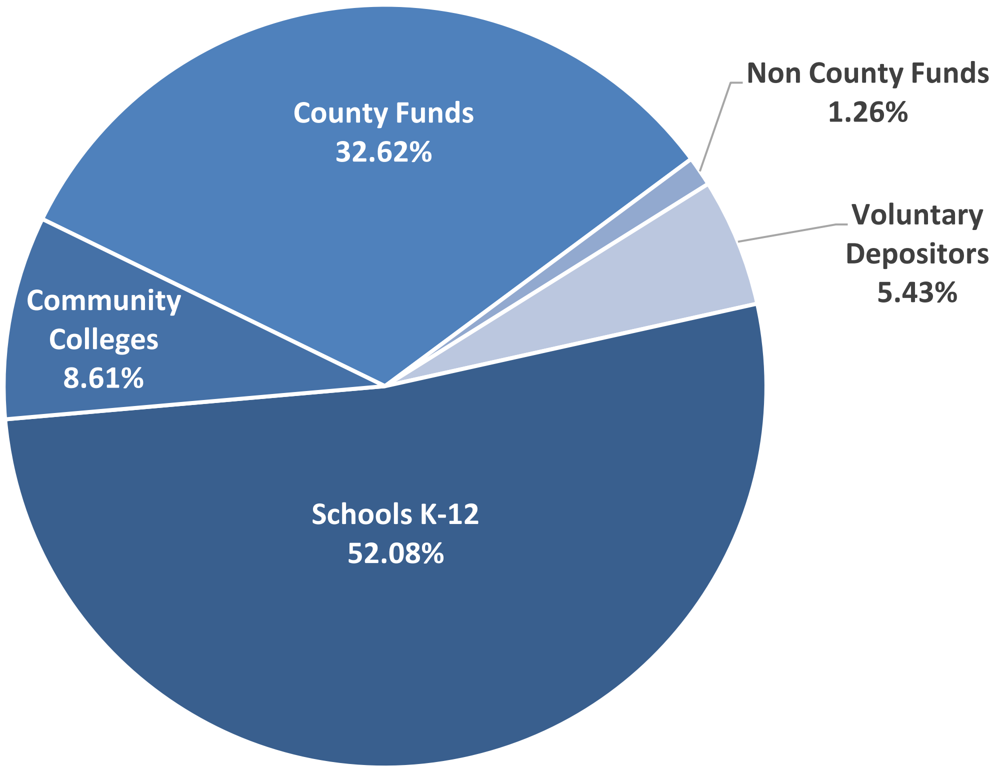
PARTICIPANT	FMV 01/31/24	FMV 02/29/24	FMV 03/31/24	% of Total
COUNTY	1,848,988	1,945,354	2,404,757	15.67%
COUNTY - SPECIAL TRUST FUNDS	2,796,181	2,688,599	2,600,936	16.95%
NON-COUNTY INVESTMENT FUNDS	113,712	110,299	193,301	1.26%
SCHOOLS - (K THRU 12)	8,504,988	8,258,878	7,995,482	52.09%
COMMUNITY COLLEGES				
San Diego	212,580	210,619	214,202	1.40%
Grossmont-Cuyamaca	291,633	275,047	261,530	1.70%
MiraCosta	291,883	282,344	275,206	1.79%
Palomar	312,589	301,730	290,565	1.90%
Southwestern	297,286	286,077	280,463	1.83%
Total Community Colleges	**1,405,971**	**1,355,815**	**1,321,966**	**8.61%**
FIRST 5 COMMISSION	31,560	30,759	33,792	0.22%
SDCERA	1,189	1,179	8,114	0.05%
CITIES				
Chula Vista	6,019	5,992	6,041	0.04%
Coronado	98,889	98,437	49,552	0.32%
Del Mar	2,868	2,855	2,856	0.02%
Encinitas	1,261	1,256	1,256	0.01%
National City	37,626	37,454	37,467	0.24%
Oceanside*	0	0	0	0.00%
Solana Beach*	0	0	0	0.00%
Vista	86	86	86	0.00%
INDEPENDENT AGENCIES				
Air Pollution Control District	91,808	88,514	90,776	0.59%
Alpine FPD	1,556	689	827	0.01%
Bonita-Sunnyside FPD	4,218	3,756	2,396	0.02%
Borrego Springs FPD	1,851	1,880	1,921	0.01%
Canebrake County Water District	0	0	0	0.00%
Deer Springs FPD	22,629	20,885	19,520	0.13%
Grossmont Healthcare District	2	2	2	0.00%
Julian-Cuyamaca FPD	0	0	0	0.00%
Lake Cuyamaca Rec & Park District	94	94	94	0.00%

PARTICIPANT	FMV 01/31/24	FMV 02/29/24	FMV 03/31/24	% of Total
Lakeside FPD	4,048	1,538	955	0.01%
Leucadia Wastewater District	10	10	10	0.00%
Lower Sweetwater FPD	559	570	582	0.00%
Metropolitan Transit System	195,720	185,981	186,101	1.21%
Mission Resource Conservation District	57	57	59	0.00%
North County Transit District	41,395	41,206	41,220	0.27%
North County Cemetery District	10,669	10,669	10,613	0.07%
North County Dispatch	6,201	6,886	6,132	0.04%
North County FPD	7,532	6,682	6,071	0.04%
Otay Water District	15,461	15,390	15,396	0.10%
Palomar Health	0	0	1	0.00%
Pomerado Cemetery District	2,109	2,027	2,014	0.01%
Public Agencies Self-Insurance System	8	8	3	0.00%
Ramona Cemetery District	1,676	1,627	1,625	0.01%
Rancho Santa Fe FPD	14,007	13,052	12,698	0.08%
Resource Conservation District of Greater SD*	0	0	0	0.00%
Rincon del Diablo Municipal Water District	4,021	4,003	4,004	0.03%
SANDAG	15,881	12,283	11,568	0.08%
SD County Regional Airport Authority	199,260	201,944	204,113	1.33%
San Diego Housing Commission	12,960	7,981	8,013	0.05%
San Diego Geographic Information Source	729	516	873	0.01%
San Diego Law Library	7,226	7,162	7,176	0.05%
San Diego Local Agency Formation Comm	2,256	2,132	1,948	0.01%
San Diego Regional Training Center	1,293	1,199	1,466	0.01%
San Dieguito River Park	1,326	1,296	1,148	0.01%
San Marcos FPD	1	1	1	0.00%
San Miguel Consolidated FPD	19,254	16,697	15,568	0.10%
Santa Fe Irrigation District	4,666	4,645	4,647	0.03%
Upper San Luis Rey Resource Conserv Dist	21	21	21	0.00%
Vallecitos Water District	5,732	5,705	5,707	0.04%
Valley Center FPD	2,475	2,092	1,944	0.01%
Valley Center Cemetery District	561	560	429	0.00%
Valley Center Water District	23,111	23,791	22,640	0.15%
Vista FPD	6,823	6,303	3,370	0.02%
Whispering Palms Community Services District*	0	0	0	0.00%
Total Voluntary Participants	**908,708**	**877,781**	**832,816**	**5.43%**
Pooled Money Fund Total	**$ 15,578,547**	**$ 15,236,815**	**$ 15,349,259**	**100.00%**

*** Footnote:** The Oracle ending balances for these pool participants are under $500. Due to rounding, the FMV will show as zero even though there is an Oracle balance.

INVESTMENT FUND PARTICIPANTS

County of San Diego Pooled Money Fund
As of March 31, 2024



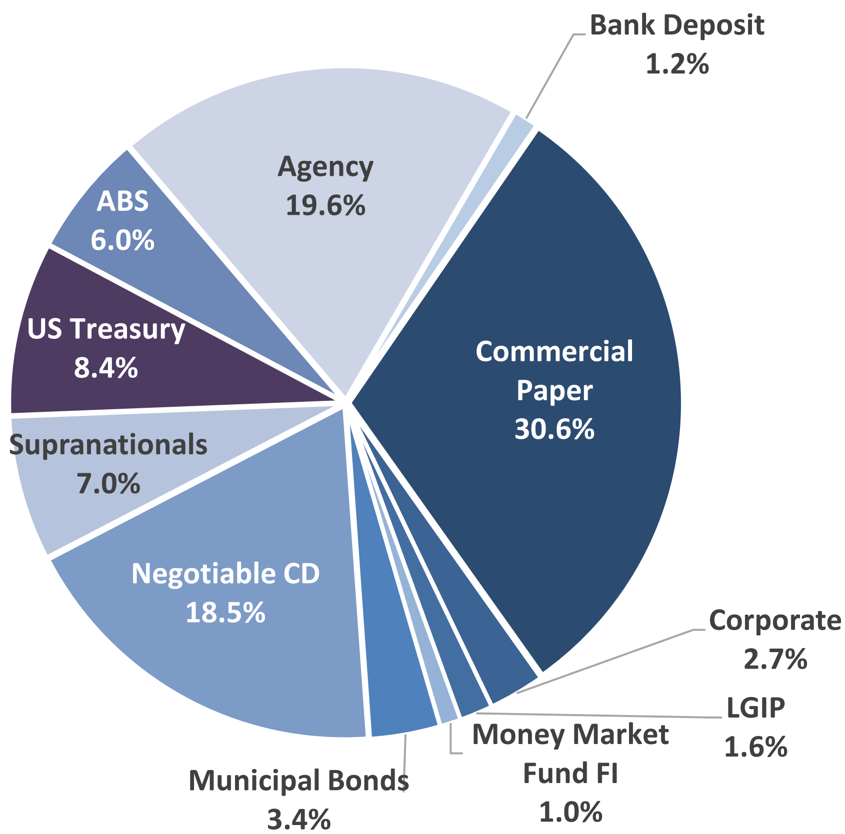
*Totals may not add to 100% due to rounding

INVESTMENT FUND OVERVIEW

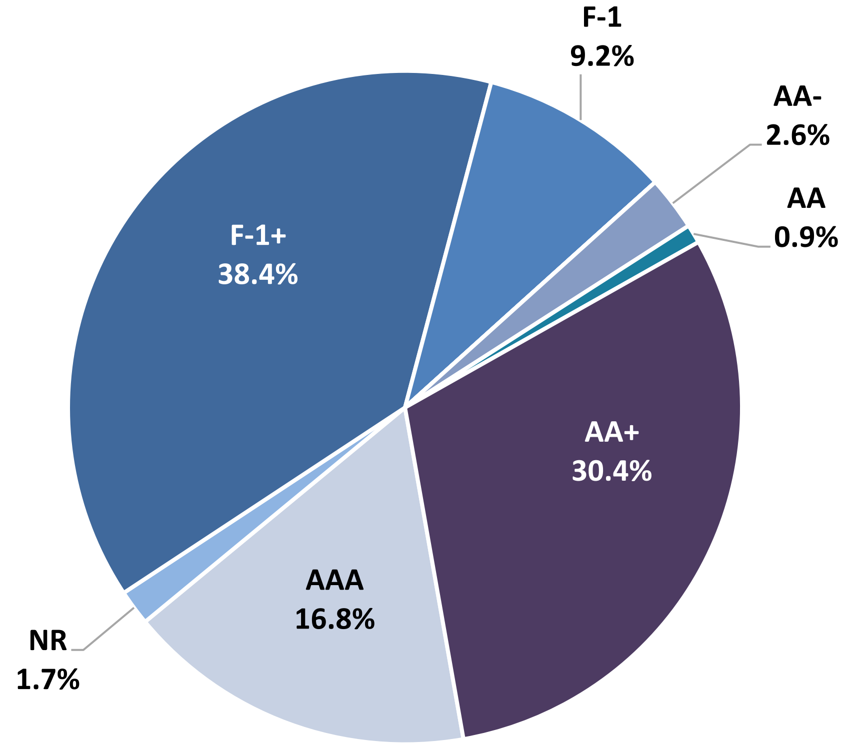
County of San Diego Pooled Money Fund

As of March 31, 2024

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

**If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.

APPENDIX

INVESTMENT POLICY COMPLIANCE REPORT

County of San Diego Pooled Money Fund

As of March 31, 2024

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Issued at the Federal level; Obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government	*Complies*
Federal Agencies	35% max per Agency issuer; Issued at the Federal level; Agency obligations are notes and bonds of the federal agencies and government sponsored enterprise, including: FNMA, FHLB, FFCB, FHLMC, GNMA, TVA	*Complies*
Supranational Obligations	30% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	*Complies*
Municipal Securities (Local Agency & State Obligations)	30% max; 10% max per issuer; Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO	*Complies*
Corporate Medium Term Notes	30% max; 10% max per issuer (inclusive of any other non-MTN investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	*Complies*
Pass-Through Securities	20% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; Limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds	*Complies*
Negotiable Certificates of Deposit (NCD)	30% max; 10% max per issuer (inclusive of any other non-NCD investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO; 5 years max maturity of an NCD Security; 13 months max maturity of any FDIC insured CDs	*Complies*
FDIC & NCUA Insured Deposits	5% max; 5 max per issuer; 13 months max maturity; There is no minimum credit requirement of FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity; The full amount of deposit and the interest that may accrue on each deposit shall at all times be insured by the FDIC or NCUA	*Complies*
Collateralized Certificates of Deposit	5% max; 5 max per issuer; 13 months max maturity; Deposit may not exceed the total of the paid-in capital and surplus of a depository; The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits; The County Treasurer may waive the first $250,000 of collateral for each depository, so long as the amount is insured by an agency of the Federal Government; Institutions at or above the highest short-term rating category by at least one NRSRO may pledge mortgage-based collateral for County deposits	*Complies*
Banker's Acceptances	40% max; 5% max per issuer; 180 days max maturity; Highest short-term rating category by at least one NRSRO	*Complies*
Commercial Paper	40% max; 10% max per issuer (inclusive of any other non-CP investments with said issuer); 270 days max maturity; Highest short-term rating category by at least one NRSRO	*Complies*
Money Market Mutual Funds	20% max; 10% max per fund; Highest rating category by at least two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >$500 million; The purchase price of the mutual fund shall not include any commission	*Complies*
Local Government Investment Pool (LGIP)	5% max; Highest rating category by at least one NRSRO; Investments consist of (i) shares of beneficial interest issued by a joint powers authority (JPA) or (ii) the Local Agency investment Fund (LAIF); Invest in LGIPs that comply with California Government Code and all relevant sections of the Investment Policy and are managed to maintain a stable NAV.	*Complies*
Repurchase Agreements	40% max; 10% max exposure per broker-dealer when the dollar-weighted average maturity is >5 days or 15% of the fund when the dollar-weighted average maturity is 5 days or less; 1 year max maturity; Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency Obligations	*Complies*
Reverse Repurchase Agreements	20% max; 10% max per broker/dealer; 92 days max maturity if a securities lending loan, unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RFP	*Complies*
Securities Lending	20% max exposed to securities lending and/or Reverse Repurchase Agreements; 10% max per loan with a single counterparty at any one time; 92 days max maturity; Loans must be secured by cash collateral or securities and maintained at a value of at least equal to 102% of the market value of the securities loan	*Complies*
Covered Call Option/Put Option	10% max; 90 days max maturity	*Complies*
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from pool of mortgages; Any security that could result in zero interest accrual	*Complies*
Credit Rating Policy	For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	*Complies*
Duration	2 years maximum effective duration	*Complies*
Maturity	5 years maximum maturity with shorter limitations specified for certain types of securities; At least 35% of the Fund maturing within 1 year; At least 15% of the Fund maturing within 90 days	*Complies*

*Complied at time of purchase

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2024

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.270% Due 04/21/2025	864,559.84	02/24/2021 0.27%	864,544.02 864,559.84	99.43 5.97%	859,615.85 64.84	0.01% (4,943.99)	Aaa / NR AAA	1.06 0.15
34532NAC9	Ford Credit Auto Owners Trust 2021-A A3 0.300% Due 08/15/2025	2,847,733.53	02/17/2021 0.30%	2,847,493.46 2,847,730.60	99.15 4.51%	2,823,606.39 379.70	0.02% (24,124.21)	Aaa / AAA NR	1.38 0.27
36260KAC8	GM Financial Securitized Auto 2020-4 A3 0.380% Due 08/18/2025	201,327.29	10/14/2020 0.39%	201,284.27 201,327.29	99.74 4.50%	200,797.42 31.88	0.00% (529.87)	NR / AAA AAA	1.38 0.07
47788UAC6	John Deere Owner Trust 2021-A A3 0.360% Due 09/15/2025	723,607.59	03/10/2021 0.37%	723,468.51 723,586.75	98.74 6.00%	714,517.78 115.78	0.00% (9,068.97)	Aaa / NR AAA	1.46 0.28
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	1,734,542.54	04/28/2021 0.38%	1,734,360.07 1,734,535.33	99.18 4.94%	1,720,328.31 292.94	0.01% (14,207.02)	NR / AAA AAA	1.46 0.24
43815EAC8	Honda Auto Receivables 2021-3 A3 0.410% Due 11/18/2025	3,954,062.52	08/25/2021 0.41%	3,954,004.78 3,954,051.23	97.96 4.84%	3,873,408.74 585.42	0.03% (80,642.49)	NR / AAA AAA	1.64 0.52
89239BAC5	Toyota Auto Receivables Trust 2021-C A3 0.430% Due 01/15/2026	10,688,262.22	09/27/2021 0.43%	10,687,410.36 10,688,092.59	97.86 4.77%	10,459,033.20 2,042.65	0.07% (229,059.39)	Aaa / AAA NR	1.79 0.57
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	8,421,900.67	11/24/2021 0.89%	8,420,125.33 8,421,412.26	97.56 4.99%	8,216,656.42 2,058.69	0.05% (204,755.84)	Aaa / NR AAA	1.81 0.67
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	3,135,677.49	07/13/2021 0.52%	3,135,397.78 3,135,604.47	97.64 5.45%	3,061,825.39 724.69	0.02% (73,779.08)	Aaa / NR AAA	1.96 0.53
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.710% Due 04/15/2026	4,750,378.04	11/15/2021 0.71%	4,750,276.86 4,750,350.79	97.44 4.51%	4,628,768.36 1,499.01	0.03% (121,582.43)	NR / AAA AAA	2.04 0.72
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	5,854,183.27	11/17/2021 0.75%	5,852,876.62 5,853,856.32	97.77 4.53%	5,723,585.22 1,925.38	0.04% (130,271.10)	NR / AAA AAA	2.12 0.66
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	16,664,957.96	02/23/2022 1.89%	16,662,451.56 16,664,087.00	97.68 4.97%	16,277,661.00 13,924.50	0.11% (386,426.00)	Aaa / AAA NR	2.12 0.81
345286AC2	Ford Credit Auto Owner Trust 2022-A A3 1.290% Due 06/15/2026	2,090,017.15	01/20/2022 1.30%	2,089,768.85 2,089,946.08	97.60 4.11%	2,039,883.91 1,198.28	0.01% (50,062.17)	NR / AAA AAA	2.21 0.86
43815PAC3	Honda Auto Receivables 2022-2 A3 3.730% Due 07/20/2026	6,100,000.00	08/24/2022 3.76%	6,099,636.44 6,099,826.49	98.60 5.23%	6,014,679.30 8,216.36	0.04% (85,147.19)	NR / AAA AAA	2.30 1.02
65479QAC1	Nissan Auto Receivables Trust 2022-A A3 1.860% Due 08/17/2026	13,603,246.30	02/23/2022 1.88%	13,600,578.70 13,601,830.97	97.50 4.58%	13,262,845.47 11,245.35	0.09% (338,985.50)	Aaa / AAA NR	2.38 0.92
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.210% Due 08/25/2026	5,559,786.66	05/18/2022 3.23%	5,559,497.55 5,559,671.93	98.48 4.87%	5,475,494.73 2,974.49	0.04% (84,177.20)	Aaa / AAA NR	2.40 0.93
254683CP8	Discover Card Execution Trust 2021-A1 A1 0.580% Due 09/15/2026	17,000,000.00	09/27/2021 0.59%	16,996,360.30 16,999,439.27	97.75 5.57%	16,617,025.70 4,382.22	0.11% (382,413.57)	Aaa / AAA NR	2.46 1.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
47787JAC2	John Deere Owner Trust 2022-A A3 2.320% Due 09/15/2026	9,373,721.03	03/16/2022 2.34%	9,371,647.56 9,372,858.57	97.90 5.26%	9,176,897.26 9,665.35	0.06% (195,961.31)	Aaa / NR AAA	2.46 0.77
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.930% Due 09/15/2026	7,803,489.92	04/13/2022 2.95%	7,803,307.32 7,803,417.74	98.34 4.95%	7,673,603.17 10,161.88	0.05% (129,814.57)	Aaa / AAA NR	2.46 0.95
34534LAD9	Ford Credit Auto Owners Trust 2022-B A3 3.740% Due 09/15/2026	16,316,752.99	06/27/2022 3.77%	16,315,870.26 16,316,410.13	98.72 5.06%	16,108,141.67 27,122.07	0.10% (208,268.46)	Aaa / NR AAA	2.46 0.99
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	3,505,279.62	10/21/2021 0.68%	3,505,190.24 3,505,254.50	97.10 4.44%	3,403,749.20 993.16	0.02% (101,505.30)	Aaa / AAA NR	2.46 0.85
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.220% Due 10/15/2026	18,020,753.59	03/16/2022 2.23%	18,020,059.79 18,020,496.41	97.85 4.81%	17,633,381.27 17,780.48	0.11% (387,115.14)	NR / AAA AAA	2.54 0.91
02582JJR2	American Express 2021-1 A 0.900% Due 11/15/2026	65,000,000.00	Various 2.05%	63,277,033.05 64,556,393.75	97.08 5.69%	63,101,025.00 26,000.00	0.41% (1,455,368.75)	Aaa / NR AAA	2.63 1.15
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	3,604,767.36	01/19/2022 1.27%	3,604,454.12 3,604,661.48	97.54 4.53%	3,516,149.92 1,892.50	0.02% (88,511.56)	NR / AAA AAA	2.63 0.90
44918MAD2	Hyundai Auto Receivables 2022-B A3 3.720% Due 11/16/2026	22,500,000.00	07/20/2022 3.75%	22,499,991.00 22,499,995.98	98.66 5.04%	22,197,564.00 37,200.00	0.14% (302,431.98)	NR / AAA AAA	2.63 1.11
90291UAC6	USAA Auto Owner Trust 22-A A3 4.860% Due 11/16/2026	35,253,416.62	10/11/2022 4.91%	35,251,745.61 35,252,637.48	99.57 5.34%	35,103,064.32 76,147.38	0.23% (149,573.16)	Aaa / AAA NR	2.63 0.98
34535AAD2	Ford Credit Auto Owner Trust 22-C A3 4.480% Due 12/15/2026	20,000,000.00	09/23/2022 4.52%	19,998,844.00 19,999,434.75	99.21 5.18%	19,842,676.00 39,822.22	0.13% (156,758.75)	Aaa / AAA NR	2.71 1.19
41284YAD8	Harley-Davidson Motorcycle 2022-A A3 3.060% Due 02/15/2027	10,732,995.38	04/20/2022 3.09%	10,731,208.33 10,732,284.79	98.43 4.53%	10,564,625.81 14,596.87	0.07% (167,658.98)	Aaa / AAA NR	2.88 1.08
362585AC5	GM Financial Securitized ART 2022-2 A3 3.100% Due 02/16/2027	7,964,478.50	04/13/2022 3.13%	7,962,813.92 7,963,769.86	98.21 4.82%	7,821,747.88 10,287.45	0.05% (142,021.98)	Aaa / AAA NR	2.88 1.12
47800AAC4	John Deere Owner Trust 2022-B A3 3.740% Due 02/16/2027	17,250,000.00	07/20/2022 3.77%	17,248,352.63 17,249,135.95	98.54 5.36%	16,997,428.95 28,673.33	0.11% (251,707.00)	Aaa / NR AAA	2.88 0.91
89231CAD9	Toyota Auto Receivables Owner 2022-C A3 3.760% Due 04/15/2027	10,000,000.00	08/16/2022 3.80%	9,998,329.00 9,999,144.59	98.31 5.04%	9,830,927.00 16,711.11	0.06% (168,217.59)	NR / AAA AAA	3.04 1.43
448979AD6	Hyundai Auto Receivables Trust 2023-A A3 4.580% Due 04/15/2027	17,500,000.00	04/12/2023 4.63%	17,498,292.00 17,498,892.93	99.10 5.21%	17,342,122.00 35,622.22	0.11% (156,770.93)	NR / AAA AAA	3.04 1.73
36265WAD5	GM Financial Securitized Auto 2022-3 A3 3.640% Due 04/16/2027	16,000,000.00	07/13/2022 3.67%	15,999,889.60 15,999,949.32	98.40 4.92%	15,743,752.00 24,266.67	0.10% (256,197.32)	Aaa / NR AAA	3.04 1.32
254683CS2	Discover Card Execution Trust 2022-A2 3.320% Due 05/15/2027	14,500,000.00	05/26/2022 3.35%	14,498,821.15 14,499,555.62	97.81 5.38%	14,182,396.35 21,395.56	0.09% (317,159.27)	Aaa / NR AAA	3.12 1.60
02582JJT8	American Express Credit Trust 2022-2 A 3.390% Due 05/17/2027	16,000,000.00	05/24/2022 3.42%	15,996,460.80 15,998,668.32	97.93 5.33%	15,669,452.80 24,106.67	0.10% (329,215.52)	NR / AAA AAA	3.13 1.60

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
65480JAC4	Nissan Auto Receiveables 2022-B A3 4.460% Due 05/17/2027	21,000,000.00	09/28/2022 4.51%	20,995,655.10 20,997,553.62	99.03 5.15%	20,796,999.30 41,626.67	0.13% (200,554.32)	Aaa / AAA NR	3.13 1.59
345295AD1	Ford Credit Auto Owner Trust 2022-D A3 5.270% Due 05/17/2027	14,500,000.00	11/22/2022 5.33%	14,497,948.25 14,498,809.95	99.94 5.35%	14,491,244.90 33,962.22	0.09% (7,565.05)	Aaa / NR AAA	3.13 1.61
47800BAC2	John Deere Owner Trust 2022-C A3 5.090% Due 06/15/2027	23,500,000.00	10/19/2022 5.15%	23,498,176.40 23,498,900.38	99.65 5.43%	23,417,120.20 53,162.22	0.15% (81,780.18)	Aaa / NR AAA	3.21 1.18
44933DAD3	Hyundai Auto Receivables Trust 22-C A3 5.390% Due 06/15/2027	48,500,000.00	11/09/2022 5.45%	48,499,767.20 48,499,866.44	100.14 5.35%	48,567,531.40 116,184.44	0.32% 67,664.96	NR / AAA AAA	3.21 1.64
254683CW3	Discover Card Execution Trust 2022-A3 A3 3.560% Due 07/15/2027	25,000,000.00	08/09/2022 3.59%	24,996,897.50 24,998,638.49	97.83 5.35%	24,457,082.50 39,555.56	0.16% (541,555.99)	Aaa / AAA NR	3.29 1.75
02582JJV3	American Express Credit Trust 2022-3 A 3.750% Due 08/16/2027	26,000,000.00	08/16/2022 3.78%	25,999,584.00 25,999,719.33	98.07 5.26%	25,498,909.80 40,625.00	0.17% (500,809.53)	Aaa / NR AAA	3.38 1.82
36265QAD8	GM Financial Securitized 22-4 A3 4.820% Due 08/16/2027	35,500,000.00	10/12/2022 4.88%	35,494,181.55 35,496,802.78	99.50 5.16%	35,320,725.00 71,295.83	0.23% (176,077.78)	NR / AAA AAA	3.38 1.64
161571HS6	Chase Issuance Trust 22-A1 A 3.970% Due 09/15/2027	15,000,000.00	09/15/2022 4.00%	14,997,496.50 14,998,783.62	98.28 5.25%	14,742,234.00 26,466.67	0.10% (256,549.62)	NR / AAA AAA	3.46 1.90
89239HAD0	Toyota Auto Receivables Owner 20222-D A3 5.300% Due 09/15/2027	47,000,000.00	11/01/2022 5.36%	46,995,361.10 46,997,203.65	100.24 5.22%	47,110,985.80 110,711.11	0.31% 113,782.15	Aaa / NR AAA	3.46 1.83
02582JJX9	American Express Credit Trust 2022-4 A 4.950% Due 10/15/2027	12,000,000.00	10/27/2022 5.00%	11,999,404.80 11,999,689.41	99.65 5.24%	11,958,297.60 26,400.00	0.08% (41,391.81)	NR / AAA AAA	3.54 1.95
254683CX1	Discover Card Execution Trust 2022-A4 A 5.030% Due 10/15/2027	13,000,000.00	11/28/2022 5.09%	12,998,326.90 12,999,106.20	99.81 5.17%	12,975,090.70 29,062.22	0.08% (24,015.50)	NR / AAA AAA	3.54 1.45
437927AC0	Honda Auto Receivables Owner 2023-2 A3 4.930% Due 11/15/2027	12,500,000.00	05/30/2023 4.99%	12,497,975.00 12,498,466.44	99.71 5.16%	12,463,721.25 27,388.89	0.08% (34,745.19)	Aaa / AAA NR	3.63 2.18
362583AD8	GM Auto Receivable Trust 2023-2 A3 4.470% Due 02/16/2028	14,000,000.00	04/12/2023 4.51%	13,999,615.00 13,999,726.85	98.91 5.01%	13,847,696.80 26,075.00	0.09% (152,030.05)	Aaa / AAA NR	3.88 2.28
43815QAC1	Honda Auto Receivables 2023-3 A3 5.410% Due 02/18/2028	19,000,000.00	08/22/2023 5.48%	18,996,082.20 18,996,783.94	100.48 5.28%	19,091,139.20 37,118.61	0.12% 94,355.26	NR / AAA AAA	3.89 2.24
477920AC6	John Deere Owner Trust 2023-B A3 5.180% Due 03/15/2028	11,000,000.00	06/28/2023 5.24%	10,998,165.20 10,998,549.29	100.02 5.25%	11,002,114.20 25,324.44	0.07% 3,564.91	Aaa / NR AAA	3.96 2.10
44933XAD9	Hyundai Auto Receivables Trust 23-B A3 5.480% Due 04/17/2028	7,000,000.00	07/14/2023 5.54%	6,999,696.20 6,999,760.46	100.66 5.24%	7,046,085.90 17,048.89	0.05% 46,325.44	NR / AAA AAA	4.05 2.42
90291VAC4	USAA Auto Owner Trust 23-A A3 5.580% Due 05/15/2028	24,000,000.00	09/15/2023 5.65%	23,995,800.00 23,996,522.39	100.73 5.30%	24,175,965.60 59,520.00	0.16% 179,443.21	Aaa / AAA NR	4.13 2.32
438123AC5	Honda Auto Receivables OT 2023-4 A3 5.670% Due 06/21/2028	5,500,000.00	11/08/2023 5.74%	5,499,031.45 5,499,137.76	101.21 5.30%	5,566,557.15 8,662.50	0.04% 67,419.39	Aaa / NR AAA	4.23 2.50

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
437918AC9	Honda Auto Recievables Owners 2024-1 A3	32,500,000.00	02/21/2024	32,498,586.25	100.42	32,634,943.25	0.21%	Aaa / AAA	4.38
	5.210% Due 08/15/2028		5.27%	32,498,631.85	5.32%	75,255.56	136,311.40	NR	2.71
379930AD2	GM Financial Securitized Term 23-4 A3	12,500,000.00	10/11/2023	12,497,432.50	101.47	12,683,585.00	0.08%	Aaa / AAA	4.38
	5.780% Due 08/16/2028		5.86%	12,497,778.70	5.29%	30,104.17	185,806.30	NR	2.80
44918CAD4	Hyundai Auto Receivables 23-C A3	7,000,000.00	11/13/2023	6,999,079.50	101.09	7,076,402.20	0.05%	NR / AAA	4.55
	5.540% Due 10/16/2028		5.61%	6,999,163.73	5.17%	16,158.33	77,238.47	AAA	2.87
89238DAD0	Toyota Auto Receivables OT 2024-A A3	24,000,000.00	01/30/2024	23,995,197.60	99.61	23,905,771.20	0.16%	Aaa / AAA	4.55
	4.830% Due 10/16/2028		4.89%	23,995,433.53	5.05%	51,520.00	(89,662.33)	NR	2.89
47800RAD5	John Deere Owner Trust 2024-A A3	7,300,000.00	03/11/2024	7,299,591.20	99.98	7,298,848.79	0.05%	Aaa / NR	4.63
	4.960% Due 11/15/2028		5.01%	7,299,594.79	5.45%	12,069.33	(746.00)	AAA	2.28
36268GAD7	GM Financial Securitized Term 2024-1 A3	6,000,000.00	01/17/2024	5,998,793.40	99.72	5,983,475.40	0.04%	Aaa / NR	4.72
	4.850% Due 12/18/2028		4.91%	5,998,843.76	5.05%	12,125.00	(15,368.36)	AAA	3.05
161571HV9	Chase Issuance Trust 2024-A1 A	43,000,000.00	01/31/2024	42,993,451.10	99.44	42,758,094.90	0.28%	NR / AAA	4.80
	4.600% Due 01/16/2029		4.66%	42,993,820.99	4.86%	87,911.11	(235,726.09)	AAA	2.71
448973AD9	Hyundai Auto Receivables Trust 2024-A A3	10,500,000.00	03/11/2024	10,497,684.75	99.99	10,499,354.25	0.07%	NR / AAA	4.88
	4.990% Due 02/15/2029		5.05%	10,497,707.10	5.05%	16,009.58	1,647.15	AAA	2.23
				930,500,826.49		**923,248,414.08**	**5.99%**	**Aaa / AAA**	**3.26**
TOTAL ABS		**932,319,898.08**	**4.02%**	**931,817,866.83**	**5.19%**	**1,565,450.45**	**(8,569,452.75)**	**AAA**	**1.63**
Agency									
3133EKQU3	FFCB Note	120,350,000.00	Various	120,672,926.30	99.32	119,527,513.66	0.78%	Aaa / AA+	0.20
	1.950% Due 06/13/2024		1.89%	120,363,010.76	5.37%	704,047.50	(835,497.10)	AA+	0.20
3130AQHT3	FHLB Callable Note Qrtly 04/26/2022	10,000,000.00	01/26/2022	10,000,000.00	98.55	9,854,615.20	0.06%	Aaa / AA+	0.32
	1.020% Due 07/26/2024		1.02%	10,000,000.00	5.64%	18,416.67	(145,384.80)	NR	0.31
3136G4H22	FNMA Callable Note Annual 8/12/2022	50,000,000.00	08/12/2020	49,975,000.00	98.26	49,130,813.50	0.32%	Aaa / AA+	0.37
	0.410% Due 08/12/2024		0.42%	49,997,724.16	5.28%	27,902.78	(866,910.66)	AA+	0.36
3133EL5S9	FFCB Callable Note Cont 9/3/2021	25,000,000.00	09/03/2020	25,000,000.00	97.95	24,486,406.00	0.16%	Aaa / AA+	0.43
	0.480% Due 09/03/2024		0.48%	25,000,000.00	5.46%	9,333.33	(513,594.00)	AA+	0.41
3130A2UW4	FHLB Note	66,555,000.00	Various	70,171,868.25	98.93	65,841,722.08	0.43%	Aaa / AA+	0.45
	2.875% Due 09/13/2024		1.70%	66,891,413.73	5.31%	95,672.81	(1,049,691.65)	NR	0.44
3133EKP75	FFCB Note	25,000,000.00	09/17/2019	24,906,620.00	98.25	24,562,871.50	0.16%	Aaa / AA+	0.47
	1.600% Due 09/17/2024		1.68%	24,991,362.22	5.48%	15,555.55	(428,490.72)	AA+	0.45
3134GWVM5	FHLMC Callable Note 1X 9/30/2022	25,000,000.00	09/30/2020	25,000,000.00	97.65	24,411,546.75	0.16%	Aaa / NR	0.50
	0.350% Due 09/30/2024		0.35%	25,000,000.00	5.18%	243.06	(588,453.25)	AA+	0.49

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3134GWWY8	FHLMC Callable Note Qtrly 9/30/2022 0.375% Due 09/30/2024	25,000,000.00	09/30/2020 0.38%	25,000,000.00 25,000,000.00	97.59 5.33%	24,396,693.75 260.42	0.16% (603,306.25)	Aaa / NR AA+	0.50 0.49
3130APPQ2	FHLB Callable Note Qrtly 2/8/2022 0.900% Due 11/08/2024	25,000,000.00	11/08/2021 0.90%	25,000,000.00 25,000,000.00	97.44 5.26%	24,361,006.00 89,375.00	0.16% (638,994.00)	Aaa / AA+ NR	0.61 0.59
3134GXDZ4	FHLMC Callable Note Qtrly 11/25/2022 0.450% Due 11/25/2024	50,000,000.00	11/25/2020 0.45%	50,000,000.00 50,000,000.00	97.13 4.98%	48,567,088.00 78,750.00	0.31% (1,432,912.00)	Aaa / NR AA+	0.65 0.63
3134GWC38	FHLMC Callable Note Qtrly 9/2/2022 0.480% Due 12/02/2024	50,000,000.00	09/02/2020 0.48%	50,000,000.00 50,000,000.00	96.79 5.40%	48,396,224.00 19,333.33	0.31% (1,603,776.00)	Aaa / NR AA+	0.67 0.65
3130APXJ9	FHLB Callable Note Qrty 03/10/2022 1.100% Due 12/10/2024	25,000,000.00	12/10/2021 1.10%	25,000,000.00 25,000,000.00	97.23 5.22%	24,308,215.50 84,791.67	0.16% (691,784.50)	Aaa / AA+ NR	0.70 0.67
3135G0X24	FNMA Note 1.625% Due 01/07/2025	50,000,000.00	01/10/2020 1.69%	49,840,500.00 49,975,427.91	97.36 5.18%	48,680,175.50 189,583.33	0.32% (1,295,252.41)	Aaa / AA+ AA+	0.77 0.74
3130ARDS7	FHLB Callable Note Qrtly 06/28/2022 2.200% Due 03/28/2025	25,000,000.00	03/28/2022 2.20%	25,000,000.00 25,000,000.00	97.20 5.13%	24,299,503.00 4,583.33	0.16% (700,497.00)	Aaa / AA+ NR	0.99 0.96
3133ENTK6	FFCB Note 2.510% Due 04/01/2025	25,000,000.00	04/01/2022 2.56%	24,964,750.00 24,988,260.72	97.57 5.03%	24,393,232.00 313,750.00	0.16% (595,028.72)	Aaa / AA+ AA+	1.00 0.96
3133EMVS8	FFCB Callable Note Cont 4/14/2023 0.690% Due 04/14/2025	25,000,000.00	04/14/2021 0.69%	25,000,000.00 25,000,000.00	95.22 5.50%	23,805,900.00 80,020.83	0.15% (1,194,100.00)	Aaa / AA+ AA+	1.04 1.00
3134GVUS5	FHLMC Callable Note Qtrly 5/19/2021 0.750% Due 05/19/2025	25,000,000.00	05/19/2020 0.75%	25,000,000.00 25,000,000.00	95.34 5.03%	23,835,753.00 68,750.00	0.15% (1,164,247.00)	Aaa / NR AA+	1.13 1.10
3130APVB8	FHLB Callable Note Qtrly 11/22/2022 1.000% Due 05/22/2025	35,000,000.00	11/22/2021 1.00%	35,000,000.00 35,000,000.00	95.86 4.77%	33,551,958.30 125,416.66	0.22% (1,448,041.70)	Aaa / AA+ NR	1.14 1.11
3134GVB31	FHLMC Callable Note Qtrly 5/28/2021 0.750% Due 05/28/2025	75,000,000.00	Various 0.75%	74,995,000.00 74,998,841.30	95.24 5.03%	71,432,619.75 192,187.50	0.46% (3,566,221.55)	Aaa / NR AA+	1.16 1.12
3136G4WV1	FNMA Callable Note Qtrly 6/16/2022 0.750% Due 06/16/2025	50,000,000.00	06/16/2020 0.75%	50,000,000.00 50,000,000.00	95.19 4.89%	47,596,635.50 109,375.00	0.31% (2,403,364.50)	Aaa / AA+ AA+	1.21 1.17
3136G4YU1	FNMA Callable Note Qtrly 7/15/2021 0.730% Due 07/15/2025	30,000,000.00	07/15/2020 0.73%	30,000,000.00 30,000,000.00	94.85 4.90%	28,453,797.60 46,233.33	0.18% (1,546,202.40)	NR / AA+ AA+	1.29 1.25
3136G4A37	FNMA Callable Note Qtrly 1/28/2022 0.670% Due 07/28/2025	20,000,000.00	07/28/2020 0.67%	20,000,000.00 20,000,000.00	94.61 4.92%	18,922,940.60 23,450.00	0.12% (1,077,059.40)	Aaa / AA+ AA+	1.33 1.29
3136G4D75	FNMA Callable Note Qtrly 7/29/2022 0.600% Due 07/29/2025	50,000,000.00	07/29/2020 0.60%	50,000,000.00 50,000,000.00	94.38 5.03%	47,191,678.00 51,666.66	0.31% (2,808,322.00)	Aaa / NR AA+	1.33 1.29
3136G4B77	FNMA Callable Note Qtrly 8/4/2021 0.700% Due 08/04/2025	25,000,000.00	08/04/2020 0.70%	25,000,000.00 25,000,000.00	94.56 4.94%	23,639,994.50 27,708.33	0.15% (1,360,005.50)	Aaa / AA+ AA+	1.35 1.30
3136G4J46	FNMA Callable Note Qtrly 8/12/2022 0.570% Due 08/12/2025	25,000,000.00	08/12/2020 0.57%	25,000,000.00 25,000,000.00	94.31 4.94%	23,576,379.25 19,395.83	0.15% (1,423,620.75)	Aaa / AA+ AA+	1.37 1.33

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3136G4H63	FNMA Callable Note Annual 8/19/2022 0.550% Due 08/19/2025	25,000,000.00	08/19/2020 0.55%	25,000,000.00 25,000,000.00	94.20 4.94%	23,548,819.25 16,041.67	0.15% (1,451,180.75)	Aaa / AA+ AA+	1.39 1.35
3136G4V34	FNMA Callable Note 1X 8/26/2022 0.550% Due 08/26/2025	25,000,000.00	08/26/2020 0.55%	25,000,000.00 25,000,000.00	94.10 4.96%	23,524,846.00 13,368.06	0.15% (1,475,154.00)	Aaa / AA+ AA+	1.41 1.36
3136G4S53	FNMA Callable Note Qtrly 8/27/2021 0.650% Due 08/27/2025	25,000,000.00	08/27/2020 0.65%	25,000,000.00 25,000,000.00	94.24 4.95%	23,558,977.75 15,347.22	0.15% (1,441,022.25)	Aaa / AA+ AA+	1.41 1.37
3130AK5E2	FHLB Note 0.375% Due 09/04/2025	5,000,000.00	09/11/2020 0.44%	4,985,000.00 4,995,703.68	93.91 4.85%	4,695,413.20 1,406.25	0.03% (300,290.48)	Aaa / AA+ NR	1.43 1.39
3133EMAU6	FFCB Callable Note Cont 9/22/2022 0.500% Due 09/22/2025	40,000,000.00	09/24/2020 0.50%	40,000,000.00 40,000,000.00	93.72 4.97%	37,486,438.40 5,000.00	0.24% (2,513,561.60)	Aaa / AA+ AA+	1.48 1.44
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	10,000,000.00	11/04/2020 0.51%	9,936,300.00 9,980,718.61	93.67 4.87%	9,366,988.10 833.33	0.06% (613,730.51)	Aaa / AA+ AA+	1.48 1.44
3136G43L5	FNMA Callable Note Annual 9/30/2022 0.550% Due 09/30/2025	38,400,000.00	09/30/2020 0.55%	38,400,000.00 38,400,000.00	93.65 4.99%	35,962,952.45 586.66	0.23% (2,437,047.55)	Aaa / AA+ AA+	1.50 1.46
3134GWYS9	FHLMC Callable Note Qtrly 4/15/2021 0.600% Due 10/15/2025	56,000,000.00	Various 0.82%	55,515,500.00 55,810,251.57	93.68 4.91%	52,462,024.16 154,933.33	0.34% (3,348,227.41)	Aaa / NR AA+	1.54 1.49
3135G06A6	FNMA Callable Note Qtrly 10/20/2021 0.580% Due 10/20/2025	25,000,000.00	10/20/2020 0.58%	25,000,000.00 25,000,000.00	93.75 4.81%	23,437,022.00 64,847.22	0.15% (1,562,978.00)	Aaa / AA+ AA+	1.56 1.51
3134GW5H5	FHLMC Callable Note Qtrly 7/28/2022 0.530% Due 10/28/2025	25,000,000.00	10/28/2020 0.53%	25,000,000.00 25,000,000.00	93.39 4.95%	23,347,240.75 23,187.50	0.15% (1,652,759.25)	Aaa / NR AA+	1.58 1.55
3136G46N8	FNMA Callable Note Qtrly 10/29/2021 0.600% Due 10/29/2025	25,000,000.00	10/29/2020 0.60%	25,000,000.00 25,000,000.00	93.30 5.07%	23,326,071.00 63,333.33	0.15% (1,673,929.00)	Aaa / AA+ AA+	1.58 1.53
3133EMFS6	FFCB Note 0.460% Due 11/03/2025	16,450,000.00	11/04/2020 0.53%	16,391,602.50 16,431,408.80	93.43 4.80%	15,369,774.89 31,108.78	0.10% (1,061,633.91)	Aaa / AA+ AA+	1.59 1.54
3135G06G3	FNMA Note 0.500% Due 11/07/2025	23,000,000.00	11/12/2020 0.57%	22,917,660.00 22,973,548.11	93.47 4.79%	21,498,753.43 46,000.00	0.14% (1,474,794.68)	Aaa / AA+ AA+	1.61 1.55
3135GA3X7	FNMA Callable Note 1X 11/17/2022 0.570% Due 11/17/2025	50,000,000.00	11/17/2020 0.57%	50,000,000.00 50,000,000.00	93.48 4.78%	46,740,578.00 106,083.33	0.30% (3,259,422.00)	Aaa / AA+ AA+	1.63 1.58
3134GXFA7	FHLMC Callable Note Qtrly 11/26/2021 0.650% Due 11/26/2025	25,000,000.00	11/30/2020 0.65%	25,000,000.00 25,000,000.00	93.30 4.91%	23,324,223.75 56,423.61	0.15% (1,675,776.25)	Aaa / NR AA+	1.66 1.61
3134GXDM3	FHLMC Callable Note Qtrly 12/1/2021 0.620% Due 12/01/2025	25,000,000.00	11/20/2020 0.62%	25,000,000.00 25,000,000.00	93.20 4.92%	23,298,763.25 51,666.67	0.15% (1,701,236.75)	Aaa / NR AA+	1.67 1.62
3135G06J7	FNMA Callable Note Qtrly 6/10/2021 0.650% Due 12/10/2025	25,000,000.00	12/09/2020 0.65%	25,000,000.00 25,000,000.00	93.17 4.91%	23,292,026.00 50,104.17	0.15% (1,707,974.00)	Aaa / AA+ AA+	1.70 1.64
3130AQ6B4	FHLB Callable Note Qtrly 12/15/2022 1.220% Due 12/15/2025	25,000,000.00	12/15/2021 1.22%	25,000,000.00 25,000,000.00	94.12 4.85%	23,530,635.50 89,805.56	0.15% (1,469,364.50)	Aaa / AA+ NR	1.71 1.65

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3135G06K4	FNMA Callable Note Qtrly 12/17/2021	75,000,000.00	12/02/2020	75,000,000.00	92.78	69,582,518.25	0.45%	Aaa / AA+	1.72
	0.650% Due 12/17/2025		0.65%	75,000,000.00	5.11%	140,833.32	(5,417,481.75)	AA+	1.66
3130AKMZ6	FHLB Callable Note Qtrly 1/14/2022	25,000,000.00	01/06/2021	25,000,000.00	92.61	23,151,916.75	0.15%	Aaa / AA+	1.79
	0.510% Due 01/14/2026		0.51%	25,000,000.00	4.88%	27,270.83	(1,848,083.25)	NR	1.74
3130AKMY9	FHLB Callable Note Qtrly 7/15/2021	25,000,000.00	01/06/2021	25,000,000.00	92.67	23,166,439.75	0.15%	Aaa / AA+	1.79
	0.550% Due 01/15/2026		0.55%	25,000,000.00	4.88%	29,027.78	(1,833,560.25)	NR	1.74
3130AKQ74	FHLB Callable Note Qtrly 7/22/2021	25,000,000.00	01/22/2021	25,000,000.00	92.73	23,181,915.50	0.15%	Aaa / AA+	1.81
	0.625% Due 01/22/2026		0.63%	25,000,000.00	4.87%	29,947.92	(1,818,084.50)	NR	1.76
3130AKPL4	FHLB Callable Note 1X 1/28/2022	50,000,000.00	01/28/2021	50,000,000.00	92.63	46,317,413.50	0.30%	Aaa / AA+	1.83
	0.550% Due 01/28/2026		0.55%	50,000,000.00	4.81%	48,125.00	(3,682,586.50)	NR	1.77
3130AKQX7	FHLB Callable Note Qtrly 4/28/2021	25,000,000.00	01/28/2021	25,000,000.00	92.85	23,213,343.00	0.15%	NR / AA+	1.83
	0.700% Due 01/28/2026		0.70%	25,000,000.00	4.84%	30,625.00	(1,786,657.00)	NR	1.77
3130ALCV4	FHLB Callable Note Qtrly 5/24/2021	50,000,000.00	02/24/2021	50,000,000.00	92.79	46,396,053.50	0.30%	NR / AA+	1.90
	0.750% Due 02/24/2026		0.75%	50,000,000.00	4.77%	38,541.67	(3,603,946.50)	NR	1.84
3130AL7M0	FHLB Callable Note Qtrly 8/24/2021	25,000,000.00	02/24/2021	25,000,000.00	92.39	23,097,368.50	0.15%	Aaa / AA+	1.90
	0.625% Due 02/24/2026		0.63%	25,000,000.00	4.87%	16,059.03	(1,902,631.50)	NR	1.84
3130ALB94	FHLB Callable Note Qtrly 8/26/2021	50,000,000.00	02/26/2021	50,000,000.00	92.38	46,189,937.50	0.30%	Aaa / AA+	1.91
	0.630% Due 02/26/2026		0.63%	50,000,000.00	4.87%	30,625.00	(3,810,062.50)	NR	1.85
3133EMSU7	FFCB Callable Note Cont 3/9/2023	25,000,000.00	03/09/2021	25,000,000.00	92.55	23,137,840.25	0.15%	Aaa / AA+	1.94
	0.800% Due 03/09/2026		0.80%	25,000,000.00	4.87%	12,222.22	(1,862,159.75)	AA+	1.88
3133ENSD3	FFCB Callable Note Cont 03/18/2024	25,000,000.00	03/18/2022	25,000,000.00	95.02	23,754,983.75	0.15%	Aaa / AA+	1.96
	2.150% Due 03/18/2026		2.15%	25,000,000.00	4.84%	19,409.72	(1,245,016.25)	AA+	1.89
3130ALYT5	FHLB Callable Note Qtrly 10/29/2021	25,000,000.00	04/29/2021	25,000,000.00	92.80	23,198,933.00	0.15%	Aaa / AA+	2.08
	1.100% Due 04/29/2026		1.10%	25,000,000.00	4.78%	116,111.11	(1,801,067.00)	NR	2.00
3130AMME9	FHLB Callable Note Qtrly 11/26/2021	4,600,000.00	05/26/2021	4,600,000.00	92.44	4,252,363.88	0.03%	Aaa / AA+	2.15
	1.000% Due 05/26/2026		1.00%	4,600,000.00	4.73%	15,972.22	(347,636.12)	NR	2.08
3133EMB76	FFCB Callable Note Cont 11/26/2021	20,000,000.00	05/26/2021	19,980,000.00	92.15	18,430,729.40	0.12%	Aaa / AA+	2.15
	0.950% Due 05/26/2026		0.97%	19,991,401.97	4.83%	65,972.22	(1,560,672.57)	AA+	2.08
3130AMSA1	FHLB Callable Note Annua 6/24/2022	25,000,000.00	06/24/2021	25,000,000.00	91.83	22,956,810.00	0.15%	Aaa / AA+	2.23
	0.915% Due 06/24/2026		0.92%	25,000,000.00	4.82%	61,635.42	(2,043,190.00)	NR	2.15
3130AMU75	FHLB Callable Note Monthly 07/26/21	50,000,000.00	06/30/2021	50,000,000.00	92.16	46,082,423.50	0.30%	Aaa / AA+	2.24
	1.000% Due 06/26/2026		1.00%	50,000,000.00	4.73%	131,944.44	(3,917,576.50)	NR	2.16
3130AMYJ5	FHLB Callable Note Qtrly 06/30/2022	25,000,000.00	06/30/2021	25,000,000.00	92.13	23,032,013.75	0.15%	Aaa / AA+	2.25
	1.000% Due 06/30/2026		1.00%	25,000,000.00	4.73%	63,194.44	(1,967,986.25)	NR	2.17
3130AN4U1	FHLB Callable Note Annual 7/22/2022	25,000,000.00	07/22/2021	25,000,000.00	91.88	22,969,398.75	0.15%	Aaa / AA+	2.31
	1.000% Due 07/22/2026		1.00%	25,000,000.00	4.76%	47,916.67	(2,030,601.25)	NR	2.23

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130ANCM0	FHLB Callable Note Qrtly 07/29/2022 0.950% Due 07/29/2026	25,000,000.00	07/14/2021 0.95%	25,000,000.00 25,000,000.00	91.56 4.82%	22,890,836.75 40,902.78	0.15% (2,109,163.25)	Aaa / AA+ NR	2.33 2.25
3130ANLZ1	FHLB Callable Note Annual 8/26/2022 0.900% Due 08/26/2026	25,000,000.00	08/26/2021 0.90%	25,000,000.00 25,000,000.00	91.47 4.70%	22,866,627.50 21,875.00	0.15% (2,133,372.50)	Aaa / AA+ NR	2.41 2.32
3130ANV64	FHLB Callable Note Qtrly 9/16/2022 0.960% Due 09/16/2026	25,000,000.00	09/16/2021 0.96%	25,000,000.00 25,000,000.00	91.13 4.83%	22,783,402.00 10,000.00	0.15% (2,216,598.00)	Aaa / AA+ NR	2.46 2.38
3133EM6E7	FFCB Callable Note Cont 09/28/2022 0.940% Due 09/28/2026	50,000,000.00	09/28/2021 0.94%	50,000,000.00 50,000,000.00	91.14 4.75%	45,567,706.50 3,916.66	0.30% (4,432,293.50)	Aaa / AA+ AA+	2.50 2.41
3130APM28	FHLB Callable Note Qrty 01/28/2022 1.320% Due 10/28/2026	25,000,000.00	10/28/2021 1.32%	25,000,000.00 25,000,000.00	92.00 4.65%	22,999,469.00 140,250.00	0.15% (2,000,531.00)	Aaa / AA+ NR	2.58 2.47
3133ENCQ1	FFCB Callable Note Cont 11/02/2023 1.270% Due 11/02/2026	25,000,000.00	11/02/2021 1.27%	25,000,000.00 25,000,000.00	91.42 4.84%	22,855,723.75 131,409.72	0.15% (2,144,276.25)	Aaa / AA+ AA+	2.59 2.48
3130APN92	FHLB Callable Note Qrty 02/09/2022 1.340% Due 11/09/2026	25,000,000.00	11/09/2021 1.34%	25,000,000.00 25,000,000.00	92.11 4.59%	23,027,793.50 132,138.89	0.15% (1,972,206.50)	Aaa / AA+ NR	2.61 2.50
3133ENEM8	FFCB Callable Note Cont 11/23/2022 1.430% Due 11/23/2026	25,000,000.00	11/23/2021 1.43%	25,000,000.00 25,000,000.00	91.64 4.84%	22,909,491.00 127,111.11	0.15% (2,090,509.00)	Aaa / AA+ AA+	2.65 2.53
3133ENHA1	FFCB Callable Note Cont 12/14/2022 1.500% Due 12/14/2026	25,000,000.00	12/14/2021 1.50%	25,000,000.00 25,000,000.00	91.66 4.83%	22,916,013.50 111,458.33	0.15% (2,083,986.50)	Aaa / AA+ AA+	2.71 2.58
3130AQUT8	FHLB Callable Note Qrty 05/17/2022 2.010% Due 02/17/2027	39,580,000.00	12/28/2023 4.23%	37,023,923.60 37,233,584.32	93.14 4.58%	36,864,774.40 97,234.87	0.24% (368,809.92)	Aaa / AA+ NR	2.88 2.74
3130AL5A8	FHLB Callable Note Qtrly 11/26/2026 0.900% Due 02/26/2027	25,000,000.00	06/24/2022 3.41%	22,312,675.00 23,330,648.81	90.10 4.58%	22,525,743.50 21,875.00	0.15% (804,905.31)	Aaa / AA+ NR	2.91 2.80
3133ENQD5	FFCB Callable Note Cont 03/01/2024 2.170% Due 03/01/2027	25,000,000.00	03/01/2022 2.17%	25,000,000.00 25,000,000.00	93.36 4.63%	23,339,049.00 45,208.33	0.15% (1,660,951.00)	Aaa / AA+ AA+	2.92 2.77
3130ARGC9	FHLB Callable Note 1x 03/25/2024 2.550% Due 03/25/2027	25,000,000.00	03/25/2022 2.55%	25,000,000.00 25,000,000.00	94.71 4.46%	23,678,718.75 10,625.00	0.15% (1,321,281.25)	Aaa / AA+ NR	2.98 2.82
3130ARJZ5	FHLB Callable Note 1X 4/19/2024 2.950% Due 04/19/2027	25,000,000.00	04/19/2022 2.95%	25,000,000.00 25,000,000.00	95.46 4.56%	23,864,512.75 331,875.00	0.16% (1,135,487.25)	Aaa / AA+ NR	3.05 2.83
3130ARQV6	FHLB Callable Note Qrtly 4/26/2024 3.150% Due 04/26/2027	25,000,000.00	04/26/2022 3.15%	25,000,000.00 25,000,000.00	95.91 4.59%	23,977,868.00 339,062.50	0.16% (1,022,132.00)	Aaa / AA+ NR	3.07 2.84
3133ENXL9	FFCB Callable Note Cont 5/24/2023 3.530% Due 05/24/2027	25,000,000.00	05/24/2022 3.53%	25,000,000.00 25,000,000.00	96.39 4.78%	24,097,600.50 311,326.39	0.16% (902,399.50)	Aaa / AA+ AA+	3.15 2.90
3130ASER6	FHLB Callable Note Qrtly 06/16/2027 3.640% Due 06/16/2027	40,000,000.00	06/16/2022 3.64%	40,000,000.00 40,000,000.00	97.04 4.64%	38,816,914.00 424,666.67	0.25% (1,183,086.00)	Aaa / AA+ NR	3.21 2.95
3130ASES4	FHLB Callable Note 1X 6/28/2024 3.390% Due 06/28/2027	45,000,000.00	06/28/2022 3.39%	45,000,000.00 45,000,000.00	96.27 4.64%	43,321,049.10 394,087.50	0.28% (1,678,950.90)	Aaa / AA+ NR	3.24 3.00

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3133EPES0	FFCB Note 3.650% Due 06/30/2027	50,000,000.00	03/30/2023 3.68%	49,943,500.00 49,956,888.28	97.55 4.47%	48,775,477.50 461,319.44	0.32% (1,181,410.78)	Aaa / AA+ AA+	3.25 3.00
31422XV90	FAMCA Note 3.770% Due 07/30/2027	100,000,000.00	01/25/2023 3.77%	100,000,000.00 100,000,000.00	97.87 4.46%	97,866,186.00 617,861.11	0.64% (2,133,814.00)	NR / NR NR	3.33 3.07
31422X2T8	FAMCA Note 3.865% Due 07/30/2027	25,000,000.00	04/21/2023 3.87%	25,000,000.00 25,000,000.00	98.16 4.46%	24,540,905.25 402,604.17	0.16% (459,094.75)	NR / NR NR	3.33 3.04
31422XK92	FAMCA Callable Note S/A 10/12/2023 5.125% Due 10/12/2027	25,000,000.00	10/12/2022 5.13%	25,000,000.00 25,000,000.00	99.21 5.37%	24,803,672.25 601,475.69	0.16% (196,327.75)	NR / NR NR	3.53 3.11
31422XZ88	FAMCA Note 3.870% Due 01/28/2028	50,000,000.00	04/11/2023 3.87%	50,000,000.00 50,000,000.00	98.23 4.38%	49,115,248.00 338,625.00	0.32% (884,752.00)	NR / NR NR	3.83 3.49
3133EPGF6	FFCB Note 3.640% Due 01/28/2028	50,000,000.00	04/18/2023 3.64%	50,000,000.00 50,000,000.00	97.43 4.38%	48,714,451.00 318,500.00	0.32% (1,285,549.00)	Aaa / AA+ AA+	3.83 3.50
880591EZ1	Tennessee Valley Authority Note 3.875% Due 03/15/2028	25,000,000.00	03/30/2023 4.06%	24,796,750.00 24,838,028.15	98.26 4.36%	24,564,442.25 43,055.56	0.16% (273,585.90)	Aaa / AA+ AA+	3.96 3.62
31422X3J9	FAMCA Note 4.040% Due 05/26/2028	25,000,000.00	05/30/2023 4.04%	25,000,000.00 25,000,000.00	98.80 4.36%	24,700,551.00 350,694.44	0.16% (299,449.00)	NR / NR NR	4.16 3.73
3133EPLD5	FFCB Note 3.875% Due 05/30/2028	25,000,000.00	05/30/2023 3.94%	24,932,500.00 24,943,842.36	98.36 4.31%	24,591,246.25 325,607.64	0.16% (352,596.11)	Aaa / AA+ AA+	4.17 3.75
31422X4T6	FAMCA Note 4.340% Due 06/30/2028	25,000,000.00	07/10/2023 4.34%	25,000,000.00 25,000,000.00	100.13 4.31%	25,031,596.50 274,263.89	0.16% 31,596.50	NR / NR NR	4.25 3.80
31422X6E7	FAMCA Note 4.475% Due 07/28/2028	50,000,000.00	08/17/2023 4.48%	50,000,000.00 50,000,000.00	100.66 4.30%	50,330,745.00 391,562.50	0.33% 330,745.00	NR / NR NR	4.33 3.87
31422X5V0	FAMCA Note 4.430% Due 08/07/2028	25,000,000.00	08/03/2023 4.43%	25,000,000.00 25,000,000.00	100.49 4.30%	25,122,642.25 166,125.00	0.16% 122,642.25	NR / NR NR	4.36 3.90
3130B0LA5	Federal Home Loan Bank Callable Note 1X 9/22/2026 4.000% Due 09/22/2028	25,000,000.00	03/19/2024 4.57%	24,430,000.00 24,433,465.05	97.48 4.63%	24,369,829.50 25,000.00	0.16% (63,635.55)	Aaa / AA+ NR	4.48 4.04
3134H1CM3	FHLMC Callable Note Qrty 09/25/2024 4.500% Due 09/25/2028	21,268,000.00	01/25/2024 4.67%	21,116,146.48 21,122,113.74	98.64 4.84%	20,978,483.18 15,951.00	0.14% (143,630.56)	Aaa / AA+ NR	4.49 4.01
3133EPK46	FFCB Callable Note Cont 03/06/2024 5.730% Due 12/06/2028	25,395,000.00	12/20/2023 5.73%	25,395,000.00 25,395,000.00	99.97 5.73%	25,387,662.11 464,834.31	0.17% (7,337.89)	Aaa / AA+ NR	4.69 3.98
3130AYF43	FHLB Callable Note 1x 07/09/2026 4.480% Due 01/09/2029	25,000,000.00	01/05/2024 4.48%	25,000,000.00 25,000,000.00	99.25 4.66%	24,812,971.50 255,111.11	0.16% (187,028.50)	Aaa / AA+ NR	4.78 4.21
3130AYHF6	FHLB Callable Note 1/12/27 4.300% Due 01/12/2029	25,000,000.00	01/12/2024 4.30%	25,000,000.00 25,000,000.00	98.45 4.66%	24,613,362.25 235,902.78	0.16% (386,637.75)	Aaa / AA+ NR	4.79 4.23

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3130AYUQ7	FHLB Callable Note 1x 02/06/2026 4.750% Due 02/06/2029	25,000,000.00	02/06/2024 4.75%	25,000,000.00 25,000,000.00	100.16 4.66%	25,039,085.50 181,423.61	0.16% 39,085.50	Aaa / AA+ NR	4.86 1.74
TOTAL Agency		**3,166,598,000.00**	**1.76%**	**3,163,203,222.13** **3,161,642,644.25**	**4.87%**	**3,019,771,084.14** **12,276,254.62**	**19.63%** **(141,871,560.11)**	**Aaa / AA+** **AA+**	**2.09** **1.94**
Cash									
90JPMC$03	JP Morgan Chase Bank Deposit	189,113,418.42	Various 3.38%	189,113,418.42 189,113,418.42	1.00 3.38%	189,113,418.42 0.00	1.22% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		**189,113,418.42**	**3.38%**	**189,113,418.42** **189,113,418.42**	**3.38%**	**189,113,418.42** **0.00**	**1.22%** **0.00**	**NR / NR** **NR**	**0.00** **0.00**
Commercial Paper									
06366GDK2	Bank of Montreal Discount CP 5.350% Due 04/19/2024	25,000,000.00	03/20/2024 5.45%	24,888,541.67 24,933,125.00	99.73 5.45%	24,933,125.00 0.00	0.16% 0.00	P-1 / A-1 NR	0.05 0.05
22533TDW3	Credit Agricole Discount CP 5.788% Due 04/30/2024	100,000,000.00	10/26/2023 5.83%	97,096,333.33 99,549,698.75	99.55 5.83%	99,549,698.75 0.00	0.64% 0.00	P-1 / A-1 F-1+	0.08 0.08
06366GDW6	Bank of Montreal Discount CP 5.350% Due 04/30/2024	100,000,000.00	03/20/2024 5.46%	99,390,694.44 99,569,027.77	99.57 5.46%	99,569,027.77 0.00	0.64% 0.00	P-1 / A-1 AA	0.08 0.08
13608AE10	CA Iimperial Bank of Comm Discount CP 5.620% Due 05/01/2024	90,000,000.00	10/04/2023 5.87%	87,049,500.00 89,578,500.00	99.53 5.87%	89,578,500.00 0.00	0.58% 0.00	P-1 / A-1 NR	0.08 0.08
09659BE14	BNP Paribas Discount CP 5.670% Due 05/01/2024	44,000,000.00	10/16/2023 5.92%	42,627,860.00 43,792,100.00	99.53 5.92%	43,792,100.00 0.00	0.28% 0.00	P-1 / A-1 F-1+	0.08 0.08
06366GE13	Bank of Montreal Discount CP 5.430% Due 05/01/2024	60,000,000.00	12/08/2023 5.63%	58,687,750.00 59,728,500.00	99.55 5.63%	59,728,500.00 0.00	0.39% 0.00	P-1 / A-1 NR	0.08 0.08
09659JE25	BNP Paribas Discount CP 5.640% Due 05/02/2024	35,000,000.00	10/05/2023 5.89%	33,848,500.00 34,830,016.67	99.51 5.89%	34,830,016.67 0.00	0.23% 0.00	P-1 / A-1 F-1+	0.09 0.09
09659JE33	BNP Paribas Discount CP 5.640% Due 05/03/2024	25,000,000.00	10/05/2023 5.89%	24,173,583.33 24,874,666.67	99.50 5.89%	24,874,666.67 0.00	0.16% 0.00	P-1 / A-1 F-1+	0.09 0.09
09659JE74	BNP Paribas Discount CP 5.640% Due 05/07/2024	40,000,000.00	10/05/2023 5.89%	38,652,666.67 39,774,400.00	99.44 5.89%	39,774,400.00 0.00	0.26% 0.00	P-1 / A-1 F-1+	0.10 0.10
22533TE77	Credit Agricole Discount CP 5.370% Due 05/07/2024	65,000,000.00	12/07/2023 5.57%	63,526,233.34 64,650,950.00	99.46 5.57%	64,650,950.00 0.00	0.42% 0.00	P-1 / A-1 F-1+	0.10 0.10
09659BE89	BNP Paribas Discount CP 5.690% Due 05/08/2024	32,000,000.00	10/18/2023 5.94%	30,973,271.11 31,812,862.22	99.42 5.94%	31,812,862.22 0.00	0.21% 0.00	P-1 / A-1 F-1+	0.10 0.10

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09659BEA4	BNP Paribas Discount CP 5.670% Due 05/10/2024	41,000,000.00	10/12/2023 5.92%	39,637,467.50 40,748,157.50	99.39 5.92%	40,748,157.50 0.00	0.26% 0.00	P-1 / A-1 F-1+	0.11 0.11
63873JEA4	Natixis NY Branch Discount CP 5.350% Due 05/10/2024	35,000,000.00	03/05/2024 5.43%	34,659,916.67 34,799,041.67	99.43 5.43%	34,799,041.67 0.00	0.23% 0.00	P-1 / A-1 F-1	0.11 0.11
06366GED7	Bank of Montreal Discount CP 5.460% Due 05/13/2024	50,000,000.00	12/08/2023 5.67%	48,809,416.67 49,681,500.00	99.36 5.67%	49,681,500.00 0.00	0.32% 0.00	P-1 / A-1 NR	0.12 0.11
06366GEE5	Bank of Montreal Discount CP 5.460% Due 05/14/2024	40,000,000.00	12/08/2023 5.67%	39,041,466.67 39,739,133.33	99.35 5.67%	39,739,133.33 0.00	0.26% 0.00	P-1 / A-1 NR	0.12 0.12
09659BEF3	BNP Paribas Discount CP 5.670% Due 05/15/2024	100,000,000.00	10/12/2023 5.92%	96,598,000.00 99,307,000.00	99.31 5.92%	99,307,000.00 0.00	0.64% 0.00	P-1 / A-1 F-1+	0.12 0.12
63873JEH9	Natixis NY Branch Discount CP 5.360% Due 05/17/2024	11,000,000.00	03/05/2024 5.43%	10,881,780.56 10,925,505.56	99.32 5.43%	10,925,505.56 0.00	0.07% 0.00	P-1 / A-1 F-1	0.13 0.13
63873JEQ9	Natixis NY Branch Discount CP 5.470% Due 05/24/2024	85,000,000.00	12/05/2023 5.69%	82,791,487.50 84,315,490.28	99.19 5.69%	84,315,490.28 0.00	0.55% 0.00	P-1 / A-1 F-1	0.15 0.14
09659BEX4	BNP Paribas Discount CP 5.637% Due 05/31/2024	313,000,000.00	Various 5.89%	302,328,343.05 310,059,483.33	99.06 5.89%	310,059,483.33 0.00	2.01% 0.00	P-1 / A-1 F-1+	0.17 0.16
09659BF39	BNP Paribas Discount CP 5.570% Due 06/03/2024	42,000,000.00	11/06/2023 5.81%	40,635,350.00 41,590,605.00	99.03 5.81%	41,590,605.00 0.00	0.27% 0.00	P-1 / A-1 F-1+	0.18 0.17
63873JF39	Natixis NY Branch Discount CP 5.530% Due 06/03/2024	200,000,000.00	11/28/2023 5.77%	194,224,222.22 198,064,500.00	99.03 5.77%	198,064,500.00 0.00	1.28% 0.00	P-1 / A-1 F-1	0.18 0.17
06366GF46	Bank of Montreal Discount CP 5.460% Due 06/04/2024	40,000,000.00	12/08/2023 5.69%	38,914,066.67 39,611,733.33	99.03 5.69%	39,611,733.33 0.00	0.26% 0.00	P-1 / A-1 NR	0.18 0.17
06366GF53	Bank of Montreal Discount CP 5.460% Due 06/05/2024	40,000,000.00	12/08/2023 5.69%	38,908,000.00 39,605,666.67	99.01 5.69%	39,605,666.67 0.00	0.26% 0.00	P-1 / A-1 NR	0.18 0.18
06366GF61	Bank of Montreal Discount CP 5.460% Due 06/06/2024	40,000,000.00	12/08/2023 5.69%	38,901,933.33 39,599,600.00	99.00 5.69%	39,599,600.00 0.00	0.26% 0.00	P-1 / A-1 NR	0.18 0.18
63873JF70	Natixis NY Branch Discount CP 5.420% Due 06/07/2024	90,000,000.00	12/06/2023 5.65%	87,506,800.00 89,092,150.00	98.99 5.65%	89,092,150.00 0.00	0.58% 0.00	P-1 / A-1 F-1	0.19 0.18
06366GFA2	Bank of Montreal Discount CP 5.420% Due 06/10/2024	50,000,000.00	12/06/2023 5.65%	48,592,305.56 49,473,055.56	98.95 5.65%	49,473,055.56 0.00	0.32% 0.00	P-1 / A-1 NR	0.19 0.19
22533TFJ0	Credit Agricole Discount CP 5.330% Due 06/18/2024	75,000,000.00	12/08/2023 5.55%	72,856,895.84 74,133,875.00	98.85 5.55%	74,133,875.00 0.00	0.48% 0.00	P-1 / A-1 F-1+	0.22 0.21
89233GFL5	Toyota Motor Credit Discount CP 5.320% Due 06/20/2024	25,000,000.00	03/18/2024 5.47%	24,652,722.22 24,704,444.44	98.82 5.47%	24,704,444.44 0.00	0.16% 0.00	P-1 / A-1+ F-1	0.22 0.22
22533TFM3	Credit Agricole Discount CP 5.330% Due 06/21/2024	60,000,000.00	12/08/2023 5.55%	58,258,866.67 59,280,450.00	98.80 5.55%	59,280,450.00 0.00	0.38% 0.00	P-1 / A-1 F-1+	0.22 0.22

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89119AFT0	TD BANK Discount CP 5.390% Due 06/27/2024	196,000,000.00	11/29/2023 5.62%	189,808,087.78 193,446,936.67	98.70 5.62%	193,446,936.67 0.00	1.25% 0.00	P-1 / A-1+ NR	0.24 0.23
21687AFU2	Rabobank Nederland NV NY Discount CP 5.470% Due 06/28/2024	150,000,000.00	11/28/2023 5.71%	145,145,375.00 147,994,333.33	98.66 5.71%	147,994,333.33 0.00	0.96% 0.00	P-1 / A-1 NR	0.24 0.24
09659JG15	BNP Paribas Discount CP 5.640% Due 07/01/2024	50,000,000.00	10/05/2023 5.91%	47,885,000.00 49,287,166.67	98.57 5.91%	49,287,166.67 0.00	0.32% 0.00	P-1 / A-1 F-1+	0.25 0.24
06054NG13	BOFA Securities Discount CP 5.500% Due 07/01/2024	250,000,000.00	11/27/2023 5.74%	241,711,805.55 246,524,305.55	98.61 5.74%	246,524,305.55 0.00	1.60% 0.00	NR / A-1 F-1+	0.25 0.25
21687AG15	Rabobank Nederland NV NY Discount CP 5.380% Due 07/01/2024	95,000,000.00	12/11/2023 5.61%	92,117,963.89 93,708,052.78	98.64 5.61%	93,708,052.78 0.00	0.61% 0.00	P-1 / A-1 NR	0.25 0.25
21687AG23	Rabobank Nederland NV NY Discount CP 5.350% Due 07/02/2024	100,000,000.00	12/05/2023 5.58%	96,879,166.67 98,632,777.78	98.63 5.58%	98,632,777.78 0.00	0.64% 0.00	P-1 / A-1 NR	0.25 0.25
06054NG21	BOFA Securities Discount CP 4.280% Due 07/02/2024	191,000,000.00	Various 5.70%	184,902,527.78 188,334,555.55	98.60 5.70%	188,334,555.55 0.00	1.22% 0.00	NR / A-1 F-1+	0.25 0.25
21687AG80	Rabobank Nederland NV NY Discount CP 5.370% Due 07/08/2024	120,000,000.00	12/11/2023 5.60%	116,241,000.00 118,245,800.00	98.54 5.60%	118,245,800.00 0.00	0.77% 0.00	P-1 / A-1 NR	0.27 0.26
63873JG95	Natixis NY Branch Discount CP 5.280% Due 07/09/2024	35,000,000.00	01/04/2024 5.50%	34,040,066.67 34,491,800.00	98.55 5.50%	34,491,800.00 0.00	0.22% 0.00	P-1 / A-1 F-1	0.27 0.27
63873JGA2	Natixis NY Branch Discount CP 5.280% Due 07/10/2024	35,000,000.00	01/04/2024 5.50%	34,034,933.33 34,486,666.66	98.53 5.50%	34,486,666.66 0.00	0.22% 0.00	P-1 / A-1 F-1	0.28 0.27
63873JGB0	Natixis NY Branch Discount CP 5.270% Due 07/11/2024	35,000,000.00	01/04/2024 5.49%	34,031,637.50 34,482,515.28	98.52 5.49%	34,482,515.28 0.00	0.22% 0.00	P-1 / A-1 F-1	0.28 0.27
89233GGF7	Toyota Motor Credit Discount CP 5.397% Due 07/15/2024	49,000,000.00	03/15/2024 5.47%	48,119,905.56 48,242,541.67	98.45 5.47%	48,242,541.67 0.00	0.31% 0.00	P-1 / A-1+ F-1	0.29 0.28
06366GGN3	Bank of Montreal Discount CP 5.190% Due 07/22/2024	35,000,000.00	01/05/2024 5.41%	33,995,879.17 34,434,866.67	98.39 5.41%	34,434,866.67 0.00	0.22% 0.00	P-1 / A-1 NR	0.31 0.30
06366GGP8	Bank of Montreal Discount CP 5.190% Due 07/23/2024	35,000,000.00	01/05/2024 5.41%	33,990,833.33 34,429,820.83	98.37 5.41%	34,429,820.83 0.00	0.22% 0.00	P-1 / A-1 NR	0.31 0.30
06366GGQ6	Bank of Montreal Discount CP 5.190% Due 07/24/2024	35,000,000.00	01/05/2024 5.41%	33,985,787.50 34,424,775.00	98.36 5.41%	34,424,775.00 0.00	0.22% 0.00	P-1 / A-1 NR	0.32 0.31
78015CGX4	Royal Bank of Canada NY Discount CP 5.350% Due 07/31/2024	320,000,000.00	12/11/2023 5.59%	308,919,555.56 314,245,777.78	98.20 5.59%	314,245,777.78 0.00	2.03% 0.00	P-1 / A-1+ NR	0.33 0.33
22533TGX8	Credit Agricole Discount CP 5.250% Due 07/31/2024	200,000,000.00	12/14/2023 5.48%	193,291,666.60 196,470,833.30	98.24 5.48%	196,470,833.30 0.00	1.27% 0.00	P-1 / A-1 F-1+	0.33 0.33
78015CH21	Royal Bank of Canada NY Discount CP 5.290% Due 08/02/2024	90,000,000.00	12/12/2023 5.52%	86,905,350.00 88,373,325.00	98.19 5.52%	88,373,325.00 0.00	0.57% 0.00	P-1 / A-1+ NR	0.34 0.33

INVESTMENT INVENTORY – MARKET VALUE

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
22533TH66	Credit Agricole Discount CP 0.000% Due 08/06/2024	100,000,000.00	12/12/2023 5.53%	96,496,111.11 98,130,277.78	98.13 5.53%	98,130,277.78 0.00	0.64% 0.00	P-1 / A-1 F-1+	0.35 0.34
63873JH78	Natixis NY Branch Discount CP 5.370% Due 08/07/2024	50,000,000.00	03/01/2024 5.45%	48,840,625.00 49,066,666.67	98.13 5.45%	49,066,666.67 0.00	0.32% 0.00	P-1 / A-1 F-1	0.35 0.34
89233GH82	Toyota Motor Credit Discount CP 5.400% Due 08/08/2024	25,000,000.00	03/01/2024 5.45%	24,416,666.67 24,529,687.50	98.12 5.45%	24,529,687.50 0.00	0.16% 0.00	P-1 / A-1+ F-1	0.36 0.35
89233GH90	Toyota Motor Credit Discount CP 5.400% Due 08/09/2024	25,000,000.00	03/01/2024 5.45%	24,413,020.83 24,526,041.66	98.10 5.45%	24,526,041.66 0.00	0.16% 0.00	P-1 / A-1+ F-1	0.36 0.35
89233GHD1	Toyota Motor Credit Discount CP 0.000% Due 08/13/2024	25,000,000.00	03/27/2024 5.42%	24,494,194.44 24,512,388.88	98.05 5.42%	24,512,388.88 0.00	0.16% 0.00	P-1 / A-1+ F-1+	0.37 0.36
06366GHK8	Bank of Montreal Discount CP 5.130% Due 08/19/2024	35,000,000.00	01/02/2024 5.35%	33,852,875.00 34,301,750.00	98.01 5.35%	34,301,750.00 0.00	0.22% 0.00	P-1 / A-1 NR	0.39 0.38
06366GHL6	Bank of Montreal Discount CP 5.130% Due 08/20/2024	30,000,000.00	01/02/2024 5.35%	29,012,475.00 29,397,225.00	97.99 5.35%	29,397,225.00 0.00	0.19% 0.00	P-1 / A-1 NR	0.39 0.38
06366GHM4	Bank of Montreal Discount CP 5.130% Due 08/21/2024	30,000,000.00	01/02/2024 5.35%	29,008,200.00 29,392,950.00	97.98 5.35%	29,392,950.00 0.00	0.19% 0.00	P-1 / A-1 NR	0.39 0.38
78015CHW5	Royal Bank of Canada NY Discount CP 5.100% Due 08/30/2024	50,000,000.00	12/15/2023 5.33%	48,165,416.67 48,930,416.67	97.86 5.33%	48,930,416.67 0.00	0.32% 0.00	P-1 / A-1+ NR	0.42 0.41
22533THW9	Credit Agricole Discount CP 5.090% Due 08/30/2024	50,000,000.00	12/15/2023 5.32%	48,169,013.89 48,932,513.89	97.87 5.32%	48,932,513.89 0.00	0.32% 0.00	P-1 / A-1 F-1+	0.42 0.41
22533TJ31	Credit Agricole Discount CP 5.110% Due 09/03/2024	75,000,000.00	01/03/2024 5.33%	72,402,416.63 73,349,895.81	97.80 5.33%	73,349,895.81 0.00	0.47% 0.00	P-1 / A-1 F-1+	0.43 0.42
78015CJ45	Royal Bank of Canada NY Discount CP 0.000% Due 09/04/2024	54,000,000.00	12/18/2023 5.37%	51,987,690.00 52,797,240.00	97.77 5.37%	52,797,240.00 0.00	0.34% 0.00	P-1 / A-1+ NR	0.43 0.42
78015CJ94	Royal Bank of Canada NY Discount CP 5.100% Due 09/09/2024	50,000,000.00	12/15/2023 5.33%	48,094,583.33 48,859,583.33	97.72 5.33%	48,859,583.33 0.00	0.32% 0.00	P-1 / A-1+ NR	0.44 0.43
09659BJ92	BNP Paribas Discount CP 5.130% Due 09/09/2024	50,000,000.00	12/15/2023 5.36%	48,083,375.00 48,852,875.00	97.71 5.36%	48,852,875.00 0.00	0.32% 0.00	P-1 / A-1 F-1+	0.44 0.43
89233GJA5	Toyota Motor Credit Discount CP 0.000% Due 09/10/2024	25,000,000.00	03/27/2024 5.41%	24,395,784.72 24,413,875.00	97.66 5.41%	24,413,875.00 0.00	0.16% 0.00	P-1 / A-1+ F-1	0.45 0.43
89233GJC1	Toyota Motor Credit Discount CP 0.000% Due 09/12/2024	25,000,000.00	03/27/2024 5.41%	24,388,548.61 24,406,638.89	97.63 5.41%	24,406,638.89 0.00	0.16% 0.00	P-1 / A-1+ NR	0.45 0.44
06054NJW2	BOFA Securities Discount CP 5.230% Due 09/30/2024	87,000,000.00	02/27/2024 5.45%	84,269,940.00 84,699,671.67	97.36 5.45%	84,699,671.67 0.00	0.55% 0.00	NR / A-1 F-1+	0.50 0.49

INVESTMENT INVENTORY – MARKET VALUE

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
63873JK17	Natixis NY Branch Discount CP 0.000% Due 10/10/2024	30,000,000.00	03/27/2024 5.14%	29,179,066.67 29,199,902.54	97.33 5.14%	29,199,902.54 0.00	0.19% 0.00	P-1 / A-1 NR	0.53 0.52
TOTAL Commercial Paper		**4,790,000,000.00**	**5.63%**	**4,644,790,520.48** **4,726,381,689.56**	**5.63%**	**4,726,381,689.56** **0.00**	**30.60%** **0.00**	**P-1 / A-1** **F-1+**	**0.25** **0.24**
Corporate									
023135CD6	Amazon.com Inc Note 2.730% Due 04/13/2024	10,000,000.00	04/13/2022 2.73%	10,000,000.00 10,000,000.00	99.88 6.32%	9,987,791.10 127,400.00	0.07% (12,208.90)	A1 / AA AA-	0.04 0.03
037833AS9	Apple Inc Note 3.450% Due 05/06/2024	28,689,000.00	04/29/2022 2.68%	29,122,490.79 28,709,558.51	99.80 5.47%	28,630,881.82 398,657.56	0.19% (78,676.69)	Aaa / AA+ NR	0.10 0.10
48130UXY6	JPMorgan Chase Callable Note 2X 8/17/2022 0.700% Due 08/16/2024	50,000,000.00	08/17/2021 0.70%	50,000,000.00 50,000,000.00	97.93 6.33%	48,965,657.50 42,777.78	0.32% (1,034,342.50)	A1 / A- AA-	0.38 0.37
48130UYC3	JPMorgan Chase Callable Note 2X 9/1/2022 1.000% Due 08/30/2024	50,000,000.00	09/01/2021 1.00%	50,000,000.00 50,000,000.00	97.74 6.60%	48,867,669.00 41,666.67	0.32% (1,132,331.00)	A1 / A- AA-	0.42 0.40
48130UZB4	JPMorgan Chase Callable Note Cont 11/15/2023 0.950% Due 11/15/2024	50,000,000.00	11/15/2021 0.95%	50,000,000.00 50,000,000.00	96.53 6.74%	48,264,634.00 179,444.44	0.31% (1,735,366.00)	A1 / A- AA-	0.63 0.60
46625HKC3	JP Morgan Chase Callable Note Cont 10/23/2024 3.125% Due 01/23/2025	40,145,000.00	01/28/2022 1.73%	41,641,204.15 40,452,028.88	98.18 5.44%	39,416,104.50 236,967.01	0.26% (1,035,924.38)	A1 / A- AA-	0.82 0.78
48130UZW8	JPMorgan Chase Callable Note Cont 1/24/2024 1.530% Due 01/24/2025	50,000,000.00	01/20/2022 1.53%	50,000,000.00 50,000,000.00	96.40 6.12%	48,202,388.50 142,375.00	0.31% (1,797,611.50)	A1 / A- AA-	0.82 0.79
48130UB61	JPMorgan Chase Callable Note Cont 08/10/2024 1.863% Due 02/10/2025	50,000,000.00	02/10/2022 1.86%	50,000,000.00 50,000,000.00	96.45 6.16%	48,226,748.50 131,927.08	0.31% (1,773,251.50)	A1 / A- AA-	0.87 0.83
023135CE4	Amazon.com Inc Note 3.000% Due 04/13/2025	10,000,000.00	04/13/2022 3.06%	9,984,100.00 9,994,530.75	97.92 5.09%	9,791,788.40 140,000.00	0.06% (202,742.35)	A1 / AA AA-	1.04 0.99
931142EW9	Wal-Mart Stores Note 3.900% Due 09/09/2025	30,000,000.00	09/09/2022 3.92%	29,979,000.00 29,989,921.53	98.56 4.94%	29,569,147.80 71,500.00	0.19% (420,773.73)	Aa2 / AA AA	1.44 1.38
06048W2B5	Bank of America Corp Callable Note 1X 11/03/2023 5.610% Due 11/03/2025	25,000,000.00	11/01/2022 5.61%	25,000,000.00 25,000,000.00	98.85 6.38%	24,712,146.25 576,583.33	0.16% (287,853.75)	A1 / A- AA-	1.59 1.46

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
48133PAU7	JPMorgan Chase Callable Note SA 11/03/2025 5.610% Due 11/03/2025	25,000,000.00	11/01/2022 5.61%	25,000,000.00 25,000,000.00	98.82 6.40%	24,704,533.50 576,583.33	0.16% (295,466.50)	A1 / A- AA-	1.59 1.46
TOTAL Corporate		**418,834,000.00**	**2.16%**	**420,726,794.94** **419,146,039.67**	**6.10%**	**409,339,490.87** **2,665,882.20**	**2.67%** **(9,806,548.80)**	**A1 / A** **AA-**	**0.78** **0.74**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	2,168.50	Various 4.27%	2,168.50 2,168.50	1.00 4.27%	2,168.50 22.20	0.00% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		**2,168.50**	**4.27%**	**2,168.50** **2,168.50**	**4.27%**	**2,168.50** **22.20**	**0.00%** **0.00**	**NR / NR** **NR**	**0.00** **0.00**
Local Gov Investment Pool									
90CAMP$00	California Asset Mgmt Program CAMP	252,790,972.37	Various 5.48%	252,790,972.37 252,790,972.37	1.00 5.48%	252,790,972.37 0.00	1.64% 0.00	NR / AAA NR	0.00 0.00
TOTAL Local Gov Investment Pool		**252,790,972.37**	**5.48%**	**252,790,972.37** **252,790,972.37**	**5.48%**	**252,790,972.37** **0.00**	**1.64%** **0.00**	**NR / AAA** **NR**	**0.00** **0.00**
Money Market Fund									
09248U700	Blackrock Liquidity FedFund MMF	500,000.00	Various 5.18%	500,000.00 500,000.00	1.00 5.18%	500,000.00 0.00	0.00% 0.00	Aaa / AAA NR	0.00 0.00
61747C707	Morgan Stanley Liq Govt MMKT	15,500,000.00	Various 5.21%	15,500,000.00 15,500,000.00	1.00 5.21%	15,500,000.00 0.00	0.10% 0.00	Aaa / AAA AAA	0.00 0.00
31607A703	Fidelity Institutional Prime Govt INS Mmkt Fund	140,000,000.00	Various 5.24%	140,000,000.00 140,000,000.00	1.00 5.24%	140,000,000.00 0.00	0.91% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund		**156,000,000.00**	**5.24%**	**156,000,000.00** **156,000,000.00**	**5.24%**	**156,000,000.00** **0.00**	**1.01%** **0.00**	**Aaa / AAA** **AAA**	**0.00** **0.00**
Municipal Bonds									
641462NS1	State of Nevada Taxable GO 2.710% Due 05/01/2024	7,760,000.00	05/10/2022 2.71%	7,760,000.00 7,760,000.00	99.80 5.07%	7,744,402.40 87,623.33	0.05% (15,597.60)	Aa1 / AA+ AA+	0.08 0.08
641462NX0	State of Nevada Taxable GO 2.710% Due 05/01/2024	6,790,000.00	05/10/2022 2.71%	6,790,000.00 6,790,000.00	99.79 5.17%	6,775,808.90 76,670.42	0.04% (14,191.10)	Aa1 / AA+ AA+	0.08 0.08
68609T7D4	State of Oregon STE-GO 2.771% Due 05/01/2024	2,250,000.00	05/17/2022 2.77%	2,250,000.00 2,250,000.00	99.78 5.42%	2,244,937.50 25,978.13	0.01% (5,062.50)	Aa1 / AA+ AA+	0.08 0.08

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County of San Diego Pooled Money Fund

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546417DP8	State of Louisiana STE-GO 0.650% Due 06/01/2024	5,000,000.00	10/14/2020 0.65%	5,000,000.00 5,000,000.00	99.20 5.46%	4,960,150.00 10,833.33	0.03% (39,850.00)	Aa2 / AA NR	0.17 0.17
20772KNV7	State of Connecticut TE-GO 0.508% Due 06/01/2024	6,000,000.00	06/04/2021 0.51%	6,000,000.00 6,000,000.00	99.21 5.31%	5,952,300.00 10,160.00	0.04% (47,700.00)	Aa3 / AA- AA-	0.17 0.17
20772KQG7	State of Connecticut TE-GO 4.250% Due 06/15/2024	5,000,000.00	06/22/2022 3.01%	5,118,700.00 5,012,296.27	99.76 5.38%	4,987,850.00 62,569.44	0.03% (24,446.27)	Aa3 / AA- AA-	0.21 0.20
574193TQ1	Maryland State STE-GO 0.510% Due 08/01/2024	25,000,000.00	08/05/2020 0.51%	25,000,000.00 25,000,000.00	98.41 5.36%	24,602,250.00 21,250.00	0.16% (397,750.00)	Aaa / AAA AAA	0.34 0.33
60412AVT7	Minnesota State Taxable- GO 0.500% Due 08/01/2024	15,000,000.00	08/25/2020 0.48%	15,012,150.00 15,001,031.52	98.50 5.07%	14,774,850.00 12,500.00	0.10% (226,181.52)	Aaa / AAA AAA	0.34 0.33
419792F84	Hawaii State STE-GO 0.713% Due 08/01/2024	15,000,000.00	10/12/2021 0.71%	15,000,000.00 15,000,000.00	98.41 5.56%	14,761,500.00 17,825.00	0.10% (238,500.00)	Aa2 / AA+ AA	0.34 0.33
64990FD43	NY State Dorm Auth Tax Rev TE - REV 0.887% Due 03/15/2025	5,000,000.00	06/23/2021 0.89%	5,000,000.00 5,000,000.00	95.99 5.25%	4,799,300.00 1,971.11	0.03% (200,700.00)	NR / AA+ AA+	0.96 0.93
64990FM84	NY State Dorm Auth Tax Rev GO - REV 1.360% Due 03/15/2025	30,495,000.00	12/17/2021 1.36%	30,495,000.00 30,495,000.00	96.42 5.25%	29,403,279.00 18,432.53	0.19% (1,091,721.00)	NR / AA+ AA+	0.96 0.93
641462NY8	State of Nevada TE-GO 2.940% Due 05/01/2025	6,975,000.00	05/10/2022 2.94%	6,975,000.00 6,975,000.00	97.62 5.23%	6,808,855.50 85,443.75	0.04% (166,144.50)	Aa1 / AA+ AA+	1.08 1.03
641462NT9	State of Nevada TE-GO 2.940% Due 05/01/2025	7,970,000.00	05/10/2022 2.94%	7,970,000.00 7,970,000.00	97.73 5.12%	7,789,081.00 97,632.50	0.05% (180,919.00)	Aa1 / AA+ AA+	1.08 1.03
68609T7E2	State of Oregon STE-GO 3.062% Due 05/01/2025	1,000,000.00	05/17/2022 3.06%	1,000,000.00 1,000,000.00	97.90 5.08%	979,000.00 12,758.33	0.01% (21,000.00)	Aa1 / AA+ AA+	1.08 1.03
546417DQ6	State of Louisiana STE-GO 0.840% Due 06/01/2025	5,000,000.00	10/14/2020 0.84%	5,000,000.00 5,000,000.00	95.30 5.03%	4,765,200.00 14,000.00	0.03% (234,800.00)	Aa2 / AA NR	1.17 1.13
34153QUD6	Florida State Board of Edu STE-GO 0.550% Due 06/01/2025	40,000,000.00	10/22/2020 0.55%	40,000,000.00 40,000,000.00	94.93 5.08%	37,973,600.00 73,333.33	0.25% (2,026,400.00)	Aaa / AAA AAA	1.17 1.13
9281094C8	Commonwealth of Virginia STE-GO 0.550% Due 06/01/2025	10,860,000.00	11/05/2020 0.55%	10,860,000.00 10,860,000.00	94.88 5.13%	10,303,533.60 19,910.00	0.07% (556,466.40)	Aaa / AAA AAA	1.17 1.13
20772KNW5	State of Connecticut TE-GO 0.923% Due 06/01/2025	5,000,000.00	06/04/2021 0.92%	5,000,000.00 5,000,000.00	95.36 5.06%	4,768,200.00 15,383.33	0.03% (231,800.00)	Aa3 / AA- AA-	1.17 1.13
797646NC6	San Francisco California C&C TE-GO 5.450% Due 06/15/2025	4,605,000.00	03/19/2021 0.95%	5,464,154.85 4,849,046.57	100.18 5.29%	4,613,104.80 73,897.46	0.03% (235,941.77)	Aaa / AAA AA+	1.21 1.14
20772KQH5	State of Connecticut TE-GO 3.292% Due 06/15/2025	2,500,000.00	06/22/2022 3.29%	2,500,000.00 2,500,000.00	97.97 5.05%	2,449,225.00 24,232.78	0.02% (50,775.00)	Aa3 / AA- AA-	1.21 1.15
574193TR9	Maryland State STE-GO 0.660% Due 08/01/2025	25,000,000.00	08/05/2020 0.66%	25,000,000.00 25,000,000.00	94.45 5.01%	23,613,250.00 27,500.00	0.15% (1,386,750.00)	Aaa / AAA AAA	1.34 1.30

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419792YQ3	Hawaii State STE-GO	5,255,000.00	08/12/2020	5,255,000.00	94.45	4,963,242.40	0.03%	Aa2 / AA+	1.34
	0.670% Due 08/01/2025		0.67%	5,255,000.00	5.03%	5,868.08	(291,757.60)	AA	1.30
419792F92	Hawaii State STE-GO	10,000,000.00	10/12/2021	10,000,000.00	94.91	9,490,900.00	0.06%	Aa2 / AA+	1.34
	1.033% Due 08/01/2025		1.03%	10,000,000.00	5.03%	17,216.67	(509,100.00)	AA	1.29
64990FD50	NY State Dorm Auth Tax Rev TE - REV	5,000,000.00	06/23/2021	5,000,000.00	93.36	4,667,850.00	0.03%	NR / AA+	1.96
	1.187% Due 03/15/2026		1.19%	5,000,000.00	4.79%	2,637.78	(332,150.00)	AA+	1.89
64990FM92	NY State Dorm Auth Tax Rev GO - REV	31,180,000.00	12/17/2021	31,180,000.00	94.03	29,317,306.80	0.19%	NR / AA+	1.96
	1.550% Due 03/15/2026		1.55%	31,180,000.00	4.79%	21,479.56	(1,862,693.20)	AA+	1.89
650028ZF3	NY St Twy Auth St Pers TE-REV	21,800,000.00	07/28/2022	21,800,000.00	97.30	21,210,310.00	0.14%	NR / AA+	1.96
	3.550% Due 03/15/2026		3.55%	21,800,000.00	5.02%	34,395.56	(589,690.00)	AA+	1.86
641462NZ5	State of Nevada Taxable GO	7,180,000.00	05/10/2022	7,180,000.00	96.21	6,907,806.20	0.05%	Aa1 / AA+	2.08
	3.080% Due 05/01/2026		3.08%	7,180,000.00	5.02%	92,143.33	(272,193.80)	AA+	1.96
641462NU6	State of Nevada Taxable GO	8,205,000.00	05/10/2022	8,205,000.00	96.65	7,930,132.50	0.05%	Aa1 / AA+	2.08
	3.080% Due 05/01/2026		3.08%	8,205,000.00	4.79%	105,297.50	(274,867.50)	AA+	1.96
68609T7F9	State of Oregon STE-GO	1,400,000.00	05/17/2022	1,400,000.00	97.01	1,358,154.00	0.01%	Aa1 / AA+	2.08
	3.215% Due 05/01/2026		3.22%	1,400,000.00	4.74%	18,754.17	(41,846.00)	AA+	1.96
20772KNX3	State of Connecticut TE-GO	5,600,000.00	06/04/2021	5,600,000.00	92.61	5,186,272.00	0.03%	Aa3 / AA-	2.17
	1.123% Due 06/01/2026		1.12%	5,600,000.00	4.75%	20,962.67	(413,728.00)	AA-	2.09
20772KQJ1	State of Connecticut TE-GO	5,000,000.00	06/22/2022	5,000,000.00	97.46	4,872,800.00	0.03%	Aa3 / AA-	2.21
	3.531% Due 06/15/2026		3.53%	5,000,000.00	4.76%	51,984.17	(127,200.00)	AA-	2.07
25477GUX1	Dist of Columbia Income Tax TE-REV	4,500,000.00	07/27/2022	4,500,000.00	97.27	4,377,105.00	0.03%	Aa1 / AAA	2.25
	3.419% Due 07/01/2026		3.42%	4,500,000.00	4.71%	38,463.75	(122,895.00)	AA+	2.12
419792G26	Hawaii State STE-GO	7,500,000.00	10/12/2021	7,500,000.00	92.44	6,932,925.00	0.04%	Aa2 / AA+	2.34
	1.283% Due 08/01/2026		1.28%	7,500,000.00	4.74%	16,037.50	(567,075.00)	AA	2.25
798135E96	San Jose Calif Libr & Prks Prj TE-GO	10,000,000.00	04/28/2022	9,730,500.00	95.05	9,504,600.00	0.06%	Aa1 / AA+	2.42
	2.500% Due 09/01/2026		3.17%	9,850,051.35	4.69%	20,833.33	(345,451.35)	AAA	2.30
798189TL0	San Jose Evergreen Com Col Dis TE-GO	2,500,000.00	03/01/2023	2,500,000.00	100.45	2,511,325.00	0.02%	Aa1 / AA+	2.42
	4.796% Due 09/01/2026		4.80%	2,500,000.00	4.59%	9,991.67	11,325.00	NR	2.25
419792J56	Hawaii State STE-GO	8,450,000.00	10/20/2022	8,450,000.00	100.46	8,489,039.00	0.06%	Aa2 / AA+	2.50
	4.818% Due 10/01/2026		4.82%	8,450,000.00	4.62%	203,560.50	39,039.00	NR	2.28
880558QT1	Tennessee St Sch Bond Auth STE-GO	3,650,000.00	10/26/2022	3,652,774.00	100.10	3,653,723.00	0.02%	Aa1 / AA+	2.59
	4.730% Due 11/01/2026		4.71%	3,651,809.71	4.69%	71,935.42	1,913.29	AA+	2.36
57582RK96	Massachusetts ST STE-GO	6,710,000.00	10/27/2022	5,823,541.90	91.13	6,114,621.70	0.04%	Aa1 / AA+	2.59
	0.986% Due 11/01/2026		4.64%	6,137,622.13	4.67%	27,566.92	(23,000.43)	AA+	2.49
13063D3N6	California State STE-GO	18,500,000.00	03/15/2023	18,500,000.00	100.61	18,611,925.00	0.12%	Aa2 / AA-	2.92
	4.846% Due 03/01/2027		4.85%	18,500,000.00	4.62%	74,709.17	111,925.00	AA	2.68

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641462NV4	State of Nevada TE-GO 3.180% Due 05/01/2027	8,460,000.00	05/10/2022 3.18%	8,460,000.00 8,460,000.00	95.89 4.63%	8,112,124.80 112,095.00	0.05% (347,875.20)	Aa1 / AA+ AA+	3.08 2.85
641462PA8	State of Nevada TE-GO 3.180% Due 05/01/2027	7,400,000.00	05/10/2022 3.18%	7,400,000.00 7,400,000.00	95.22 4.87%	7,046,502.00 98,050.00	0.05% (353,498.00)	Aa1 / AA+ AA+	3.08 2.85
68609T7G7	State of Oregon STE-GO 3.315% Due 05/01/2027	1,000,000.00	05/17/2022 3.32%	1,000,000.00 1,000,000.00	96.47 4.56%	964,660.00 13,812.50	0.01% (35,340.00)	Aa1 / AA+ AA+	3.08 2.85
68609UBF1	Oregon State TE - GO 4.112% Due 05/01/2027	5,625,000.00	03/23/2023 4.11%	5,625,000.00 5,625,000.00	98.68 4.58%	5,550,525.00 96,375.00	0.04% (74,475.00)	Aa1 / AA+ AA+	3.08 2.81
20772KTJ8	State of Connecticut TE-GO 5.050% Due 05/15/2027	8,670,000.00	06/22/2023 4.51%	8,836,464.00 8,803,241.39	101.31 4.59%	8,783,750.40 165,404.33	0.06% (19,490.99)	Aa3 / AA- AA-	3.12 2.81
20772KQK8	State of Connecticut TE-GO 3.631% Due 06/15/2027	5,000,000.00	06/22/2022 3.63%	5,000,000.00 5,000,000.00	97.19 4.58%	4,859,600.00 53,456.39	0.03% (140,400.00)	Aa3 / AA- AA-	3.21 2.95
373385KW2	State of Georgia STE-GO 3.430% Due 07/01/2027	8,210,000.00	07/07/2022 3.43%	8,210,000.00 8,210,000.00	96.98 4.44%	7,962,140.10 70,400.75	0.05% (247,859.90)	Aaa / AAA AAA	3.25 3.01
25477GUY9	Dist of Columbia Income Tax TE - REV 3.499% Due 07/01/2027	5,000,000.00	07/27/2022 3.50%	5,000,000.00 5,000,000.00	96.92 4.53%	4,846,150.00 43,737.50	0.03% (153,850.00)	Aa1 / AAA AA+	3.25 3.00
576004HD0	Commonwealth of Massachusetts TE-REV 3.680% Due 07/15/2027	5,000,000.00	08/30/2022 3.68%	5,000,000.00 5,000,000.00	97.42 4.53%	4,871,000.00 38,844.44	0.03% (129,000.00)	Aa1 / NR AAA	3.29 3.03
46247SEC4	Iowa State Financial Authority TE-REV 4.340% Due 08/01/2027	2,000,000.00	06/15/2023 4.34%	2,000,000.00 2,000,000.00	99.21 4.60%	1,984,180.00 14,466.67	0.01% (15,820.00)	Aaa / NR AAA	3.34 3.05
798189TM8	San Jose Evergreen Com Col Dis TE-GO 4.718% Due 09/01/2027	2,000,000.00	03/01/2023 4.72%	2,000,000.00 2,000,000.00	100.85 4.45%	2,016,920.00 7,863.33	0.01% 16,920.00	Aa1 / AA+ NR	3.42 3.12
419792J64	Hawaii State STE-GO 4.838% Due 10/01/2027	6,750,000.00	10/20/2022 4.84%	6,750,000.00 6,750,000.00	101.16 4.48%	6,828,030.00 163,282.50	0.05% 78,030.00	Aa2 / AA+ NR	3.50 3.12
882724T64	Texas State TE-GO 4.528% Due 10/01/2027	5,000,000.00	08/10/2023 4.53%	5,000,000.00 5,000,000.00	100.16 4.48%	5,008,150.00 133,324.44	0.03% 8,150.00	NR / AAA AAA	3.50 3.12
57582R4H6	Massachusetts ST STE-GO 5.500% Due 10/01/2027	20,000,000.00	10/25/2023 5.20%	20,210,000.00 20,186,764.09	103.15 4.52%	20,629,400.00 476,666.67	0.14% 442,635.91	Aa1 / AA+ AA+	3.50 3.09
419792M29	Hawaii State STE-GO 5.000% Due 10/01/2027	5,000,000.00	12/19/2023 4.51%	5,084,150.00 5,077,817.44	101.58 4.51%	5,078,900.00 70,833.33	0.03% 1,082.56	Aa2 / AA+ AA	3.50 3.14
20772KTK5	State of Connecticut STE-GO 4.506% Due 05/15/2028	5,000,000.00	06/22/2023 4.51%	5,000,000.00 5,000,000.00	100.10 4.48%	5,005,200.00 85,113.33	0.03% 5,200.00	Aa3 / AA- AA-	4.13 3.66
13063D7D4	California State STE-GO 5.500% Due 10/01/2028	25,000,000.00	10/11/2023 5.17%	25,357,000.00 25,323,009.36	104.11 4.48%	26,027,250.00 649,305.56	0.17% 704,240.64	Aa2 / AA- AA	4.51 3.87

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57582R4J2	Massachusetts ST TE-GO 5.500% Due 10/01/2028	14,000,000.00	10/25/2023 5.25%	14,149,800.00 14,136,589.68	104.23 4.45%	14,592,620.00 333,666.67	0.10% 456,030.32	Aa1 / AA+ AA+	4.51 3.88
TOTAL Municipal Bonds		**533,750,000.00**	**2.53%**	**534,554,234.75** **534,144,279.51**	**4.90%**	**521,336,817.60** **4,250,440.93**	**3.40%** **(12,807,461.91)**	**Aa1 / AA+** **AA+**	**1.99** **1.83**
Negotiable CD									
06417M2X2	Bank of Nova Scotia Houston Yankee CD 5.800% Due 04/17/2024	46,000,000.00	06/14/2023 5.80%	46,000,000.00 46,000,000.00	100.01 5.28%	46,005,796.00 2,164,044.44	0.31% 5,796.00	P-1 / A-1 F-1+	0.05 0.05
13606KYH3	Canadian Imperial Bank Yankee CD 5.890% Due 04/17/2024	79,000,000.00	06/27/2023 5.89%	79,000,000.00 79,000,000.00	100.02 5.31%	79,012,719.00 3,606,152.50	0.53% 12,719.00	P-1 / A-1 F-1+	0.05 0.05
06417M3K9	Bank of Nova Scotia Houston Yankee CD 5.950% Due 04/17/2024	100,000,000.00	06/29/2023 5.95%	100,000,000.00 100,000,000.00	100.02 5.26%	100,021,300.00 4,578,194.44	0.68% 21,300.00	P-1 / A-1 F-1+	0.05 0.05
78015J3T2	Royal Bank of Canada Yankee CD 5.890% Due 04/17/2024	125,000,000.00	07/27/2023 5.89%	125,000,000.00 125,000,000.00	100.02 5.24%	125,025,875.00 5,092,395.83	0.84% 25,875.00	P-1 / A-1+ F-1+	0.05 0.05
87019WQW8	SWEDBANK Yankee CD 5.810% Due 04/17/2024	100,000,000.00	09/27/2023 5.81%	100,000,000.00 100,000,000.00	100.02 5.25%	100,019,100.00 3,017,972.22	0.67% 19,100.00	P-1 / A-1 F-1+	0.05 0.05
87019WQV0	SWEDBANK Yankee CD 5.810% Due 04/22/2024	105,000,000.00	09/27/2023 5.81%	105,000,000.00 105,000,000.00	100.02 5.27%	105,024,675.00 3,168,870.83	0.70% 24,675.00	P-1 / A-1 F-1+	0.06 0.06
87019WRA5	SWEDBANK Yankee CD 5.790% Due 04/26/2024	57,000,000.00	09/28/2023 5.79%	57,000,000.00 57,000,000.00	100.03 5.28%	57,014,421.00 1,695,987.50	0.38% 14,421.00	P-1 / A-1 F-1+	0.07 0.07
89115BU81	Toronto Dominion Bank Yankee CD 5.920% Due 04/30/2024	130,000,000.00	07/27/2023 5.92%	130,000,000.00 130,000,000.00	100.03 5.29%	130,045,110.00 5,323,066.67	0.88% 45,110.00	P-1 / A-1+ F-1+	0.08 0.08
65603AVL2	Norinchukin Bank NY Yankee CD 5.370% Due 05/15/2024	40,000,000.00	03/19/2024 5.37%	40,000,000.00 40,000,000.00	100.00 5.36%	40,000,000.00 77,566.67	0.26% 0.00	P-1 / A-1 NR	0.12 0.12
65603AVU2	Norinchukin Bank NY Yankee CD 5.380% Due 05/15/2024	35,000,000.00	03/25/2024 5.38%	35,000,000.00 35,000,000.00	100.00 5.38%	35,000,000.00 36,613.89	0.23% 0.00	P-1 / A-1 NR	0.12 0.12
65603AVM0	Norinchukin Bank NY Yankee CD 5.370% Due 05/17/2024	25,000,000.00	03/19/2024 5.37%	25,000,000.00 25,000,000.00	100.00 5.36%	25,000,000.00 48,479.17	0.16% 0.00	P-1 / A-1 NR	0.13 0.13
65603AVN8	Norinchukin Bank NY Yankee CD 5.370% Due 05/21/2024	25,000,000.00	03/19/2024 5.37%	25,000,000.00 25,000,000.00	100.00 5.36%	25,000,000.00 48,479.17	0.16% 0.00	P-1 / A-1 NR	0.14 0.14
06417M3W3	Bank of Nova Scotia Houston Yankee CD 5.870% Due 05/31/2024	40,000,000.00	08/15/2023 5.87%	40,000,000.00 40,000,000.00	100.05 5.36%	40,020,560.00 1,493,588.89	0.27% 20,560.00	P-1 / A-1 F-1+	0.17 0.16
06051WFB5	Bank of America Yankee CD 5.840% Due 05/31/2024	50,000,000.00	10/30/2023 5.84%	50,000,000.00 50,000,000.00	100.05 5.42%	50,023,900.00 1,249,111.11	0.33% 23,900.00	P-1 / A-1 F-1+	0.17 0.16

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06051WFC3	Bank of America Yankee CD 5.840% Due 06/03/2024	90,000,000.00	10/30/2023 5.84%	90,000,000.00 90,000,000.00	100.05 5.42%	90,045,540.00 2,248,400.00	0.60% 45,540.00	P-1 / A-1 F-1+	0.18 0.17
22536DEZ7	Credit Agricole Yankee CD 5.820% Due 06/03/2024	55,000,000.00	11/01/2023 5.82%	55,000,000.00 55,000,000.00	100.07 5.32%	55,035,970.00 1,351,533.33	0.37% 35,970.00	P-1 / A-1 F-1+	0.18 0.17
89115DA63	Toronto Dominion Bank Yankee CD 5.400% Due 06/07/2024	50,000,000.00	02/13/2024 5.40%	50,000,000.00 50,000,000.00	99.99 5.40%	49,996,900.00 360,000.00	0.33% (3,100.00)	P-1 / A-1+ F-1+	0.19 0.18
65603AVV0	Norinchukin Bank NY Yankee CD 5.390% Due 06/11/2024	35,000,000.00	03/25/2024 5.39%	35,000,000.00 35,000,000.00	100.00 5.39%	35,000,000.00 36,681.94	0.23% 0.00	P-1 / A-1 NR	0.20 0.19
13606KN36	Canadian Imperial Bank Yankee CD 5.520% Due 06/12/2024	40,000,000.00	12/08/2023 5.52%	40,000,000.00 40,000,000.00	100.01 5.37%	40,004,880.00 686,933.33	0.26% 4,880.00	P-1 / A-1 F-1+	0.20 0.19
13606KN28	Canadian Imperial Bank Yankee CD 5.520% Due 06/17/2024	50,000,000.00	12/08/2023 5.52%	50,000,000.00 50,000,000.00	100.01 5.37%	50,006,500.00 858,666.67	0.33% 6,500.00	P-1 / A-1 F-1+	0.21 0.21
78015JXW2	Royal Bank of Canada Yankee CD 5.890% Due 06/28/2024	68,000,000.00	06/28/2023 5.89%	68,000,000.00 68,000,000.00	100.06 5.39%	68,042,704.00 3,092,904.44	0.46% 42,704.00	P-1 / A-1+ F-1+	0.24 0.24
89115BPG9	Toronto Dominion Bank Yankee CD 6.000% Due 06/28/2024	152,000,000.00	06/29/2023 6.00%	152,000,000.00 152,000,000.00	100.08 5.43%	152,119,624.00 7,017,333.33	1.03% 119,624.00	P-1 / A-1+ F-1+	0.24 0.24
89115BQC7	Toronto Dominion Bank Yankee CD 6.000% Due 06/28/2024	103,000,000.00	06/30/2023 6.00%	103,000,000.00 103,000,000.00	100.08 5.43%	103,081,267.00 4,738,000.00	0.70% 81,267.00	P-1 / A-1+ F-1+	0.24 0.24
89115DAA4	Toronto Dominion Bank Yankee CD 5.390% Due 06/28/2024	40,000,000.00	02/13/2024 5.39%	40,000,000.00 40,000,000.00	99.98 5.44%	39,991,320.00 287,466.67	0.26% (8,680.00)	P-1 / A-1+ F-1+	0.24 0.24
13606KYW0	Canadian Imperial Bank Yankee CD 6.000% Due 07/01/2024	100,000,000.00	07/03/2023 6.00%	100,000,000.00 100,000,000.00	100.10 5.37%	100,097,200.00 4,550,000.00	0.68% 97,200.00	P-1 / A-1 F-1+	0.25 0.25
87019WSD8	SWEDBANK Yankee CD 5.660% Due 07/01/2024	82,000,000.00	11/16/2023 5.66%	82,000,000.00 82,000,000.00	100.04 5.41%	82,028,782.00 1,766,234.44	0.54% 28,782.00	P-1 / A-1 NR	0.25 0.25
06051WGF5	Bank of America Yankee CD 5.730% Due 07/01/2024	55,000,000.00	11/20/2023 5.73%	55,000,000.00 55,000,000.00	100.05 5.40%	55,029,865.00 1,164,304.17	0.36% 29,865.00	P-1 / A-1 F-1+	0.25 0.25
87019WSL0	SWEDBANK Yankee CD 5.480% Due 07/02/2024	115,000,000.00	12/04/2023 5.48%	115,000,000.00 115,000,000.00	99.99 5.41%	114,991,835.00 2,083,161.11	0.76% (8,165.00)	P-1 / A-1 F-1+	0.25 0.25
13606KN69	Canadian Imperial Bank Yankee CD 5.540% Due 07/03/2024	50,000,000.00	12/11/2023 5.54%	50,000,000.00 50,000,000.00	100.02 5.39%	50,007,850.00 861,777.78	0.33% 7,850.00	P-1 / A-1 F-1+	0.26 0.25
13606KN77	Canadian Imperial Bank Yankee CD 5.540% Due 07/05/2024	60,000,000.00	12/11/2023 5.54%	60,000,000.00 60,000,000.00	100.01 5.39%	60,008,640.00 1,034,133.33	0.40% 8,640.00	P-1 / A-1 F-1+	0.26 0.26
13606KN85	Canadian Imperial Bank Yankee CD 5.520% Due 07/19/2024	60,000,000.00	12/11/2023 5.52%	60,000,000.00 60,000,000.00	100.00 5.53%	59,998,320.00 1,030,400.00	0.40% (1,680.00)	P-1 / A-1 F-1+	0.30 0.29
87019WUJ2	SWEDBANK Yankee CD 5.380% Due 08/07/2024	54,000,000.00	02/28/2024 5.38%	54,000,000.00 54,000,000.00	99.98 5.41%	53,988,444.00 266,310.00	0.35% (11,556.00)	P-1 / A-1 F-1+	0.35 0.34

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2024

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
87019WVA0	SWEDBANK Yankee CD 5.390% Due 08/16/2024	40,000,000.00	03/27/2024 5.39%	40,000,000.00 40,000,000.00	99.99 5.41%	39,996,320.00 29,944.44	0.26% (3,680.00)	P-1 / A-1 NR	0.38 0.37
06417M6N0	Bank of Nova Scotia Houston Yankee CD 5.580% Due 08/30/2024	100,000,000.00	12/12/2023 5.58%	100,000,000.00 100,000,000.00	100.03 5.41%	100,030,900.00 1,720,500.00	0.66% 30,900.00	P-1 / A-1 F-1+	0.42 0.41
87019WVB8	SWEDBANK Yankee CD 5.390% Due 09/27/2024	50,000,000.00	03/27/2024 5.39%	50,000,000.00 50,000,000.00	100.00 5.39%	50,000,000.00 37,430.56	0.32% 0.00	P-1 / A-1 NR	0.49 0.48
89115DFW1	Toronto Dominion Bank Negotiable CD 5.410% Due 09/30/2024	50,000,000.00	03/26/2024 5.41%	50,000,000.00 50,000,000.00	100.00 5.42%	49,997,550.00 45,083.33	0.32% (2,450.00)	P-1 / A-1+ NR	0.50 0.49
87019WVC6	SWEDBANK Yankee CD 5.390% Due 09/30/2024	129,000,000.00	03/27/2024 5.39%	129,000,000.00 129,000,000.00	99.99 5.40%	128,987,745.00 135,199.17	0.84% (12,255.00)	P-1 / A-1 NR	0.50 0.49
06051WKL7	Bank of America Yankee CD 5.430% Due 10/31/2024	200,000,000.00	03/28/2024 5.43%	200,000,000.00 200,000,000.00	100.00 5.43%	200,000,000.00 120,666.67	1.30% 0.00	P-1 / A-1 F-1+	0.59 0.57
TOTAL Negotiable CD		**2,785,000,000.00**	**5.69%**	**2,785,000,000.00** **2,785,000,000.00**	**5.37%**	**2,785,701,612.00** **67,123,588.04**	**18.47%** **701,612.00**	**Aaa / AA+** **AAA**	**0.24** **0.23**
Supranational									
459056HV2	Intl. Bank Recon & Development Note 1.500% Due 08/28/2024	25,000,000.00	03/19/2021 0.52%	25,832,500.00 25,098,602.94	98.47 5.29%	24,617,855.75 34,375.00	0.16% (480,747.19)	Aaa / AAA AAA	0.41 0.40
4581X0DZ8	Inter-American Dev Bank Note 0.500% Due 09/23/2024	50,000,000.00	09/23/2021 0.52%	49,963,000.00 49,994,092.15	97.71 5.42%	48,853,717.50 5,555.56	0.32% (1,140,374.65)	Aaa / AAA NR	0.48 0.47
45950KCR9	International Finance Corp Note 1.375% Due 10/16/2024	25,000,000.00	10/16/2019 1.44%	24,926,750.00 24,992,061.58	97.93 5.31%	24,481,801.25 157,552.08	0.16% (510,260.33)	Aaa / AAA NR	0.55 0.52
45950VTV8	International Finance Corp Note 0.385% Due 11/04/2024	25,000,000.00	11/04/2020 0.39%	25,000,000.00 25,000,000.00	97.10 5.43%	24,274,641.25 39,302.08	0.16% (725,358.75)	Aaa / AAA NR	0.60 0.58
4581X0CM8	Inter-American Dev Bank Note 2.125% Due 01/15/2025	23,093,000.00	02/25/2021 0.54%	24,491,743.01 23,378,477.92	97.65 5.20%	22,551,033.15 103,597.76	0.15% (827,444.77)	Aaa / AAA AAA	0.79 0.76
45950VPR1	International Finance Corp Note 0.350% Due 02/26/2025	25,000,000.00	02/26/2021 0.40%	24,946,250.00 24,987,822.55	95.63 5.38%	23,906,457.75 8,506.94	0.15% (1,081,364.80)	Aaa / AAA NR	0.91 0.88
459058JB0	Intl. Bank Recon & Development Note 0.625% Due 04/22/2025	50,000,000.00	Various 0.69%	49,857,250.00 49,967,623.14	95.58 4.96%	47,789,979.00 138,020.84	0.31% (2,177,644.14)	Aaa / AAA NR	1.06 1.03
45818WDC7	Inter-American Dev Bank Note 0.775% Due 07/09/2025	50,000,000.00	04/09/2021 0.78%	50,000,000.00 50,000,000.00	94.88 4.98%	47,440,368.00 88,263.89	0.31% (2,559,632.00)	NR / NR NR	1.27 1.24
459058JE4	Intl. Bank Recon & Development Note 0.375% Due 07/28/2025	25,000,000.00	07/28/2020 0.40%	24,966,500.00 24,991,138.83	94.26 4.90%	23,565,393.25 16,406.25	0.15% (1,425,745.58)	Aaa / AAA AAA	1.33 1.29

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
45818WDP8	Inter-American Dev Bank Note 3.030% Due 08/01/2025	25,000,000.00	05/02/2022 3.03%	25,000,000.00 25,000,000.00	97.53 4.96%	24,383,360.50 126,250.00	0.16% (616,639.50)	NR / NR NR	1.34 1.28
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	44,000,000.00	Various 0.62%	43,762,370.00 43,920,492.17	93.53 4.81%	41,154,697.32 93,500.00	0.27% (2,765,794.85)	Aaa / AAA AAA	1.58 1.53
45950VPJ9	International Finance Corp Note 0.580% Due 01/15/2026	19,700,000.00	02/12/2021 0.53%	19,748,068.00 19,717,484.13	92.69 4.90%	18,259,890.80 24,121.56	0.12% (1,457,593.33)	Aaa / AAA NR	1.79 1.74
45950VPK6	International Finance Corp Note 0.450% Due 02/05/2026	25,000,000.00	02/05/2021 0.53%	24,907,500.00 24,965,806.41	92.24 4.90%	23,060,058.50 17,500.00	0.15% (1,905,747.91)	NR / NR NR	1.85 1.79
45905U5Y6	Intl. Bank Recon & Development Callable Note 1X 2/18/2022 0.600% Due 02/18/2026	75,000,000.00	02/18/2021 0.60%	74,987,500.00 74,995,290.25	92.55 4.79%	69,411,071.25 53,750.00	0.45% (5,584,219.00)	Aaa / AAA NR	1.89 1.83
45906M2P5	International Bank and Recon Callable Note Annual 6/30/2022 0.875% Due 06/30/2026	25,000,000.00	06/30/2021 0.88%	25,000,000.00 25,000,000.00	90.90 5.21%	22,724,943.00 55,295.14	0.15% (2,275,057.00)	Aaa / AAA NR	2.25 2.17
45950VRW8	International Finance Corp Note 3.810% Due 06/30/2027	25,000,000.00	02/07/2023 3.81%	25,000,000.00 25,000,000.00	97.76 4.56%	24,440,508.00 240,770.83	0.16% (559,492.00)	Aaa / NR AAA	3.25 2.99
45818WEH5	Inter-American Dev Bank Note 3.960% Due 06/30/2027	50,000,000.00	02/14/2023 3.96%	50,000,000.00 50,000,000.00	97.95 4.64%	48,975,406.50 500,500.00	0.32% (1,024,593.50)	Aaa / AAA NR	3.25 2.98
45906M4E8	International Bank and Recon Callable Note 1x 06/26/2026 4.500% Due 06/26/2028	35,000,000.00	01/23/2024 4.54%	34,947,500.00 34,949,741.65	97.89 5.06%	34,261,365.25 415,625.00	0.22% (688,376.40)	Aaa / AAA NR	4.24 3.76
45818WFB7	Inter-American Dev Bank Note 4.160% Due 06/30/2028	50,000,000.00	01/25/2024 4.16%	50,000,000.00 50,000,000.00	99.04 4.41%	49,519,197.00 381,333.33	0.32% (480,803.00)	Aaa / AAA NR	4.25 3.82
459058KT9	Intl. Bank Recon & Development Note 3.500% Due 07/12/2028	50,835,000.00	Various 4.10%	49,596,943.80 49,658,310.60	96.64 4.37%	49,125,023.45 390,441.04	0.32% (533,287.15)	Aaa / AAA NR	4.28 3.89
4581X0DX3	Inter-American Dev Bank Note 1.125% Due 07/20/2028	50,801,000.00	01/24/2024 4.17%	44,531,140.58 44,791,268.98	87.37 4.38%	44,384,343.98 112,714.72	0.29% (406,925.00)	Aaa / AAA AAA	4.31 4.10
45950VST4	International Finance Corp Note 4.070% Due 07/31/2028	50,000,000.00	01/16/2024 4.07%	50,000,000.00 50,000,000.00	98.94 4.34%	49,467,886.50 429,611.11	0.32% (532,113.50)	Aaa / AAA NR	4.34 3.90
459058KW2	Intl. Bank Recon & Development Note 4.625% Due 08/01/2028	75,000,000.00	Various 4.45%	75,490,750.00 75,496,031.48	101.02 4.36%	75,766,497.75 578,125.00	0.49% 270,466.27	Aaa / AAA NR	4.34 3.87
459058JZ7	Intl. Bank Recon & Development Note 1.125% Due 09/13/2028	35,000,000.00	12/28/2023 3.95%	30,794,750.00 31,024,571.80	87.01 4.37%	30,454,652.90 19,687.50	0.20% (569,918.90)	Aaa / AAA NR	4.46 4.25
45818WEY8	Inter-American Dev Bank Note 4.050% Due 09/29/2028	50,000,000.00	01/10/2024 4.05%	50,000,000.00 50,000,000.00	99.12 4.26%	49,560,021.00 405,000.00	0.32% (439,979.00)	Aaa / AAA NR	4.50 4.04

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
45906M4P3	International Bank and Recon Callable Note Qrty 07/12/2025 4.875% Due 01/12/2029	25,000,000.00	01/12/2024 4.88%	25,000,000.00 25,000,000.00	102.01 3.26%	25,501,553.25 267,447.92	0.17% 501,553.25	Aaa / AAA NR	4.79 1.23
45818WEZ5	Inter-American Dev Bank Note 4.125% Due 01/29/2029	28,405,000.00	02/15/2024 4.39%	28,075,786.05 28,084,152.81	98.95 4.37%	28,106,243.88 201,793.85	0.18% 22,091.07	Aaa / AAA NR	4.84 4.30
45818WFC5	Inter-American Dev Bank Note 4.220% Due 02/07/2029	25,000,000.00	02/13/2024 4.22%	25,000,000.00 25,000,000.00	99.92 4.24%	24,979,521.00 140,666.67	0.16% (20,479.00)	Aaa / AAA NR	4.86 4.32
4581X0EN4	Inter-American Dev Bank Note 4.125% Due 02/15/2029	50,000,000.00	Various 4.44%	49,307,250.00 49,312,069.77	99.04 4.34%	49,520,144.50 349,479.16	0.32% 208,074.73	Aaa / AAA NR	4.88 4.34
TOTAL Supranational		**1,111,834,000.00**	**2.61%**	**1,101,133,551.44** **1,100,325,039.16**	**4.69%**	**1,070,537,633.23** **5,395,193.23**	**6.97%** **(29,787,405.93)**	**Aaa / AAA** **AAA**	**2.92** **2.60**

US Treasury

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	15,000,000.00	06/11/2019 1.91%	15,417,187.50 15,010,197.92	99.65 5.28%	14,947,957.05 142,170.33	0.10% (62,240.87)	Aaa / AA+ AA+	0.12 0.12
912828XX3	US Treasury Note 2.000% Due 06/30/2024	50,000,000.00	Various 1.10%	51,432,617.19 50,109,813.91	99.15 5.40%	49,577,474.00 252,747.26	0.32% (532,339.91)	Aaa / AA+ AA+	0.25 0.25
912828Y87	US Treasury Note 1.750% Due 07/31/2024	10,000,000.00	05/04/2020 0.34%	10,594,921.88 10,046,472.27	98.82 5.31%	9,882,421.90 29,326.92	0.06% (164,050.37)	Aaa / AA+ AA+	0.33 0.33
912828D56	US Treasury Note 2.375% Due 08/15/2024	10,000,000.00	08/29/2019 1.39%	10,471,484.38 10,035,367.83	98.90 5.34%	9,890,136.70 30,013.74	0.06% (145,231.13)	Aaa / AA+ AA+	0.38 0.37
912828Z52	US Treasury Note 1.375% Due 01/31/2025	110,000,000.00	Various 1.00%	111,622,070.34 110,334,868.11	96.97 5.13%	106,665,625.00 253,468.41	0.69% (3,669,243.11)	Aaa / AA+ AA+	0.84 0.81
912828J27	US Treasury Note 2.000% Due 02/15/2025	20,000,000.00	04/28/2020 0.37%	21,546,875.00 20,282,212.09	97.34 5.14%	19,468,359.40 50,549.45	0.13% (813,852.69)	Aaa / AA+ AA+	0.88 0.85
91282CDZ1	US Treasury Note 1.500% Due 02/15/2025	25,000,000.00	04/13/2022 2.49%	24,322,265.63 24,791,265.64	96.91 5.15%	24,228,271.50 47,390.11	0.16% (562,994.14)	Aaa / AA+ AA+	0.88 0.85
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	25,000,000.00	02/25/2022 1.78%	24,521,484.38 24,855,008.46	96.49 5.09%	24,123,291.00 24,456.52	0.16% (731,717.46)	Aaa / AA+ AA+	0.92 0.89
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	15,000,000.00	04/13/2020 0.42%	15,059,179.70 15,011,881.64	95.64 5.03%	14,345,423.55 204.92	0.09% (666,458.09)	Aaa / AA+ AA+	1.00 0.97
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	15,000,000.00	06/01/2020 0.33%	15,036,328.13 15,007,978.42	95.18 5.01%	14,276,953.20 23,643.54	0.09% (731,025.22)	Aaa / AA+ AA+	1.08 1.05

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828ZT0	US Treasury Note 0.250% Due 05/31/2025	50,000,000.00	12/10/2021 1.07%	48,607,421.88 49,533,244.72	94.71 4.97%	47,355,469.00 42,008.20	0.31% (2,177,775.72)	Aaa / AA+ AA+	1.17 1.14
912828ZW3	US Treasury Note 0.250% Due 06/30/2025	200,000,000.00	Various 0.71%	196,323,242.19 198,879,732.04	94.41 4.92%	188,812,500.00 126,373.63	1.22% (10,067,232.04)	Aaa / AA+ AA+	1.25 1.22
91282CAB7	US Treasury Note 0.250% Due 07/31/2025	75,000,000.00	Various 0.78%	73,400,390.62 74,481,254.27	94.08 4.89%	70,558,593.75 31,421.70	0.46% (3,922,660.52)	Aaa / AA+ AA+	1.33 1.30
91282CAM3	US Treasury Note 0.250% Due 09/30/2025	135,000,000.00	Various 0.72%	132,286,328.14 134,060,532.51	93.45 4.83%	126,156,445.65 922.14	0.82% (7,904,086.86)	Aaa / AA+ AA+	1.50 1.46
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	35,000,000.00	05/28/2021 0.67%	34,362,890.63 34,772,263.94	93.15 4.80%	32,601,953.30 36,778.85	0.21% (2,170,310.64)	Aaa / AA+ AA+	1.59 1.54
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	30,000,000.00	05/28/2021 0.69%	29,587,500.00 29,847,723.13	93.04 4.77%	27,910,546.80 37,807.38	0.18% (1,937,176.33)	Aaa / AA+ AA+	1.67 1.62
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	33,000,000.00	01/27/2021 0.39%	32,971,640.63 32,989,926.83	92.75 4.74%	30,607,500.00 31,277.47	0.20% (2,382,426.83)	Aaa / AA+ AA+	1.75 1.70
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	50,000,000.00	Various 0.98%	48,671,874.99 49,457,656.79	92.46 4.71%	46,228,515.50 31,421.70	0.30% (3,229,141.29)	Aaa / AA+ AA+	1.84 1.79
91282CBQ3	US Treasury Note 0.500% Due 02/28/2026	25,000,000.00	04/12/2021 0.87%	24,554,687.50 24,825,671.27	92.43 4.68%	23,106,445.25 10,869.57	0.15% (1,719,226.02)	Aaa / AA+ AA+	1.92 1.86
91282CBW0	US Treasury Note 0.750% Due 04/30/2026	50,000,000.00	05/26/2021 0.77%	49,945,312.50 49,976,940.10	92.38 4.63%	46,191,406.00 157,623.63	0.30% (3,785,534.10)	Aaa / AA+ AA+	2.08 2.02
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	50,000,000.00	06/09/2021 0.74%	50,015,625.00 50,006,793.48	92.13 4.61%	46,064,453.00 126,024.59	0.30% (3,942,340.48)	Aaa / AA+ AA+	2.17 2.10
9128286X3	US Treasury Note 2.125% Due 05/31/2026	50,000,000.00	Various 1.74%	51,056,640.63 50,404,359.56	94.95 4.60%	47,472,656.00 357,069.68	0.31% (2,931,703.56)	Aaa / AA+ AA+	2.17 2.07
91282CHH7	US Treasury Note 4.125% Due 06/15/2026	25,000,000.00	03/25/2024 4.54%	24,780,273.44 24,781,899.04	99.02 4.60%	24,753,906.25 304,303.28	0.16% (27,992.79)	Aaa / AA+ AA+	2.21 2.06
91282CCJ8	US Treasury Note 0.875% Due 06/30/2026	25,000,000.00	10/05/2021 0.94%	24,924,804.69 24,964,337.68	92.20 4.56%	23,050,781.25 55,288.46	0.15% (1,913,556.43)	Aaa / AA+ AA+	2.25 2.18
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	100,000,000.00	Various 1.06%	98,006,835.88 99,019,847.12	91.39 4.55%	91,390,625.00 104,739.00	0.59% (7,629,222.12)	Aaa / AA+ AA+	2.33 2.27
9128282A7	US Treasury Note 1.500% Due 08/15/2026	25,000,000.00	06/16/2022 3.47%	23,105,468.75 23,921,325.40	93.20 4.55%	23,298,828.00 47,390.11	0.15% (622,497.40)	Aaa / AA+ AA+	2.38 2.29
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	25,000,000.00	09/24/2021 0.90%	24,819,335.94 24,911,572.86	91.41 4.54%	22,852,539.00 16,304.35	0.15% (2,059,033.86)	Aaa / AA+ AA+	2.42 2.34

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2024

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	50,000,000.00	10/13/2021 1.06%	49,564,453.13 49,780,905.27	91.52 4.50%	45,759,765.50 1,195.36	0.30% (4,021,139.77)	Aaa / AA+ AA+	2.50 2.42
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	45,000,000.00	Various 4.24%	43,118,164.04 43,697,993.54	96.57 4.39%	43,456,640.40 369,642.86	0.28% (241,353.14)	Aaa / AA+ AA+	3.25 3.02
TOTAL US Treasury		**1,373,000,000.00**	**1.14%**	**1,360,127,304.71** **1,365,799,045.84**	**4.83%**	**1,295,035,482.95** **2,742,433.16**	**8.40%** **(70,763,562.89)**	**Aaa / AA+** **AA+**	**1.58** **1.52**
TOTAL PORTFOLIO		**15,709,242,457.37**	**3.92%**	**15,537,943,014.23** **15,622,163,164.11**	**5.22%**	**15,349,258,783.72** **96,019,264.83**	**100.00%** **(272,904,380.39)**	**Aaa / AA+** **AAA**	**1.15** **0.98**
TOTAL MARKET VALUE PLUS ACCRUALS						**15,445,278,048.55**			

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of March 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	03/01/2024	63873JH78	50,000,000.00	Natixis NY Branch Discount CP 5.37% Due: 08/07/2024	97.681	5.45%	48,840,625.00	0.00	48,840,625.00	0.00
Purchase	03/01/2024	89233GH82	25,000,000.00	Toyota Motor Credit Discount CP 5.4% Due: 08/08/2024	97.667	5.45%	24,416,666.67	0.00	24,416,666.67	0.00
Purchase	03/01/2024	89233GH90	25,000,000.00	Toyota Motor Credit Discount CP 5.4% Due: 08/09/2024	97.652	5.45%	24,413,020.83	0.00	24,413,020.83	0.00
Purchase	03/01/2024	90CAMP$00	1,097,426.57	California Asset Mgmt Program CAMP	1.000	5.50%	1,097,426.57	0.00	1,097,426.57	0.00
Purchase	03/05/2024	63873JEA4	35,000,000.00	Natixis NY Branch Discount CP 5.35% Due: 05/10/2024	99.028	5.43%	34,659,916.67	0.00	34,659,916.67	0.00
Purchase	03/05/2024	63873JEH9	11,000,000.00	Natixis NY Branch Discount CP 5.36% Due: 05/17/2024	98.925	5.43%	10,881,780.56	0.00	10,881,780.56	0.00
Purchase	03/15/2024	89233GGF7	49,000,000.00	Toyota Motor Credit Discount CP 5.397% Due: 07/15/2024	98.204	5.47%	48,119,905.56	0.00	48,119,905.56	0.00
Purchase	03/18/2024	89233GFL5	25,000,000.00	Toyota Motor Credit Discount CP 5.32% Due: 06/20/2024	98.611	5.47%	24,652,722.22	0.00	24,652,722.22	0.00
Purchase	03/19/2024	4581X0EN4	25,000,000.00	Inter-American Dev Bank Note 4.125% Due: 02/15/2029	98.675	4.43%	24,668,750.00	140,364.58	24,809,114.58	0.00
Purchase	03/19/2024	65603AVL2	40,000,000.00	Norinchukin Bank NY Yankee CD 5.37% Due: 05/15/2024	100.000	5.37%	40,000,000.00	0.00	40,000,000.00	0.00
Purchase	03/19/2024	65603AVM0	25,000,000.00	Norinchukin Bank NY Yankee CD 5.37% Due: 05/17/2024	100.000	5.37%	25,000,000.00	0.00	25,000,000.00	0.00
Purchase	03/19/2024	65603AVN8	25,000,000.00	Norinchukin Bank NY Yankee CD 5.37% Due: 05/21/2024	100.000	5.37%	25,000,000.00	0.00	25,000,000.00	0.00
Purchase	03/20/2024	06366GDK2	25,000,000.00	Bank of Montreal Discount CP 5.35% Due: 04/19/2024	99.554	5.45%	24,888,541.67	0.00	24,888,541.67	0.00
Purchase	03/20/2024	06366GDW6	100,000,000.00	Bank of Montreal Discount CP 5.35% Due: 04/30/2024	99.391	5.46%	99,390,694.44	0.00	99,390,694.44	0.00
Purchase	03/20/2024	448973AD9	10,500,000.00	Hyundai Auto Receivables Trust 2024-A A3 4.99% Due: 02/15/2029	99.978	5.05%	10,497,684.75	0.00	10,497,684.75	0.00
Purchase	03/20/2024	4581X0EN4	25,000,000.00	Inter-American Dev Bank Note 4.125% Due: 02/15/2029	98.554	4.46%	24,638,500.00	143,229.17	24,781,729.17	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of March 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/20/2024	47800RAD5	7,300,000.00	John Deere Owner Trust 2024-A A3 4.96% Due: 11/15/2028	99.994	5.01%	7,299,591.20	0.00	7,299,591.20	0.00
Purchase	03/22/2024	3130B0LA5	25,000,000.00	Federal Home Loan Bank Callable Note 1X 9/22/2026 4% Due: 09/22/2028	97.720	4.57%	24,430,000.00	0.00	24,430,000.00	0.00
Purchase	03/25/2024	65603AVU2	35,000,000.00	Norinchukin Bank NY Yankee CD 5.38% Due: 05/15/2024	100.000	5.38%	35,000,000.00	0.00	35,000,000.00	0.00
Purchase	03/25/2024	65603AVV0	35,000,000.00	Norinchukin Bank NY Yankee CD 5.39% Due: 06/11/2024	100.000	5.39%	35,000,000.00	0.00	35,000,000.00	0.00
Purchase	03/26/2024	89115DFW1	50,000,000.00	Toronto Dominion Bank Negotiable CD 5.41% Due: 09/30/2024	100.000	5.41%	50,000,000.00	0.00	50,000,000.00	0.00
Purchase	03/26/2024	91282CHH7	25,000,000.00	US Treasury Note 4.125% Due: 06/15/2026	99.121	4.54%	24,780,273.44	287,397.54	25,067,670.98	0.00
Purchase	03/27/2024	63873JK17	30,000,000.00	Natixis NY Branch Discount CP Due: 10/10/2024	97.264	5.14%	29,179,066.67	0.00	29,179,066.67	0.00
Purchase	03/27/2024	87019WVA0	40,000,000.00	SWEDBANK Yankee CD 5.39% Due: 08/16/2024	100.000	5.39%	40,000,000.00	0.00	40,000,000.00	0.00
Purchase	03/27/2024	87019WVB8	50,000,000.00	SWEDBANK Yankee CD 5.39% Due: 09/27/2024	100.000	5.39%	50,000,000.00	0.00	50,000,000.00	0.00
Purchase	03/27/2024	87019WVC6	129,000,000.00	SWEDBANK Yankee CD 5.39% Due: 09/30/2024	100.000	5.39%	129,000,000.00	38,628.33	129,038,628.33	0.00
Purchase	03/27/2024	89233GHD1	25,000,000.00	Toyota Motor Credit Discount CP Due: 08/13/2024	97.977	5.42%	24,494,194.44	0.00	24,494,194.44	0.00
Purchase	03/27/2024	89233GJA5	25,000,000.00	Toyota Motor Credit Discount CP Due: 09/10/2024	97.583	5.41%	24,395,784.72	0.00	24,395,784.72	0.00
Purchase	03/27/2024	89233GJC1	25,000,000.00	Toyota Motor Credit Discount CP Due: 09/12/2024	97.554	5.41%	24,388,548.61	0.00	24,388,548.61	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of March 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/28/2024	06051WKL7	200,000,000.00	Bank of America Yankee CD 5.43% Due: 10/31/2024	100.000	5.43%	200,000,000.00	0.00	200,000,000.00	0.00
Subtotal			**1,197,897,426.57**				**1,189,133,694.02**	**609,619.62**	**1,189,743,313.64**	**0.00**
TOTAL ACQUISITIONS			**1,197,897,426.57**				**1,189,133,694.02**	**609,619.62**	**1,189,743,313.64**	**0.00**
DISPOSITIONS										
Maturity	03/01/2024	13606KVX1	89,000,000.00	Canadian Imperial Bank YANKEE CD 5.43% Due: 03/01/2024	100.000		89,000,000.00	4,188,340.00	93,188,340.00	0.00
Maturity	03/04/2024	63873JC40	50,000,000.00	Natixis NY Branch Discount CP 5.64% Due: 03/04/2024	96.976		50,000,000.00	0.00	50,000,000.00	0.00
Maturity	03/05/2024	89233GC53	30,000,000.00	Toyota Motor Credit Discount CP 5.53% Due: 03/05/2024	97.650		30,000,000.00	0.00	30,000,000.00	0.00
Maturity	03/07/2024	06367D6B6	88,000,000.00	Bank of Montreal Chicago Yankee CD 5.3% Due: 03/07/2024	100.000		88,000,000.00	4,081,000.00	92,081,000.00	0.00
Maturity	03/07/2024	89233GC79	30,000,000.00	Toyota Motor Credit Discount CP 5.53% Due: 03/07/2024	97.619		30,000,000.00	0.00	30,000,000.00	0.00
Maturity	03/08/2024	3134GWE44	50,000,000.00	FHLMC Callable Note Qtrly 9/8/2022 0.375% Due: 03/08/2024	100.000		50,000,000.00	0.00	50,000,000.00	0.00
Maturity	03/11/2024	89233GCB0	25,000,000.00	Toyota Motor Credit Discount CP 5.54% Due: 03/11/2024	97.553		25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/14/2024	89233GCE4	40,000,000.00	Toyota Motor Credit Discount CP 5.54% Due: 03/14/2024	97.507		40,000,000.00	0.00	40,000,000.00	0.00
Maturity	03/15/2024	64990FM76	9,725,000.00	NY State Dorm Auth Tax Rev GO - REV 1.1% Due: 03/15/2024	100.000		9,725,000.00	0.00	9,725,000.00	0.00
Maturity	03/15/2024	87019WQY4	50,000,000.00	SWEDBANK Yankee CD 5.77% Due: 03/15/2024	100.000		50,000,000.00	1,362,361.11	51,362,361.11	0.00
Maturity	03/18/2024	87019WQZ1	40,000,000.00	SWEDBANK Yankee CD 5.77% Due: 03/18/2024	100.000		40,000,000.00	1,109,122.22	41,109,122.22	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of March 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	03/19/2024	459058GQ0	25,000,000.00	Intl. Bank Recon & Development Note 2.5% Due: 03/19/2024	100.000		25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/20/2024	87019WQX6	55,000,000.00	SWEDBANK Yankee CD 5.77% Due: 03/20/2024	100.000		55,000,000.00	1,542,673.61	56,542,673.61	0.00
Maturity	03/25/2024	89233GCR5	25,000,000.00	Toyota Motor Credit Discount CP 5.56% Due: 03/25/2024	97.328		25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/28/2024	06367D5N1	175,000,000.00	Bank of Montreal Chicago Yankee CD 5.4% Due: 03/28/2024	100.000		175,000,000.00	9,082,500.00	184,082,500.00	0.00
Maturity	03/28/2024	89115B6L9	100,000,000.00	Toronto Dominion Bank Yankee CD 5.37% Due: 03/28/2024	100.000		100,000,000.00	5,205,916.67	105,205,916.67	0.00
Maturity	03/28/2024	89233GCU8	100,000,000.00	Toyota Motor Credit Discount CP 5.56% Due: 03/28/2024	97.282		100,000,000.00	0.00	100,000,000.00	0.00
Maturity	03/31/2024	912828W71	15,000,000.00	US Treasury Note 2.125% Due: 03/31/2024	100.000		15,000,000.00	0.00	15,000,000.00	0.00
Subtotal			**996,725,000.00**				**996,725,000.00**	**26,571,913.61**	**1,023,296,913.61**	**0.00**
TOTAL DISPOSITIONS			**996,725,000.00**				**996,725,000.00**	**26,571,913.61**	**1,023,296,913.61**	**0.00**

CONTACT US

Dan McAllister

San Diego County
Treasurer-Tax Collector

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F 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 to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 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 series and maturity of the Securities, each in the aggregate principal amount of such series and maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

2. DTC, the world's largest 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 and www.dtc.org.

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.

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 issuer 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 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 issuer 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 issuer, 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 issuer 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 issuer 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 issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.