

PRELIMINARY OFFICIAL STATEMENT DATED MAY 26, 2026

NEW ISSUE - FULL BOOK-ENTRY

RATING: Moody's: "Aa2"
See "RATING" herein.

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$100,080,000*
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2016, Series 2026

\$105,000,000*
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
2026 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned General Obligation Bonds Election of 2016, Series 2026 (the "Series 2026 Bonds") and the 2026 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series 2026 Bonds, the "Bonds") are being issued by the San Juan Unified School District (the "District") pursuant to certain provisions of the California Government Code and resolutions of the Board of Education of the District adopted on March 24, 2026. The Series 2026 Bonds were authorized at an election of the registered voters of the District held on November 8, 2016, which authorized the issuance of \$750,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Series 2026 Bonds are the seventh and final series of bonds to be issued under the 2016 Authorization (as defined herein). The Refunding Bonds are being issued to refund certain outstanding general obligation refunding bonds of the District, and to pay costs of issuance. See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

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

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

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

Redemption.* The Series 2026 Bonds are subject to redemption prior to maturity as described herein. The Refunding Bonds are not subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

MATURITY SCHEDULE
(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriters, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is also serving as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriters. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about June 24, 2026.*

RAYMOND JAMES®

STIFEL

The date of this Official Statement is _____, 2026.

*Preliminary; subject to change.

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

MATURITY SCHEDULES*

SAN JUAN UNIFIED SCHOOL DISTRICT (Sacramento County, California) General Obligation Bonds Election of 2016, Series 2026

Base CUSIP†: 798306

\$_____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
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\$_____ % Term Bonds maturing August 1, 20__; Yield: ___%;
CUSIP†: ____

[Continued on the next page]

*Preliminary; subject to change.

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MATURITY SCHEDULES*

[Continued from Previous Page]

SAN JUAN UNIFIED SCHOOL DISTRICT (Sacramento County, California) 2026 General Obligation Refunding Bonds

Base CUSIP†: 798306

\$ _____ Serial Bonds

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

*Preliminary; subject to change.

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SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)

BOARD OF EDUCATION

Tanya Kravachuk, *President*
Manuel Perez, *Vice President*
Nick Bloise, *Clerk*
Ben Avey, *Member*
Pam Costa, *Member*
Zima Creason, *Member*
Abid Stanekzai, *Member*

DISTRICT ADMINISTRATION

Melissa Bassanelli, *Superintendent*
Joel Ryan, *Chief Financial Officer*
Frank Camarda, *Chief Operations Officer*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

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

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

UNDERWRITERS' COUNSEL

Kutak Rock LLP
Denver, Colorado

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

County of Sacramento
Sacramento, California

ESCROW BANK

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

VERIFICATION AGENT

Causey Public Finance, LLC
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

Involvement of Underwriters. The Underwriters have provided the following statement for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Changes to Offering Prices. The Underwriters may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

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

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

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

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

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\$100,080,000*
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2016, Series 2026

\$105,000,000*
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
2026 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of (i) General Obligation Bonds Election of 2016, Series 2026 (the “**Series 2026 Bonds**”) and (ii) 2026 General Obligation Refunding Bonds (the “**Refunding Bonds**”) and, together with the Series 2026 Bonds, the “**Bonds**”) by San Juan Unified School District (the “**District**”).

INTRODUCTION

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

The District. The District, located in the northeast portion of Sacramento County (the “**County**”) in the State of California, (the “**State**”), was established in 1960. The District is approximately 75 square miles in area and serves portions of the city of Citrus Heights and the unincorporated areas of Carmichael, Fair Oaks, Arden-Arcade and Orangevale. The District also includes small portions of the cities of Sacramento, Folsom and Rancho Cordova. The District currently operates 66 schools, including 9 comprehensive high schools, 8 middle schools, 33 elementary schools, 8 TK-8 schools, 3 alternative high schools, 2 adult schools, and 3 special education centers. Nine charter schools also operate within the boundaries of the District. The District provides transitional kindergarten through 12th grade education to approximately 39,470 students in fiscal year 2025-26.

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

Purpose of Issue. The net proceeds of the Series 2026 Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 8, 2016 (the “**Bond Election**”), which authorized a total of \$750,000,000 principal amount of general obligation bonds (the “**2016 Authorization**”), and to pay costs of issuance.

The Refunding Bonds are being issued by the District to refund all or a portion of the District’s outstanding General Obligation Bonds, Election of 2012, Series 2019 and General Obligation Bonds, Election of 2016, Series 2019 (together, the “**Refunded Bonds**”), and to pay costs of issuance.

See “THE FINANCING PLAN” herein.

*Preliminary; subject to change.

Authority for Issuance of the Bonds. Issuance of the Series 2026 Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize \$750,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Education of the District on March 24, 2026 (the “**Series 2026 Bond Resolution**”). See “THE BONDS – Authority for Issuance” herein.

The Refunding Bonds will be issued under the provisions Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “**Refunding Law**”) and under a resolution adopted by the Governing Board of the District on March 24, 2026 (the “**Refunding Bond Resolution**” and, together with the Series 2026 Bond Resolution, the “**Bond Resolutions**”). See “THE BONDS - Authority for Issuance.”

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

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

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

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

Following the issuance of the Series 2026 Bonds, there will be no unissued authorization remaining under the 2016 Authorization*. See “FINANCIAL INFORMATION - Existing Debt Obligations” in APPENDIX A.

Redemption* The Series 2026 Bonds are subject to redemption prior to maturity as described herein. The Refunding Bonds are not subject to redemption prior to maturity. See “THE BONDS – Redemption.”

* Preliminary; subject to change.

Legal Matters. Issuance of the Bonds is subject to the approving opinions of Jones Hall LLP, Bond Counsel, to be delivered in substantially the forms attached hereto as APPENDIX D. Jones Hall LLP will serve as Disclosure Counsel to the District. Kutak Rock LLP is serving as counsel to the Underwriters. Payment of the fees of Bond Counsel, Disclosure Counsel, and Underwriters' counsel is contingent upon issuance of the Bonds.

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and APPENDIX D hereto for the forms of Bond Counsel's opinions to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), the form of which is attached as APPENDIX E. See "CONTINUING DISCLOSURE" for additional information.

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

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement are available from the District, which may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

The Series 2026 Bonds

Pursuant to the 2016 Authorization: (i) on March 14, 2017, the District issued its \$39,920,000 aggregate principal amount General Obligation Bonds Election of 2016, Series 2017 (the “**Election of 2016, Series 2017 Bonds**”), (ii) on January 22, 2019, the District issued its \$80,000,000 aggregate principal amount General Obligation Bonds Election of 2016, Series 2019 (the “**Election of 2016, Series 2019 Bonds**”), (iii) on October 29, 2020, the District issued its \$150,000,000 aggregate principal amount of General Obligation Bonds Election of 2016, Series 2020 (the “**Election of 2016, Series 2020 Bonds**”), (iv) on May 11, 2022, the District issued its \$150,000,000 aggregate principal amount of General Obligation Bonds Election of 2016, Series 2022 (the “**Election of 2016, Series 2022 Bonds**”), (v) on February 6, 2024, the District issued its \$125,000,000 aggregate principal amount of General Obligation Bonds Election of 2016, Series 2024 (the “**Election of 2016, Series 2024 Bonds**”), and (vi) on August 21, 2025, the District issued its \$105,000,000 aggregate principal amount of General Obligation Bonds Election of 2016, Series 2025 (the “**Election of 2016, Series 2025 Bonds**”). The Series 2026 Bonds are the seventh and final series of bonds issued pursuant to the 2016 Authorization. Following the issuance of the Series 2026 Bonds, there will be no unused authorization remaining under the 2016 Authorization.* See “DEBT SERVICE SCHEDULES” and APPENDIX A under the heading “FINANCIAL INFORMATION – Existing Debt Obligations.”

The net proceeds of the Series 2026 Bonds will be used to finance projects approved by more than the requisite 55% of District voters at the Bond Election. The abbreviated form of the 2016 Authorization is as follows:

“To repair/upgrade all schools by: repairing aging/deteriorating classrooms/bathrooms/leaky roofs/plumbing/drinking fountains/water pipes/electrical wiring; upgrading classroom technology, math/science/computer labs, vocational education classrooms, and outdated fire safety/security systems; removing asbestos/lead paint; and, repairing, constructing, and acquiring educational facilities/equipment, shall San Juan Unified School District issue \$750,000,000 in bonds at legal rates, requiring annual independent financial audits, citizens oversight, and keeping all funds local?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Series 2026 Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2016 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

* Preliminary; subject to change.

The Refunding Bonds

The proceeds of the Refunding Bonds will be used to refinance the Refunded Bonds identified below, and to pay related costs of issuance.

Election of 2012, Series 2019 Bonds. On January 22, 2019, the District issued its General Obligation Bonds, Election of 2012, Series 2019 (the “**Election of 2012, Series 2019 Bonds**”). The Election of 2012, Series 2019 Bonds were issued in the original principal amount of \$150,000,000.

The Election of 2012, Series 2019 Bonds are currently outstanding in the aggregate principal amount of \$98,315,000, and are being redeemed as more particularly described below.

Identification of Election of 2012, Series 2019 Bonds^{*}

Maturity Date (August 1)	CUSIP [†]	Principal Amount	Redemption Price	Redemption Date
2027	798306 VT0	\$10,295,000	100%	08/01/2026
2028	798306 VU7	14,585,000	100	08/01/2026
2029	798306 VV5	19,895,000	100	08/01/2026
2030	798306 VW3	21,345,000	100	08/01/2026
2031	798306 VX1	13,890,000	100	08/01/2026
2031	798306 WJ1	9,000,000	100	08/01/2026
Total	--	\$89,010,000	--	--

Election of 2016, Series 2019 Bonds. On January 22, 2019, the District issued its General Obligation Bonds, Election of 2016, Series 2019 (the “**Election of 2016, Series 2019 Bonds**”). The Election of 2016, Series 2019 Bonds were issued in the original principal amount of \$80,000,000.

The Election of 2016, Series 2019 Bonds are currently outstanding in the aggregate principal amount of \$14,580,000, and are being redeemed as more particularly described below.

Identification of Election of 2016, Series 2019 Bonds^{*}

Maturity Date (August 1)	CUSIP [†]	Principal Amount	Redemption Price	Redemption Date
2027	798306 WF9	\$3,960,000	100%	08/01/2026
2028	798306 WG7	3,345,000	100	08/01/2026
2029	798306 WH5	3,590,000	100	08/01/2026
Total	--	\$10,895,000	--	--

The District will deliver the net proceeds of the Refunding Bonds to The Bank of New York Mellon Trust Company, N.A., as escrow bank (the “**Escrow Bank**”), for deposit in an escrow fund (the “**Escrow Fund**”) established under an Escrow Agreement (the “**Escrow Agreement**”), between the District and the Escrow Bank. The Escrow Bank will invest such funds in certain federal securities

^{*} Preliminary; subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of the CUSIP data.

(“**Escrow Fund Securities**”), and will apply such funds, with cash, together with interest earnings (if any) on the investment of such funds in Escrow Fund Securities, to pay redemption price of the Refunded Bonds on their respective redemption dates together with accrued interest thereon to such date.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Public Finance, LLC (the “**Verification Agent**”). See “ESCROW VERIFICATION.” As a result of the deposit of funds with the Escrow Bank on the date of issuance of the Refunding Bonds, the Refunded Bonds will be legally defeased, will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

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

THE BONDS

Authority for Issuance

The Series 2026 Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Series 2026 Bond Resolution. The Refunding Bonds will be issued under the authority of and pursuant to the Refunding Law and the Refunding Bond Resolution.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. Interest on the Bonds will be computed based on a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2026 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2026, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by Director of Finance of the County, as the designated paying agent, registrar and transfer agent (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

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

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

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

Redemption*

Optional Redemption - Series 2026 Bonds. The Series 2026 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Series 2026 Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Series 2026 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent or as otherwise directed by the District. For the purpose of selection for optional redemption, Series 2026 Bonds will be deemed to consist of \$5,000 portions (principal amount), and any such portion may be separately redeemed. The Series 2026 Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption - Series 2026 Bonds. The Series 2026 Bonds maturing on August 1, 20__ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Term Bonds Maturing August 1, 20__

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

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

No Redemption - Refunding Bonds. The Refunding Bonds are not subject to redemption prior to maturity.

Preliminary; subject to change.

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Series 2026 Bonds at the expense of the District to be mailed, first class, postage prepaid, at least 20 but not more than 60 days prior to the date fixed for redemption, to the owners of the Series 2026 Bonds designated for redemption. Such notice shall specify: (a) that the Series 2026 Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Series 2026 Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Series 2026 Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Series 2026 Bond to be redeemed, the portion of the principal amount of such Series 2026 Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series 2026 Bonds.

Partial Redemption of Series 2026 Bonds

Upon surrender of Series 2026 Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Series 2026 Bond or Series 2026 Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2026 Bond or Series 2026 Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series 2026 Bonds so called for redemption have been duly provided, such Series 2026 Bonds so called will cease to be entitled to any benefit under the Series 2026 Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Series 2026 Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2026 Bonds then called for redemption. The District and the Paying Agent have no liability to the Series 2026 Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Series 2026 Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book-entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

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

Bonds may be exchanged at the principal corporate trust office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolutions, by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance and Discharge of Bonds

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolutions) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

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

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the

Bond Resolutions or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

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

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

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

DEBT SERVICE SCHEDULES

Series 2026 Bonds. The following table shows the annual debt service schedule with respect to the Series 2026 Bonds, assuming no optional redemptions.

San Juan Unified School District General Obligation Bonds Election of 2016, Series 2026 Debt Service Schedule

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

Refunding Bonds. The following table shows the annual debt service schedule with respect to the Refunding Bonds.

**San Juan Unified School District
2026 General Obligation Refunding Bonds
Debt Service Schedule**

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

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

**San Juan Unified School District
Combined General Obligation Debt Service Schedule ⁽¹⁾**

Date (August 1)	1998 Authorization	2002 Authorization	2012 Authorization⁽²⁾	2016 Authorization⁽²⁾	2024 Refunding Bonds	Series 2026 Bonds	Refunding Bonds	Total
2026	\$17,785,000	\$4,364,270	\$22,074,700	\$35,539,253	\$20,272,750			
2027	18,605,000	--	23,109,700	35,926,100	20,063,750			
2028	19,470,000	3,970,000	27,931,000	28,700,400	12,208,750			
2029	--	3,965,000	28,771,400	29,066,800	8,763,500			
2030	--	--	23,024,400	27,869,000	12,350,000			
2031	--	--	23,715,600	29,690,300	11,949,000			
2032	--	--	--	30,988,700	--			
2033	--	--	--	32,055,150	--			
2034	--	--	--	33,147,150	--			
2035	--	--	--	34,279,650	--			
2036	--	--	--	35,453,800	--			
2037	--	--	--	36,667,650	--			
2038	--	--	--	37,920,700	--			
2039	--	--	--	38,262,600	--			
2040	--	--	--	39,573,200	--			
2041	--	--	--	40,650,538	--			
2042	--	--	--	40,571,050	--			
2043	--	--	--	41,954,425	--			
2044	--	--	--	43,383,263	--			
2045	--	--	--	27,930,600	--			
2046	--	--	--	28,836,800	--			
2047	--	--	--	15,963,200	--			
2048	--	--	--	16,523,000	--			
2049	--	--	--	17,102,800	--			
Total	\$55,860,000	\$12,299,270	\$148,626,800	\$778,056,129	\$85,607,750			

(1) Includes the Refunded Bonds that are expected to be refunded with the Refunding Bonds. Totals may not add due to rounding.

(2) Certain maturities expected to be refunded with the proceeds of the Bonds. See “THE FINANCING PLAN” herein.

1998 Authorization. The District received authorization at the November 3, 1998 bond election to issue general obligation bonds in a principal amount of \$157,000,000 (the “**1998 Authorization**”). Pursuant to the 1998 Authorization, the District issued its first series of bonds in the amount of \$27,500,197.30 on August 2, 1999; its second series of bonds in the amount of \$41,997,786.20 on August 3, 2000; its third and fourth series of bonds in the amount of \$16,120,000 of Series 2001A current interest bonds (the “**Series 2001A Bonds**”) and \$30,877,897.05 of Series 2001B capital appreciation bonds on August 2, 2001; and its fifth and sixth series of bonds in the amount of \$14,000,000 of Series 2003A current interest bonds (the “**Series 2003A Bonds**”) and \$26,504,104.55 of Series 2003B capital appreciation bonds on August 13, 2003. The District issued its General Obligation Bonds, Election of 1998, Series 2007 (the “**2007 Refunding Bonds**”) in the amount of \$49,930,000 on June 7, 2007, which advance refunded a portion of the Series 1999 Bonds and the Series 2000 Bonds. The District issued its 2012 General Obligation Refunding Bonds, Series A in the amount of \$12,345,000 on April 3, 2012, which currently refunded the Series 2001A Bonds and advance refunded the Series 2003A Bonds. The District issued its General Obligation Refunding Bonds, Election of 1998, Series 2015 in the amount of \$25,770,000 on May 15, 2015, which currently refunded the 2007 Refunding Bonds. There is no remaining authorization under the 1998 Authorization.

2002 Authorization. The District received authorization at the November 5, 2002 bond election (the “**Election of 2002**”) to issue general obligation bonds in a principal amount of \$350,000,000 (the “**2002 Authorization**”). The Election of 2002 was conducted pursuant to California State Proposition 39 of November 2000, which amended Article XIII A of the State Constitution to permit the approval of general obligation bonds of a school district by 55% or more of the votes cast on the measure, subject to certain accountability features. Pursuant to the 2002 Authorization, the District issued its first series of bonds in the amount of \$46,000,000 on August 13, 2003 (the “**Series 2003 Bonds**”); its second series of bonds in the amount of \$68,999,931.40 on August 26, 2004 (the “**Series 2004A Bonds**”); its third series of bonds in the amount of \$70,000,000 on July 5, 2007 (the “**Series 2007 Bonds**”); its fourth series of bonds in the amount of \$55,000,000 on July 23, 2010 (the “**Series 2010 Bonds**”); its fifth series of bonds in the amount of \$10,600,000 on June 10, 2011; its sixth series of bonds in the amount of \$50,000,000 on February 21, 2013; its seventh series of bonds in the amount of \$25,925,000 on July 1, 2014; and its eighth series of bonds in the amount of \$23,475,000 on March 14, 2017 (the “**Series 2017 Bonds**”). The District issued 2012 General Obligation Refunding Bonds Series B in the amount of \$23,910,000 on April 3, 2012 (the “**Series B Refunding Bonds**”), which refunded a portion of the Series 2003 Bonds; its 2012 General Obligation Refunding Bonds, Series C in the amount of \$36,480,000 on October 4, 2012, which refunded a portion of the Series 2004A Bonds (the “**Series C Refunding Bonds**”); its General Obligation Refunding Bonds, Election of 2002, Series 2014 in the amount of \$44,265,000 on May 1, 2014, which refunded a portion of the Series 2007 Bonds (the “**Series 2014 Refunding Bonds**”); and General Obligation Bonds, Election of 2012, Refunding Series 2017 in the amount of \$37,890,000 on March 14, 2017, which refunded a portion of the Series 2010 Bonds (the “**Series 2017 Refunding Bonds**”). There is no remaining authorization under the 2002 Authorization.

2012 Authorization. The District received authorization at the November 6, 2012, bond election to issue general obligation bonds in a principal amount of \$350,000,000 (the “**2012 Authorization**”) pursuant to the approval of 55% or more of the votes cast on the measure. Pursuant to the 2012 Authorization, the District issued its first series of bonds in the principal amount of \$20,000,000 on February 21, 2013; its second series of bonds in the principal amount of \$80,000,000 on July 1, 2014; its third series of bonds in the principal amount of \$70,000,000 on March 14, 2017; its fourth series of bonds in the principal amount of \$150,000,000 on January 22, 2019; and its fifth series of bonds in the principal amount of \$30,000,000 on October 29, 2020. There is no remaining authorization under the 2012 Authorization.

2016 Authorization. The District received authorization at the November 8, 2016, bond election to issue general obligation bonds in a principal amount of \$750,000,000 (the “**2016 Authorization**”) pursuant to the approval of 55% or more of the votes cast on the measure. Pursuant to the 2016 Authorization, the District has issued its Election of 2016, Series 2017 Bonds, Election of 2016, Series 2019 Bonds, Election of 2016, Series 2020 Bonds, Election of 2016, Series 2022 Bonds, Election of 2016, Series 2024 Bonds, and Election of 2016, Series 2025 Bonds. Following the issuance of the Series 2026 Bonds, there will be no unused authorization of the 2016 Authorization remaining.*

2024 Authorization. The District received authorization at the November 5, 2024, bond election to issue general obligation bonds in a principal amount of \$950,000,000 (the “**2024 Authorization**”) pursuant to the approval of 55% or more of the votes cast on the measure. The District has not issued any bonds pursuant to the 2024 Authorization.

SOURCES AND USES OF FUNDS

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

<u>Sources of Funds</u>	Series 2026 Bonds	Refunding Bonds	Total
Principal Amount of Bonds			
[Net] Original Issue [Premium]/[Discount]			
Total Sources			
<hr/>			
<u>Uses of Funds</u>			
Building Fund			
Escrow Fund			
Debt Service Fund			
Costs of Issuance ⁽¹⁾			
Total Uses			

(1) All estimated costs of issuance including, but not limited to, Underwriters’ discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, Escrow Bank, the Verification Agent and the rating agency.

**Preliminary; subject to change.*

SECURITY FOR THE BONDS

Ad Valorem Taxes

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

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

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a separate debt service fund for each series of the Bonds, which is held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

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

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

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

Natural Disasters. Economic and other factors beyond the District’s control, such as economic recession, deflation of property values, pandemics, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought, climate change or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See “PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value.”

Building Fund

Proceeds from the sale of the Series 2026 Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Series 2026 Bond Resolution and known as the “San Juan Unified School District, Election of 2016, Series 2026 Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Series 2026 Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Series 2026 Bonds not needed for the authorized purposes for which the Series 2026 Bonds are being issued shall be transferred to the Series 2026 Debt Service Fund and applied to the payment of principal of and interest on the Series 2026 Bonds. If, after payment in full of the Series 2026 Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Funds

Series 2026 Bonds Debt Service Fund. Amounts to pay debt service on the Series 2026 Bonds will be held in the fund created and established in the Series 2026 Bond Resolution and known as the “San Juan Unified School District, Election of 2016, Series 2026 Debt Service Fund” (the “**Series 2026 Debt Service Fund**”) for the Series 2026 Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District and the County. All taxes levied by the County for the payment of the principal of and interest on the Series 2026 Bonds will be deposited in the Series 2026 Debt Service Fund by the County promptly upon the receipt. The Series 2026 Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Series 2026 Bonds when and as the same become due. The County will transfer amounts in the Series 2026 Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Series 2026 Bonds as the same becomes due and payable.

If, after payment in full of the Series 2026 Bonds, any amounts remain on deposit in the Series 2026 Debt Service Fund, the County shall transfer such amounts to the District’s general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Refunding Bonds Debt Service Fund. Amounts to pay debt service on the Refunding Bonds will be held in the fund created and established in the Refunding Bond Resolution and known as the “San Juan Unified School District, 2026 General Obligation Refunding Bonds Debt Service Fund” (the “**2026 Refunding Debt Service Fund**”) for the Refunding Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District and the County. All taxes levied by the County for the payment of the principal of and interest on the Refunding Bonds will be deposited in the 2026 Refunding Debt Service Fund by the County promptly upon the receipt. The 2026 Refunding Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The County will transfer amounts in the 2026 Refunding Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same becomes due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the 2026 Refunding Debt Service Fund, the County shall transfer such amounts to the District’s general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

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

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

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

**SAN JUAN UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2013-14 through 2025-26**

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2013-14	\$27,607,470,387	\$1,716,240	\$627,411,386	\$28,236,598,013	--%
2014-15	29,069,299,790	1,716,240	616,131,633	29,687,147,663	5.1
2015-16	30,384,495,444	1,930,986	603,173,194	30,989,599,624	4.4
2016-17	31,786,003,764	1,940,243	577,316,326	32,365,260,333	4.4
2017-18	33,625,144,904	1,940,243	589,502,228	34,216,587,375	5.7
2018-19	35,496,600,206	1,940,243	669,197,307	36,167,737,756	5.7
2019-20	37,324,195,574	1,979,819	671,075,497	37,997,250,890	5.1
2020-21	39,183,986,248	1,979,819	687,207,200	39,873,173,267	4.9
2021-22	40,849,747,308	1,776,500	689,824,893	41,541,348,701	4.2
2022-23	43,590,900,962	1,776,500	750,744,745	44,343,422,207	6.7
2023-24	46,234,440,504	2,618,000	801,686,966	47,038,745,470	6.1
2024-25	48,104,342,047	2,618,000	845,478,827	48,952,438,874	4.1
2025-26	50,138,457,762	2,618,000	839,595,215	50,980,670,977	4.1

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and disasters such as wildfires, earthquakes, droughts, floods, climate change and pandemics, among others. The District cannot predict or make any representations regarding the effects that natural disasters or other conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

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

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

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of May 19, 2026, the U.S. Drought Monitor indicates that the County is classified as experiencing no drought conditions in the southern portion and abnormally dry conditions in the northern portion at this time, and the State is classified as experiencing mostly no drought conditions and abnormally dry conditions, with portions of the State in the northern and southeastern parts experiencing moderate drought conditions.

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

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that

forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 (“**COVID-19**”), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District’s operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

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

SAN JUAN UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Citrus Heights	\$9,989,984,270	19.60%	\$10,025,675,401	99.64%
City of Folsom	344,794,755	0.68	\$21,933,310,312	1.57%
City of Rancho Cordova	29,599,225	0.06	\$14,706,817,034	0.20%
City of Sacramento	1,405,859,837	2.76	\$78,429,874,846	1.79%
Unincorporated Sacramento County	<u>39,210,432,890</u>	<u>76.91</u>	\$86,188,180,150	45.49%
Total District	\$50,980,670,977	100.00%		
Sacramento County	\$50,980,670,977	100.00%	\$245,276,863,601	20.78%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2025-26. As shown, the majority of the District’s assessed valuation is represented by residential property.

**SAN JUAN UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26**

	2025-26 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	\$4,258,689,006	8.49%	1,776	1.63%
Office	1,741,155,368	3.47	1,303	1.20
Vacant Commercial	78,797,426	0.16	262	0.24
Industrial	561,526,398	1.12	343	0.32
Vacant Industrial	9,753,709	0.02	54	0.05
Recreational	92,021,451	0.18	67	0.06
Institutional/ Government/Social	96,608,784	0.19	1,512	1.39
Miscellaneous	<u>11,237,085</u>	<u>0.02</u>	<u>905</u>	<u>0.83</u>
Subtotal Non-Residential	\$6,849,789,227	13.66%	6,222	5.73%
Residential:				
Single Family Residence	\$35,807,134,990	71.42%	88,454	81.39%
Condominium/Townhouse	930,301,271	1.86	4,715	4.34
Hotel/Motel	76,182,372	0.15	16	0.01
Mobile Home	77,785,762	0.16	1,751	1.61
Mobile Home Park	175,001,006	0.35	40	0.04
2-4 Residential Units	1,718,501,519	3.43	4,517	4.16
5+ Residential Units/Apartments	4,330,178,692	8.64	925	0.85
Vacant Residential	<u>173,582,923</u>	<u>0.35</u>	<u>2,041</u>	<u>1.88</u>
Subtotal Residential	\$43,288,668,535	86.34%	102,459	94.27%
Total	\$50,138,457,762	100.00%	108,681	100.00%

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

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2025-26, including the median and average assessed value of single-family parcels in the District.

SAN JUAN UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26

Single Family Residential	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
	88,454	\$35,807,134,990	\$404,811	\$361,785

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	420	0.475%	0.475%	\$14,988,517	0.042%	0.042%
\$50,000 - \$99,999	4,520	5.110	5.585	344,946,079	0.963	1.005
\$100,000 - \$149,999	5,696	6.440	12.024	720,012,507	2.011	3.016
\$150,000 - \$199,999	7,265	8.213	20.238	1,278,026,232	3.569	6.585
\$200,000 - \$249,999	8,045	9.095	29.333	1,808,756,234	5.051	11.637
\$250,000 - \$299,999	8,091	9.147	38.480	2,225,389,676	6.215	17.852
\$300,000 - \$349,999	8,247	9.323	47.803	2,681,018,630	7.487	25.339
\$350,000 - \$399,999	8,329	9.416	57.220	3,124,694,673	8.726	34.065
\$400,000 - \$449,999	7,926	8.961	66.180	3,364,382,108	9.396	43.461
\$450,000 - \$499,999	6,840	7.733	73.913	3,243,365,972	9.058	52.519
\$500,000 - \$549,999	5,351	6.049	79.962	2,805,445,836	7.835	60.354
\$550,000 - \$599,999	4,197	4.745	84.707	2,405,785,542	6.719	67.073
\$600,000 - \$649,999	2,853	3.225	87.933	1,779,979,346	4.971	72.044
\$650,000 - \$699,999	2,153	2.434	90.367	1,449,760,628	4.049	76.093
\$700,000 - \$749,999	1,686	1.906	92.273	1,219,884,750	3.407	79.499
\$750,000 - \$799,999	1,331	1.505	93.778	1,030,288,433	2.877	82.377
\$800,000 - \$849,999	1,034	1.169	94.947	851,792,443	2.379	84.756
\$850,000 - \$899,999	817	0.924	95.870	714,017,201	1.994	86.750
\$900,000 - \$949,999	615	0.695	96.565	567,444,202	1.585	88.334
\$950,000 - \$999,999	496	0.561	97.126	482,498,423	1.347	89.682
\$1,000,000 and greater	<u>2,542</u>	<u>2.874</u>	100.000	<u>3,694,657,558</u>	<u>10.318</u>	100.000
	<u>88,454</u>	<u>100.000%</u>		<u>\$35,807,134,990</u>	<u>100.000%</u>	

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

Reassessments and Appeals of Assessed Value

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

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

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

County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

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

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

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

Tax Rates

Below are historical tax rates in the District in a typical tax rate area for fiscal years 2021-22 through 2025-26.

**SAN JUAN UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates Per \$100 of Assessed Valuation
(Tax Rate Area 6-008)⁽¹⁾
Fiscal Years 2021-22 through 2025-26**

	2021-22	2022-23	2023-24	2024-25	2025-26
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Los Rios Community College District	0.0249	0.0226	0.0192	0.0200	0.0208
San Juan Unified School District	0.1887	0.1873	0.1732	0.1796	0.1567
Sacramento Metropolitan Fire District	--	--	--	--	0.0098
Total Tax Rate	\$1.2136	\$1.2099	\$1.1924	\$1.1996	\$1.1873

(1) 2025-26 assessed valuation of TRA 6-008 is \$3,361,121,036 , which is 6.59% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

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

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

Notwithstanding the operation of the Teeter Plan, below is a recent history of secured tax charges and delinquencies in the District with respect to the bond debt service levy.

SAN JUAN UNIFIED SCHOOL DISTRICT Secured Tax Charges and Delinquencies Fiscal Years 2012-13 through 2024-25

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2012-13	\$25,938,312	\$341,917	1.32%
2013-14	44,248,271	444,308	1.00
2014-15	43,242,940	430,721	1.00
2015-16	46,258,681	409,432	0.89
2016-17	47,662,841	418,837	0.88
2017-18	70,210,300	613,392	0.87
2018-19	69,959,841	664,098	0.95
2019-20	65,096,517	647,330	0.99
2020-21	70,117,005	544,481	0.78
2021-22	76,327,889	564,366	0.74
2022-23	80,945,463	697,572	0.86
2023-24	79,614,124	798,499	1.00
2024-25	71,848,845	837,083	1.17

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

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2025-26. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

SAN JUAN UNIFIED SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2025-26

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1. Ethan Conrad	Commercial	\$181,792,214	0.36%
2. KW Fund VI Autumn Ridge LLC	Apartments	127,344,955	0.25
3. Twin Creeks A KF LP	Apartments	123,807,600	0.25
4. Montage Apts Prop Owner LLC	Apartments	87,601,028	0.17
5. Wal Mart Real Estate Business Trust	Commercial	78,083,284	0.16
6. MP Core Selby Ranch LLC	Apartments	75,104,859	0.15
7. Birdcage GRF2 LLC	Commercial	74,023,980	0.15
8. Southern California Water Company	Water Company	70,370,623	0.14
9. Town & Country Station LP	Commercial	61,404,205	0.12
10. Willow Grove NWP LP	Apartments	57,963,232	0.12
11. 29SC Arcade LP	Apartments	57,305,231	0.11
12. SY Howe Arden LLC	Commercial	57,055,497	0.11
13. Gold River 659 LLC	Apartments	56,788,985	0.11
14. Au Zone Madison LLC / NMC Madison Marketplace	Commercial	53,861,640	0.11
15. Lakeview Gold 101305 LP	Mobile Home Park	53,357,657	0.11
16. MG Atwood Apartments Ria LLC	Apartments	52,429,391	0.10
17. Demmon the Falls LLC	Apartments	52,340,149	0.10
18. SY Arden Way LLC	Commercial	52,279,720	0.10
19. Oakmont Props Tributary Point LLC	Apartments	49,837,879	0.10
20. Madison Hills Property Owner LLC	Apartments	<u>49,769,569</u>	<u>0.10</u>
		<u>\$1,472,521,698</u>	<u>2.94%</u>

(1) 2025-26 local secured assessed valuation: \$50,138,457,762.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of May 1, 2026. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

SAN JUAN UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of May 1, 2026)

2025-26 Assessed Valuation: \$50,980,670,977

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/26</u>
Los Rios Community College District	17.352%	\$52,457,699
San Juan Unified School District	100.000	717,061,720 ⁽¹⁾
Carmichael Recreation and Park District	100.000	21,365,000
Fair Oaks Recreation and Park District	100.000	24,325,058
Fulton-El Camino Recreation and Park District	81.614	5,525,268
Sacramento Metropolitan Fire District	49.847	79,755,200
Sacramento County Community Facilities District No. 2004-1 (McClellan Park)	3.403	830,332
Sacramento Area Flood Control Agency Consolidated Capital Assessment District	5.746	16,420,057
California Municipal Finance Authority Community Facilities Districts	100.000	1,840,000
California Statewide Community Development Authority Assessment Districts	100.000	9,694,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$929,274,334
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	20.785%	\$16,305,915
Sacramento County Pension Obligation Bonds	20.785	40,863,310
Sacramento County Board of Education Certificates of Participation	20.785	118,475
City of Folsom General Fund Obligations	1.572	4,960
City of Rancho Cordova Certificates of Participation	0.201	19,447
City of Sacramento General Fund Obligations	1.793	8,081,230
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	49.847	13,320,115
Recreation and Park District Certificates of Participation	Various	4,471,862
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$83,185,314
Less: Sacramento County supported obligations		1,648,333
City of Sacramento supported obligations		5,652,485
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$75,884,496
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		
Sacramento County Mather/McClellan Merged Redevelopment Project Area	9.904%	\$4,957,447
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$4,957,447
GROSS COMBINED TOTAL DEBT		\$1,017,417,095 ⁽²⁾
NET COMBINED TOTAL DEBT		\$1,010,116,277

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$717,061,720)	1.41%
Total Direct and Overlapping Tax and Assessment Debt	1.82%
Gross Combined Total Debt	2.00%
Net Combined Total Debt	1.98%

Ratios to Redevelopment Incremental Valuation (\$282,706,598):

Total Overlapping Tax Increment Debt	1.75%
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(1) Excludes the Bonds offered for sale hereunder 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

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

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

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

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

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

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

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

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

Forms of Opinions. Copies of the proposed forms of opinions of Bond Counsel are attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Material Litigation

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

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Assembly Bill 218 (“**AB 218**”), which became effective January 1, 2020, extended the statute of limitations on certain lawsuits based on past sexual abuse, including abuse by educators or public-school staff. Pursuant to AB 218, a plaintiff's ability to bring a claim was extended to twenty-two years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault. The District is currently party to AB 218 claims. Although the District does not expect any of its existing AB 218 claims to have a material impact on its finances, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District, and Kutak Rock LLP, as counsel to the Underwriters, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an “**Annual Report**”) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website (“**EMMA**”) not later than nine months after the end of the District’s fiscal year, commencing March 31, 2027, with the report for the 2025-26 fiscal year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriters of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “**Rule**”).

In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Isom Advisors, a Division of Urban Futures, Inc., to serve as its dissemination agent.

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

ESCROW VERIFICATION

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements of the Refunded Bonds.

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

RATING

Moody's Investors Service ("**Moody's**") has assigned a rating of "Aa2" to the Bonds. The District has provided certain additional information and materials to Moody's, some of which does not appear in this Official Statement to the extent deemed not material for investment purposes. The rating reflects only the view of Moody's, and an explanation of the significance of the rating and outlook may be obtained only from Moody's. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on EMMA notices of any ratings changes on the Bonds on EMMA. See "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to Moody's and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc., as representative (the "**Representative**") of itself and Stifel, Nicolaus & Company, Incorporated ("**Stifel**" and together the Representative, the "**Underwriters**").

The Underwriters have agreed to purchase the Series 2026 Bonds at a price of \$_____ which is equal to the initial principal amount of the Series 2026 Bonds of \$_____, [plus]/[less] [net] original issue [premium]/[discount] of \$_____ less an Underwriters' discount of \$_____.

The Underwriters have agreed to purchase the Refunding Bonds at a price of \$_____ which is equal to the initial principal amount of the Refunding Bonds of \$_____, [plus]/[less] [net] original issue [premium]/[discount] of \$_____ less an Underwriters' discount of \$_____.

The bond purchase agreement relating to the Bonds, by and between the District and the Representative, provides that the Underwriters will purchase all of the Bonds if any are purchased, and provides that the Underwriters' obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

Stifel has provided the following information for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.

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

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

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

SAN JUAN UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

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APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

GENERAL INFORMATION

The District, located in the northeast portion of Sacramento County (the "**County**") in the State of California, (the "**State**"), was established in 1960. The District is approximately 75 square miles in area and serves portions of the city of Citrus Heights and the unincorporated areas of Carmichael, Fair Oaks, Arden Arcade and Orangevale. The District also includes small portions of the cities of Sacramento, Folsom and Rancho Cordova. The District currently operates 66 schools, including 9 comprehensive high schools, 8 middle schools, 33 elementary schools, 8 TK-8 schools, 3 alternative high schools, 2 adult schools, and 3 special education centers. Nine charter schools also operate within the boundaries of the District. The District provides transitional kindergarten through 12th grade education to approximately 39,470 students in fiscal year 2025-26.

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

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 State Education Code (the "**Charter School Law**"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and the petition for a charter school's creation 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: (i) to provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (ii) to 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 (iii) to provide competition within the public school system to stimulate improvements in all public schools.

District Governance and Administration

The District is currently governed by a seven-member Board of Education, (the “**Board**”), each member of which is elected by trustee area to a four-year term. After November 8, 2022, the Board increased from five to seven members, with each member representing a different trustee area. Current members of the Board, together with their office and the date their term expires, are listed below.

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Tanya Kravachuk	President	December 2026
Manuel Perez	Vice President	December 2026
Nick Bloise	Clerk	December 2028
Ben Avey	Member	December 2026
Pam Costa	Member	December 2028
Zima Creason	Member	December 2026
Abid Stanekzai	Member	December 2028

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Melissa Bassanelli is the Superintendent of the District, Joel Ryan is the Chief Financial Officer and Frank Camarda is the Chief Operations Officer.

Recent Enrollment Trends

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

ANNUAL ENROLLMENT Fiscal Years 2020-21 through 2025-26 San Juan Unified School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2020-21	38,945	--%
2021-22	38,077	(2.2)
2022-23	37,902	(0.5)
2023-24	38,211	0.8
2024-25	39,200	2.6
2025-26 ⁽¹⁾	39,470	0.7

(1) Budgeted.

Source: California Department of Education; San Juan Unified School District.

Employee Relations

For fiscal year 2025-26 the District has 2,500 full-time equivalent (“FTE”) certificated employees, 2,275 FTE classified employees, and 331 FTE management employees.

The following table summarizes the bargaining agreements and the date through which current contracts extend.

CONTRACTS WITH BARGAINING UNITS San Juan Unified School District

<u>Bargaining Unit</u>	<u>Expiration Date</u>
San Juan Professional Educators	June 30, 2026
San Juan Teachers Association	June 30, 2026
California School Employees' Association	June 30, 2026
Teamsters	June 30, 2026
Classified Supervisors Association	June 30, 2026

Source: San Juan Unified School District.

FINANCIAL INFORMATION

Education Funding Generally

School districts in the State receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly impact a school district's revenues and operations.

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

- A base grant for each local education agency per unit of average daily attendance ("**ADA**"), which varies with respect to different grade spans and are adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

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

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

Funding levels used in the LCFF entitlement calculations for fiscal year 2025-26 are set forth in the following table.

**Fiscal Year 2025-26 Base Grant Funding* Under LCFF
by Grade Span**

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
B. 2025-26 COLA for LCFF (A x 2.30%)	\$231	\$234	\$241	\$279
C. 2025-26 Base Grant per ADA before Grade Span Adjustments (A+B)	\$10,256	\$10,411	\$10,719	\$12,423
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	\$1,067	n/a	n/a	\$323
E. 2025-26 Base Grant/Adjusted Base Grant per ADA (C + D)	\$11,323	\$10,411	\$10,719	\$12,746

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion (of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of \$5,545 times the school district's current year TK ADA.

Source: California Department of Education.

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

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

District Accounting Practices

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

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

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2024-25 were prepared by Crowe LLP, Sacramento, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2020-21 through 2024-25.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited)
San Juan Unified School District ⁽¹⁾**

	<u>Audited 2020-21</u>	<u>Audited 2021-22</u>	<u>Audited 2022-23</u>	<u>Audited 2023-24</u>	<u>Audited 2024-25</u>
Revenues:					
LCFF Sources:	\$367,533,449	\$384,381,228	\$432,803,978	\$464,359,655	\$489,857,578
Federal Revenues	67,823,815	91,153,522	88,242,699	88,485,519	53,200,021
State Revenues	96,855,474	104,693,944	160,713,375	125,993,920	117,348,321
Local Revenues	5,599,961	11,567,642	18,573,626	31,818,761	35,598,899
Total Revenues	<u>537,812,699</u>	<u>591,796,336</u>	<u>700,333,678</u>	<u>710,657,855</u>	<u>696,004,819</u>
Expenditures:					
Certificated salaries	211,911,620	239,615,210	240,826,236	254,975,187	287,581,898
Classified salaries	66,201,835	86,501,998	91,423,658	98,594,287	117,891,478
Employee benefits	141,965,234	163,371,658	174,584,975	182,316,822	201,676,887
Books and supplies	35,718,096	23,968,998	25,791,791	25,342,782	27,990,387
Contract services and operating expenditures	25,196,276	36,006,881	49,615,655	59,718,005	84,508,158
Other outgo	820,222	937,046	1,556,773	1,641,669	1,266,027
Capital outlay	668,747	1,601,312	3,813,204	8,572,217	12,661,367
Debt service:					
Principal retirement	275,045	282,494	290,144	148,007	--
Interest	24,778	17,972	10,284	2,670	--
Total Expenditures	<u>482,781,853</u>	<u>552,303,569</u>	<u>587,912,720</u>	<u>631,311,646</u>	<u>733,576,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,030,846	39,492,767	112,420,958	79,346,209	(37,571,383)
Other Financing Sources (Uses)					
Operating transfers in	1,323,275	1,186,289	1,131,802	1,536,072	2,140,485
Operating transfers out	(21,988,468)	(4,052,628)	(7,986,529)	(8,444,059)	(8,875,874)
Total Other Financing Sources (Uses)	<u>(20,665,193)</u>	<u>(2,866,339)</u>	<u>(6,854,727)</u>	<u>(6,907,987)</u>	<u>(6,735,389)</u>
Net change in fund balance	34,365,653	36,626,428	105,566,231	72,438,222	(44,306,772)
Fund Balances July 1	<u>78,326,433</u>	<u>112,692,086</u>	<u>149,318,514</u>	<u>254,884,745</u>	<u>327,322,967</u>
Fund Balances June 30	<u>\$112,692,086</u>	<u>\$149,318,514</u>	<u>\$254,884,745</u>	<u>\$327,322,967</u>	<u>\$283,016,195</u>

(1) Totals may not sum to columns due to rounding.
Source: Audited financial statements of the District

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Sacramento County Superintendent of Schools (the "**County Superintendent**").

The County Superintendent must review and 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. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

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

A State law adopted in 1991 ("**A.B. 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

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

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

District's General Fund. The following table shows the general fund figures for the District for fiscal year 2025-26 (adopted budget and second interim projections). The District's 2026-27 budget is expected to be approved by the Board on June 23, 2026.

SAN JUAN UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Adopted Budget and Second Interim Projections)

	Adopted Budget 2025-26	Second Interim 2025-26
Revenues		
Total LCFF Sources	\$508,694,744	\$512,454,174
Federal Revenues	35,144,536	39,122,288
Other state revenues	118,487,129	148,929,698
Other local revenues	19,676,506	22,719,837
Total Revenues	<u>682,002,915</u>	<u>723,225,997</u>
Expenditures		
Certificated Salaries	299,015,162	303,362,059
Classified Salaries	121,269,031	118,029,423
Employee Benefits	227,443,205	222,797,254
Books and Supplies	32,448,249	45,148,413
Services and Other Operating Expenditures	65,479,798	96,035,189
Capital Outlay	3,313,005	3,822,435
Other Outgo (excluding transfers of indirect costs)	1,397,888	1,397,888
Other Outgo	(2,822,496)	(2,749,742)
Total Expenditures	<u>747,543,842</u>	<u>787,842,919</u>
Excess of Revenues Over/(Under) Expenditures	(65,540,927)	(64,616,922)
Other Financing Sources (Uses)		
Operating transfers in	--	3,500
Operating transfers out	(8,972,017)	(9,268,426)
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	<u>(8,972,017)</u>	<u>(9,264,926)</u>
Net change in fund balance	(74,512,944)	(73,881,848)
Fund Balance, July 1		
Audit Adjustments		
Adjusted Beginning Balance	283,016,195	283,016,198
Fund Balance, June 30 ⁽¹⁾	<u>\$208,503,251</u>	<u>\$209,134,350</u>

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

Source: San Juan Unified School District.

District Reserves. The District’s ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State’s minimum required reserve of 2% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district’s adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State’s Public School System Stabilization Account and is triggered in any fiscal year in which the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2025-26.

Attendance - LCFF Funding

Funding Trends under LCFF. As described herein, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District for fiscal years 2019-20 through 2025-26.

**SAN JUAN UNIFIED SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2019-20 through 2025-26**

Fiscal Year	ADA	LCFF Funding Per ADA
2019-20	37,510	\$9,687
2020-21	37,510	9,746
2021-22	37,422	10,272
2022-23	36,813	11,757
2023-24	35,298	13,155
2024-25	36,189	13,536
2025-26 ⁽¹⁾	36,647	13,984

⁽¹⁾ Second interim projection.
Source: San Juan Unified School District.

District’s Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District’s percentage of unduplicated students is approximately 64% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low-income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face

deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

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

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

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

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238.03(c) itemizes the local revenues that are subtracted from the base entitlement to determine the amount of the State apportionment of funding. Historically, the more local property taxes a district received, the less State equalization aid it was entitled to.

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

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President Trump has signed an executive order aimed at dismantling the federal Department of Education (the "**DOE**"), from which California school districts receive funding aimed at low-income and special needs students.

If reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's general fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year. If federal revenues are delayed, rescinded, or withheld, the District cannot predict whether such delay, rescission, or withdrawal will have a material effect on the finances or operations of the District.

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

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election.

Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

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

District Retirement Systems

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

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

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

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget ("**AB 1469**"), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized in the following table:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2021 through July 1, 2025

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

Source: STRS.

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

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

STRS CONTRIBUTIONS
San Juan Unified School District
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Amount</u>
2020-21	\$33,147,701
2021-22	37,358,851
2022-23	45,588,081
2023-24	47,193,088
2024-25	51,745,229
2025-26 ⁽¹⁾	78,607,718

⁽¹⁾ Second interim projection
Source: San Juan School District.

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

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

Like the STRS program, PERS has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of

investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (“**AB 84**”) of June 2020, directed contributions of \$430 million and \$330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	Employer Contribution Rate⁽¹⁾
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810

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

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

**PERS EMPLOYER CONTRIBUTIONS
San Juan Unified School District
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	Amount
2020-21	\$15,759,182
2021-22	19,879,574
2022-23	26,073,604
2023-24	29,890,451
2024-25	33,594,529
2025-26 ⁽¹⁾	32,266,488

(1) Second interim projection.
Source: San Juan Unified School District.

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

California Public Employees’ Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (“**PEPRA**”), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the

State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRAs provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRAs through collective bargaining.

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

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

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

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Notes 8 and 9 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

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

Other Post-Employment Retirement Benefits

Plan Description. The District provides postemployment health care benefits ("OPEB") (medical and dental) under a single employer defined benefit OPEB plan (the "Plan") to all certificated, management and confidential employees who are eligible to retire from the District and have completed a minimum of 5 years of employment with the District. The Plan does not issue separate financial statements. Health care benefits are provided for supervisory employees who are eligible to retire under a single employer defined benefit OPEB plan and have completed

a minimum of 10 years of employment with the District. Health care benefits are provided to classified and transportation employees, who have reached the age of 55, are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to these employees until they have attained the age of 65. As of June 30, 2025, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability. The District Board has the authority to establish or amend the benefit terms offered by the Plan. The District Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2025, membership of the Plan consists of 432 retirees and 4,558 active employees.

Benefits Provided. The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage, except that retirees are responsible for 100% of premiums due for spouses and dependents. All salaried employees of the District are eligible to receive postemployment health care benefits. Hourly employees (i.e. non-salaried with variable work hours) are not eligible to receive OPEB.

Contributions. California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost. Contributions to the Plan from the District were \$5,899,251 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability of \$117,036,258 was measured as of June 30, 2024, and was determined by an actuarial valuation as of the same date. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified: inflation 2.50% per year, salary increases 3.00% per year, and healthcare cost trend rates 6.00% per year. The mortality rate is based on the CalPERS 2021 Experience Study. The retirement rates match rates developed in the most recent experience studies for CalPERS (2021) and CalSTRS (2024).

Discount Rate. The discount rate of 3.93% was based on the Fidelity 20 Year AA Municipal Bond maturity yield index.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2025, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
San Juan Unified School District**

	Total OPEB Liability
Balance at June 30, 2024	\$116,864,462
Service Cost	6,747,237
Interest	4,655,063
Difference between actual and expected experience	--
Changes in assumptions	(5,202,070)
Benefit payments	<u>(6,028,434)</u>
Net changes	171,796
Balance at June 30, 2025	<u>\$117,036,258</u>

Source: San Juan Unified School District

Changes of assumptions reflect a change in discount rate from 3.86% in the prior valuation, to 3.93% in the current valuation.

OPEB Expense. For the year ended June 30, 2025, the District recognized an OPEB expense of \$6,144,992. For more information regarding the District’s OPEB and assumptions used in its most recent actuarial study, see Note 10 of APPENDIX B to the Official Statement.

Insurance – Joint Powers Agreement

The District is a member with other school districts of joint powers authorities (“JPAs”), Schools Insurance Authority (“SIA”), Education Technology Joint Powers Authority, Sourcewell Staples Minnesota, and School Project for Utility Rate Reduction for the operation of a common risk management and insurance program for property and liability coverage. The Joint Powers Agreement with SIA provides that SIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 and \$750,000 for each insured event for property and liability, respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

For more information regarding the District’s JPAs, see Note 11 of APPENDIX B to the Official Statement.

Disclaimer Regarding Cyber Risks

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

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

Existing Debt Obligations

General Obligation Bonds. The District has voter-approved general obligation bonds outstanding which have been issued pursuant to the authority obtained from voters at elections in past years, which are secured by *ad valorem* property taxes levied and collected in the District. The following table shows the outstanding principal amount of general obligation bonded debt of the District as of April 1, 2026.

SUMMARY OF OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS* San Juan Unified School District

Issue Date	Issue Name	Outstanding Principal as of April 1, 2026
08/02/2001	General Obligation Bonds, Election of 1998, Series 2001B	\$3,011,975
08/13/2003	General Obligation Bonds, Election of 1998, Series 2003B	10,909,813
08/26/2004	General Obligation Bonds, Election of 2002, Series 2004A	1,794,931
06/10/2011	General Obligation Bonds, Election of 2002, Series 2011	7,805,000
03/14/2017	General Obligation Bonds, Election of 2012, Series 2017	3,580,000
03/14/2017	General Obligation Refunding Bonds, Series 2017	14,940,000
01/22/2019	General Obligation Bonds, Election of 2012, Series 2019**	98,315,000
01/22/2019	General Obligation Bonds, Election of 2016, Series 2019**	14,580,000
10/29/2020	General Obligation Bonds, Election of 2012, Series 2020	17,040,000
10/29/2020	General Obligation Bonds, Election of 2016, Series 2020	107,420,000
05/11/2022	General Obligation Bonds, Election of 2016, Series 2022	137,375,000
02/06/2024	General Obligation Bonds, Election of 2016, Series 2024	121,435,000
02/06/2024	2024 General Obligation Refunding Bonds	73,855,000
08/21/2025	General Obligation Bonds, Election of 2016, Series 2025	105,000,000
	Total	\$717,061,719

*Does not include the Bonds offered for sale in the Official Statement.

**Certain maturities expected to be refunded with the Refunding Bonds proceeds as described in the Official Statement.

Source: *The District; the Municipal Advisor.*

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

Compensated Absences. Compensated absences (unpaid employee vacation) for the District at June 30, 2025, amounted to \$31,539,745.

Investment of District Funds

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

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the "LAO"). None of the District, the Underwriters or the County is responsible for the information provided in this section.

State Funding of Education Generally

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

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

The State Budget Process

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

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

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

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

Resources Relating to State Budgets

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

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

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

The 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the “**2025-26 State Budget**”). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of \$11.0 billion in General Fund revenues from 2024-25 (\$215.7 billion in 2025-26 compared to \$226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of \$5.2 billion from 2024-25 (\$228.4 billion in 2025-26 compared to \$233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State’s reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State’s Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of \$7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining \$0.4 billion.

The 2025-26 State Budget projects an \$11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - \$77.9 million reduction in fiscal year 2025-26, increasing to \$3.3 billion by fiscal year 2028-29.

- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of \$30 million in fiscal year 2026-27, shifting to \$675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.
- *Medi-Cal Asset Limit Implementation* – \$61.3 million in fiscal year 2025-26, rising to \$827.4 million by fiscal year 2028-29.
- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over \$3.5 billion by fiscal year 2028-29.
- *Ongoing Reductions* – \$221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated \$7.8 billion in additional resources, including \$1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, \$4.4 billion in loans from the Medical Providers Interim Payment Fund, \$1.5 billion in loans from additional special funds and interfund borrowing, and a \$7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise \$1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling \$457.1 million in fiscal year 2027-28, growing to \$163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and \$338.9 million in fiscal year 2027-28, growing to \$522.1 million in fiscal year 2028-29, for payment to the State's foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.6 billion and Proposition 98 expenditures of approximately \$80.7 billion. The 2025-26 State Budget projects total reserve balances of \$15.7 billion at the end of fiscal year 2025-26. This includes \$11.2 billion in the State Rainy Day Fund, \$4.5 billion in the State's SFEU, and \$0 in the Proposition 98 Rainy Day Fund. The 2025-26 State Budget includes total funding of \$137.6 billion for all K-12 education programs, including \$80.5 billion from the State's general fund and \$57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

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

Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects updated estimates of general fund revenues, which result in adjustments to the Proposition 98 minimum guarantee. The revised minimum guarantee for TK-14 schools is estimated at \$98.5 billion for 2023-24, \$119.9 billion for 2024-25, and \$114.6 billion for 2025-26, an increase of approximately \$3.9 billion over the three-year period relative to the 2023-24 State Budget. Because the minimum guarantee for 2024-25 will not be finalized until

the fiscal year is certified in calendar year 2026, the 2025-26 State Budget proactively appropriates the 2024-25 minimum guarantee at \$118 billion, establishing a \$1.9 billion “settle up” to avoid over-appropriation. The 2025-26 State Budget expresses intent to apply any realized settle-up funds toward reducing ongoing TK-14 deferrals and safeguarding core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments.

The minimum guarantee remains in a Test 2 for 2023-24, though suspended at \$98.5 billion, and shifts to a Test 1 in both 2024-25 and 2025-26. In Test 1 years, the guarantee equals approximately 40 percent of general fund revenues, in addition to local property tax revenues. Under Proposition 98, this calculation is not adjusted for enrollment, which results in increased per-pupil funding. The guarantee is “rebenched” to reflect both the continued implementation of universal TK and property tax backfills resulting from the January 2025 wildfires in Los Angeles County. As a result, the applicable Test 1 percentage increases from 39.2 percent to 39.6 percent of general fund revenues.

Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the full withdrawal of the \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The May Revision to the 2024-25 State Budget Proposal, released on May 10, 2024, included a mandatory deposit of \$540 million into the Rainy Day Fund. However, revised capital gains revenue projections reduce that deposit to \$455 million in fiscal year 2024-25. A year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$455 million in fiscal year 2025-26, fully exhausting the remaining fund balance.

Proposition 98 Funding Split. In prior years, 10.93 percent of the general fund amounts rebenched into the Proposition 98 minimum guarantee for transitional kindergarten expansion were allocated to the community colleges budget, consistent with the statutory Proposition 98 funding split. Over the three-year budget window, this resulted in \$492.4 million being directed to community colleges, leaving TK-12 schools without an equivalent amount to support transitional kindergarten expansion. Beginning in fiscal year 2025-26, the 2025-26 State Budget shifts the full amount of transitional kindergarten expansion funding (\$232.9 million) to the TK-12 portion of the Proposition 98 budget.

Local Control Funding Formula. The 2025-26 State Budget includes a 2.3 percent cost-of-living adjustment to LCFF. Combined with population growth adjustments, this results in an additional \$2.1 billion in discretionary funding for local educational agencies (“LEAs”) relative to the 2024-25 State Budget. To fully fund LCFF costs in fiscal year 2025-26, the 2025-26 State Budget withdraws approximately \$405.3 million from the Proposition 98 Rainy Day Fund.

Deferrals. The 2025-26 State Budget fully repays \$246.6 million in TK-12 education deferrals from fiscal year 2024-25. However, in order to maintain principal apportionment levels in 2025-26, the 2025-26 State Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.

Universal Transitional Kindergarten. To support full implementation of universal transitional kindergarten by September 1, 2025, the 2025-26 State Budget provides \$2.1 billion in ongoing Proposition 98 general fund resources, inclusive of all prior years’ investments. An additional \$1.2 billion in ongoing Proposition 98 general fund resources is included to reduce the average student-to-adult ratio from 12:1 to 10:1.

Before School, After School, and Summer School. To increase access to the Expanded Learning Opportunities Program, the 2025-26 State Budget provides \$515.1 million in ongoing funds, broadening eligibility from LEAs with a 75 percent unduplicated pupil rate to those with a 55 percent rate. Additionally, \$10.4 million is provided to increase the minimum grant per LEA from \$50,000 to \$100,000.

Literacy Instruction. The 2025-26 State Budget allocates \$480 million to enhance literacy instruction aligned with the English Language Arts/English Language Development Framework for all students.

Teacher Professional Development and Preparation. To support teachers and strengthen the educator pipeline, the 2025-26 State Budget provides \$300 million in one-time Proposition 98 general fund resources for a Student Teacher Stipend Program, which will offer grants to teacher candidates completing student teaching between 2026-27 and 2028-29. An additional \$70 million of one-time Proposition 98 general fund resources supports teacher residency programs, and \$30 million in one-time Proposition 98 general fund resources extends the National Board Certification Incentive Program to encourage placement of certified teachers in high-poverty schools.

Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget provides \$1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant to assist LEAs with rising costs and advancing statewide priorities.

State Preschool Program. To enhance early childhood education, the 2025-26 State Budget includes approximately \$19.3 million of Proposition 98 general fund resources and \$10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program. It further authorizes the Department of Education to expand State Preschool Program provider contracts for three-year-olds by 10 percent, implement prospective pay, and automate contract payments.

Other Significant Budget Adjustments. The 2025-26 State Budget includes \$378.6 million in one-time Proposition 98 general fund resources for learning recovery initiatives through 2027-28, \$150 million for career technical education and pathways programs pending legislation, and \$145 million to improve school meal infrastructure. An additional \$10 million is allocated for school food service workforce requirement and \$5 million for a study of ultra-processed foods offered in State school meals.

Further allocations include \$30 million over three years for Special Olympics programs in Northern and Southern California; \$30 million for the Mathematics Professional Learning Partnership; \$21.9 million in ongoing funding for the SUN Bucks Program, which provides summer nutrition support; and \$20 million to implement the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

The 2025-26 State Budget also provides approximately \$10 million for a pilot program, administered by the California Collaborative of Educational Excellence, to support middle and high school redesign and peer learning. Another \$10 million to the California Department of Education supports the development of a screener to identify multilingual learners in transitional kindergarten and authorizes the State Superintendent of Public Instruction to adopt a screening instrument for children ages 3-4 enrolled in transitional kindergarten classrooms. Finally, \$7.5 million is available through the 2026-27 fiscal year

to offset potential LCFF apportionment reductions caused by the recent exemption of transitional kindergarten students from the English language proficiency assessment.

LAO Analysis of the 2025-26 State Budget. The LAO, a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget on October 16, 2025 (the “**2025-26 State Budget Analysis**”). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State faced a budget shortfall for the third year in a row. The estimated budget shortfall for the fiscal year 2025-26 of \$15.0 billion was smaller compared to deficits of \$55.0 billion in fiscal year 2024-25 and \$27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State’s revenue collections. In particular, despite higher revenues in major taxes, about \$4 billion of the budget problem results from new, discretionary General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the General Fund). However, the LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, which accounts for \$10.0 billion and approximately two-thirds of the total solutions. This borrowing increases the total outstanding budgetary borrowing from \$12.0 billion to \$22.0 billion. The LAO notes that this borrowing is similar to the measures used during the Great Recession. After borrowing, spending-related solutions, including both spending reductions and fund shifts, total \$5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about \$300.0 million, represent the small remainder. The LAO notes that while the State is also making a \$7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, this withdrawal was not reflected in the 2025-26 State Budget Analysis because it was authorized in the 2024-25 State Budget.

The LAO explains that while it had previously categorized the Proposition 98 “Settle Up” as a spending delay, it now views this action as borrowing. While the estimate for the Proposition 98 minimum guarantee is up nearly \$4.7 billion from the June 2024 level, the 2025-26 State Budget appropriates just over \$2.7 billion in additional funding for that year. Funding schools and community colleges at this level—\$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that while the 2025-26 State Budget partially addresses the State’s multi-year deficits, it expects budget deficits to persist. Based on the State’s June 2025 projections and assumptions, annual operating deficits are projected to range from roughly \$15 billion to \$25 billion throughout the outlook period (i.e., 2026-27 through 2028-29), which would need to be addressed by the Legislature. The LAO notes, however, that these multi-year estimates are subject to considerable uncertainty and should be interpreted cautiously.

In summarizing the overall condition of the General Fund budget, the condition of the school and community college budget and State appropriations limits, as estimated by the administration, the LAO notes the following: (1) the State’s reserves total nearly \$16 billion at the end of fiscal year 2025-26, with the state reserve for schools and community colleges fully

withdrawn by the end of fiscal year 2025-26; (2) the State expects revenues from major tax sources to grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25, however the 2025-26 State Budget also projects revenues from said tax sources to decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26; and (3) federal funding is expected to remain flat between 2024-25 and 2025-26 but the 2025-26 State Budget projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill Act, which was signed by President Trump on July 4, 2025.

The LAO explains that the 2025-26 State Budget provides \$2.2 billion to cover 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of \$607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides \$140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides \$1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about \$312.0 per student). For community colleges, the 2025-26 State Budget provides \$60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of \$150,000.00 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring \$2.3 billion in payments to fiscal year 2026-27. Of this amount, \$1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining \$408.0 million in deferrals pertains to community colleges. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

Additional Information. The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. For the full text of the 2025-26 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriters for accuracy or completeness.*

The 2026-27 State Budget Proposal

On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the “**2026-27 State Budget Proposal**”). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of \$4.5 billion, but projects a deficit of approximately \$22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than \$42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately \$1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

The 2026-27 State Budget Proposal provides for \$248.3 billion in General Fund expenditures and nearly \$23 billion in combined reserves, including approximately \$14.4 billion in the State’s Proposition 98 Rainy Day Fund, \$4.5 billion in the Special Fund for Economic Uncertainties, and \$4.1 billion in the Public School System Stabilization Account. While balanced for fiscal year 2026-27, the 2026-27 State Budget Proposal anticipates that expenditures will exceed revenues in future years, requiring additional budget actions at the May Revision to maintain a structural balance in the coming years. Key fiscal risk factors include stock market and asset price volatility and declines, particularly among high-income taxpayers, and continued uncertainty in federal policy.

With respect to K-12 education, the 2026-27 State Budget Proposal sets Proposition 98 funding for K-14 education at \$125.5 billion for fiscal year 2026-27, subject to settle-up adjustments. Additionally, the proposal includes an LCFF cost-of-living adjustment of 2.41% and proposes repayment of approximately \$1.9 billion in previous funding deferrals to improve school district cash flow. The proposal further reflects continued support for universal transitional kindergarten and ongoing before-, during-, and after-school programming through the Expanded Learning Opportunities Program. The 2026-27 State Budget Proposal also allocates an additional \$215 million to expand the Literacy Coaches and Reading Specialists Grant Program.

Significantly, the 2026-27 State Budget Proposal recommends governance changes to strengthen coordination across California’s education system. Consistent with recommendations in the Legislature’s 2002 report, “California’s Master Plan for Education,” the proposal would amend the Education Code to move oversight authority of the California Department of Education and support of local educational agencies under the State Board of Education, in addition to enhancing the State Superintendent of Public Instruction’s ability to improve alignment and coordination across the bodies setting policy from early childhood through postsecondary education.

May Revision to the 2026-27 State Budget Proposal. On May 14, 2026, the Governor released the May Revision to the 2026-27 State Budget Proposal (the “**May Revision**”). Relative to the 2026-27 State Budget Proposal, the May Revision’s estimate of revenues across the 2024-25 to 2026-27 budget window are higher by approximately \$16.5 billion. This upgrade is almost entirely attributable to positive expectations for income tax collections, which are being driven by

enthusiasm around artificial intelligence and the related stock market boom. The May Revision further notes \$349.4 billion in total state fund expenditures, consisting of approximately \$246.6 billion from the General Fund, \$95.6 billion from special funds, and \$7.3 billion from bond funds. Per the May Revision, California's budget deficit is projected to be balanced in 2026-27 through 2027-28. However, structural deficits persist at approximately \$10 billion annually through 2029-30. Achieving balance relies in significant part on approximately \$20 billion in reserve withdrawals and suspended deposits, as well as \$4 billion in new borrowing.

Budget Solutions. The May Revision includes \$14 billion in deficit solutions for 2025-26 and 2026-27 as detailed below, including \$2 billion in revenue-related proposals, nearly \$3 billion in spending-related solutions (including spending reductions and fund shifts), \$4 billion in new borrowing, and suspended reserve deposits of more than \$5 billion.

Revenue-Related Solutions. The May Revision includes the following revenue-related solutions to the budget deficit:

- Larger Managed Care Organization Tax — Proposes a 2027 Managed Care Organization Tax that provides approximately \$2 billion annually with all revenue used to offset General Fund costs in Medi-Cal, resulting in annual savings of \$575 million in 2026-27 and approximately \$2 billion in subsequent years.
- Permanent Limits on Business Tax Credits — Proposes permanent limits on a business's ability to use tax credits to reduce its corporation tax liability by 50% or \$5 million, whichever is greater. The administration estimates this would increase corporation tax revenues by \$850 million in 2026-27 and \$1.7 billion in 2027-28.
- Apply Sales Tax to Retail Sales of Digital Prewritten Software — Proposes changes to the State's application of sales tax to prewritten software, with estimated General Fund revenue rising by \$450 million and local sales tax revenue rising by \$560 million in 2026-27, growing to \$900 million General Fund and \$1.1 billion local revenue in 2027-28.

Spending-Related Solutions. The May Revision includes the following spending-related solutions to the budget deficit:

- Expanding Package of Medi-Cal Solutions — Includes \$2.2 billion in total Medi-Cal solutions in 2026-27, consisting of \$400 million in spending reductions and \$1.8 billion in fund shifts. The largest component is a limited-term proposal to use funding from Proposition 35 (2024) in order to pay for Medi-Cal provider rate increases. The May Revision also includes proposals to lower the asset limit for seniors and persons with disabilities and to increase the monthly premium charged to adults with unsatisfactory immigration status.
- All Other Spending-Related Solutions — Across the rest of the budget, the May Revision includes \$500 million in other spending-related solutions, split relatively evenly between spending reductions and fund shifts. Examples include \$200 million in behavioral health offsets, \$50 million in savings to align In-Home Supportive Services eligibility with Medi-Cal, and \$50 million in a reduction in the cost-of-living adjustment for child care.

Borrowing. The May Revision generates a \$4 billion settle-up payment by providing less than the constitutionally required funding level for schools and community colleges in 2025-26. The 2026-27 State Budget Proposal had proposed a larger settle-up payment of nearly \$6 billion.

Education. Important education highlights from the May Revision include:

- \$6.4 billion increase to Proposition 98 funding during the period of 2024-25 through 2026-27.
- \$3.8 billion in freed-up revenue from the State's main school funding formula during the period of 2024-25 through 2026-27.
- \$4.6 billion mandatory deposit into the Proposition 98 Rainy Day Fund triggered by increased capital gains revenues in addition to a \$1.6 billion discretionary deposit resulting in the total reserve balance growing to \$10.3 billion or 8.3% of the 2026-27 Proposition 98 funding requirement.
- \$2.3 billion one-time discretionary grant for schools.
- \$1.8 billion ongoing increase in special fund education.
- \$1.5 billion ongoing cost-of-living adjustment for school and community college programs.
- \$485 million one-time funding for community schools, including grants for planning, implementation and technical support.
- \$440 million one-time funding for literacy coaches to support existing grant recipients through 2030-31.

The 2026-27 State Budget is required to be passed by the Legislature by June 15, 2026, prior to the start of the new fiscal year, though the trend in recent years has been for the approval of a largely symbolic bill by that deadline with a substantive agreement emerging later.

For the full text of the 2026-27 State Budget Proposal and the May Revision to the 2026-27 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the "**2026-27 LAO Analysis**"). The 2026-27 LAO Analysis concludes that, under the Governor's assumptions, the budget is roughly balanced, reflecting an estimated deficit of approximately \$3 billion. This represents an improvement compared with the LAO's November Fiscal Outlook, which projected a budget deficit of approximately \$18 billion. The LAO attributes the State's substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State's revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State's fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately \$20 billion to \$35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly \$27 billion in 2027-28, \$22 billion in 2028-29, and \$23 billion in 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative \$125 billion in budget problems over recent years. The LAO expresses concern that the State's fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO's more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature's ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriters for accuracy or completeness.*

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2025-26 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

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

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment”. This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to “recapture” the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the “recapture” provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B (“**Article XIII B**”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from

certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIII C and XIII D of the California Constitution

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

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

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

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

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

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

Proposition 98

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

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

surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the

greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain

conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

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

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

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “**Proposition 30**”), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$500,000 but less than \$600,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers).

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

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

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

Proposition 2

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

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

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

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

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“**Proposition 19**”), which amended Article XIII A to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property’s tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrow as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocate most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District’s assessed values.

Proposition 2 (2024)

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

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

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

Future Initiatives

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

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APPENDIX B

**SAN JUAN UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25**

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SAN JUAN UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2025

SAN JUAN UNIFIED SCHOOL DISTRICT
 FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2025
 (Continued)

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SAN JUAN UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Audit Committee
San Juan Unified School District
Carmichael, California

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Juan Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the San Juan Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the San Juan Unified School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Juan Unified School 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This resulted in a restatement of the beginning governmental activities net position of \$20,097,911. Our opinions are not modified with respect to this matter.

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.

(Continued)

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 San Juan Unified School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Juan Unified School 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 San Juan Unified School 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 on pages 4 to 10 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 53 to 58 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Juan Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited"; was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025 on our consideration of the San Juan Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the San Juan Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Juan Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
December 9, 2025

San Juan Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

The management's discussion and analysis of San Juan Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 75 to 83, the District's financial statements which begin on page 13, and the notes to the financial statements on pages 24.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: (1) management's discussion and analysis (this section); (2) the financial statements; and (3) required supplementary information. The financial statements include two kinds of statements that present different views of the San Juan Unified School 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, report the District's operations and in more detail than the district wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The remainder of the management's discussion and analysis highlights the structure and contents of each of the statements.

The district-wide statements report information about the District as a whole. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 assets, deferred outflows of resources, liabilities and deferred inflows of resources as a measure of the District's financial position.

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

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, and administration. State support from local control funding formula and categorical apportionments finance most of these activities.
- Business-type activities – The District does not currently have any business type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

The District has three kinds of funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Proprietary Funds - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Internal service funds (the other kind of proprietary fund) are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund -- the employee self-insurance fund.
- Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that

the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's ending net position was \$385,897,859 on June 30, 2025, resulting in an increase from the prior fiscal period by \$30,463,801.

Statement of Net Position

	2025	2024	Variance	% Diff
Current and other assets	654,365,423	708,894,980	(54,529,557)	-8%
Capital assets	1,128,770,705	1,079,958,291	48,812,414	5%
Total Assets	1,783,136,128	1,788,853,271	(5,717,143)	0%
Deferred Outflows	198,259,385	208,633,703	(10,374,318)	
Current liabilities	121,860,849	84,656,855	37,203,994	44%
Long-term liabilities	1,373,658,095	1,461,497,563	(87,839,468)	-6%
Total Liabilities	1,495,518,944	1,546,154,418	(50,635,474)	-3%
Deferred Inflows	99,978,710	95,898,499	4,080,211	
Net assets invested in capital assets, net of related debt	482,798,868	429,998,144	52,800,724	12%
Restricted	293,943,101	330,996,197	(37,053,096)	-11%
Unrestricted	(390,844,110)	(405,560,283)	14,716,173	-4%
Total Net Position	385,897,859	355,434,058	30,463,801	9%

The change in Total Assets is primarily a result of the following:

- Current and other assets include cash, including cash with fiscal agent, receivables, investments, due from (to) other funds, stores inventory and pre-paid expenses. Current assets decreased by \$54,529,557 due to a reduced cash balance and a reduction in receivables as compared to the prior year.
- At the end of fiscal year 2024-25, the District had a total value of \$1,661,758,674 in capital assets. Capital assets include land, buildings, land improvements, equipment and capital projects that are still in progress. Total accumulated depreciation amounted to \$532,987,969. The net capital assets amounted to \$1,128,770,705, an increase of \$48,812,414 from prior year. This is a result of increased capital projects being handled and completed through Measures J, N and P.

Capital Assets

	2025	2024	Variance	% Diff
Land	6,350,107	6,350,107	-	0%
Work in Progress	322,539,141	306,490,347	16,048,794	5%
Land Improvements	91,324,293	86,752,532	4,571,761	5%
Buildings	1,197,634,030	1,123,496,383	74,137,647	7%
Equipment	43,911,103	42,327,941	1,583,162	4%
Capital Assets, cost	1,661,758,674	1,565,417,310	96,341,364	6%
Accumulated Depreciation	(532,987,969)	(485,459,019)	(47,528,950)	10%
Capital Assets, net	1,128,770,705	1,079,958,291	48,812,414	5%

The change in Total Liabilities is primarily a result of the following:

- An increase in current liabilities of \$37,203,994 is attributable to goods and services received prior to June 30, 2025 that had not been paid and unearned revenue. Current liabilities include accounts payable, unearned revenue, interagency balances and unpaid claims and claim adjustment expenses. (See “Statement of Net Position” chart.)
- The District ended the year with a total of \$1,371,462,759 in outstanding financing obligations, including other post-employment benefits (OPEB), compensated absences and net pension liabilities. The decrease in long-term debt of \$87,335,764 is primarily attributed to net pension liabilities and general obligation bonds.

Long-Term Liabilities

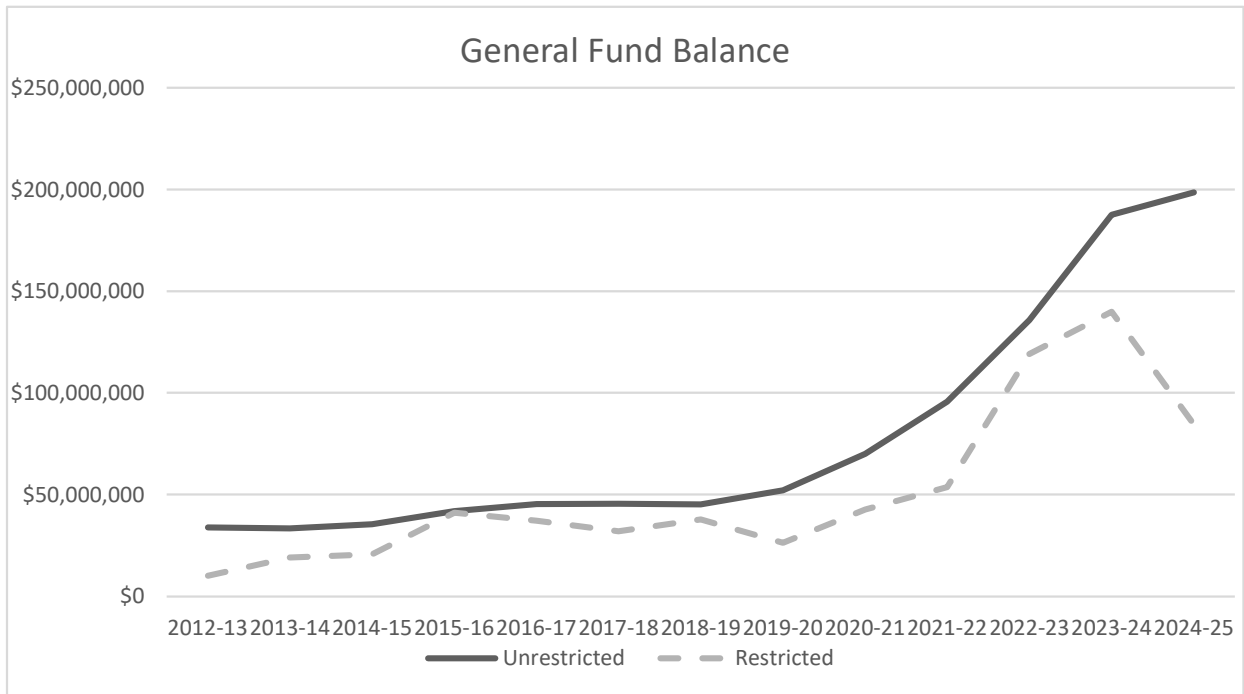
	2025	2024	Variance	% Diff
General Obligation Bonds	674,276,772	733,023,796	(58,747,024)	-8%
Accreted Interest	55,588,148	60,025,936	(4,437,788)	-7%
Premium on Issuance of General Obligation Bonds	35,955,836	42,014,909	(6,059,073)	-14%
Other Postemployment Benefits	117,036,258	116,864,462	171,796	0%
Compensated absences	31,539,745	8,266,420	23,273,325	282%
Net Pension Liability (Asset)	457,066,000	498,603,000	(41,537,000)	-8%
Total Long-Term Liabilities	1,371,462,759	1,458,798,523	(87,335,764)	-6%

FINANCIAL HIGHLIGHTS

The District's change in net position from prior year before the GASB 101 restatement was \$50,561,712. Total revenues decreased by \$2,305,452 with increases in most categories and the decrease in Operating grants and contributions. Expenditures have a net increase of \$116,932,897 which is primarily due to increased costs of instruction related staffing and instructional materials, increase in student support service expense from pandemic related resources and other one-time funding being spent in the current year.

Statement of Activities

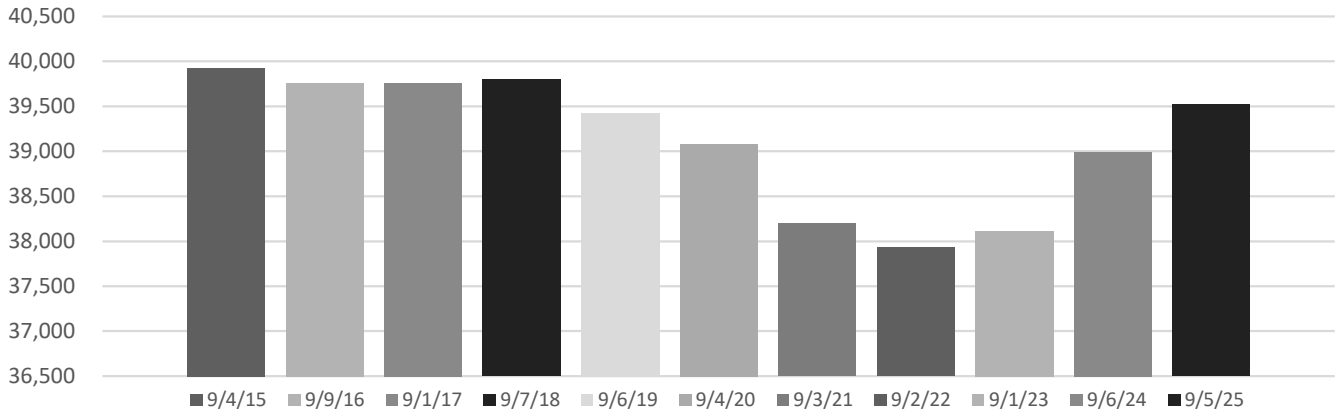
	2025	2024	Variance	% Diff
Program Revenue				
Charges for Services	\$ 10,285,178	\$ 9,715,886	\$ 569,292	6%
Operating Grants & Contributions	238,970,565	293,465,873	(54,495,308)	-19%
Capital Grants & Contributions	25,907,589	319,428	25,588,161	8011%
General Revenue				
Taxes and subventions	248,195,432	237,568,542	10,626,890	4%
Federal and State Aid	354,122,828	334,233,442	19,889,386	6%
Interest and Investment	16,079,204	13,446,073	2,633,131	20%
Interagency Revenues	1,488,329	1,391,090	97,239	100%
Miscellaneous	1,646,166	8,860,409	(7,214,243)	-81%
Total Revenue	<u>\$ 896,695,291</u>	<u>\$ 899,000,743</u>	<u>\$ (2,305,452)</u>	<u>0%</u>
Expenditures				
Instructional Related	\$ 460,209,647	\$ 409,159,384	\$ 51,050,263	12%
Student Support Services	118,524,452	107,534,394	10,990,058	10%
Pupil Services	93,999,200	68,855,272	25,143,928	37%
General Administration	59,104,835	38,238,724	20,866,111	55%
Plant Services	67,230,942	57,864,474	9,366,468	16%
Other Services	9,404,645	8,905,030	499,615	6%
Interest on long-term debt	36,393,831	37,001,735	(607,904)	-2%
Other outgo	1,266,027	1,641,669	(375,642)	-23%
Depreciation	-	-	-	
Total Expenditures	<u>\$ 846,133,579</u>	<u>\$ 729,200,682</u>	<u>\$ 116,932,897</u>	<u>16%</u>
Change in Net Assets				
Before GASB 101 restatement	<u>\$ 50,561,712</u>	<u>\$ 169,800,061</u>	<u>\$ (119,238,349)</u>	<u>-70%</u>



The District’s General Fund overall experienced a decrease of \$44,306,772 in its fund balance with the restricted fund balance decreasing by \$55,378,595. Revenue decreased overall by \$14.6 million which was primarily due to the expiration of restricted COVID relief revenues.

The District also experienced an overall increase in expenditures. There were increases in salaries due to negotiated salary increases, additional training and staffing changes as the District continued to spend the COVID relief funds and other one-time funds to provide additional support and services for students. Expenditures for supplies, services and capital outlay also increased in order to equip students and staff with the resources necessary for expanded instructional support. This included additional summer programs to mitigate student learning loss.

Enrollment



Enrollment data as of the 3rd week of the school year

The District experienced an increase in student enrollment of approximately 2.3% between fiscal years 2023-24 and 2024-25. Enrollment is projected to increase at a slower pace in the 2025-26 fiscal year, with an expectation that the post-pandemic enrollment gains will not continue.

FINANCIAL ISSUES

The development of future budgets will be influenced by uncertain external factors such as the State Budget and economy, the priorities of new state leadership, and pension costs. Internal considerations, including employee compensation and staffing levels, must remain aligned with student enrollment. To avoid fiscal distress, San Juan Unified School District must remain vigilant in monitoring all expenditures.

In response to impact of the pandemic, the District has implemented a variety of instructional models and supports to address the academic, social and emotional needs of all students. However, as the one-time state funds used to provide these supports are no longer available, the District will carefully assess which services can be sustained with ongoing resources and make any necessary strategic adjustments to ensure long-term fiscal stability.

BASIC FINANCIAL STATEMENTS

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 600,206,501
Receivables	52,616,906
Prepaid expenses	706,791
Stores inventory	835,225
Non-depreciable capital assets (Note 4)	328,889,248
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>799,881,457</u>
Total assets	<u>1,783,136,128</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	182,324,758
Deferred outflows of resources - OPEB (Notes 10)	12,093,839
Deferred loss on refunding of debt	<u>3,840,788</u>
Total deferred outflows of resources	<u>198,259,385</u>
LIABILITIES	
Accounts payable	114,450,470
Unearned revenue	7,018,020
Interagency balances	70,367
Unpaid claims and claim adjustment expenses (Note 5)	321,992
Long-term liabilities:	
Unpaid claims and claim adjustment expenses, less current portion (Note 5)	2,195,336
Due within one year (Note 6)	89,833,691
Due after one year (Note 6)	<u>1,281,629,068</u>
Total liabilities	<u>1,495,518,944</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	59,361,000
Deferred inflows of resources - OPEB (Note 10)	<u>40,617,710</u>
Total deferred inflows of resources	<u>99,978,710</u>
NET POSITION	
Net investment in capital assets	482,798,868
Restricted:	
Legally restricted programs	130,701,392
Capital projects	8,678,593
Debt service	96,812,359
Self-insurance	57,750,757
Unrestricted	<u>(390,844,110)</u>
Total net position	<u>\$ 385,897,859</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 460,209,647	\$ 4,150,277	\$ 115,715,379	\$ 25,907,589	\$ (314,436,402)
Instruction-related services:					
Supervision of instruction	68,376,029	154,513	30,712,262	-	(37,509,254)
Instructional library, media and technology	2,134,581	898	92,431	-	(2,041,252)
School site administration	48,013,842	92,254	5,534,451	-	(42,387,137)
Pupil services:					
Home-to-school transportation	22,282,174	14,288	96,789	-	(22,171,097)
Food services	25,588,598	6,323	25,764,030	-	181,755
All other pupil services	46,128,428	153,315	14,392,058	-	(31,583,055)
General administration:					
Data processing	14,377,300	-	-	-	(14,377,300)
All other general administration	44,727,535	111,089	12,531,570	-	(32,084,876)
Plant services	67,230,942	285,677	5,075,897	-	(61,869,368)
Ancillary services	9,340,557	1,528,131	3,059,735	-	(4,752,691)
Community services	23,921	948	4,884	-	(18,089)
Enterprise activities	40,167	1,379	6,876	-	(31,912)
Interest on long-term liabilities	36,393,831	-	-	-	(36,393,831)
Other outgo	1,266,027	3,786,086	25,984,203	-	28,504,262
Total governmental activities	\$ 846,133,579	\$ 10,285,178	\$ 238,970,565	\$ 25,907,589	(570,970,247)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					151,069,766
Taxes levied for debt service					96,919,486
Taxes levied for other specific purposes					206,180
Federal and state aid not restricted to specific purposes					354,122,828
Interest and investment earnings					16,079,204
Interagency revenues					1,488,329
Miscellaneous					1,646,166
					Total general revenues
					621,531,959
					Change in net position
					50,561,712
					Net position, July 1, 2024
					355,434,058
					Restatement due to implementation of GASB 101 (Note 1)
					(20,097,911)
					Net Position, July 1, 2024, as restated
					335,336,147
					Net position, June 30, 2025
					\$ 385,897,859

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 321,820,605	\$ 70,940,727	\$ 94,477,499	\$ 36,804,926	\$ 524,043,757
Cash in revolving fund	205,000	-	-	1,024	206,024
Cash on hand and in banks	-	-	-	2,835,454	2,835,454
Cash awaiting deposit	202,423	16,533	-	509,906	728,862
Cash with Fiscal Agent	-	256,199	9,096,958	-	9,353,157
Receivables	36,433,082	1,534,864	1,102,240	12,305,881	51,376,067
Prepaid expenditures	706,791	-	-	-	706,791
Due from other funds	4,128,239	442	-	4,448,952	8,577,633
Stores inventory	111,143	-	-	724,082	835,225
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 363,607,283</u>	<u>\$ 72,748,765</u>	<u>\$ 104,676,697</u>	<u>\$ 57,630,225</u>	<u>\$ 598,662,970</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 73,338,249	\$ 8,697,335	\$ 7,864,338	\$ 1,490,293	\$ 91,390,215
Unearned revenue	6,148,187	-	-	869,833	7,018,020
Due to other funds	1,104,652	3,631,447	-	331,842	5,067,941
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>80,591,088</u>	<u>12,328,782</u>	<u>7,864,338</u>	<u>2,691,968</u>	<u>103,476,176</u>
Fund balances:					
Nonspendable	1,022,934	-	-	725,106	1,748,040
Restricted	84,441,728	60,419,983	96,812,359	54,213,151	295,887,221
Committed	24,923,491	-	-	-	24,923,491
Assigned	39,669,023	-	-	-	39,669,023
Unassigned	132,959,019	-	-	-	132,959,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>283,016,195</u>	<u>60,419,983</u>	<u>96,812,359</u>	<u>54,938,257</u>	<u>495,186,794</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 363,607,283</u>	<u>\$ 72,748,765</u>	<u>\$ 104,676,697</u>	<u>\$ 57,630,225</u>	<u>\$ 598,662,970</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances - Governmental Funds \$ 495,186,794

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$1,661,758,674 and the accumulated depreciation is \$532,987,969 (Note 4). 1,128,770,705

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2025 consisted of (Note 6):

General Obligation Bonds	\$ (674,276,772)	
Accreted interest	(55,588,148)	
Unamortized Premium on issuance of		
General Obligation Bonds	(35,955,836)	
Total OPEB liability (Note 10)	(117,036,258)	
Net pension liability (Notes 8 and 9)	(457,066,000)	
Compensated absences	<u>(31,539,745)</u>	
		(1,371,462,759)

Losses on the refunding of debt are recognized as expenditures in the period they are incurred. In the government-wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt. 3,840,788

Internal service funds are included in the government-wide financial statements. 57,750,757

In government 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 (Notes 8 and 9).

Deferred outflows of resources relating to pensions	\$ 182,324,758	
Deferred inflows of resources relating to pensions	<u>(59,361,000)</u>	
		122,963,758

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Unmatured interest on long-term liabilities is recognized in the period incurred. \$ (22,628,313)

In government 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 (Note 10),

Deferred outflows of resources relating to OPEB	12,093,839	
Deferred inflows of resources relating to OPEB	<u>(40,617,710)</u>	
		<u>(28,523,871)</u>
 Total net position - governmental activities		 <u><u>\$ 385,897,859</u></u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 338,772,574	\$ -	\$ -	\$ 3,349,797	\$ 342,122,371
Local sources	<u>151,085,004</u>	-	-	-	<u>151,085,004</u>
Total LCFF	<u>489,857,578</u>	-	-	<u>3,349,797</u>	<u>493,207,375</u>
Federal sources	53,200,021	-	-	32,018,476	85,218,497
Other state sources	117,348,321	2,621	661,336	47,695,834	165,708,112
Other local sources	<u>35,598,899</u>	<u>17,949,773</u>	<u>93,173,956</u>	<u>12,715,394</u>	<u>159,438,022</u>
Total revenues	<u>696,004,819</u>	<u>17,952,394</u>	<u>93,835,292</u>	<u>95,779,501</u>	<u>903,572,006</u>
Expenditures:					
Current:					
Certificated salaries	287,581,898	-	-	13,961,166	301,543,064
Classified salaries	117,891,478	1,321,309	-	14,028,718	133,241,505
Employee benefits	201,676,887	658,397	-	15,465,108	217,800,392
Books and supplies	27,990,387	112,164	-	13,338,880	41,441,431
Contract services and operating expenditures	84,508,158	301,619	-	7,854,339	92,664,116
Other outgo	1,266,027	-	-	-	1,266,027
Capital outlay	12,661,367	95,107,037	-	1,575,114	109,343,518
Debt service:					
Principal retirement	-	-	58,747,024	-	58,747,024
Interest	-	-	40,089,460	-	40,089,460
Total expenditures	<u>733,576,202</u>	<u>97,500,526</u>	<u>98,836,484</u>	<u>66,223,325</u>	<u>996,136,537</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(37,571,383)</u>	<u>(79,548,132)</u>	<u>(5,001,192)</u>	<u>29,556,176</u>	<u>(92,564,531)</u>
Other financing (uses) sources					
Transfers in	2,140,485	26,200,914	-	9,647,334	37,988,733
Transfers out	<u>(8,875,874)</u>	-	-	<u>(29,112,859)</u>	<u>(37,988,733)</u>
Total other financing (uses) sources	<u>(6,735,389)</u>	<u>26,200,914</u>	-	<u>(19,465,525)</u>	-
Net change in fund balances	(44,306,772)	(53,347,218)	(5,001,192)	10,090,651	(92,564,531)
Fund balances, July 1, 2024	<u>327,322,967</u>	<u>113,767,201</u>	<u>101,813,551</u>	<u>44,847,606</u>	<u>587,751,325</u>
Fund balances, June 30, 2025	<u>\$ 283,016,195</u>	<u>\$ 60,419,983</u>	<u>\$ 96,812,359</u>	<u>\$ 54,938,257</u>	<u>\$ 495,186,794</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net change in fund balances - Total Governmental Funds	\$ (92,564,531)
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	96,690,689
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(47,843,342)
Proceeds from disposal of capital assets is reported as revenue in governmental fund; only the resulting gain or loss is reported in the statement of activities (Note 4).	(34,933)
Repayment of principal on long-term liabilities is an expenditure in the government funds, but decreases the long-term liabilities in the statement of net position (Note 6).	58,747,024
Debt issue premiums are recognized as revenues in the period they are incurred. In government-wide statements, issue premiums are amortized over the life of the debt (Note 6).	6,059,073
Accreted interest on capital appreciation bonds is recognized in the period it is incurred. In governmental funds it is only recognized when it is due (Note 6).	4,437,788
Losses on the refunding of debt are recognized as expenditures in the period they are incurred, In the government-wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt.	(1,185,803)
Interest on long-term liabilities is recognized in the period incurred, in governmental funds it is recognized when due	(5,615,429)
Activities of the internal service fund are reported with governmental activities.	6,950,112
In government funds, pension costs are recognized when employer contributions are made. In 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: (Notes 8 and 9):	28,342,219

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made, In the statement of activities, OPEB expenses are recognized on the accrual basis (Note 10).	\$ (245,741)
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	<u>(3,175,414)</u>
Change in net position of governmental activities	<u>\$ 50,561,712</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND
June 30, 2025

ASSETS

Current assets:

Cash in County Treasury	\$ 63,039,247
Receivables	1,240,839
Due from other funds	<u>245,708</u>

Total assets 64,525,794

LIABILITIES

Current liabilities:

Accounts payable	431,942
Due to other funds	3,825,767
Current unpaid claims and claim adjustment expenses (Note 5)	<u>321,992</u>

Total current liabilities 4,579,701

Unpaid claims and claim adjustment expenses, less current portion (Note 5) 2,195,336

Total liabilities 6,775,037

NET POSITION

Restricted for self-insurance activities \$ 57,750,757

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION –
PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2025

Operating revenues:	
Self insurance premiums	\$ 27,137,602
Other local revenue	<u>990,063</u>
Total operating revenues	<u>28,127,665</u>
Operating expenses:	
Classified salaries	444,193
Employee benefits	370,447
Books and supplies	10,497
Contract services	<u>22,820,494</u>
Total operating expense	<u>23,645,631</u>
Operating income	4,482,034
Non-operating revenue:	
Interest income	<u>2,468,078</u>
Change in net position	6,950,112
Total net position, July 1, 2024	<u>50,800,645</u>
Total net position, June 30, 2025	<u><u>\$ 57,750,757</u></u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2025

Cash flows from operating activities:	
Cash received from self-insurance premiums	\$ 25,877,089
Cash received from other state and local sources	990,063
Cash paid for contract services	(23,390,306)
Cash paid for employee benefits	(370,447)
Cash paid for salaries	(444,193)
Cash paid for other expenses	<u>(10,497)</u>
Net cash provided by operating activities	<u>2,651,709</u>
Cash flows provided by investing activities:	
Interest income received	<u>2,468,078</u>
Increase in cash and investments	5,119,787
Cash and investments, July 1, 2024	<u>57,919,460</u>
Cash and investments, June 30, 2025	<u>\$ 63,039,247</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 4,482,034</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in:	
Receivables	109,104
Amount due from other funds	4,559,552
(Decrease) in:	
Accounts payable	(2,303,360)
Amount due to other funds	(3,625,809)
Unpaid claims and claim adjustment expenses	<u>(569,812)</u>
Total adjustments	<u>(1,830,325)</u>
Net cash provided by operating activities	<u>\$ 2,651,709</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
June 30, 2025

	Special Education Pass- Through <u>Fund</u>
ASSETS	
Accounts Receivable	\$ 223
Due from other funds	<u>70,367</u>
Total assets	<u>70,590</u>
LIABILITIES	
Accounts payable	<u>70,590</u>
NET POSITION	
Total net position	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
For the Year Ended June 30, 2025

	Special Education Pass- Through <u>Fund</u>
Revenues	\$ <u>806,258</u>
Expenditures	<u>806,448</u>
Change in net position	(190)
Net Position, July 1, 2024	<u>190</u>
Net Position, June 30, 2025	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Juan 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:

Reporting Entity: The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the San Juan Unified School District. The Board is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Basis of Presentation - Financial Statements: The basic financial statements include a Management’s Discussion and Analysis section providing an analysis of the District’s overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District’s activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Custodial funds are not included in the government-wide financial statements. Custodial funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The Building Fund is a capital projects fund used to account for resources used for the acquisition or construction of major capital facilities by the District.

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for the payment of principal and interest related to the General Obligation Bonds.

B - Other Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This includes the Student Activity, the Charter Schools, Adult Education, Child Development, Cafeteria and Deferred Maintenance Funds.

Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities by the District. This includes the Capital Facilities and the County School Facilities Funds.

The Self-Insurance Fund is an internal service fund which is used to account for the District's workers' compensation claims, employee vision and dental benefits.

The Special Education Pass-Through Fund is a Custodial Fund used by the District to account for Special Education pass-through funds.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Education complied with these requirements.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2025.

Stores Inventory: Stores inventory in the General and Cafeteria Funds consists mainly of consumable supplies held for future use and are valued at actual cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools and offices.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$15,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 4 - 30 years depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes 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(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized deferred loss on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability and total OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position includes 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(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and total OPEB liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 113,105,229	\$ 69,219,529	\$ 182,324,758
Deferred inflows of resources	\$ 52,561,000	\$ 6,800,000	\$ 59,361,000
Net pension liability	\$ 254,506,000	\$ 202,560,000	\$ 457,066,000
Pension expense	\$ 36,990,104	\$ 35,937,451	\$ 72,927,555

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: Compensated absence benefits in the amount of \$31,539,745 are recorded as a long-term liability of the District. The liability represents earned but unused vacation and other leave balances which are more likely than not to be paid or used. In accordance with the provisions of both STRP and PERF B, when an employee retires, all unused sick leave is added to the creditable service period for the calculation of the employee's retirement benefits.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Net amounts due between governmental and fiduciary funds are classified as interagency balances.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1 - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2- Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for self-insurance represents the portion of net position restricted for payment of the self-insured claims. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3 - Unrestricted Net Position - All other net position that does not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

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

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2025, the District had \$24,923,491 in committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances.

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2025, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Sacramento bills and collects taxes for the District. Tax revenues are recognized by the District when received.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 or expenses during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, and made effective for fiscal years beginning after December 15, 2023. GASB Statement No. 101 requires recognition of a liability for leave when earned if it is attributable to services already rendered and is expected to be paid. The liability includes vacation, sick leave, and other forms of paid time off that accumulate and vest or are expected to be used in future periods. Based on the implementation of GASB Statement No. 101, the District restated its beginning net position of governmental activities and beginning long-term liabilities for a total of \$20,097,911.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2025 consisted of the following:

	<u>Governmental Activities</u>
Pooled Funds:	
Cash in County Treasury	\$ 587,083,004
Cash awaiting deposit	728,862
Deposits:	
Cash in revolving fund	206,024
Cash on hand and in banks	2,835,454
Cash with Fiscal Agent:	
Restricted for capital projects and debt repayment	<u>9,353,157</u>
Total	<u>\$ 600,206,501</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Sacramento 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 County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2025, the carrying amount of the District's accounts was \$3,041,478 and the bank balance was \$2,664,343, of which \$2,414,343 was uninsured.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for capital projects and repayment of General Obligation Bonds. The District holds their funds with the Sacramento County Treasurer. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2025, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had no concentration of credit risk.

NOTE 3 – INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers, except for the Self-Insurance Fund activity which is recorded as income and expenditures of the Self-Insurance Fund and the General Fund, respectively. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds. Net amounts due between governmental and fiduciary funds are classified as due to fiduciary.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – INTERFUND TRANSACTIONS (Continued)

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2025 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 4,128,239	\$ 1,104,652
Building	442	3,631,447
Non-Major Funds:		
Charter Schools	154,600	41,887
Adult Education	-	107,223
Child Development	4,224,456	169,960
Cafeteria	69,896	12,772
Self-Insurance Fund	245,708	3,825,767
Special Education Pass-Through	70,367	-
Totals	\$ 8,893,708	\$ 8,893,708

Transfers: Transfers consists of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2024-25 fiscal year were as follows:

Transfer from the General Fund to the Child Development Fund for various program student revenue.	\$ 5,443,877
Transfer from the General Fund to the Cafeteria Fund for nutrition services.	1,431,997
Transfer from the General Fund to the Deferred Maintenance Fund for the deferred maintenance transfer.	2,000,000
Transfer from the Charter Schools Fund to the Building Fund for Choices Charter facilities lease and utilities.	294,825
Transfer from the County School Facilities Fund to the Building Fund for OPSC reimbursement	25,906,089
Transfer from the Child Development Fund to the Cafeteria Fund for Nutrition services.	771,460
Transfer from the County School Facilities Fund to the General Fund for induction fees.	1,500
Transfer from the Adult Education Fund to the General Fund for indirect costs.	107,223
Transfer from the Child Development Fund to the General Fund for indirect costs.	1,325,134
Transfer from the Charter Schools Fund to the General Fund for indirect costs.	8,060
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	698,568
	\$ 37,988,733

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2025 is shown below:

	Balance July 1, <u>2024</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2025</u>
Non-depreciable:				
Land	\$ 6,350,107	\$ -	\$ -	\$ 6,350,107
Work-in-process	306,490,347	96,690,689	80,641,895	322,539,141
Depreciable:				
Buildings	1,123,496,383	74,137,647	-	1,197,634,030
Improvement of sites	86,752,532	4,571,761	-	91,324,293
Equipment	<u>42,327,941</u>	<u>1,932,487</u>	<u>349,325</u>	<u>43,911,103</u>
Totals, at cost	<u>1,565,417,310</u>	<u>177,332,584</u>	<u>80,991,220</u>	<u>1,661,758,674</u>
Less accumulated depreciation:				
Buildings	(417,163,600)	(41,240,003)	-	(458,403,603)
Improvement of sites	(45,412,639)	(3,890,766)	-	(49,303,405)
Equipment	<u>(22,882,780)</u>	<u>(2,712,573)</u>	<u>314,392</u>	<u>(25,280,961)</u>
Total accumulated depreciation	<u>(485,459,019)</u>	<u>(47,843,342)</u>	<u>314,392</u>	<u>(532,987,969)</u>
Governmental activities capital assets, net	<u>\$ 1,079,958,291</u>	<u>\$ 129,489,242</u>	<u>\$ 80,676,828</u>	<u>\$ 1,128,770,705</u>

Depreciation expense was charged to governmental activities for the year ended June 30, 2025 as follows:

Instruction	\$ 45,130,770
Instructional Library, Media and Technology	135,955
Home- to- school transportation	1,017,934
Food services	49,006
All other pupil services	15,377
All other general administration	582,987
Centralized data processing	241,893
Plant services	<u>669,420</u>
Total depreciation expense	<u>\$ 47,843,342</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5 – SELF-INSURANCE

The District has established a self-insurance fund to account for the risk of loss for workers' compensation, employee vision benefits and employee dental benefits. Settled claims resulting from these risks have not exceeded coverage in any of the past five fiscal years. There has been no reduction in insurance coverage from the previous year.

The Self-Insurance Fund provides coverage up to statutory limits for each workers' compensation claim. Beginning July 1, 1996 up to June 30, 2001 the District was fully insured for workers' compensation losses with Firemans' Fund. On July 1, 2001, the District returned to a self-insured program. This program provides coverage up to \$750,000 per occurrence. The District has coverage for claims in excess of this amount through Safety National Casualty Corporation. All other benefits covered by the Self-Insurance Fund are fully insured with no excess coverage purchased.

The workers' compensation claims liability of \$2,318,000 is based on an actuarial study as of June 30, 2025 discounted at 0.5%. The Dental and Vision claims liabilities of \$190,041 and \$9,287, respectively are calculated based on an incremental lag factor methodology. Changes in the Fund's claims liability for the years ended June 30, 2025 and 2024 were as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
Claims Liability at, June 30, 2023	\$ 9,878,000	\$ 208,078	\$ 9,686	\$ 10,095,764
Incurred claims	(6,669,756)	3,992,014	194,812	(2,482,930)
Claims payments	<u>(321,244)</u>	<u>(4,009,374)</u>	<u>(195,076)</u>	<u>(4,525,694)</u>
Claims Liability at, June 30, 2024	2,887,000	190,718	9,422	3,087,140
Incurred claims	(533,000)	3,960,098	181,268	3,608,366
Claims payments	<u>(36,000)</u>	<u>(3,960,775)</u>	<u>(181,403)</u>	<u>(4,178,178)</u>
Claims Liability at, June 30, 2025	<u>\$ 2,318,000</u>	<u>\$ 190,041</u>	<u>\$ 9,287</u>	<u>\$ 2,517,328</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2025 follows:

<u>Series</u>	<u>Interest Rate %</u>	<u>Original Maturity</u>	<u>Outstanding July 1, 2024</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2025</u>
Series 1999	4.38-5.70%	2025	\$ 444,138	\$ -	\$ 444,138	\$ -
Series 2000	4.375-6.250%	2026	757,132	-	387,858	369,274
Series 2001B	4.2-5.125%	2027	8,811,679	-	2,951,861	5,859,818
Series 2003A and 2003B	1-5.8%	2029	13,540,915	-	663,167	12,877,748
Series 2004A	5.52-5.53%	2030	1,794,932	-	-	1,794,932
Series 2011	0.8-5.5%	2026	7,805,000	-	-	7,805,000
Election of 2012, 2017	2-4%	2029	24,160,000	-	4,540,000	19,620,000
Refunding Series 2017	2-3.375%	2027	21,095,000	-	8,400,000	12,695,000
Election of 2012, 2019	3-4%	2032	114,190,000	-	7,500,000	106,690,000
Election of 2016, 2019	4%	2032	23,750,000	-	4,415,000	19,335,000
GO Bonds Election of 2012, Series 2020	0.25-4.00%	2030	22,180,000	-	2,450,000	19,730,000
GO Bonds Election of 2016, Series 2020	0.25-4.00%	2042	123,025,000	-	7,520,000	115,505,000
GO Bonds Election of 2016, Series 2022	2.18-5%	2047	140,535,000	-	3,160,000	137,375,000
GO Bonds Election of 2016, Series 2024	4.00-5.00%	2050	125,000,000	-	-	125,000,000
GO Bonds Refunding 2024	5%	2033	105,935,000	-	16,315,000	89,620,000
			<u>\$ 733,023,796</u>	<u>\$ -</u>	<u>\$ 58,747,024</u>	<u>\$ 674,276,772</u>

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 70,020,053	\$ 34,446,711	\$ 104,466,764
2027	55,968,535	33,715,481	89,684,016
2028	56,412,205	32,203,190	88,615,395
2029	49,131,376	31,178,195	80,309,571
2030	44,009,603	33,341,924	77,351,527
2031-2035	116,005,000	60,157,496	176,162,496
2036-2040	84,140,000	41,403,425	125,543,425
2041-2045	102,700,000	25,881,688	128,581,688
2046-2050	95,890,000	8,286,600	104,176,600
	<u>\$ 674,276,772</u>	<u>\$ 300,614,710</u>	<u>\$ 974,891,482</u>

In August 1999, the District issued General Obligation Bonds, Election of 1998, Series 1999 totaling \$27,500,197 for the repair of school facilities. These serial bonds with interest rates from 4.38% to 5.70% mature in varying amounts through August 2024. With the issuance of the Refunding Series 2007 General Obligation Bonds in June 2007, \$14,935,000 of the Series 1999 bonds were refunded. As of June 30, 2025, the bonds were full repaid.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

In August 2000, the District issued General Obligation Bonds, Election of 1998, Series 2000 in the amount of \$41,997,786 to renovate, construct and modernize classrooms and school facilities within the District. The bonds mature during succeeding years through August 2025. The bonds were issued at varying interest rates from 4.375% to 6.250%. With the issuance of the Refunding Series 2007 General Obligation Bonds in June 2007, \$31,680,000 of the Series 2000 bonds were refunded.

In August 2002, the District issued General Obligation Bonds, Election of 1998, Series 2001A and 2001B in the amount of \$46,997,897. These bonds mature during succeeding years through August 2026 and were issued at varying interest rates from 4.200% to 5.125%. With the issuance of the 2012 General Obligation Refunding Bonds, Series A in March 2012, the remaining \$2,520,000 of the 2001A Series bonds were refunded.

In July 2003, the District issued General Obligation Bonds, Election of 1998, Series 2003A and 2003B in the amount of \$40,504,105 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2028. The bonds were issued at varying interest rates from 1.0% to 5.8%. With the issuance of the 2012 General Obligation Refunding Bonds, Series A in March 2012, \$9,905,000 of the Series 2003A bonds were refunded.

In August 2004, the District issued General Obligation Bonds, Election of 2002, Series 2004A consisting of current interest bonds totaling \$67,205,000 and capital appreciation bonds totaling \$1,794,931 to build, acquire, construct and furnish school facilities. The capital appreciation bonds carry interest rates of 5.52% and 5.53% and mature in August 2028 and 2029. With the issuance of the 2012 General Obligation Refunding Bonds, Series C in September 2012, \$37,000,000 of Series 2004A General Obligation Bonds were refunded.

In June 2011, the District issued General Obligation Bonds, Election of 2002, Series 2011 in the amount of \$10,600,000 to build, acquire, construct and furnish school facilities. These bonds mature during succeeding years through June 2026 and were issued at varying interest rates from 0.8% to 5.5%.

In March 2017, the District issued General Obligation Bonds Election of 2012, Series 2017 in the amount of \$70,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2028. The bonds were issued at an interest rates ranging from 2% to 4%.

In March 2017, the District issued General Obligation Bonds Election of 2002, Refunding Series 2017 in the amount of \$37,890,000 to advance refund a portion of the General Obligation Bonds, Election of 2002, Series 2010 and pay costs of issuance of the Refunding Bonds. The bonds mature during succeeding years through August 2026. The bonds were issued at an interest rates ranging from 2% to 3.375%.

In December 2018, the District issued General Obligation Bonds Election of 2012, Series 2019 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2031. The bonds were issued at interest rates ranging from 3% to 4%.

In December 2018, the District issued General Obligation Bonds Election of 2016, Series 2019 in the amount of \$80,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2031. The bonds were issued at an interest rate of 4%.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – LONG-TERM LIABILITIES (Continued)

In October 2020, the District issued General Obligation Bonds Election of 2012, Series 2020 in the amount of \$30,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2029. The bonds were issued at interest rates ranging from 0.25% to 4%.

In October 2020, the District issued General Obligation Bonds Election of 2016, Series 2020 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2041. The bonds were issued at interest rates ranging from 0.25% to 4%.

In April 2022, the District issued General Obligation Bonds Election of 2016, Series 2022 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2046. The bonds were issued at interest rates ranging from 2.18% to 5.00%.

In January 2024, the District issued General Obligation Bonds Election of 2016, Series 2024 in the amount of \$125,000,000 to finance renovation, construction and improvement of school facilities. The bonds mature during succeeding years through August 2050. The bonds were issued at interest rates ranging from 4% to 5%.

In January 2024, the District issued 2024 General Obligation Refunding Bonds in the amount of \$105,935,000 to refund the remaining principal on the 2020 General Obligation Refunding Bonds. These amounts have been removed from long-term liabilities. The bonds mature during succeeding years through August 2032. The bonds were issued at an interest rate of 5%.

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2025 is shown below:

	Balance July 1, 2024	Restatement due to GASB 101 Implementation	Restated Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One Year
<u>Debt:</u>							
General Obligation Bonds	\$ 733,023,796	\$ -	\$ 733,023,796	\$ -	\$ 58,747,024	\$ 674,276,772	\$ 70,020,053
Accreted interest	60,025,936	-	60,025,936	-	4,437,788	55,588,148	5,037,282
Unamortized premium on Issuance of General Obligation Bonds	42,014,909	-	42,014,909	-	6,059,073	35,955,836	4,716,258
<u>Other long-term liabilities:</u>							
Compensated absences	8,266,420	20,097,911	28,364,331	3,175,414	-	31,539,745	10,060,098
Total OPEB liability (Note 10)	116,864,462	-	116,864,462	171,796	-	117,036,258	-
Net pension liability (Notes 8 and 9)	498,603,000	-	498,603,000	-	41,537,000	457,066,000	-
Totals	<u>\$ 1,458,798,523</u>	<u>\$ 20,097,911</u>	<u>\$ 1,478,896,434</u>	<u>\$ 3,347,210</u>	<u>\$ 110,780,885</u>	<u>\$ 1,371,462,759</u>	<u>\$ 89,833,691</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments for net pension liability and OPEB are made from the fund for which the related employee worked.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – FUND BALANCES

Fund balances, by category, at June 30, 2025 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 205,000	\$ -	\$ -	\$ 1,024	\$ 206,024
Stores inventory	111,143	-	-	724,082	835,225
Prepaid expenditures	706,791	-	-	-	706,791
Subtotal nonspendable	<u>1,022,934</u>	<u>-</u>	<u>-</u>	<u>725,106</u>	<u>1,748,040</u>
Restricted:					
Legally restricted programs	84,441,728	-	-	-	84,441,728
Student body activities	-	-	-	2,775,108	2,775,108
Charter school operations	-	-	-	1,292,316	1,292,316
Adult education operations	-	-	-	2,395,972	2,395,972
Child development	-	-	-	13,236,482	13,236,482
Cafeteria operations	-	-	-	21,870,481	21,870,481
Deferred maintenance	-	-	-	3,964,199	3,964,199
Capital projects	-	60,419,983	-	8,678,593	69,098,576
Debt service	-	-	96,812,359	-	96,812,359
Subtotal restricted	<u>84,441,728</u>	<u>60,419,983</u>	<u>96,812,359</u>	<u>54,213,151</u>	<u>295,887,221</u>
Committed:					
Bus replacement plan	7,161,075	-	-	-	7,161,075
Technology device refresh and enhancements	7,568,664	-	-	-	7,568,664
Carryover of unspent Supplemental grants	193,752	-	-	-	193,752
Textbook adoptions	10,000,000	-	-	-	10,000,000
Subtotal committed	<u>24,923,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,923,491</u>
Assigned:					
ERP Implementation	699,416	-	-	-	699,416
Contingency for federal funds	10,000,000	-	-	-	10,000,000
Support for new comer students	1,000,000	-	-	-	1,000,000
Extension of Learning Recovery Emergency Block Grant actions	25,384,007	-	-	-	25,384,007
Additional Unspent Supplemental	2,585,600	-	-	-	2,585,600
Subtotal assigned	<u>39,669,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,669,023</u>
Unassigned:					
Designated for economic uncertainty	14,806,261	-	-	-	14,806,261
Undesignated	118,152,758	-	-	-	118,152,758
Subtotal unassigned	<u>132,959,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,959,019</u>
Total fund balances	<u>\$ 283,016,195</u>	<u>\$ 60,419,983</u>	<u>\$ 96,812,359</u>	<u>\$ 54,938,257</u>	<u>\$ 495,186,794</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN

General Information about the State Teachers’ Retirement Plan

Plan Description: Employees of the District performing creditable services are provided with pensions through the State Teachers’ Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers’ Retirement System (CalSTRS). Teachers’ Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan with CalSTRS as the administrator. The benefit terms of the plan may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at CalSTRS’ website.

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

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

The Defined Benefit (DB) Program provides retirement benefits based on members’ final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to a factor of 2.0% of final compensation multiplied by the number of years of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to a maximum of 2.4% at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of 0.2% to the age factor, up to the 2.4% maximum.

CalSTRS calculates retirement benefits based on one-year final compensation for members with 25 or more years of credited service, or for classroom teachers with fewer than 25 years of credited service if the employer entered into, extended, renewed or amended an agreement prior to January 1, 2014, to elect to pay the additional benefit cost for all of its classroom teachers. One-year final compensation is the member’s highest average annual compensation earnable for 12 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis. For most members with fewer than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0% of final compensation multiplied by the number of years of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4% at age 65 or older.

All CalSTRS 2% at 62 members’ final compensation is based on their highest average annual compensation earnable for 36 consecutive months based on the creditable compensation that the member could earn in a school year while employed on a full-time basis.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

Contributions: Required member, employer and State contribution rates are set by the California Legislature and the Governor and detailed in 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 established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by 2046.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250% of applicable member earnings for fiscal year 2023-24.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205% as per the CalSTRS Funding Plan for a total member contribution rate of 10.205%. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% annually. Based on the June 30, 2023, actuarial valuation adopted by the CalSTRS Board in May 2024, the increase in normal cost was less than 1%. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2024.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

The CalSTRS Funding Plan authorizes the CalSTRS Board to adjust the employer supplemental contribution rate up or down by a maximum of 1% annually for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2024, the CalSTRS Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year June 30, 2025 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2024-25 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2024	8.250%	10.850%	19.100%
July 1, 2025 to			
June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	AB1469 rate increase ends for 2046-47 and beyond	

(1) The CalSTRS Funding Plan authorizes the Board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$51,745,229 to the STRP during the fiscal year ended June 30, 2025.

State – The State is required to contribute 10.828% of the members' creditable compensation from the two fiscal years prior.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

The State is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the State also has a supplemental contribution rate, which the Board can increase by no more than 0.5% each fiscal year to help eliminate the State’s share of the CalSTRS unfunded actuarial obligation by 2046. In May 2024, the CalSTRS Board voted to keep the State supplemental contribution rate at 6.311% for fiscal year 2024–25.

The total State contribution rate also includes a portion to fund the Supplemental Benefit Maintenance Account (SBMA), which provides inflation protection to CalSTRS members whose current purchasing power has fallen below 85% of the purchasing power of their initial benefit. The SBMA is funded through a continuous appropriation from the State’s General Fund in an amount equal to 2.5% of the total creditable compensation of the fiscal year ended in the immediately preceding calendar year, reduced by \$72.0 million, pursuant to Education Code section 22954.

The CalSTRS State contribution rates effective for fiscal year 2024-25 and beyond are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2024	2.017%	6.311%	2.50%	10.828%
July 01, 2025 to				
June 30, 2046	2.017%	(1)	2.50%	(1)
July 01, 2046	2.017%	(2)	2.50%	(2)

- (1) The CalSTRS Board has limited authority to adjust the State contribution rate annually through June 2046 to eliminate the remaining unfunded actuarial obligation. The CalSTRS Board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (2) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

At June 30, 2025, 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 the net pension liability	\$ 254,506,000
State’s proportionate share of the net pension liability associated with the District	<u>116,770,000</u>
Total	<u><u>\$ 371,276,000</u></u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District’s proportion of the net pension liability was based on the District’s share of contributions to the STRP relative to the contributions of all participating contributing employers and the State. At June 30, 2025, the District’s proportion was 0.379%, which was an increase of 0.005% from its proportion at June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$36,990,104 and revenue of \$15,930,015 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 28,788,000	\$ 11,129,000
Changes of assumptions	1,114,000	17,382,000
Net differences between projected and actual earnings on investments	-	1,027,000
Changes in proportion and differences between District contributions and proportionate share of contributions	31,458,000	23,023,000
Contributions made subsequent to measurement date	<u>51,745,229</u>	<u>-</u>
Total	<u>\$ 113,105,229</u>	<u>\$ 52,561,000</u>

\$51,745,229 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2026	\$ (22,381,050)
2027	\$ 19,775,950
2028	\$ 113,950
2029	\$ 5,533,950
2030	\$ 6,480,700
2031	\$ (724,500)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2024 measurement date. Deferred outflows and deferred inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to the actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The actuarial valuation as of June 30, 2023 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

Discount Rate: The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per the CalSTRS Funding Plan. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense 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 long-term expected rate of return on pension plan investments was calculated using a building-block approach. This method involves developing best-estimate ranges of 20- to 30-year geometrically linked expected future real rates of return for each major asset class. These expected returns are net of pension plan investment expenses and inflation. The best estimate ranges were created using capital market assumptions provided by CalSTRS investment staff and investment consultants.

The actuarial investment rate of return assumption was adopted by the CalSTRS Board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	38.0%	5.25%
Real Estate	15.0	4.05
Private Equity	14.0	6.75
Fixed Income	14.0	2.45
Risk Mitigating Strategies	10.0	2.25
Inflation Sensitive	7.0	3.65
Cash / Liquidity	2.0	0.05

* 20- to 30-year geometric average

Mortality: CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale issued by the Society of Actuaries.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District’s proportionate share of the net pension liability	\$ <u>452,684,000</u>	\$ <u>254,506,000</u>	\$ <u>89,020,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS annual comprehensive financial report available at the CalSTRS website.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

Plan Description: The schools’ cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at CalPERS’ website.

Benefits Provided: The benefits for the defined benefit plan are based on members’ years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service. All non-state Second Tier members are eligible to receive cost-of-living adjustments (COLA) up to a maximum of 2% compounded annually (up to 5% maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

Contributions: The benefits for the defined benefit pension plan 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 required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) became effective in January 2013, and changed how benefits are applied as well as placed compensation limits on certain members as listed below. Members which do not fall into the definitions below, are generally be considered “classic” members in PERF B:

- Members joining on or after January 1, 2013, with no prior membership in another California public retirement system.
- Members joining before January 1, 2013, who are hired by a different CalPERS employer after January 1, 2013, and have a break in service greater than six months.
- Members joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2025 were as follows:

Members - The classic member contribution rate was 7.0% of applicable member earnings for fiscal year 2024-25. The PEPRA member contribution rate was 8.0% of applicable member earnings for fiscal year 2024-25.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Employers - The employer contribution rate was 27.05% of applicable member earnings for fiscal year 2024-25.

The District contributed \$33,594,529 to the plan for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$202,560,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, updated and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the PERF B plan relative to the contributions of all participating school districts. At June 30, 2025 the District's proportion was 0.567%, which was a decrease of 0.024% from its proportion at June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$35,937,451. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 16,982,000	\$ 1,450,000
Changes of assumptions	4,477,000	-
Net differences between projected and actual earnings on investments	7,868,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,298,000	5,350,000
Contributions made subsequent to measurement date	<u>33,594,529</u>	<u>-</u>
Total	<u>\$ 69,219,529</u>	<u>\$ 6,800,000</u>

\$33,594,529 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2026	\$ 12,004,500
2027	\$ 18,872,500
2028	\$ 437,500
2029	\$ (2,489,500)

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which was 3.9 years in the June 30, 2024 measurement. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to the actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The actuarial valuation as of June 30, 2023 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10^(1, 2)</u>
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%	.27%
Mortgage-backed Securities	5.00%	.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%)

(1) An expected inflation rate of 2.30% used for this period
 (2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS’ website.

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

In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District’s proportionate share of the net pension liability	<u>\$ 300,904,000</u>	<u>\$ 202,560,000</u>	<u>\$ 121,319,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides post-employment health care benefits (medical and dental) under a single employer defined benefit OPEB plan to all certificated, management and confidential employees who are eligible to retire from the District and have completed a minimum of 5 years of employment with the District. The plan does not issue separate financial statements. Health care benefits are provided for supervisory employees who are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to classified and transportation employees, who have reached the age of 55, are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to these employees until they have attained the age of 65. As of June 30, 2025 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2025:

	<u>Number of Participants</u>	
	<u>District</u>	<u>Charter</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	432	1
Active employees	4,558	2
	4,990	3

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All salaried employees of the District are eligible to receive postemployment health care benefits. Hourly employees (i.e. non-salaried with variable work hours) are not eligible to receive postemployment health care benefits.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100 percent of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$5,899,251 for the year ended June 30, 2025. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability

The District's Total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	CalPERS 2021 Experience Study
<u>Discount Rate</u>	3.93% based on the Fidelity 20 Year AA Municipal Bond maturity yield index.
<u>Retirement Rate</u>	Retirement rates match rates developed in the most recent experience studies for CalPERS (2021) and CalSTRS (2024)
 <u>Inflation Rate</u>	 2.50% per year
<u>Salary Increases</u>	3.00% per year
<u>Healthcare Trend Rate</u>	6.00% per year

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 116,864,462
Changes for the year:	
Service cost	6,747,237
Interest	4,655,063
Differences between actual and expected experience	-
Changes in assumptions	(5,202,070)
Benefit payments	<u>(6,028,434)</u>
Net change	<u>171,796</u>
Balance, at June 30, 2025	<u>\$ 117,036,258</u>

The changes in assumptions include a change in the discount rate from 3.86 percent in the prior valuation, to 3.93 percent in the current valuation.

There were no changes between the measurement date and the year ended June 30, 2025 which had a significant effect on the District's Total OPEB Liability.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (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:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB Liability	\$ 124,949,552	\$ 117,036,258	\$ 109,509,908

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:

	1% Decrease <u>(5.0%)</u>	Healthcare Cost Trend Rates Rate <u>(6.0%)</u>	1% Increase <u>(7.0%)</u>
Total OPEB Liability	\$ 105,878,999	\$ 117,036,258	\$ 129,990,948

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2025, the District recognized OPEB expense of \$6,144,992. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	5,677,359	23,485,007
Net differences between projected and actual earnings on investments	517,229	17,132,703
Contributions made subsequent to measurement date	<u>5,899,251</u>	<u>-</u>
Total	<u>\$ 12,093,839</u>	<u>\$ 40,617,710</u>

\$5,899,251 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Year Ending June 30,	
2026	\$ (5,247,145)
2027	\$ (5,232,324)
2028	\$ (4,659,828)
2029	\$ (4,364,302)
2030	\$ (3,620,612)
Thereafter	\$ (11,298,911)

The effect of changes in assumptions are amortized over a closed period of 10 years as of the June 30, 2024 measurement date.

NOTE 11 – JOINT POWERS AGREEMENT

The District is a member with other school districts of a Joint Powers Authority (JPA), Schools Insurance Authority (SIA), Education Technology Joint Powers Authority (ETJPA), Sourcewell Staples Minnesota, and School Project for Utility Rate Reduction for the operation of a common risk management and insurance program for property and liability coverage. The Joint Powers Agreement with SIA provides that SIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 and \$750,000 for each insured event for property and liability, respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

The following is a summary of financial information for Schools Insurance Authority at June 30, 2024 (the most recent information available):

Total assets	\$ 250,309,753
Deferred outflows	\$ 6,108,804
Total liabilities	\$ 129,302,201
Deferred inflows	\$ 1,382,000
Net position	\$ 125,734,356
Total revenues	\$ 112,583,784
Total expenses	\$ 106,491,312

The following is a summary of financial information for Education Technology Joint Powers Authority at June 30, 2024 (the most recent information available):

Total assets	\$ 454,209
Total liabilities	\$ 329,161
Net position	\$ 125,048
Total revenues	\$ 347,232
Total expenses	\$ 285,014

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 – JOINT POWERS AGREEMENT (Continued)

The following is a summary of financial information for Sourcewell Staples Minnesota at June 30, 2024 (the most recent information available):

Total assets	\$ 145,099,481
Deferred outflows	\$ 10,889,089
Total liabilities	\$ 32,726,075
Deferred inflows	\$ 7,926,630
Net position	\$ 115,335,865
Total revenues	\$ 124,465,179
Total expenses	\$ 86,550,409

The following is a summary of financial information for School Project for Utility Rate Reduction at June 30, 2024 (the most recent information available):

Total assets	\$ 27,962,068
Total liabilities	\$ 16,606,062
Net position	\$ 11,356,006
Total revenues	\$ 3,515,140
Total expenses	\$ 65,500

Each member of the JPA has an ongoing financial responsibility in the event of the JPA's total liabilities exceed its total assets.

The relationship between San Juan Unified School District and the Joint Powers Authority is such that it is not a component unit of the District for financial reporting purposes. Financial statements for the JPA are available from Schools Insurance Authority.

NOTE 12 – CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

As of June 30, 2025, the District has approximately \$93.7 million in outstanding commitments on ongoing construction contracts.

NOTE 13 – SUBSEQUENT EVENT

In August 2025, the District issued Election 2016, Series 2025 General Obligation Bonds totaling \$105,000,000. The proceeds from the bond issuance will be used for the purpose of financing the renovation, construction and improvement of school facilities. The bonds bear an interest rate ranging from 5.00% to 5.25% and mature through August 2044.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 365,542,605	\$ 374,745,194	\$ 338,772,574	\$ (35,972,620)
Local sources	<u>114,054,739</u>	<u>115,202,364</u>	<u>151,085,004</u>	<u>35,882,640</u>
Total Local Control Funding Formula	<u>479,597,344</u>	<u>489,947,558</u>	<u>489,857,578</u>	<u>(89,980)</u>
Federal sources	49,337,945	54,962,988	53,200,021	(1,762,967)
Other state sources	113,527,316	111,927,241	117,348,321	5,421,080
Other local sources	<u>14,533,550</u>	<u>31,977,064</u>	<u>35,598,899</u>	<u>3,621,835</u>
Total revenues	<u>656,996,155</u>	<u>688,814,851</u>	<u>696,004,819</u>	<u>7,189,968</u>
Expenditures:				
Current:				
Certificated salaries	270,968,941	291,541,432	287,581,898	3,959,534
Classified salaries	111,717,856	120,995,926	117,891,478	3,104,448
Employee benefits	211,585,253	207,581,858	201,676,887	5,904,971
Books and supplies	31,866,527	38,787,993	27,990,387	10,797,606
Contract services and operating expenditures	63,730,838	90,779,980	84,508,158	6,271,822
Other outgo	1,976,913	1,358,097	1,266,027	92,070
Capital outlay	<u>6,154,387</u>	<u>13,747,791</u>	<u>12,661,367</u>	<u>1,086,424</u>
Total expenditures	<u>698,000,715</u>	<u>764,793,077</u>	<u>733,576,202</u>	<u>31,216,875</u>
Deficiency of revenues under expenditures	<u>(41,004,560)</u>	<u>(75,978,226)</u>	<u>(37,571,383)</u>	<u>38,406,843</u>
Other financing sources (uses):				
Transfers in	2,327,745	2,342,335	2,140,485	(201,850)
Transfers out	<u>(6,000,000)</u>	<u>(8,998,788)</u>	<u>(8,875,874)</u>	<u>122,914</u>
Total other financing (uses) sources	<u>(3,672,255)</u>	<u>(6,656,453)</u>	<u>(6,735,389)</u>	<u>(78,936)</u>
Net change in fund balance	(44,676,815)	(82,634,679)	(44,306,772)	38,327,907
Fund balance, July 1, 2024	<u>327,322,967</u>	<u>327,322,967</u>	<u>327,322,967</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 282,646,152</u>	<u>\$ 244,688,288</u>	<u>\$ 283,016,195</u>	<u>\$ 38,327,907</u>

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2025

Last 10 Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability								
Service cost	\$ 8,222,343	\$ 7,637,903	\$ 7,479,653	\$ 7,443,646	\$ 8,677,026	\$ 9,733,598	\$ 6,734,139	\$ 6,747,237
Interest	3,858,622	4,697,188	4,704,410	4,006,726	3,442,719	2,921,516	4,322,773	4,655,063
Differences between actual and expected experience	-	(3,579,711)	-	865,424	-	(16,934,616)	-	-
Change in assumptions	(5,883,410)	(4,655,008)	(8,303,445)	4,857,799	5,030,517	(20,932,012)	(1,312,024)	(5,202,070)
Benefit payments	<u>(5,664,072)</u>	<u>(5,964,429)</u>	<u>(5,894,659)</u>	<u>(5,685,895)</u>	<u>(6,110,611)</u>	<u>(7,016,728)</u>	<u>(6,589,236)</u>	<u>(6,028,434)</u>
Net change in total OPEB liability	533,483	(1,864,057)	(2,014,041)	11,487,700	11,039,651	(32,228,242)	3,155,652	171,796
Total OPEB liability - beginning of year	<u>126,754,316</u>	<u>127,287,799</u>	<u>125,423,742</u>	<u>123,409,701</u>	<u>134,897,401</u>	<u>145,937,052</u>	<u>113,708,810</u>	<u>116,864,462</u>
Total OPEB liability - end of year	<u>\$ 127,287,799</u>	<u>\$ 125,423,742</u>	<u>\$ 123,409,701</u>	<u>\$ 134,897,401</u>	<u>\$ 145,937,052</u>	<u>\$ 113,708,810</u>	<u>\$ 116,864,462</u>	<u>\$ 117,036,258</u>
Covered employee payroll	\$ 278,515,266	\$ 287,698,401	\$ 300,868,065	\$ 299,318,431	\$ 304,111,313	\$ 299,327,181	\$ 344,050,908	\$ 425,401,179
Total OPEB liability as a percentage of covered-employee payroll	45%	44%	41%	44%	48%	38%	34%	28%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. All years prior to 2018 are not available.

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2025

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.413%	0.397%	0.386%	0.407%	0.377%	0.355%	0.317%	0.342%	0.374%	0.379%
District's proportionate share of the net pension liability	\$277,909,000	\$320,872,000	\$357,172,000	\$373,991,000	\$340,258,000	\$344,255,000	\$144,380,000	\$237,502,000	\$284,800,000	\$254,506,000
State's proportionate share of the net pension liability associated with the district	<u>146,988,000</u>	<u>182,684,000</u>	<u>211,301,000</u>	<u>214,128,000</u>	<u>185,635,000</u>	<u>188,133,000</u>	<u>85,903,000</u>	<u>134,242,000</u>	<u>136,458,000</u>	<u>116,770,000</u>
Total net pension liability	<u>\$424,897,000</u>	<u>\$503,556,000</u>	<u>\$568,473,000</u>	<u>\$588,119,000</u>	<u>\$525,893,000</u>	<u>\$532,388,000</u>	<u>\$230,283,000</u>	<u>\$371,744,000</u>	<u>\$421,258,000</u>	<u>\$371,276,000</u>
District's covered payroll	\$191,597,000	\$197,714,000	\$204,691,000	\$215,487,000	\$206,117,000	\$208,678,000	\$173,548,000	\$195,596,000	\$238,681,000	\$247,084,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	162.29%	174.49%	173.56%	165.08%	164.97%	83.19%	121.42%	119.32%	103.00%
Plan fiduciary net position as a percentage of the total pension liability	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%	83.55%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2025

	Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.605%	0.634%	0.621%	0.609%	0.564%	0.553%	0.528%	0.563%	0.591%	0.567%
District's proportionate share of the net pension liability	\$ 89,144,000	\$125,145,000	\$148,249,000	\$162,464,000	\$164,471,000	\$169,659,000	\$107,451,000	\$193,836,000	\$213,803,000	\$202,560,000
District's covered payroll	\$ 66,954,000	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000	\$102,773,000	\$112,033,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.14%	164.63%	188.02%	201.00%	209.59%	212.31%	141.14%	223.39%	208.03%	180.80%
Plan fiduciary net position as a percentage of the total pension liability	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.96%	72.29%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2025

State Teachers' Retirement Plan
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 21,214,764	\$ 26,349,076	\$ 31,094,788	\$ 33,555,853	\$ 35,683,900	\$ 33,147,701	\$ 37,358,851	\$ 45,588,081	\$ 47,193,088	\$ 51,745,229
Contributions in relation to the contractually required contribution	<u>(21,214,764)</u>	<u>(26,349,076)</u>	<u>(31,094,788)</u>	<u>(33,555,853)</u>	<u>(35,683,900)</u>	<u>(33,147,701)</u>	<u>(37,358,851)</u>	<u>(45,588,081)</u>	<u>(47,193,088)</u>	<u>(51,745,229)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$197,714,000	\$204,691,000	\$215,487,000	\$206,117,000	\$208,678,000	\$173,548,000	\$195,596,000	\$238,681,000	\$247,084,000	\$270,917,000
Contributions as a percentage of covered payroll	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	16.92%***	19.10%	19.10%

*This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of the employers pursuant to SB90.

**This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of the employers pursuant to SB90.

***This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2025

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 9,005,903	\$ 10,950,220	\$ 12,553,571	\$ 14,173,377	\$ 15,758,955	\$ 15,759,182	\$ 19,879,574	\$ 26,073,604	\$ 29,890,451	\$ 33,594,529
Contributions in relation to the contractually required contribution	<u>(9,005,903)</u>	<u>(10,950,220)</u>	<u>(12,553,571)</u>	<u>(14,173,377)</u>	<u>(15,758,955)</u>	<u>(15,759,182)</u>	<u>(19,879,574)</u>	<u>(26,073,604)</u>	<u>(29,890,451)</u>	<u>(33,594,529)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000	\$102,773,000	\$112,033,000	\$124,194,000
Contributions as a percentage of covered payroll	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	26.68%	27.05%

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

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. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB Liability is presented to illustrate the elements of the District's Total OPEB Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. The District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 3.13, 2.45, 1.92, 1.92, 3.69, 3.86, and 3.93 percent in the June 30, 2019, 2020, 2021, 2022, 2023, 2024, and 2025 actuarial reports, respectively.

The following are the assumptions for the Public Employer's Retirement Fund B (PERF B) Plan:

Assumption	Measurement Period									
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Inflation rate	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

The following are the assumptions for State Teachers' Retirement Plan:

Assumption	Measurement Period									
	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2025

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Total
ASSETS									
Cash and investments:									
Cash in County Treasury	\$ 241,096	\$ 1,336,225	\$ 2,208,044	\$ 4,863,082	\$ 15,382,204	\$ 4,288,370	\$ 8,485,905	\$ -	\$ 36,804,926
Cash in revolving fund	-	-	-	-	1,024	-	-	-	1,024
Cash on hand and in banks	2,534,012	-	-	-	301,442	-	-	-	2,835,454
Cash awaiting deposit	-	-	-	472,497	30	-	37,379	-	509,906
Receivables	-	55,915	333,753	5,319,967	6,356,632	83,673	155,941	-	12,305,881
Due from other funds	-	154,600	-	4,224,456	69,896	-	-	-	4,448,952
Stores inventory	-	-	-	-	724,082	-	-	-	724,082
Total assets	\$ 2,775,108	\$ 1,546,740	\$ 2,541,797	\$ 14,880,002	\$ 22,835,310	\$ 4,372,043	\$ 8,679,225	\$ -	\$ 57,630,225
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ 212,537	\$ 38,602	\$ 603,727	\$ 226,951	\$ 407,844	\$ 632	\$ -	\$ 1,490,293
Unearned revenue	-	-	-	869,833	-	-	-	-	869,833
Due to other funds	-	41,887	107,223	169,960	12,772	-	-	-	331,842
Total liabilities	-	254,424	145,825	1,643,520	239,723	407,844	632	-	2,691,968
Fund balances:									
Nonspendable	-	-	-	-	725,106	-	-	-	725,106
Restricted	2,775,108	1,292,316	2,395,972	13,236,482	21,870,481	3,964,199	8,678,593	-	54,213,151
Total fund balance	2,775,108	1,292,316	2,395,972	13,236,482	22,595,587	3,964,199	8,678,593	-	54,938,257
Total liabilities and fund balances	\$ 2,775,108	\$ 1,546,740	\$ 2,541,797	\$ 14,880,002	\$ 22,835,310	\$ 4,372,043	\$ 8,679,225	\$ -	\$ 57,630,225

SAN JUAN UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 For the Year Ended June 30, 2025

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Total
Revenues:									
Local Control Funding Formula	\$ -	\$ 3,349,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,349,797
Federal sources	-	-	398,195	15,682,532	15,937,749	-	-	-	32,018,476
Other state sources	-	397,990	3,812,998	7,407,349	10,169,908	-	-	25,907,589	47,695,834
Other local sources	3,153,119	84,071	194,982	5,542,365	960,374	184,027	2,596,456	-	12,715,394
Total revenues	3,153,119	3,831,858	4,406,175	28,632,246	27,068,031	184,027	2,596,456	25,907,589	95,779,501
Expenditures:									
Current:									
Certificated salaries	-	1,668,484	1,360,385	10,932,297	-	-	-	-	13,961,166
Classified salaries	-	265,878	454,504	5,959,623	7,346,183	2,530	-	-	14,028,718
Employee benefits	-	1,000,306	903,121	9,267,209	4,294,151	321	-	-	15,465,108
Books and supplies	453,825	56,910	98,049	547,390	12,182,706	-	-	-	13,338,880
Contract services and operating expenditures	2,558,276	417,885	1,542,245	2,208,838	966,775	96,473	63,847	-	7,854,339
Capital outlay	-	-	15,685	-	-	1,559,429	-	-	1,575,114
Total expenditures	3,012,101	3,409,463	4,373,989	28,915,357	24,789,815	1,658,753	63,847	-	66,223,325
Excess (deficiency) of revenues over (under) expenditures	141,018	422,395	32,186	(283,111)	2,278,216	(1,474,726)	2,532,609	25,907,589	29,556,176
Other financing sources (uses):									
Transfers in	-	-	-	5,443,877	2,203,457	2,000,000	-	-	9,647,334
Transfers out	-	(302,885)	(107,223)	(2,096,594)	(698,568)	-	-	(25,907,589)	(29,112,859)
Total other financing sources (uses)	-	(302,885)	(107,223)	3,347,283	1,504,889	2,000,000	-	(25,907,589)	(19,465,525)
Net change in fund balances	141,018	119,510	(75,037)	3,064,172	3,783,105	525,274	2,532,609	-	10,090,651
Fund balance, July 1, 2024	2,634,090	1,172,806	2,471,009	10,172,310	18,812,482	3,438,925	6,145,984	-	44,847,606
Fund balance, June 30, 2025	\$ 2,775,108	\$ 1,292,316	\$ 2,395,972	\$ 13,236,482	\$ 22,595,587	\$ 3,964,199	\$ 8,678,593	\$ -	\$ 54,938,257

SAN JUAN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 June 30, 2025

	<u>Second Period Report</u>	<u>Annual Report</u>
DISTRICT		
Certificate number	7B81E9FF	A6D9022A
Elementary:		
Transitional Kindergarten through Third	11,201	11,207
Fourth through Sixth	8,497	8,478
Seventh and Eighth	<u>5,503</u>	<u>5,471</u>
Subtotal Elementary	<u>25,201</u>	<u>25,156</u>
Secondary:		
Ninth through Twelfth	<u>11,191</u>	<u>11,033</u>
District Totals	<u><u>36,392</u></u>	<u><u>36,189</u></u>
CHARTER SCHOOLS		
Certificate number	9119A838	BAC1F781
Choices (Nonclassroom-Based):		
Fourth through Sixth	19	21
Seventh and Eighth	54	54
Ninth through Twelfth	<u>183</u>	<u>188</u>
Charter School Totals	<u><u>256</u></u>	<u><u>263</u></u>

SAN JUAN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2025

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2024-2025 Actual Minutes</u>	<u>Number of Days</u>	<u>Status</u>
District:				
Kindergarten	36,000	36,000	180	In Compliance
Grade 1	50,400	52,530	180	In Compliance
Grade 2	50,400	52,530	180	In Compliance
Grade 3	50,400	52,575	180	In Compliance
Grade 4	54,000	54,015	180	In Compliance
Grade 5	54,000	54,015	180	In Compliance
Grade 6	54,000	54,180	180	In Compliance
Grade 7	54,000	55,146	180	In Compliance
Grade 8	54,000	55,146	180	In Compliance
Grade 9	64,800	64,811	180	In Compliance
Grade 10	64,800	64,811	180	In Compliance
Grade 11	64,800	64,920	180	In Compliance
Grade 12	64,800	64,880	180	In Compliance
<u>Charter</u>				
Grade 6	*	*	180	In Compliance
Grade 7	*	*	180	In Compliance
Grade 8	*	*	180	In Compliance
Grade 9	*	*	180	In Compliance
Grade 10	*	*	180	In Compliance
Grade 11	*	*	180	In Compliance
Grade 12	*	*	180	In Compliance

* Statutory minutes and actual minutes offered are not applicable as the school is non-classroom based.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education</u>			
Vocational Programs:			
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131	14894	\$ 489,549
84.048	Carl D. Perkins Career and Technical Education: Adult Section 132	14893	6,700
Subtotal Vocational Programs			<u>496,249</u>
Special Education Cluster:			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	9,773,625
84.027	Special Education: IDEA Local Assistance, Part B, Section 611, Private School ISPs	10115	339,278
84.027A	Special Education: IDEA Mental Health ADA, Part B, Section 611	15197	471,603
84.173	Special Education: IDEA Preschool Grants, Part B, Section 619 (Ages 3-4-5)	13430	432,829
84.173A	Special Education: IDEA Part B, Section 619, Preschool Staff Development	13431	4,632
84.173A	Special Ed: IDEA Early Intervention Grants, Part C	23761	162,284
84.173A	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	13007	15,370
Subtotal Special Education Cluster			<u>11,199,621</u>
Adult Education Programs:			
84.002A	Adult Education: Adult Basic Education & ELA	14508	243,964
84.002	Adult Education: Adult Secondary Education	13978	85,911
84.002A	Adult Education: English Literacy & Civics Education	14109	61,620
Subtotal Adult Education Programs			<u>391,495</u>
ESEA Title III Programs:			
84.365	ESEA (ESSA) : Title III, Immigrant Ed Program	15146	412,848
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346	889,924
Subtotal ESEA Title III Programs			<u>1,302,772</u>
Title I Grants to Local Education Agencies:			
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	15,783,623
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	679,653
Subtotal Title I Grants to Local Education Agencies			<u>16,463,276</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education (Continued)</u>			
COVID-19: Education Stabilization Fund (ESF) Programs:			
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	\$ 13,025,066
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss - COVID-19	10155	2,754,265
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs - COVID-19	15620	554,773
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	15621	1,594,869
84.425	21st Century Community Learning Centers (CCLC) Rate Increase ESSER III State Reserve Afterschool Programs	15651	<u>54,628</u>
Subtotal COVID-19: Education Stabilization Fund (ESF) Programs			<u>17,983,601</u>
84.181	Special Education: IDEA Early Intervention Grants, Part C	13007	15,370
84.060	Indian Education	10011	34,621
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	1,868,357
84.196	ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	14332	138,299
Title IV Programs:			
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grant Program (Competitive)	15391	254,500
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment	15396	1,494,581
84.424	Bipartisan Safer Communities Act-Stronger Connections Grant (BSCA-SCG)	15710	<u>253,487</u>
Subtotal Title IV Programs			<u>2,002,568</u>
Total U.S. Department of Education			<u>51,896,229</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
<u>Passed through California Department of Education</u>			
	Child Care and Development Cluster:		
93.596	Child Development: Federal Child Care, Center-based	13609	\$ 2,205,089
93.575	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act- Alternative Pymt - COVID-19	15555	<u>490,608</u>
	Subtotal Child Care and Development Cluster		<u>2,695,697</u>
93.600	Head Start	10016	12,230,906
93.566	Refugee and Entrant Assistance—State-Administered Programs	N/A	<u>199,978</u>
	Total U.S. Department of Health and Human Services		<u>15,126,581</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs - Child Nutrition Cluster	13396	15,921,425
10.555	Supply Chain Assistance (SCA) Funds	15655	1,225,173
10.555	Child Nutrition: Local Food for Schools	15708	<u>16,324</u>
	Subtotal Child Nutrition Cluster		<u>17,162,922</u>
10.558	Child Nutrition: CACFP Claims - Centers and Family Day Care	13393	<u>2,231,813</u>
	Total U.S. Department of Agriculture		<u>19,394,735</u>
	Total Federal Programs		<u>\$ 86,417,545</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

There were no adjustments proposed to any other funds of the District.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2025
(UNAUDITED)

	(Budgeted) <u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 713,410,767	\$ 698,145,304	\$ 712,193,927	\$ 701,465,480
Expenditures	747,543,842	733,576,202	631,311,746	587,912,720
Other uses and transfers out	8,972,017	8,875,874	8,444,059	7,986,529
Total outgo	756,515,859	742,452,076	639,755,805	595,899,249
Change in fund balance	\$ (43,105,092)	\$ (44,306,772)	\$ 72,438,122	\$ 105,566,231
Ending fund balance	\$ 239,911,103	\$ 283,016,195	\$ 327,322,967	\$ 254,884,845
Restricted fund balance	\$ 91,670,816	\$ 84,441,728	\$ 139,819,161	\$ 118,076,085
Assigned fund balance	\$ 15,899,628	\$ 39,669,023	\$ 9,174,633	\$ 6,434,184
Available reserves	\$ 111,888,129	\$ 132,959,019	\$ 131,519,669	\$ 87,738,859
Designated for economic uncertainties	\$ 15,130,317	\$ 14,806,261	\$ 12,764,450	\$ 11,895,349
Undesignated fund balance	\$ 96,757,812	\$ 118,152,758	\$ 118,755,219	\$ 75,843,510
Available reserves as percentages of total outgo	<u>14.79%</u>	<u>17.91%</u>	<u>20.56%</u>	<u>14.72%</u>
<u>All Funds</u>				
Total long-term liabilities	\$ 1,386,647,068	\$ 1,371,462,759	\$ 1,458,798,523	\$ 1,337,368,329
Average daily attendance at P-2, excluding charters	<u>36,622</u>	<u>36,392</u>	<u>35,437</u>	<u>34,596</u>

The General Fund fund balance has increased by \$133,697,581 over the past three years. The fiscal year 2025-2026 budget projects a decrease of \$43,105,092. For a district this size, the State of California recommends available reserves of at least 2 percent of total General Fund expenditures, transfers out, and other uses be maintained. For the year ended June 30, 2025, the District has met this requirement.

The District has incurred operating surpluses for two of the past three years and anticipates an operating deficit in fiscal year 2025-2026.

Total long-term liabilities have increased by \$34,094,430 over the past two years.

Average daily attendance has decreased by 1,796 over the past two years. There is an anticipated increase of 230 ADA (excluding charter) projected for the 2025-2026 fiscal year.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2025

<u>Charter Schools Chartered by District</u>	<u>Included in District Financial Statements, or Separate Report</u>
0275 Choices Charter School	Included in District Financial Statements as Charter Schools Special Revenue Fund.
0248 Visions in Education	Separate Report
1554 Aspire Alexander Twilight College Preparatory Academy	Separate Report
1555 Aspire Alexander Twilight Secondary Academy	Separate Report
0776 California Montessori Project - San Juan Campus	Separate Report
1563 Gateway International	Separate Report
1728 Golden Valley Orchard	Separate Report
0946 Golden Valley River	Separate Report
0217 Options for Youth - San Juan	Separate Report

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - RESTRICTED AND UNRESTRICTED
GENERAL FUND
For the Year Ended June 30, 2025

	Restricted			Unrestricted			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Local control funding formula:									
State apportionment	\$ 2,581,913	\$ 2,682,329	\$ 100,416	\$ 372,163,281	\$ 336,090,245	\$ (36,073,036)	\$ 374,745,194	\$ 338,772,574	\$ (35,972,620)
Local sources	-	-	-	115,202,364	151,085,004	35,882,640	115,202,364	151,085,004	35,882,640
Total LCFF	2,581,913	2,682,329	100,416	487,365,645	487,175,249	(190,396)	489,947,558	489,857,578	(89,980)
Federal sources	49,337,945	53,200,021	3,862,076	5,625,043	-	(5,625,043)	54,962,988	53,200,021	(1,762,967)
Other state sources	103,564,756	106,721,091	3,156,335	8,362,485	10,627,230	2,264,745	111,927,241	117,348,321	5,421,080
Other local sources	7,651,721	12,934,986	5,283,265	24,325,343	22,663,913	(1,661,430)	31,977,064	35,598,899	3,621,835
Total revenues	163,136,335	175,538,427	12,402,092	525,678,516	520,466,392	(5,212,124)	688,814,851	696,004,819	7,189,968
Expenditures:									
Current:									
Certificated salaries	70,387,196	86,903,209	(16,516,013)	221,154,236	200,678,689	20,475,547	291,541,432	287,581,898	3,959,534
Classified salaries	54,130,142	59,303,791	(5,173,649)	66,865,784	58,587,687	8,278,097	120,995,926	117,891,478	3,104,448
Employee benefits	91,457,757	87,635,365	3,822,392	116,124,101	114,041,522	2,082,579	207,581,858	201,676,887	5,904,971
Books and supplies	21,134,553	15,683,313	5,451,240	17,653,440	12,307,074	5,346,366	38,787,993	27,990,387	10,797,606
Contract services and operating expenditures	29,127,922	53,981,920	(24,853,998)	61,652,058	30,526,238	31,125,820	90,779,980	84,508,158	6,271,822
Other outgo	10,582,381	6,718,049	3,864,332	(9,224,284)	(5,452,022)	(3,772,262)	1,358,097	1,266,027	92,070
Capital outlay	798,336	5,521,703	(4,723,367)	12,949,455	7,139,664	5,809,791	13,747,791	12,661,367	1,086,424
Total expenditures	277,618,287	315,747,350	(38,129,063)	487,174,790	417,828,852	69,345,938	764,793,077	733,576,202	31,216,875
(Deficiency) excess of revenues (under) over expenditures	(114,481,952)	(140,208,923)	(25,726,971)	38,503,726	102,637,540	64,133,814	(75,978,226)	(37,571,383)	38,406,843
Other financing sources (uses):									
Transfers in	-	-	-	2,342,335	2,140,485	(201,850)	2,342,335	2,140,485	(201,850)
Transfers out	(6,000,000)	(8,835,670)	(2,835,670)	(2,998,788)	(40,204)	2,958,584	(8,998,788)	(8,875,874)	122,914
Contributions from unrestricted	79,783,564	93,665,998	13,882,434	(79,783,564)	(93,665,998)	(13,882,434)	-	-	-
Total other financing sources (uses)	73,783,564	84,830,328	11,046,764	(80,440,017)	(91,565,717)	(11,125,700)	(6,656,453)	(6,735,389)	(78,936)
Net change in fund balance	(40,698,388)	(55,378,595)	(14,680,207)	(41,936,291)	11,071,823	53,008,114	(82,634,679)	(44,306,772)	38,327,907
Fund balance, July 1, 2024	139,820,322	139,820,322	-	187,502,645	187,502,645	-	327,322,967	327,322,967	-
Fund balance, June 30, 2025	\$ 99,121,934	\$ 84,441,727	\$ (14,680,207)	\$ 145,566,354	\$ 198,574,468	\$ 53,008,114	\$ 244,688,288	\$ 283,016,195	\$ 38,327,907

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF FIRST 5 REVENUES AND EXPENSES
For the Year Ended June 30, 2025

	<u>First 5 / School Readiness</u>	<u>All Other Programs</u>	<u>Total Child Development Fund</u>
Revenues			
Federal sources	\$ -	\$ 15,682,532	\$ 15,682,532
Other state sources	-	7,407,349	7,407,349
Other local sources	<u>241,887</u>	<u>5,300,478</u>	<u>5,542,365</u>
 Total revenues	 <u>241,887</u>	 <u>28,390,359</u>	 <u>28,632,246</u>
Expenditures:			
Current:			
Certificated salaries	26,899	10,905,398	10,932,297
Classified salaries	112,467	5,847,156	5,959,623
Employee benefits	86,394	9,180,815	9,267,209
Books and supplies	2,129	545,261	547,390
Contract services and operating expenditures	<u>13,998</u>	<u>2,194,840</u>	<u>2,208,838</u>
 Total expenditures	 <u>241,887</u>	 <u>28,673,470</u>	 <u>28,915,357</u>
 Deficiency of revenues under expenditu	 <u>-</u>	 <u>(283,111)</u>	 <u>(283,111)</u>
Other financing sources (uses):			
Transfers in	-	5,443,877	5,443,877
Transfers out	<u>-</u>	<u>(2,096,594)</u>	<u>(2,096,594)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>3,347,283</u>	 <u>3,347,283</u>
 Net change in fund balances	 -	 3,064,172	 3,064,172
 Fund balance, July 1, 2024	 <u>-</u>	 <u>10,172,310</u>	 <u>10,172,310</u>
 Fund balance, June 30, 2025	 <u>\$ -</u>	 <u>\$ 13,236,482</u>	 <u>\$ 13,236,482</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

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

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Schedule of Expenditures of Federal Awards: The Schedule of Expenditures of Federal Awards includes the federal award activity of San Juan Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

Schedule of Financial Trends and Analysis - (Unaudited): This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2025-26 fiscal year, as required by the State Controller's Office. The information in the schedule has been derived from audited information.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Restricted and Unrestricted - General Fund: This schedule is presented by the District to separate budget variances due to categorical unearned revenue included in restricted fund balance of the General Fund.

Schedule of First 5 Revenues and Expenditures: This schedule provides revenues and expenses for the First 5 Sacramento County Program.

NOTE 2 – EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2025, the District did not adopt such a program.

OTHER INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2025

San Juan Unified School District, a political subdivision of the State of California, was established on July 1, 1960. San Juan Unified School District operates 2 preschool centers, 33 elementary schools, 8 K-8 grade schools, 9 middle schools, 9 high schools, 3 alternative learning centers, 2 adult education schools, 3 special education schools and 1 charter school. All of the District's schools are located in Sacramento County. There have been no changes in the District's boundaries as of June 30, 2025.

BOARD OF EDUCATION

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ben Avey	President	December 2026
Tanya Kravchuk	Vice President	December 2026
Manual Perez	Clerk	December 2026
Zima Creason	Member	December 2026
Nick Bloise	Member	December 2028
Abid Stanekzai	Member	December 2028
Pam Costa	Member	December 2028

ADMINISTRATION

Melissa Bassanelli
Superintendent of Schools

Timothy C Dale, Ed.D.
Deputy Superintendent, Schools and Student Support

Fhanysha Clark Gaddis, J.D., MPP
General Counsel

Trent Allen, APR
Chief of Staff

Frank Camarda
Chief Operations Officer

Joel Ryan
Chief Financial Officer

Daniel Thigpen
Chief of Human Resources

F.J. "Harvey" Oaxaca, Ed.D.
Assistant Superintendent, Educational Services

Kristan Schnepf
Assistant Superintendent, Secondary Education & Programs

Cloris M. Henry, Ed.D.
Senior Director, Human Resources

Amberlee Townsend-Snider
Assistant Superintendent, Elementary Education & Programs

Peter Skibitzki
Senior Director, Technology

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND
ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance

Opinion on State Compliance

We have audited San Juan Unified School District's (the "District") compliance with the requirements specified in the State of California *2024-25 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, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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 below.

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements noted in the table below 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 *2024-25 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 noted in the table below 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 *2024-25 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 below 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 *2024-25 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:

<u>2024-25 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	Yes
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive Program	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools or Programs	N/A, see below
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship - Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes

(Continued)

2024-25 K-12 Audit Guide Procedures (continued)

Procedures
Performed

School Districts, County Offices of Education, and Charter Schools:

T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	N/A, see below
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A, see below
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
FZ. Kindergarten Continuance	Yes
<i>Charter Schools:</i>	
AA. Attendance	Yes
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

The District did not report a material amount of ADA for Continuation Education Program; therefore, we did not perform any procedures related to this program.

The District did not offer an Early Retirement Incentive Program; therefore, we did not perform any procedures related to this program.

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

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

The District is not reported as a District of Choice per the California Department of Education; therefore, we did not perform any procedures related to District of Choice.

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

The District did not have any Expanded Learning Opportunities Grant expenditures in the current year, therefore, we did not perform any procedures related to Expanded Learning Opportunities Grant.

The District did not operate a classroom-based Charter School; therefore, we did not perform any procedures relating to Mode of Instruction for charter schools or Annual Instructional Minutes – Classroom Based for charter schools.

The District did not receive Charter School Facility Grant funding in the current year; therefore, we did not perform any procedures relating to the Charter School Facility Grant.

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.

(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance regarding Attendance, which is described in the accompanying Schedule of Audit Findings and Questioned Costs as Finding 2025-001.

Government Auditing Standards requires the auditor to perform limited procedures on San Juan Unified School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. San Juan 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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with 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 by those charged with governance.

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

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

Purpose of this Report

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Sacramento, California
December 9, 2025

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

Audit Committee
San Juan Unified School District
Carmichael, 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 San Juan Unified School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise San Juan Unified School District's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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



Crowe LLP

Sacramento, California
December 9, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE FIRST 5
SACRAMENTO COUNTY PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH A PROGRAM-SPECIFIC AUDIT

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance

Opinion on First 5 Sacramento County Program

We have audited San Juan Unified School District's compliance with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that have a direct and material effect on the First 5 Sacramento County Program for the year ended June 30, 2025.

In our opinion, San Juan Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its First 5 Sacramento County Program for the year ended June 30, 2025.

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 First 5 Sacramento County Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the First 5 Sacramento County Program Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

(Continued)

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the First 5 Sacramento County Program Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the First 5 Sacramento County Program Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the First 5 Sacramento County Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the First 5 Sacramento County 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 the First 5 Sacramento County Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of First 5 Sacramento County Program Guidelines. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Sacramento, California
December 9, 2025

MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AS REQUIRED BY THE UNIFORM GUIDANCE

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Juan 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 San Juan Unified School District's major federal programs for the year ended June 30, 2025. San Juan 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, San Juan Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of San Juan 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 San Juan 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 San Juan Unified School District's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding San Juan 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 San Juan 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 San Juan 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.

Report on Internal Control Over Compliance

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

(Continued)

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

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

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

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and somewhat stylized.

Crowe LLP

Sacramento, California
December 9, 2025

FINDINGS AND RECOMMENDATIONS

SAN JUAN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X _____ No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported	

Noncompliance material to financial statements noted?

	_____ Yes	_____ X _____ No	
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FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ X _____ No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported	

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

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

	_____ Yes	_____ X _____ No	
--	-----------	------------------	--

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
93,596, 93.575	Child Care Development Cluster
10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,592,526

Auditee qualified as low-risk auditee? _____ Yes _____ X _____ No

STATE AWARDS

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2025-001 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE REPORTING (10000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 – Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition: While performing absence testing we noted for three school sites one student at each site selected for absence note testing was marked absent in the log/notes but was marked present in the attendance report for a total of 4 days claimed in error.

Context: We performed the audit procedure enumerated in the State of California *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Attendance Reporting requirements for the year ended June 30, 2025.

Cause: The school site did not establish and follow adequate internal control procedures.

Fiscal Impact: Fiscal impact was not calculated as the total ADA impact was less than 0.5.

Repeat Finding: Yes. See Finding 2024-001.

Recommendation: We recommend that the District ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Views of responsible officials and planned corrective actions: The District will ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported by incorporating professional learning on accurate reporting through the regularly scheduled classified meetings, including school site office staff responsible for attendance and reporting.

**STATUS OF PRIOR YEAR FINDINGS
AND RECOMMENDATIONS**

SAN JUAN UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

2024-001 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE REPORTING (10000)

Condition: While performing absence testing we noted for three school sites one student at each site selected for absence note testing was marked absent in the log/notes but was marked present in the attendance report for a total of 6 days claimed in error.

Recommendation: We recommend that the District ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Current Status: Not implemented.

District Explanation if Not Implemented: See current year finding 2025-001.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

2024-002 DEFICIENCY – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Condition: While performing independent study procedures Crowe inspected the agreement and supporting documents for selected students and noted for one student the site was unable to locate the contract or work samples. Crowe also noted for seven selected students contracts, the number of course credits to be earned was not included in the written agreement.

Recommendation: We recommend that the District ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Current Status: Implemented.

District Explanation if Not Implemented: Not Applicable.

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT SACRAMENTO COUNTY

The District is located in Sacramento County (the “County”). The following information concerning the County is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the County, the State or any of its political subdivisions, other than the District, and none of the County, the State or any of its political subdivisions, other than the District, is liable therefor.

General

The County was incorporated in 1850 as one of the original 27 counties of the State. The County’s largest city, the City of Sacramento, serves as the seat of government for both the County and the State. Sacramento became the State Capital in 1854. The County is the major component of the Sacramento -Roseville -Folsom Metropolitan Statistical Area (“MSA”), which includes Sacramento, El Dorado, and Placer and Yolo Counties. The County is the most populous in the Central Valley of the State, and the fifth most populous County in the State.

The County encompasses approximately 994 square miles in the northern portion of the Central Valley, which is California’s prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

Population

The most recent estimate of the County’s population at January 1, 2025 was 1,604,745 persons according to the State Department of Finance. The table below shows population estimates for the County and cities in the County for the last five years, as of January 1.

SACRAMENTO COUNTY Population Estimates - Calendar Years 2021 through 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Citrus Heights	87,294	86,435	86,533	86,655	86,280
Elk Grove	176,784	177,020	178,189	180,599	182,842
Folsom	83,116	84,677	86,104	88,996	92,577
Galt	25,392	25,131	25,540	25,738	26,092
Isleton	787	776	771	769	764
Rancho Cordova	79,712	80,554	81,851	82,837	85,451
Sacramento	518,536	518,333	521,871	526,327	527,979
Balance of County	609,541	604,746	602,817	604,360	602,760
County Total	1,581,162	1,577,672	1,583,676	1,596,281	1,604,745

Source: State Department of Finance, Demographic Research.

Employment and Industry

The unemployment rate in the Sacramento-Roseville-Folsom MSA was 4.5% in April 2026, down from a revised 4.7% in March 2026, and below the year-ago estimate of 4.6%. This compares with an unadjusted unemployment rate of 5.0% for the State and 4.0% for the nation during the same period. The unemployment rate was 4.6% in El Dorado County, 3.9% in Placer County, 4.5% in the County, and 5.3% in Yolo County.

The table below lists employment by industry group for the MSA for the years 2020 through 2024.

SACRAMENTO- ROSEVILLE- FOLSOM MSA
(El Dorado, Placer, Sacramento, Yolo Counties)
Annual Average Labor Force and Employment Industry
Calendar Years 2020 through 2024
(March 2024 Benchmark)

	2020	2021	2022	2023	2024
<u>Civilian Labor Force</u> ⁽¹⁾	1,115,200	1,126,000	1,139,700	1,163,400	1,180,700
Employment	1,018,500	1,054,600	1,096,600	1,114,500	1,125,600
Unemployment	96,800	71,400	43,000	48,900	55,100
Unemployment Rate	8.7%	6.3%	3.8%	4.2%	4.7%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	8,300	9,000	8,600	9,000	8,900
Mining and Logging	500	500	500	500	400
Construction	70,200	74,900	77,100	74,900	76,500
Manufacturing	36,100	37,700	40,600	40,600	40,100
Wholesale Trade	26,600	26,900	28,300	28,400	28,200
Retail Trade	95,100	100,600	100,300	98,900	97,500
Transportation, Warehousing and Utilities	34,300	37,500	40,800	41,700	41,500
Information	10,200	10,100	10,500	10,000	9,400
Finance and Insurance	34,800	34,100	33,000	29,900	28,800
Real Estate and Rental and Leasing	16,900	17,700	18,800	18,200	17,800
Professional and Business Services	132,600	137,200	139,800	136,000	134,900
Educational and Health Services	164,000	168,800	175,600	187,300	198,900
Leisure and Hospitality	83,900	93,600	108,700	112,400	112,200
Other Services	31,000	33,300	36,100	38,200	39,200
Federal Government	14,800	14,500	14,400	14,500	14,800
State Government	121,700	127,300	129,800	134,300	136,600
Local Government	98,900	98,400	102,700	107,200	111,600
Total, All Industries ⁽³⁾	979,800	1,021,900	1,065,500	1,081,900	1,097,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

The following table lists the major employers by number of employees in the County as of June 30, 2025.

COUNTY OF SACRAMENTO
Principal Employers
Listed from Greatest to Fewest Number of Employees

Employer Name	No. of Employees	% of Total County Employment
UC Davis Health System	16,617	2.10%
Kaiser Permanente	12,624	1.59
Sutter/California Health Services	10,129	1.28
Dignity/Mercy Healthcare	7,353	0.93
Apple Inc.	5,000	0.63
Intel Corporation	4,000	0.63
Raley's Inc. / Bel Air	2,519	0.32
Siemens Mobility Inc	2,500	0.32
VSP Vision	1,950	0.25
Safeway	1,854	0.23

Source: County's 2025 Audited Financial Statement.

Major Employers

The following table lists the largest employers within the County as of March 2026, listed alphabetically.

COUNTY OF SACRAMENTO Major Employers As of March 2026

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
American River College	Sacramento	Junior-Community College-Tech Institutes
Ampac Fine Chemicals LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
Banfield Pet Hospital	Antelope	Animal Hospitals
California State Lottery Hq	Sacramento	Lottery Agents
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Colliers International Ltd	Sacramento	Real Estate
Department-Corrections-Rehab	Sacramento	State Govt-Correctional Institutions
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Division of Fiscal Svc	Sacramento	Services NEC
Employment Development Dept	Sacramento	Outplacement Consultants
Golden 1 Credit Union	Sacramento	Credit Unions
Intel Corp	Folsom	Semiconductor Devices (mfrs)
L A Care Health Plan	Sacramento	Health Plans
Mercy General Hospital	Sacramento	Hospitals
Myoutdesk	Sacramento	Real Estate Support Services
Sacramento Bee	Sacramento	Newspapers (publishers/Mfrs)
Securitas Inc	Sacramento	Security Guard & Patrol Service
SMUD	Sacramento	Utility Contractors
State Compensation Ins Fund	Sacramento	Insurance
Summit Funding Inc	Sacramento	Real Estate Loans
Villara	Mcclellan	Building Contractors
VSP Global	Rancho Cordova	Insurance
Water Resource Dept	Sacramento	Government Offices-State

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

Effective Buying Income

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

The following table summarizes the total effective buying income and median household effective buying income estimations for the County, the State and the United States for the period 2022 through 2026.

SACRAMENTO COUNTY Effective Buying Income and Median Household Estimations 2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	Sacramento County	\$51,287,459	\$70,279
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	Sacramento County	\$51,865,551	\$70,001
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	Sacramento County	\$55,595,639	\$76,261
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	Sacramento County	\$56,462,729	\$77,174
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	Sacramento County	\$63,932,574	\$85,776
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. During calendar year 2025, total taxable transactions reported in the County were \$36,620,271,009 a 1.71% increase over the total taxable transactions of \$36,004,024,326 reported in the County during calendar year 2024.

SACRAMENTO COUNTY
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	28,055	\$18,488,106	45,361	\$27,173,406
2021	25,936	23,795,032	42,482	33,918,020
2022	26,589	24,679,703	44,158	36,511,260
2023	25,913	24,289,157	43,252	35,778,877
2024	26,277	24,776,206	44,359	36,004,024

Source: State Department of Tax and Fee Administration.

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Series 2026 Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
San Juan Unified School District
3738 Walnut Avenue
Carmichael, California 95609

OPINION: \$_____ San Juan Unified School District
 General Obligation Bonds Election of 2016, Series 2026

Members of the Board of Education:

We have acted as bond counsel to the San Juan Unified School District (the "District") in connection with the issuance by the District of the above-captioned bonds, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on March 24, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

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

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

2026 Refunding Bonds

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Education
San Juan Unified School District
3738 Walnut Avenue
Carmichael, California 95609

OPINION: \$ _____ San Juan Unified School District
 2026 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the San Juan Unified School District (the "District") in connection with the issuance by the District of the above-captioned bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the "Act"), and a resolution of the Board of Education of the District (the "Board") adopted on March 24, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

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

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds pursuant to the Act, and to perform its obligations under the Bond Resolution and the Bonds.
2. The Bond Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.
3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Sacramento County is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2016, Series 2026

\$ _____
SAN JUAN UNIFIED SCHOOL DISTRICT
(Sacramento County, California)
2026 General Obligation Refunding Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the San Juan Unified School District (the “**District**”) in connection with the execution and delivery of the above-captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to resolutions adopted by the Board of Education of the District on March 24, 2026 (the “**Resolutions**”). The Director of Finance of the County of Sacramento is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District.

“*Dissemination Agent*” means, initially, Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Paying Agent*” means The Director of Finance of the County of Sacramento or any successor thereto.

“*Participating Underwriters*” means any underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements 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 4(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:

(b) The District's approved annual budget for the then-current fiscal year; and

(c) Assessed value of taxable property in the District as shown on the most recent equalized assessment 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 have been submitted to the MSRB through the EMMA 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 Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.

- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolutions for amendments to the Resolutions with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which

the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriters or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

SAN JUAN UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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APPENDIX G

**SACRAMENTO COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT**

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SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2026

*Approved by the
Sacramento County Board of Supervisors*

December 9, 2025
Resolution No. 2025-0764

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SACRAMENTO COUNTY
Annual Investment Policy
of the Pooled Investment Fund
CALENDAR YEAR 2026

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment staff should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) and similarly-sized California county pools will be used as performance benchmarks.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts and joint powers authorities whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually at a public meeting.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all funds held in separate portfolios.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds in securities with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) deposits, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	Banks — FDIC Insurance Coverage
	Credit Unions — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2 Moody's: P-2 Fitch: F-2 OR</p> <p>Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.</p> <p>Collateral is required</p>

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate a commitment to community reinvestment lending and charitable activities comparable to what is required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as U.S. Treasury and Agency obligations, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations	5 years
Washington Supranational Obligations ¹	5 years
Municipal Notes	5 years
Registered State Warrants	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	270 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

¹ The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than U.S. Treasury and Agency obligations. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations.....	30%
Negotiable Certificates of Deposit and CRA Deposit/Certificates of Deposit .	30%
Repurchase Agreements.....	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds.....	20%
Collateralized Mortgage Obligations.....	20%
Local Agency Investment Fund (LAIF)	(per State limit)

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

Excluding U.S. Treasury and Agency and Washington Supranational obligations, no more than 10% of the portfolio, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be U.S. Treasury and Agency obligations valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions that support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Group of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities that have been placed on the Approved List of brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers that have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must

acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will include par value and any interest earnings in the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation is \$630 for the period

January 1, 2025, to December 31, 2026. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Best-quality grade</i>	Aaa	AAA	AAA
<i>High-quality grade</i>	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
<i>Upper Medium Grade</i>	A1	A+	A+
	A2	A	A
	A3	A-	A-
<i>Medium Grade</i>	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<i>Speculative Grade</i>	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
<i>Low Grade</i>	B1	B+	B+
	B2	B	B
	B3	B-	B-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC
<i>In Poor Standing</i>	-	CCC	-
	-	CCC-	-
<i>Highly Speculative Default</i>	Ca	CC	CC
	C	-	-
<i>Default</i>	-	-	DDD
	-	-	DD
	-	D	D

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3



Quarterly Pooled Investment Fund Report

As Prescribed By
California Government Code Section 53646

For The Quarter Ended March 31, 2026

Compliance to Investment Policy

Based on the Director of Finance's Review Group Month-End Reports, there were no items out of compliance with the Calendar Year 2026 Investment Policy during the quarter ended March 31, 2026.

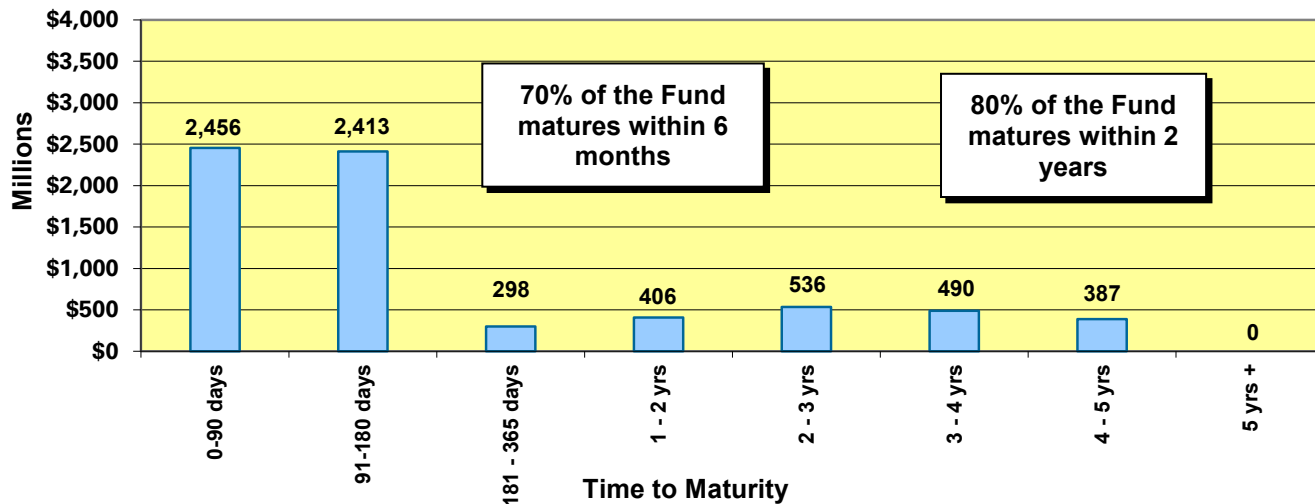
Portfolio Statistics	Quarter Ended 12/31/25	Quarter Ended 03/31/2026
Average Daily Balance	\$6,462,437,966	\$7,016,942,746
Period-End Balance	\$7,483,945,834	\$6,985,427,150
Earned Interest Yield	3.906%	3.785%
Weighted Average Maturity	339 Days	351 Days
Duration in Years	0.865	0.880
Amortized Book Value	\$7,491,449,171	\$6,995,870,475
Market Value	\$7,519,409,956	\$7,012,840,378
Percent of Market to Cost	100.37%	100.24%

The earned interest yield presented above does not have any costs deducted. The investment management costs in prior years and this year continue to be approximately 6 basis points or 0.06%. The quarterly apportionment of earnings to participating funds will be made on a cash basis (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the Pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

Portfolio Structure as of March 31, 2026¹

Investment Description	Percentage of Portfolio at Cost 12/31/2025	Percentage of Portfolio at Cost 03/31/2026	Percentage of Portfolio at Market 03/31/2026	Earned Interest Yield at 03/31/2026
<i>US Agency, Treasury & Municipal Notes (USATM):</i>				
<i>US Agency Notes</i>	25.03%	22.93%	22.97%	3.67%
<i>Notes/Discount Notes FFCB</i>	5.33%	4.82%	4.85%	3.70%
<i>Notes/Discount Notes FHLB</i>	18.79%	16.63%	16.65%	3.65%
<i>Notes/Discount Notes FNMA</i>	0.91%	1.47%	1.47%	3.80%
<i>Notes/Discount Notes FHLMC</i>	0.00%	0.00%	0.00%	0.00%
<i>US Treasury Notes/Discount Notes</i>	3.17%	1.57%	1.57%	4.02%
<i>Municipal Notes</i>	0.34%	0.65%	0.65%	3.97%
Total USATM	28.54%	25.15%	25.18%	3.70%
Repurchase Agreements	0.00%	0.00%	0.00%	0.00%
Supranationals	21.74%	24.18%	24.18%	3.53%
Commercial Paper	18.97%	22.17%	22.26%	3.84%
Certificates of Deposit	25.32%	25.70%	25.59%	3.91%
LAIF	1.00%	1.07%	1.07%	3.83%
Bank Money Market	1.61%	1.72%	1.72%	3.63%
Money Market Accounts	2.81%	0.00%	0.00%	0.00%

POOLED INVESTMENT FUND MATURITIES AS OF MARCH 31, 2026
\$6.985 BILLION



¹ Percentages may not add up to 100% due to rounding

Projected Cash Flow

Based upon our cash flow model projection dated April 16, 2026, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Maturities & Interest	Receipts	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
<i>Dollar amounts represented in millions</i>							
Apr	\$20.0	\$464.1	\$1,696.5	\$1,315.9	\$844.7	\$30.0	\$814.7
May	\$20.0	\$977.5	\$947.9	\$1,430.4	\$495.0	\$30.0	\$465.0
Jun	\$20.0	\$823.0	\$1,178.2	\$1,188.9	\$812.3	\$30.0	\$782.3
Jul	\$20.0	\$1,312.1	\$750.8	\$1,645.7	\$417.2	\$30.0	\$387.2
Aug	\$20.0	\$1,060.6	\$908.0	\$1,490.3	\$478.3	\$30.0	\$448.3
Sep	\$20.0	\$612.1	\$1,209.8	\$1,180.9	\$641.0	\$30.0	\$611.0
Oct	\$20.0	\$426.4	\$1,028.4	\$1,236.4	\$218.4	\$30.0	\$188.4
Nov	\$20.0	\$4.1	\$1,184.1	\$1,092.9	\$95.3	\$30.0	\$65.3
Dec	\$20.0	\$29.4	\$2,093.0	\$1,372.6	\$749.8	\$30.0	\$719.8
Jan	\$20.0	\$57.7	\$980.8	\$1,486.2	(\$447.7)	\$30.0	(\$477.7)
Feb	\$20.0	\$4.3	\$921.3	\$1,303.9	(\$378.3)	\$30.0	(\$408.3)
Mar	\$20.0	\$86.1	\$1,166.9	\$1,335.0	(\$82.0)	\$30.0	(\$112.0)

*Any excess net cash flow amounts in this column will be used to fund negative cash flow positions in later months.

Detailed Listing of Investments

A complete detailed listing of all investments for the Pooled Investment Fund as of March 31, 2026, is contained in the back of this report. This report notes the type of investment; name of the security; the CUSIP; the purchase date; the maturity date; the coupon and the yield; the par value, book value and market value of each security; the pricing source for the market value; and the duration of each security.

External third-party investment manager(s) at March 31, 2026:

<u>Investment</u>	<u>Firm</u>	<u>Amount</u>
Local Agency Investment Fund	State Treasurer's Office	\$75,000,000.00

The Fund uses an external investment accounting system called SymPro by Emphasys Software. The market valuations are based upon the pricing of Interactive Data Corporation (IDC).

THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

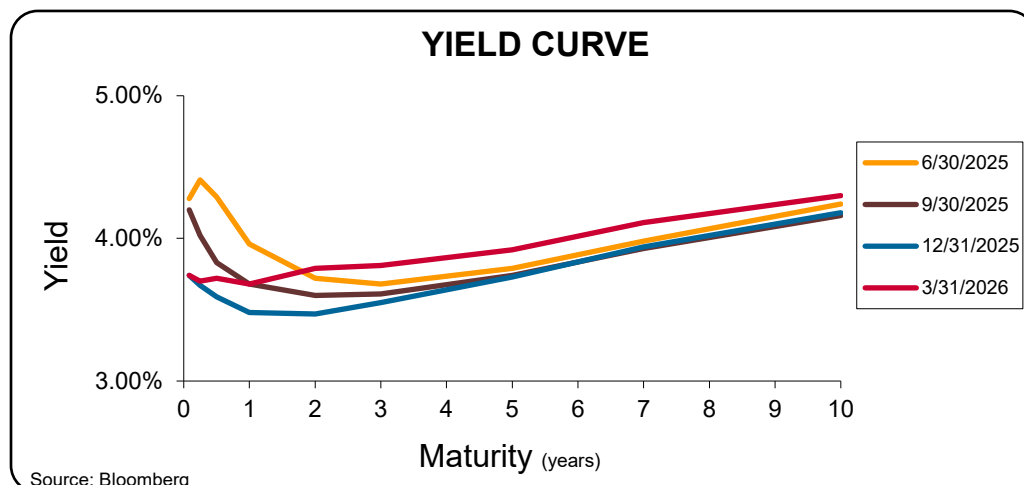
Financial Markets Commentary

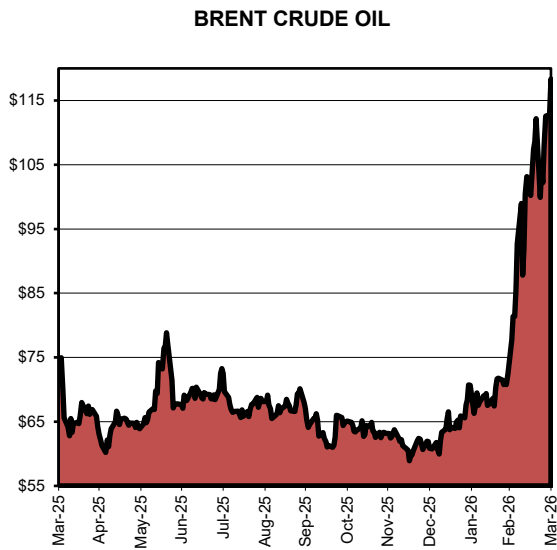
On March 18, 2026, the Federal Open Market Committee (FOMC) held rates steady for the second meeting in a row, maintaining the federal funds target range at 3.50% to 3.75%. Eleven committee members voted to keep the rate unchanged, while one supported a 0.25 percentage point cut. The FOMC also revised its estimate of the long-run federal funds rate upward from 3.0% to 3.1%, and its median outlook continues to anticipate one quarter-point reduction in both 2026 and 2027. During the post-meeting press conference, Chair Powell emphasized the need to look through the inflationary effects of the Iran War and related spikes in oil and energy prices, which may prove temporary. Financial markets interpreted his comments as signaling that the committee could keep rates on hold for an extended period.

The war, which began on February 28, has become the dominant force driving inflation expectations and bond yields. The Strait of Hormuz, through which roughly 20% of global oil supply flows, has been effectively closed since the fighting began. As a result, prices for oil, natural gas, fertilizer, and other key commodities have surged. Short-term inflation expectations have risen sharply, prompting the Federal Funds Futures market to price out two previously expected rate cuts for 2026 and 2027. March's Consumer Price Index (CPI) registered its largest monthly increase since June 2022, jumping from 2.4% to 3.3%, primarily due to soaring oil prices. Gasoline costs alone rose a record 21.2% in March and accounted for roughly 75% of the overall increase in the CPI.

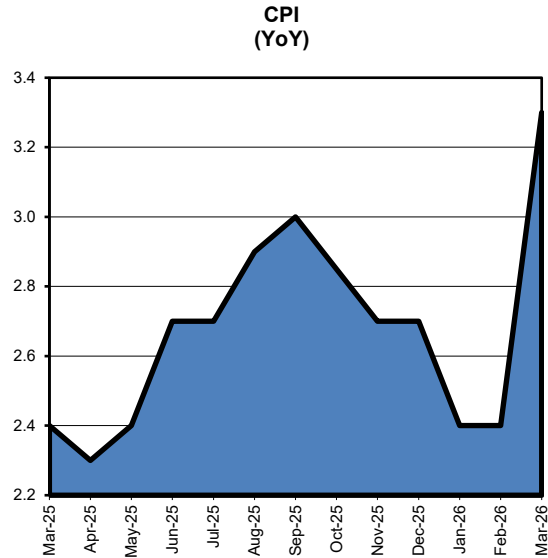
The Core CPI, which excludes food and energy, edged down from 3.1% to 3.0%. The limited passthrough of higher energy costs has kept core inflation contained so far, and the slowdown in the U.S. labor market may also be contributing. Although March Nonfarm Payrolls increased by 178,000 jobs, this followed a February decline of 133,000, the largest monthly loss since the pandemic. Over the past year, monthly payroll gains have averaged only 22,500, well below the pace needed to keep up with population growth. The unemployment rate dipped from 4.4% to 4.3% in March, but the improvement was driven largely by the lowest labor force participation rate since November 2021.

With the war ongoing and elevated energy prices, the Federal Reserve is likely to pause any further cuts to overnight interest rates. As a result, the yield on the Pooled Investment Fund is expected to remain range-bound over the coming quarters.





Source: Bloomberg



Source: Bloomberg

Portfolio Management Strategy

During the past quarter, we continued to provide adequate liquidity to meet the cash flow needs of the Pooled Investment Fund participants. We are currently funding the cash flows for October 2026. We are purchasing five-year U. S. Treasury, U.S. Agency, and Washington Supranational securities on a monthly basis for the “CORE” portfolio, which is composed of all securities maturing beyond one year. This laddered structure stabilizes the yield over longer periods. Over the next quarter, our quarterly yield should range between 3.50% and 3.75%.

Respectfully submitted,
Bernard Santo Domingo
Chief Investment Officer

Concur,
Chad Rinde
Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: April 24, 2026

OVERCOM POOL REPORT
Investments by All Types
Active Investments
March 31, 2026

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Money Market Accounts										
5STARMMA	84745	100	Five Star Bank	20,068,404.00	100.0000000	20,068,404.00	4.020			
SYS85966	85966	100	Federated	0.00	100.0000000	0.00	4.770			
SYS85903	85903	100	Fidelity	0.00	100.0000000	0.00	4.310			
			Subtotal	20,068,404.00		20,068,404.00				
State Pool										
LAIF	57960	100	LAIF	75,000,000.00	100.0000000	75,000,000.00	3.826			
			Subtotal	75,000,000.00		75,000,000.00				
Certificates of Deposit										
06418NJR4	86578	100	Bank of Nova Scotia	120,000,000.00	100.0000000	120,000,000.00	3.970	05/04/2026		
06418NJS2	86579	100	Bank of Nova Scotia	50,000,000.00	100.0000000	50,000,000.00	3.970	05/07/2026		
06418NKA9	86600	100	Bank of Nova Scotia	85,000,000.00	100.0000000	85,000,000.00	3.940	05/13/2026		
06418NLL4	86645	100	Bank of Nova Scotia	50,000,000.00	100.0000000	50,000,000.00	3.870	06/15/2026		
13606DQM7	86631	100	Canadian Imperial Bank Corp	60,000,000.00	100.0000000	60,000,000.00	3.890	06/03/2026		
65558WPR3	86576	100	NORDEA BANK	75,000,000.00	100.0000000	75,000,000.00	3.910	05/01/2026		
65558WPS1	86577	100	NORDEA BANK	80,000,000.00	100.0000000	80,000,000.00	3.910	05/08/2026		
65558WQX9	86640	100	NORDEA BANK	100,000,000.00	100.0000000	100,000,000.00	3.810	06/05/2026		
65558WRA8	86642	100	NORDEA BANK	50,000,000.00	100.0000000	50,000,000.00	3.790	06/08/2026		
65558WRB6	86643	100	NORDEA BANK	50,000,000.00	100.0000000	50,000,000.00	3.790	06/10/2026		
78015JTG2	86623	100	Royal Bank of Canada	75,000,000.00	100.0000000	75,000,000.00	3.920	05/22/2026		
78015JTU1	86630	100	Royal Bank of Canada	70,000,000.00	100.0000000	70,000,000.00	3.880	06/01/2026		
78015JW45	86653	100	Royal Bank of Canada	50,000,000.00	100.0000000	50,000,000.00	3.790	07/06/2026		
83050YFT2	86622	100	Skandinaviska Enskilda Banken	50,000,000.00	100.0000000	50,000,000.00	3.920	05/22/2026		
83050YFW5	86675	100	Skandinaviska Enskilda Banken	45,000,000.00	99.9997948	44,999,907.66	3.730	07/20/2026		
83050YGC8	86676	100	Skandinaviska Enskilda Banken	50,000,000.00	100.0000000	50,000,000.00	3.720	07/17/2026		
86959TRS7	86563	100	Svenska Handelsbanken	50,000,000.00	100.0023052	50,001,152.62	3.885	04/07/2026		
86959TSH0	86625	100	Svenska Handelsbanken	50,000,000.00	100.0023984	50,001,199.18	3.940	05/19/2026		
86959TTX4	86722	100	Svenska Handelsbanken	100,000,000.00	100.0023874	100,002,387.44	3.720	08/03/2026		
86959TUA2	86734	100	Svenska Handelsbanken	75,000,000.00	100.0024275	75,001,820.59	3.735	08/14/2026		
87019WX26	86590	100	SWEDBANK	65,000,000.00	100.0000000	65,000,000.00	3.930	05/11/2026		
87019WY41	86644	100	SWEDBANK	50,000,000.00	100.0000000	50,000,000.00	3.800	06/12/2026		

Data Updated: SET_102: 04/15/2026 14:26

Run Date: 04/15/2026 - 14:27

Portfolio CSIP
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OVERCOM POOL REPORT
Investments by All Types
March 31, 2026

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Certificates of Deposit										
87019W3B9	86721	100	SWEDBANK	50,000,000.00	100.0000000	50,000,000.00	3.720	07/02/2026		
87019W3Y9	86791	100	SWEDBANK	65,000,000.00	100.0000000	65,000,000.00	3.950	08/17/2026		
87019W3Z6	86792	100	SWEDBANK	65,000,000.00	100.0000000	65,000,000.00	3.950	08/19/2026		
96130AG69	86668	100	Westpac Bank	125,000,000.00	100.0000000	125,000,000.00	3.790	07/17/2026		
			Subtotal	1,755,000,000.00		1,755,006,467.49				
CRA CDs										
SYS86221	86221	100	East West	20,000,000.00	100.0000000	20,000,000.00	4.000	04/10/2026		
SYS86264	86264	100	RIVER CITY BANK	10,000,000.00	100.0000000	10,000,000.00	3.980	05/07/2026		
SYS86616	86616	100	RIVER CITY BANK	10,000,000.00	100.0000000	10,000,000.00	3.980	05/07/2026		
			Subtotal	40,000,000.00		40,000,000.00				
Commercial Paper Disc. -At Cost										
06366HD12	86537	100	Bank of Montreal	110,000,000.00	98.1090278	107,919,930.56	3.890	04/01/2026		
06366HF28	86632	100	Bank of Montreal	85,000,000.00	98.0844167	83,371,754.17	3.810	06/02/2026		
06366HF10	86638	100	Bank of Montreal	45,000,000.00	98.1055833	44,147,512.50	3.810	06/01/2026		
06366HG92	86680	100	Bank of Montreal	40,000,000.00	98.1294444	39,251,777.78	3.700	07/09/2026		
06366HHB6	86755	100	Bank of Montreal	60,000,000.00	98.3363333	59,001,800.00	3.720	08/11/2026		
13607FD29	86550	100	Canadian Imperial Bank Corp	50,000,000.00	98.1343333	49,067,166.67	3.860	04/02/2026		
13607FEN2	86580	100	Canadian Imperial Bank Corp	100,000,000.00	97.8935000	97,893,500.00	3.830	05/22/2026		
13607FD29	86615	100	Canadian Imperial Bank Corp	60,000,000.00	98.4941667	59,096,500.00	3.900	04/02/2026		
13607FG18	86671	100	Canadian Imperial Bank Corp	50,000,000.00	98.1450000	49,072,500.00	3.710	07/01/2026		
16677KFN8	86641	100	Chevron Corp	50,000,000.00	97.9964444	48,998,222.22	3.680	06/22/2026		
16677KG15	86658	100	Chevron Corp	50,000,000.00	98.0391667	49,019,583.33	3.620	07/01/2026		
16677KH30	86742	100	Chevron Corp	50,000,000.00	98.4000000	49,200,000.00	3.600	08/03/2026		
16677KH30	86744	100	Chevron Corp	70,000,000.00	98.4100000	68,887,000.00	3.600	08/03/2026		
16677KD83	86796	100	Chevron Corp	40,000,000.00	99.8561111	39,942,444.44	3.700	04/08/2026		
47816GH36	86739	100	JOHNSON & JOHNSON	65,000,000.00	98.3691111	63,939,922.22	3.580	08/03/2026		
47816GH77	86746	100	JOHNSON & JOHNSON	110,000,000.00	98.3755000	108,213,050.00	3.610	08/07/2026		
63763QG27	86699	100	National Securities	35,000,000.00	98.3060000	34,407,100.00	3.630	07/02/2026		
63763QH34	86745	100	National Securities	70,000,000.00	98.4200000	68,894,000.00	3.600	08/03/2026		
63763QHX8	86798	100	National Securities	100,000,000.00	98.3541667	98,354,166.67	3.750	08/31/2026		
89116FEN6	86646	100	Toronto Dominion	45,000,000.00	98.2597778	44,216,900.00	3.820	05/22/2026		
89116FGD6	86682	100	Toronto Dominion	40,000,000.00	98.1193333	39,247,733.33	3.720	07/13/2026		
89116FGF1	86688	100	Toronto Dominion	40,000,000.00	98.1140833	39,245,633.33	3.710	07/15/2026		
89116FGE4	86698	100	Toronto Dominion	40,000,000.00	98.1500000	39,260,000.00	3.700	07/14/2026		

OVERCOM POOL REPORT
Investments by All Types
March 31, 2026

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Commercial Paper Disc. -At Cost										
89116FGH7	86700	100	Toronto Dominion	80,000,000.00	98.1804444	78,544,355.56	3.680	07/17/2026		
30229BDL8	86800	100	Exxon Mobil	50,000,000.00	99.7513333	49,875,666.67	3.730	04/20/2026		
30229BDQ7	86803	100	Exxon Mobil	40,000,000.00	99.7416667	39,896,666.67	3.720	04/24/2026		
			Subtotal	1,575,000,000.00		1,548,964,886.12				
Federal Agency Coupon Securities										
3133ENTS9	84521	100	Federal Farm Credit Bank	25,000,000.00	99.2290000	24,807,250.00	2.600	04/05/2027		
3133ENG87	84650	100	Federal Farm Credit Bank	25,000,000.00	99.5127000	24,878,175.00	2.920	08/17/2027		
3133ENL99	84739	100	Federal Farm Credit Bank	30,000,000.00	96.5629000	28,968,870.00	3.375	09/15/2027		
3133EPFU4	85024	100	Federal Farm Credit Bank	20,000,000.00	98.4898539	19,697,970.77	3.500	04/12/2028		
3133EPJD8	85061	100	Federal Farm Credit Bank	30,000,000.00	99.6725000	29,901,750.00	3.600	05/09/2028		
3133EPC45	85368	100	Federal Farm Credit Bank	30,000,000.00	99.2786000	29,783,580.00	4.625	11/13/2028		
3133ERDH1	85706	100	Federal Farm Credit Bank	40,000,000.00	101.0610000	40,424,400.00	4.750	04/30/2029		
3133ERVU2	85924	100	Federal Farm Credit Bank	50,000,000.00	99.2855000	49,642,750.00	3.500	10/02/2026		
3133ERL41	86046	100	Federal Farm Credit Bank	20,000,000.00	99.8435000	19,968,700.00	4.125	12/17/2029		
3133ETPF8	86375	100	Federal Farm Credit Bank	25,000,000.00	99.0220000	24,755,500.00	3.750	07/08/2030		
3130AQF65	84383	100	Federal Home Loan Bank	25,000,000.00	99.7238230	24,930,955.75	1.250	12/21/2026		
3130ATS57	85025	100	Federal Home Loan Bank	10,000,000.00	102.9610000	10,296,100.00	4.500	03/10/2028		
3130AWTR1	85254	100	Federal Home Loan Bank	30,000,000.00	99.3070770	29,792,123.10	4.375	09/08/2028		
3130AXQK7	85452	100	Federal Home Loan Bank	30,000,000.00	103.7008000	31,110,240.00	4.750	12/08/2028		
3130ATUT2	86044	100	Federal Home Loan Bank	20,000,000.00	101.5369000	20,307,380.00	4.500	12/14/2029		
3130AWTS9	86508	100	Federal Home Loan Bank	40,000,000.00	104.0200000	41,608,000.00	4.500	09/13/2030		
3135G05Q2	86451	100	Federal National Mtg Assn	40,000,000.00	86.5350000	34,614,000.00	0.875	08/05/2030		
31359MGK3	86648	100	Federal National Mtg Assn	30,000,000.00	112.6750000	33,802,500.00	6.625	11/15/2030		
			Subtotal	520,000,000.00		519,290,244.62				
Federal Agency Disc. -At Cost										
313313ZA9	86667	100	Federal Farm Credit Bank	30,000,000.00	98.1150000	29,434,500.00	3.480	07/07/2026		
313313YU6	86709	100	Federal Farm Credit Bank	15,000,000.00	98.4968889	14,774,533.33	3.560	07/01/2026		
313385YF7	86628	100	Federal Home Loan Bank	75,000,000.00	97.9600000	73,470,000.00	3.600	06/18/2026		
313385XC5	86639	100	Federal Home Loan Bank	85,000,000.00	98.3170417	83,569,485.42	3.585	05/22/2026		
313385YT7	86652	100	Federal Home Loan Bank	100,000,000.00	98.0179167	98,017,916.67	3.550	06/30/2026		
313385ZL3	86669	100	Federal Home Loan Bank	50,000,000.00	98.0833333	49,041,666.67	3.450	07/17/2026		
313385ZB5	86670	100	Federal Home Loan Bank	100,000,000.00	98.1695833	98,169,583.33	3.450	07/08/2026		
313385YU4	86672	100	Federal Home Loan Bank	22,821,000.00	98.2500000	22,421,632.50	3.500	07/01/2026		
313385ZL3	86705	100	Federal Home Loan Bank	100,000,000.00	98.3259722	98,325,972.22	3.545	07/17/2026		

OVERCOM POOL REPORT
Investments by All Types
March 31, 2026

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Federal Agency Disc. -At Cost										
313385A22	86708	100	Federal Home Loan Bank	100,000,000.00	98.2078056	98,207,805.56	3.545	07/31/2026		
313385ZQ2	86714	100	Federal Home Loan Bank	50,000,000.00	98.3134444	49,156,722.22	3.530	07/21/2026		
313385ZS8	86717	100	Federal Home Loan Bank	50,000,000.00	98.3334722	49,166,736.11	3.550	07/23/2026		
313385A63	86753	100	Federal Home Loan Bank	65,000,000.00	98.4693750	64,005,093.75	3.555	08/04/2026		
313385D60	86756	100	Federal Home Loan Bank	55,000,000.00	98.2545833	54,040,020.83	3.550	08/28/2026		
313385A89	86783	100	Federal Home Loan Bank	40,000,000.00	98.5521667	39,420,866.67	3.570	08/06/2026		
313385D29	86784	100	Federal Home Loan Bank	50,000,000.00	98.3782222	49,189,111.11	3.560	08/24/2026		
313385F43	86802	100	Federal Home Loan Bank	79,000,000.00	98.3385417	77,687,447.92	3.625	09/11/2026		
313589ZT3	86793	100	Federal National Mtg Assn	35,000,000.00	98.7698333	34,569,441.67	3.630	07/24/2026		
			Subtotal	1,101,821,000.00		1,082,668,535.98				
Treasury Coupon Securities										
91282CKK6	85963	100	U.S. Treasury	50,000,000.00	100.9531250	50,476,562.50	4.875	04/30/2026		
91282CNK3	86388	100	U.S. Treasury	15,000,000.00	99.2421875	14,886,328.13	3.875	06/30/2030		
			Subtotal	65,000,000.00		65,362,890.63				
Treasury Discounts -At Cost										
912797SV0	86629	100	U.S. Treasury	45,000,000.00	98.2106667	44,194,800.00	3.660	05/21/2026		
			Subtotal	45,000,000.00		44,194,800.00				
Supra-National										
4581X0CU0	84135	100	Inter-American Dev Bank	25,000,000.00	105.3590000	26,339,750.00	2.000	06/02/2026		
45818WDJ2	84240	100	Inter-American Dev Bank	10,000,000.00	99.7294000	9,972,940.00	0.800	08/19/2026		
4581X0EB0	84421	100	Inter-American Dev Bank	25,000,000.00	99.7940000	24,948,500.00	1.500	01/13/2027		
4581X0EB0	84446	100	Inter-American Dev Bank	25,000,000.00	98.4179000	24,604,475.00	1.500	01/13/2027		
45818WDL7	84497	100	Inter-American Dev Bank	25,000,000.00	99.3978000	24,849,450.00	1.780	03/12/2027		
45818WDM5	84575	100	Inter-American Dev Bank	20,000,000.00	99.4736000	19,894,720.00	2.750	04/12/2027		
45818WDR4	84583	100	Inter-American Dev Bank	30,000,000.00	100.0000000	30,000,000.00	2.980	06/09/2027		
4581X0CY2	84613	100	Inter-American Dev Bank	25,000,000.00	96.6270000	24,156,750.00	2.375	07/07/2027		
45818WEE2	84691	100	Inter-American Dev Bank	25,000,000.00	99.1780000	24,794,500.00	3.420	09/07/2027		
45818WEF9	84773	100	Inter-American Dev Bank	30,000,000.00	100.0000000	30,000,000.00	4.550	11/10/2027		
4581X0EH1	84874	100	Inter-American Dev Bank	30,000,000.00	99.7533000	29,925,990.00	4.000	01/12/2028		
4581X0EH7	84909	100	Inter-American Dev Bank	30,000,000.00	100.2995000	30,089,850.00	4.000	01/12/2028		
45818WEM4	84937	100	Inter-American Dev Bank	30,000,000.00	99.0520000	29,715,600.00	4.250	03/03/2028		
45818WEQ5	85099	100	Inter-American Dev Bank	30,000,000.00	98.9767000	29,693,010.00	3.800	06/09/2028		
4581X0DX3	85193	100	Inter-American Dev Bank	30,000,000.00	85.3950000	25,618,500.00	1.125	07/20/2028		

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CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Supra-National										
4581X0EN4	85532	100	Inter-American Dev Bank	40,000,000.00	99.4220000	39,768,800.00	4.125	02/15/2029		
45818WFA9	85589	100	Inter-American Dev Bank	40,000,000.00	99.6420000	39,856,800.00	4.170	03/19/2029		
45818WFR2	85741	100	Inter-American Dev Bank	25,000,000.00	100.3396000	25,084,900.00	4.600	06/07/2029		
4581X0DG0	85747	100	Inter-American Dev Bank	15,000,000.00	89.9580000	13,493,700.00	2.250	06/18/2029		
45818WF35	85837	100	Inter-American Dev Bank	40,000,000.00	100.0000000	40,000,000.00	3.900	08/15/2029		
45818WGN0	86738	100	Inter-American Dev Bank	30,000,000.00	100.9527000	30,285,810.00	3.890	01/30/2031		
459058JX2	84163	100	Int Bk Recon & Develop	25,000,000.00	100.1548000	25,038,700.00	0.875	07/15/2026		
459058JX2	84201	100	Int Bk Recon & Develop	25,000,000.00	100.1535000	25,038,375.00	0.875	07/15/2026		
459058KT9	85138	100	Int Bk Recon & Develop	30,000,000.00	95.5108000	28,653,240.00	3.500	07/12/2028		
459058KW2	85824	100	Int Bk Recon & Develop	50,000,000.00	102.6570000	51,328,500.00	4.625	08/01/2028		
459058JW4	85839	100	Int Bk Recon & Develop	30,000,000.00	91.3684830	27,410,544.90	1.375	04/20/2028		
459058JW4	85840	100	Int Bk Recon & Develop	40,000,000.00	91.3600000	36,544,000.00	1.375	04/20/2028		
459058KL6	85922	100	Int Bk Recon & Develop	40,000,000.00	99.9520000	39,980,800.00	3.625	09/21/2029		
459058KQ5	86124	100	Int Bk Recon & Develop	40,000,000.00	97.4514000	38,980,560.00	3.876	02/14/2030		
459058LR2	86171	100	Int Bk Recon & Develop	40,000,000.00	99.5650000	39,826,000.00	4.125	03/20/2030		
459058LR2	86239	100	Int Bk Recon & Develop	40,000,000.00	100.5490000	40,219,600.00	4.125	03/20/2030		
459058JC8	86270	100	Int Bk Recon & Develop	40,000,000.00	85.3580000	34,143,200.00	0.875	05/14/2030		
459058JC8	86343	100	Int Bk Recon & Develop	40,000,000.00	86.4678000	34,587,120.00	0.875	05/14/2030		
459058LY7	86572	100	Int Bk Recon & Develop	30,000,000.00	99.4240000	29,827,200.00	3.500	10/28/2030		
459058LY7	86582	100	Int Bk Recon & Develop	30,000,000.00	98.5700000	29,571,000.00	3.500	10/28/2030		
459058LA9	86681	100	Int Bk Recon & Develop	30,000,000.00	100.9970000	30,299,100.00	4.000	01/10/2031		
459058JR5	86779	100	Int Bk Recon & Develop	30,000,000.00	88.9854000	26,695,620.00	1.250	02/10/2031		
45950VPV2	84057	100	Intl Finance Corp	25,000,000.00	100.1462000	25,036,550.00	0.970	04/14/2026		
45950VPX8	84101	100	Intl Finance Corp	25,000,000.00	99.7026000	24,925,650.00	0.860	05/14/2026		
45950VQF6	84250	100	Intl Finance Corp	15,000,000.00	99.9218000	14,988,270.00	0.820	09/15/2026		
45950KCX6	84280	100	Intl Finance Corp	25,000,000.00	98.5890000	24,647,250.00	0.750	10/08/2026		
45950KCX6	84325	100	Intl Finance Corp	25,000,000.00	97.6689000	24,417,225.00	0.750	10/08/2026		
45950VRN8	84838	100	Intl Finance Corp	30,000,000.00	99.7045000	29,911,350.00	3.800	12/09/2027		
45950VSJ6	85302	100	Intl Finance Corp	30,000,000.00	98.5359000	29,560,770.00	4.500	09/13/2028		
45950VSS6	85479	100	Intl Finance Corp	40,000,000.00	100.0000000	40,000,000.00	4.050	01/10/2029		
45950VSZ0	85612	100	Intl Finance Corp	40,000,000.00	99.6169850	39,846,794.00	4.375	03/27/2029		
45950KDH0	85771	100	Intl Finance Corp	40,000,000.00	98.9630000	39,585,200.00	4.250	07/02/2029		
45950VTQ9	85904	100	Intl Finance Corp	65,000,000.00	100.0000000	65,000,000.00	3.550	09/20/2027		
45950VTS5	85906	100	Intl Finance Corp	50,000,000.00	100.0000000	50,000,000.00	3.580	03/24/2027		
45950VTX4	85907	100	Intl Finance Corp	40,000,000.00	99.9727000	39,989,080.00	3.550	09/25/2029		
45950VTY2	85918	100	Intl Finance Corp	50,000,000.00	99.9870000	49,993,500.00	3.560	01/29/2027		
45950VUA2	85990	100	Intl Finance Corp	40,000,000.00	100.0000000	40,000,000.00	4.333	11/14/2029		
45950VUD6	86081	100	Intl Finance Corp	40,000,000.00	100.0000000	40,000,000.00	4.540	01/15/2030		

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CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Subtotal				1,720,000,000.00		1,689,139,243.90				
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Variable Rate Muni										
VRSA2122	84345	100	Sacramento County	970,513.81	100.0000000	970,513.81	4.037	08/03/2026		
VRSA2223	84850	100	Sacramento County	3,054,214.69	100.0000000	3,054,214.69	4.037	08/02/2027		
VARSA2324	85449	100	Sacramento County	7,112,854.55	100.0000000	7,112,854.55	4.037	08/01/2028		
VRSA2425	86051	100	Sacramento County	12,539,231.67	100.0000000	12,539,231.67	4.037	08/01/2029		
SYS86707	86707	100	Sacramento County	21,754,302.29	100.0000000	21,754,302.29	3.906	08/01/2030		
Subtotal				45,431,117.01		45,431,117.01				
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Bank Money Market										
BNKOFWEST	84271	100	Bank of the West	100,300,560.74	100.0000000	100,300,560.74	3.550			
Subtotal				100,300,560.74		100,300,560.74				
Total				7,062,621,081.75		6,985,427,150.49				

