PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2025

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: "AA-"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. 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."

$35,000,000*
OAKDALE JOINT UNIFIED SCHOOL DISTRICT
(Stanislaus and San Joaquin Counties, California)
General Obligation Bonds
Election of 2024, Series A

Dated: Date of Delivery **Due: August 1, as shown on inside front cover**

Authority and Purpose. The above-captioned General Obligation Bonds Election of 2024, Series A (the "Bonds") are being issued by the Oakdale Joint Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on May 12, 2025. The Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of $105,500,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Stanislaus County and San Joaquin County (each, a "County," and together, the "Counties"). Each County Board of Supervisors 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). 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, commencing August 1, 2025. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

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

MATURITY SCHEDULE
(See inside cover)

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

*The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Norton Rose Fulbright US LLP, Los Angeles, California is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about June 18, 2025.**

RAYMOND JAMES®

The date of this Official Statement is ________, 2025.

Preliminary; subject to change.

MATURITY SCHEDULE*

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
(Stanislaus and San Joaquin Counties, California)
General Obligation Bonds
Election of 2024, Series A

Base CUSIP†: 672006

$_________ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$________ ____% Term Bonds maturing August 1, 20__; Yield: ___%; Price: ___; CUSIP†: ___

**Preliminary; subject to change.*
†CUSIP Global Services is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
(Stanislaus and San Joaquin Counties, California)

DISTRICT ADMINISTRATION

Larry Mendonca., *Superintendent*
Kassandra Booth, *Chief Business Officer*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

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

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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$35,000,000*
OAKDALE JOINT UNIFIED SCHOOL DISTRICT
(Stanislaus and San Joaquin Counties, California)
General Obligation Bonds
Election of 2024, Series A

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

INTRODUCTION

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

The District. The District was established in July of 1998, unifying Oakdale Union Elementary School District and the Oakdale Joint Union High School District. The District is located mainly in Stanislaus County with a small portion located in San Joaquin County (each a "**County**" and, together, the "**Counties**"), in the State of California (the "**State**"). The District is comprised of four elementary schools, one junior high school, one comprehensive high school, an independent study high school, one home study charter high school, and one continuation high school. Enrollment in the District is approximately 5,113 students in fiscal year 2024-25.

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 City of Oakdale and Stanislaus County.

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (the **"Bond Election"**). See "THE BONDS - Purpose of Issue" herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize $105,500,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on May 12, 2025 (the "**Bond Resolution**"). See "THE BONDS – Authority for Issuance" herein.

Description of the Bonds. The Bonds will be issued as current interest bonds, will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2025. See "THE BONDS – Description of the Bonds" herein.

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* *Preliminary; subject to change.*

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

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

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

Following the issuance of the Bonds, there will be $70,500,000* of unissued capacity remaining under the 2024 Authorization (as defined herein). See "FINANCIAL INFORMATION - Existing Debt Obligations" in APPENDIX A.

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

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall, A Professional Law Corporation, San Francisco, California, will serve as Disclosure Counsel to the District. Norton Rose Fulbright US LLP, Los Angeles, California is serving as counsel to the Underwriter. Payment of the fees of Bond Counsel, Disclosure Counsel, and Underwriter's 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 form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

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

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

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* *Preliminary; subject to change.*

enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings, described in more detail herein. See APPENDIX A "FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks."

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

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of $105,500,000 (the "**2024 Authorization**").

The Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the Bonds, there will be $70,500,000* unissued authorization remaining under the 2024 Authorization.

Purpose of Issue

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

> *"To improve Oakdale schools; expand/renovate career technical education classrooms and labs; replace leaky roofs; upgrade aging electrical, plumbing, and sewer; and modernize outdated classrooms, restrooms and school facilities; shall Oakdale Joint Unified School District's measure authorizing $105,500,000 of bonds at legal interest rates be adopted, generating approximately $6,500,000 annually while bonds are outstanding at average rates of approximately $58.16 per $100,000 assessed value, with annual audits, independent citizens' oversight, no money for salaries and all money staying local?"*

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the **"Project List"**). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

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

The Bonds shall be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2025 (each, an **"Interest Payment Date"**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication

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* *Preliminary; subject to change.*

thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (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, 2025, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

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

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

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

Redemption*

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

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

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* *Preliminary; subject to change.*

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (the **"Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment 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 Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

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

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

Partial Redemption of Bonds

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

Effect of Redemption

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

Right to Rescind Notice of Redemption

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

Registration, Transfer and Exchange of Bonds

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

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

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

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

Defeasance and Discharge of Bonds

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

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or

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

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

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

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

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

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

DEBT SERVICE SCHEDULE

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

Oakdale Joint Unified School District
General Obligation Bonds
Election of 2024, Series A
Debt Service Schedule

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

Combined General Obligation Bonds Debt Service. The following table shows the combined debt service schedule with respect to the District's outstanding general obligation bonds, together with the Bonds, assuming no optional redemptions.

Oakdale Joint Unified School District
Annual Debt Service
General Obligation Bonds and General Obligation Refunding Bonds

Year Ending (Aug. 1)	2017 Refunding Bonds	The Bonds	Aggregate Annual Debt Service
2025	$1,292,100.00		
2026	1,292,700.00		
2027	1,291,500.00		
2028	568,500.00		
2029	572,500.00		
2030	206,000.00		
2031	--		
2032	--		
2033	--		
2034	--		
2035	--		
2036	--		
2037	--		
2038	--		
2039	--		
2040	--		
2041	--		
2042	--		
2043	--		
2044	--		
2045	--		
2046	--		
2047	--		
2048	--		
2049	--		
2050	--		
2051	--		
2052	--		
2053	--		
2054	--		
2055	--		
TOTAL	$5,223,300.00		

SOURCES AND USES OF FUNDS

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

Sources of Funds	
Principal Amount of Bonds	
[Net] Original Issue [Premium]/[Discount]	
Total Sources	
Uses of Funds	
Building Fund	
Debt Service Fund	
Costs of Issuance [(1)]	
Total Uses	

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

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the Counties. The Counties are 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 Counties will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is held by Stanislaus County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

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

Statutory Lien on Ad Valorem Tax Revenues. 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 Counties to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

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

Building Fund

Proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to Stanislaus County to the credit of the fund created and established in the Bond Resolution and known as the "Election of 2024, Series A Building Fund" (the "**Building Fund**"), which will be accounted for as separate and distinct from all other District and Stanislaus County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the "Election of 2024, Series A Debt Service Fund" (the "**Debt Service Fund**") for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the District and Stanislaus County. All taxes levied by the Counties for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by Stanislaus County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. Stanislaus County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, Stanislaus 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 Counties, for the payment of principal and interest on the Bonds. Although the Counties are obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt of the Counties.

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2013-14 through 2024-25

Stanislaus County Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2013-14	$2,853,877,621	$414,602	$86,312,094	$2,940,604,317	--%
2014-15	3,187,602,773	414,602	93,312,627	3,281,330,002	11.6
2015-16	3,474,837,534	414,602	100,837,878	3,576,090,014	9.0
2016-17	3,688,780,978	585,161	113,706,883	3,803,073,022	6.3
2017-18	3,929,707,532	585,161	122,663,891	4,052,956,584	6.8
2018-19	4,185,778,438	585,161	130,795,341	4,317,158,940	6.5
2019-20	4,464,627,533	585,161	145,304,840	4,610,517,534	6.8
2020-21	4,654,044,441	904,055	154,298,261	4,809,246,757	4.3
2021-22	4,933,260,437	904,055	175,019,499	5,109,183,991	6.2
2022-23	5,245,551,861	904,055	185,196,283	5,431,652,200	6.3
2023-24	5,514,065,654	904,055	201,230,205	5,716,199,914	5.2
2024-25	5,757,942,256	865,059	201,467,871	5,960,275,186	4.3

Source: California Municipal Statistics, Inc.

San Joaquin County Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2013-14	$46,194,932	0	$192,534	$46,387,466	--%
2014-15	47,494,991	0	232,427	47,727,418	2.9
2015-16	53,134,539	0	224,658	53,359,197	11.8
2016-17	54,726,960	0	215,856	54,942,816	3.0
2017-18	59,751,322	0	179,972	59,931,294	9.1
2018-19	82,859,412	0	181,374	63,040,786	5.2
2019-20	67,102,978	0	222,930	67,325,908	6.8
2020-21	71,512,557	0	254,400	71,766,957	6.6
2021-22	76,043,668	0	354,530	76,398,198	6.5
2022-23	80,307,075	0	614,338	80,921,413	6.9
2023-24	83,846,162	0	728,639	84,574,801	4.5
2024-25	86,320,351	0	636,005	86,956,356	2.8

Source: California Municipal Statistics, Inc.

Total District

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2013-14	$2,900,072,553	$414,602	$86,504,628	$2,986,991,783	--%
2014-15	3,235,097,764	414,602	93,545,054	3,329,057,420	11.5
2015-16	3,527,972,073	414,602	101,062,536	3,629,449,211	9.0
2016-17	3,743,507,938	585,161	113,922,739	3,858,015,838	6.3
2017-18	3,989,458,854	585,161	122,843,863	4,112,887,878	6.6
2018-19	4,248,637,850	585,161	130,976,715	4,380,199,726	6.5
2019-20	4,531,730,511	585,161	145,527,770	4,677,843,442	6.8
2020-21	4,725,556,998	904,055	154,552,661	4,881,013,714	4.3
2021-22	5,009,304,105	904,055	175,374,029	5,185,582,189	6.2
2022-23	5,325,858,937	904,055	185,810,621	5,512,573,613	6.3
2023-24	5,597,911,816	904,055	201,958,844	5,800,774,715	5.2
2024-25	5,844,262,607	865,059	202,103,876	6,047,231,542	4.2

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.

<u>Wildfires</u>. 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 13, 2025, the U.S. Drought Monitor indicates that the State is classified as experiencing no drought conditions in the northern part of the State, some abnormally dry, moderate and severe drought conditions, with pockets of severe and extreme drought conditions on the southeast border, with the Counties experiencing abnormally dry and no 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 globe. The ultimate impact of COVID-19 on the District's operations and finances and the economy, real estate market, development within the District and tax collections may not be fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

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

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

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2024-25

Jurisdiction:	**Assessed Valuation in School District**	**% of School District**	**Assessed Valuation of Jurisdiction**	**% of Jurisdiction in School District**
City of Oakdale	$3,217,741,339	53.21%	$3,217,741,339	100.00%
Unincorporated San Joaquin Co.	86,956,356	1.44	$30,775,102,010	0.28%
Unincorporated Stanislaus Co.	2,742,533,847	45.35	$21,357,537,432	12.84%
Total District	$6,047,231,542	100.00%		
Summary by County:				
San Joaquin Co.	$ 86,956,356	1.44%	$116,457,349,284	0.07%
Stanislaus Co.	5,960,275,186	98.56	$69,652,149,044	8.56%
Total District	$6,047,231,542	100.00%		

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2024-25. As shown, the majority of the District's assessed valuation is represented by residential property.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2024-25

Non-Residential:	2024-25 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$1,264,755,964	21.64%	2,197	16.30%
Commercial/Office	288,554,888	4.94	364	2.70
Vacant Commercial	17,360,015	0.30	53	0.39
Industrial	459,846,449	7.87	224	1.66
Vacant Industrial	10,196,763	0.17	43	0.32
Recreational	7,916,876	0.14	7	0.05
Government/Social/Institutional	108,018	0.00	401	2.97
Miscellaneous	136,023	0.00	5	0.04
Subtotal Non-Residential	$2,048,874,996	35.06%	3,294	24.43%
Residential:				
Single Family Residence	$3,509,232,904	60.05%	8,880	65.87%
Condominium	24,849,394	0.43	92	0.68
Mobile Home	17,740,482	0.30	441	3.27
Mobile Home Park	19,221,659	0.33	12	0.09
2-4 Residential Units	92,623,832	1.58	197	1.46
5+ Residential Units/Apartments	57,287,434	0.98	143	1.06
Vacant Residential	74,431,906	1.27	423	3.14
Subtotal Residential	$3,795,387,611	64.94%	10,188	75.57%
Total	$5,844,262,607	100.00%	13,482	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 2024-25, including the median and average assessed value of single-family parcels in the District.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2024-25

	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	8,880	$3,509,232,904	$395,184	$364,115

2024-25 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	105	1.182%	1.182%	$ 3,830,025	0.109%	0.109%
$50,000 - $99,999	364	4.099	5.282	28,103,463	0.801	0.910
$100,000 - $149,999	583	6.565	11.847	73,451,174	2.093	3.003
$150,000 - $199,999	657	7.399	19.245	115,959,294	3.304	6.307
$200,000 - $249,999	777	8.750	27.995	174,266,893	4.966	11.273
$250,000 - $299,999	785	8.840	36.836	216,183,078	6.160	17.434
$300,000 - $349,999	911	10.259	47.095	296,396,809	8.446	25.880
$350,000 - $399,999	906	10.203	57.297	339,259,660	9.668	35.548
$400,000 - $449,999	891	10.034	67.331	377,842,993	10.767	46.315
$450,000 - $499,999	698	7.860	75.191	330,321,779	9.413	55.728
$500,000 - $549,999	477	5.372	80.563	250,194,655	7.130	62.857
$550,000 - $599,999	440	4.955	85.518	253,177,297	7.215	70.072
$600,000 - $649,999	291	3.277	88.795	181,442,172	5.170	75.242
$650,000 - $699,999	208	2.342	91.137	140,228,586	3.996	79.238
$700,000 - $749,999	171	1.926	93.063	123,627,590	3.523	82.761
$750,000 - $799,999	116	1.306	94.369	89,694,318	2.556	85.317
$800,000 - $849,999	88	0.991	95.360	72,726,944	2.072	87.390
$850,000 - $899,999	90	1.014	96.374	78,629,221	2.241	89.630
$900,000 - $949,999	73	0.822	97.196	67,309,877	1.918	91.548
$950,000 - $999,999	42	0.473	97.669	40,970,178	1.167	92.716
$1,000,000 and greater	207	2.331	100.000	255,616,898	7.284	100.000
	8,880	100.000%		$3,509,232,904	100.000%	

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

Reassessments and Appeals of Assessed Value

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

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

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 each 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 each 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

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in tax rate area 84-010 ("**TRA**") for fiscal years 2020-21 through 2024-25.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates of Assessed Valuation
(Tax Rate Area 84-010)(1)
Fiscal Years 2020-21 through 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25
General Tax Rate	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Oak Valley Hospital District	.036553	.036825	.035607	.034368	.033904
Oakdale Joint Unified School District	.023986	.023382	.021813	.020501	.019522
Yosemite Community College District	.022778	.024006	.023417	.023108	.026244
Total All Property Tax Rate	$1.083317	$1.084213	$1.080837	$1.077977	$1.079670

(1) 2024-25 assessed valuation of TRA 84-010 is $747,437,874, which is 12.36% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The Board of Supervisors for Stanislaus County and San Joaquin County have each 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 Counties 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. Stanislaus County's Teeter Plan and San Joaquin County's Teeter Plan each currently cover the one percent general fund apportionment levy, and also other *ad valorem* taxes, such as those levied to repay the Bonds. The plans also include special assessments/direct charges, as long as the taxing entity is a Teeter participant.

So long as the Teeter Plan remains in effect, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by Stanislaus County or San Joaquin County. However, under the statute creating the Teeter Plan, the Board of Supervisors of each county can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to the entire Stanislaus County or San Joaquin County and, in addition, the Stanislaus County Board of Supervisors or the San Joaquin County Board of Supervisors can terminate their respective Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The current practice of Stanislaus County and San Joaquin County under the Teeter Plan is to pay the District 100% of the *ad valorem* taxes payable annually to the District in connection with general obligation bond indebtedness and to retain any penalties or delinquencies collected to offset such gross payment. In addition, the District cannot predict the impact, if any, that changes or modifications to property tax collection procedures might have on Stanislaus County's Teeter Plan or San Joaquin County's Teeter Plan.

Finally, the ability of Stanislaus County or San Joaquin County to maintain their respective Teeter Plan may depend on each Counties financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's, Stanislaus County's, or San Joaquin County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of a disease or natural or manmade disaster.

There can be no assurances that Stanislaus County or San Joaquin County will continue their respective Teeter Plan in the future, or that Stanislaus County or San Joaquin County will not discontinue their respective Teeter Plan or remove the District from their respective Teeter Plan in the future.

Notwithstanding the application of the Teeter Plan as described above, the table below shows recent secured tax charge and delinquency rates with respect to the District's general obligation bond levy.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies (1)
Fiscal Years 2019-20 through 2023-24

Fiscal Year	Secured Tax Charge	Amount Delinquent June 30	% Delinquent June 30
2019-20	$1,138,400.15	$12,869.44	1.13%
2020-21	1,100,927.38	9,484.14	0.86
2021-22	1,145,060.73	11,994.31	1.05
2022-23	1,138,204.33	15,054.32	1.32
2023-24	1,133,208.01	16,815.17	1.48

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

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2024-25. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from Stanislaus 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.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2024-25

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total (1)
1.	Hunt Wesson Foods Inc.	Food Processing	$235,019,499	4.02%
2.	John P. Brichetto	Agricultural	43,264,098	0.74
3.	V.A. Rodden Inc.	Agricultural	29,104,351	0.50
4.	Ball Metalpack (Oakdale) LLC	Light Industrial	25,810,042	0.44
5.	Thrive Masters LLC	Assisted Living Facility	20,124,809	0.34
6.	CMK2 Oak Valley	Office Building	18,406,060	0.31
7.	A L Gilbert Company	Agricultural	18,330,812	0.31
8.	John Kontoudakis	Shopping Center	16,183,872	0.28
9.	South Main Pump LLC	Agricultural	15,845,657	0.27
10.	Sconza Properties LLC	Food Processing	15,111,364	0.26
11.	Stueve Bros Farms of Oakdale LLC	Agricultural	11,895,882	0.20
12.	MVAS Investments LLC	Industrial	11,863,716	0.20
13.	Foothill Oaks Shopping Center Inc.	Shopping Center	11,675,602	0.20
14.	Willow Townhomes LLC	Residential	11,145,360	0.19
15.	Stein Properties	Industrial	10,439,346	0.18
16.	Hungtington LP	Industrial	10,222,396	0.17
17.	J S West Milling Co	Agricultural	10,210,001	0.17
18.	Holthouse Ranch LLC	Agricultural	9,990,057	0.17
19.	Crabtree East LLC	Agricultural	9,828,493	0.17
20.	Tesoro Homes Inc.	Residential Development	9,799,204	0.17
			$544,270,621	9.31%

(1) 2024-25 local secured assessed valuation: $5,844,262,607.
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, 2025. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of May 1, 2025)

2024-25 Assessed Valuation: $6,047,231,542

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 5/1/25**
Yosemite Community College District	6.446%	$14,780,041
Oakdale Joint Unified School District	**100.000**	**4,740,000** (1)
Valley Home Joint School District	100.000	1,759,737
Oak Valley Hospital District	82.550	19,977,100
City of Oakdale Community Facilities Districts	100.000	4,540,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$45,796,878
OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	8.557%	$ 340,569
San Joaquin County Certificates of Participation	0.075	32,393
City of Oakdale General Fund Obligations	100.000	1,297,745
Stanislaus Consolidated Fire District	1.126	117,273
TOTAL OVERLAPPING GENERAL FUND DEBT		$1,787,980
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$14,935,000
COMBINED TOTAL DEBT		**$62,519,858** (2)

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($4,740,000) 0.08%
Combined Direct Debt ($6,499,737) (3) 0.11%
Total Direct and Overlapping Tax and Assessment Debt..........0.76%
Combined Total Debt...1.03%

Ratio to Redevelopment Incremental Valuation ($655,801,483):
Total Overlapping Tax Increment Debt.....................................2.28%

(1) Excludes the Bonds offered for sale hereunder.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
(3) Includes Valley Home Elementary School District.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. 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.

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

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Material Litigation

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

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including with respect to fees it has received or expects to receive from developers or Assembly Bill 218. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

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

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an **"Annual Report"**) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website ("**EMMA**") not later than nine months after the end of the District's fiscal year, commencing March 31, 2026, with the report for the 2024-25 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the **"Rule"**).

In the previous five-year period, the District has not failed to comply, in all material respects, with its existing continuing disclosure undertakings. The District therefore has not failed to comply in all material aspects with any previous undertakings with regard to the Rule in the past five years. In order to assist it in complying with its 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 Counties 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 Counties have not reviewed, nor is it responsible for, the content of this Official Statement.

RATING

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

The District has covenanted in the Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds on EMMA. See "APPENDIX 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 S&P and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of $________ which is equal to the aggregate principal amount of the Bonds of $________, [plus][less] [net] original issue [premium][discount] of $________ less an Underwriter's discount of $________.

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

OAKDALE JOINT UNIFIED SCHOOL DISTRICT

By: ______________________________________
Superintendent

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 Counties in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.*

GENERAL INFORMATION

The District was established in July of 1998, unifying Oakdale Union Elementary School District and the Oakdale Joint Union High School District. The District is located mainly in Stanislaus County with a small portion located in San Joaquin County (each a "**County**" and, together, the "**Counties**"), in the State of California (the "**State**"). The District is comprised of four elementary schools, one junior high school, one comprehensive high school, an independent study high school, one home study charter high school, and one continuation high school. Enrollment in the District is approximately 5,133 students in fiscal year 2024-25.

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 City of Oakdale and Stanislaus County.

District Governance and Administration

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

Name	Office	Term Expires
Clayton Schemper	President	November 2026
Bill Duvall	Clerk	November 2026
Diane Gilbert	Member	November 2026
Tina Shatswell	Member	November 2028
Terri Taylor	Member	November 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. Larry Mendonca currently serves as the Superintendent of the District, and Kassandra Booth serves as the Chief Business Officer.

Charter School

Pursuant to Education Code Section 47605 and following, the District has sponsored a charter for Oakdale Charter School since 1996, which serves students in grades seven through twelve. The District maintains a Charter School Fund to account for revenues and expenditures of the Oakdale Charter School.

Recent Enrollment Trends

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

ANNUAL ENROLLMENT (1)
Fiscal Years 2017-18 through 2024-25
Oakdale Joint Unified School District

Fiscal Year	Student Enrollment	% Change
2017-18	5,262	--%
2018-19	5,336	1.4
2019-20	5,349	0.2
2020-21	5,213	(2.5)
2021-22	5,203	(0.2)
2022-23	5,173	(0.6)
2023-24	5,105	(1.3)
2024-25 (2)	5,133	0.6

(1) Enrollment figures do not include charter school enrollment.
(2) Second interim projection.
Source: California Department of Education; Oakdale Joint Unified School District.

Employee Relations

The District has 258 full-time equivalent ("**FTE**") certificated, 217 FTE classified employees 37 FTE management employees. Two unions represent the District employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date
Certificated	Oakdale Teachers' Association	June 30, 2025
Classified	California School Employees Association	June 30, 2025

Source: *Oakdale Joint 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 2024-25 are set forth in the following table.

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

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

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

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

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

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

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

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

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2023-24 were prepared by Eide Bailly LLP, Fresno, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business Officer. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2019-20 through 2023-24.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2019-20 through 2023-24 (Audited)
Oakdale Joint Unified School District (1)

	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24
Revenues					
LCFF	$50,055,881	$50,013,389	$52,264,199	$58,844,316	$62,581,712
Federal revenues	2,097,893	6,276,649	6,443,157	4,904,368	5,447,907
Other state revenues	5,592,831	7,172,518	9,162,096	15,669,351	11,906,393
Other local revenues	4,270,470	4,607,766	3,950,132	7,051,011	8,372,572
Total Revenues	62,017,075	68,070,322	71,819,584	86,469,046	88,308,572
Expenditures					
Instruction	38,161,344	41,380,111	45,427,288	48,480,508	52,013,972
Instruction-related services:					
Supervision of instruction	1,715,613	1,056,971	1,069,601	950,715	1,032,543
Library, media and technology	497,085	448,989	495,966	543,385	626,766
School site administration	4,576,325	4,480,568	4,898,882	5,308,843	5,593,862
Pupil services:					
Home-to-school transportation	1,536,945	1,586,473	2,133,976	2,378,424	2,708,711
Food services	15,152	44,683	65,333	205,962	2,179
All other pupil services	3,729,508	4,238,613	5,256,145	5,618,922	6,215,308
General administration services:					
Data processing	61,514	59,329	64,835	452,449	520,207
Other general administration	3,195,054	2,846,968	3,137,645	3,262,724	3,441,332
Plant services	5,304,769	5,599,920	6,858,029	8,058,530	8,756,507
Ancillary services	--	--	--	--	82
Community services	25,436	2,583	19,018	23,719	26,428
Other outgo	1,380,794	1,021,453	1,040,157	1,107,193	919,735
Facility acquisition and construction	251,474	117,520	672,766	1,168,289	716,029
Capital outlay	--	--	--	--	-
Debt service-Principal	--	--	--	--	323,156
Debt service-Interest and other	--	--	--	--	525
Total Expenditures	60,451,013	62,884,151	71,139,641	77,559,663	82,897,342
Excess of Revenues Over/(Under) Expend.	1,566,062	5,186,171	679,943	8,909,383	5,411,241
Other Financing Sources (Uses)					
Operating transfers in	33,632	344,557	36,859	192,786	46,954
Operating transfers out	(79,588)	(1,382,828)	(300,000)	(1,242,156)	(800,000)
Other sources-leases	--	--	52,453	188,980	--
Other sources-financed purchased agreement	--	--	--	486,160	--
Other sources-SBITAs	--	--	--	--	263,305
Other uses	--	--	--	--	--
Total Other Financing Source(Uses)	(45,956)	(1,038,271)	(210,688)	(374,230)	(489,741)
Net change in fund balance	1,520,106	4,147,900	469,255	8,535,153	4,921,500
Fund Balance, July 1	18,113,699	19,633,805	23,781,705	24,250,960	32,786,113
Fund Balance, June 30	$19,633,805	$23,781,705	$24,250,960	$32,786,113	$37,707,613

(1) Totals may not foot 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 Stanislaus County Superintendent of Schools (the **"County Superintendent"**).

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of 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 fiscal year 2024-25 (adopted budget and second interim projections).

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2024-25 (Adopted Budget and Second Interim Projections)

Revenues	**Adopted Budget 2024-25**	**Second Interim 2024-25**
Total LCFF Sources	$62,019,443	$61,981,113
Federal Revenues	2,543,618	3,341,073
Other state revenues	9,899,195	10,688,715
Other local revenues	6,106,406	6,605,048
Total Revenues	80,568,662	82,615,948
Expenditures		
Certificated Salaries	33,395,390	34,518,144
Classified Salaries	12,364,086	13,613,887
Employee Benefits	18,608,366	18,985,823
Books and Supplies	3,591,514	7,042,698
Services and Other Operating Expenditures	12,283,561	12,895,605
Capital Outlay	348,636	2,595,236
Other Outgo (excluding transfers of indirect costs)	1,121,418	1,121,418
Other Outgo	(79,388)	(98,146)
Total Expenditures	81,633,583	90,674,665
Excess of Revenues Over/(Under) Expenditures	(1,064,921)	(8,058,717)
Other Financing Sources (Uses)		
Operating transfers in	218,452	1,489,340
Operating transfers out	(400,000)	(600,000)
Other sources (uses)	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	(181,548)	889,340
Net change in fund balance	(1,246,469)	(7,169,317)
Fund Balance, July 1	32,716,646	32,716,646
Fund Balance, June 30 (1)	$31,470,177	$25,547,329

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

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

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the

State's Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2024-25.

Attendance - LCFF Funding

Funding Trends under LCFF. As described herein, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District, including the charter school, for fiscal years 2019-20 through 2026-27.

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2019-20 through 2026-27

Fiscal Year	ADA	LCFF Funding Per ADA
2019-20	5,169	$9,657
2020-21	5,169	9,643
2021-22	5,069	10,247
2022-23	4,890	11,989
2023-24	4,879	12,731
2024-25	4,819	12,780
2025-26(1)	4,797	12,936
2026-27(1)	4,764	13,331

(1) Budgeted.
Source: Oakdale Joint Unified School District.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 45% for purposes of calculating supplemental and concentration grant funding under LCFF.

Revenue Sources

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

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

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

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

Under LCFF, a school district whose property tax revenues exceed its funding under the LCFF is entitled to keep its local property tax revenues which exceed its LCFF funding, maintaining its status as a Basic Aid District, now referred to as a "Community Supported District." For school districts that were Basic Aid prior to implementation of the LCFF, such districts are entitled to retain their status as Community Supported and keep their full local property tax revenue entitlement, provided that the per-pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues. The threshold for Community Supported status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Community Supported status as the result of the implementation of the LCFF. The District is not a Community Supported District. Accountability measures contained in the LCFF must be implemented by all districts, including Community Supported Districts.

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

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President Trump has signed an executive order aimed at dismantling the federal Department of Education, from which California school districts receive funding aimed at low-income and special needs students. The District cannot predict the types of possible federal funding cuts that may occur, the extent of such cuts, if any, and the impact on the District's revenues or operations, if any, as a result of the reduction or elimination of federal funding or the possible termination of the Department of Education.

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

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

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

District Retirement Systems

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

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

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

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

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2020 through July 1, 2024

Effective Date	Employer Contribution Rate
July 1, 2020	16.15%
July 1, 2021	16.92
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10

Source: STRS.

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

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
Oakdale Joint Unified School District
Fiscal Years 2019-20 through 2024-25

Fiscal Year	Amount
2019-20	$4,292,653
2020-21	4,385,752
2021-22	4,812,679
2022-23	5,923,291
2023-24	6,221,322
2024-25[1]	9,621,599

(1) Second interim projection.
Source: Oakdale Joint Unified School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately $86.6 billion, based on a market value of assets, as of June 30, 2023, which is the date of the last actuarial valuation.

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

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

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2024-25

Fiscal Year	Employer Contribution Rate[1]
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050

(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
Oakdale Joint Unified School District
Fiscal Years 2019-20 through 2024-25

Fiscal Year	Amount
2019-20	$1,589,781
2020-21	1,686,880
2021-22	2,120,499
2022-23	2,623,891
2023-24	3,021,341
2024-25[1]	3,298,140

(1) Second interim projection.
Source: Oakdale Joint Unified School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $40.6 billion, based on a market value of assets, as of June 30, 2023, which is the date of the last actuarial valuation.

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

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

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

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

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 13 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 Underwriter for accuracy or completeness.*

Other Post-Employment Retirement Benefits

The Plan Generally. The District's Board of Trustees administers the Postemployment Benefits Plan (the "**Plan**"). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("**OPEB**") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. As of June 30, 2023, the valuation date, membership of the Plan consisted of 50 retirees and beneficiaries receiving benefits and 450 active members.

Benefits. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's Board of Trustees has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Oakdale Teachers' Association ("**OTA**"), the local California Service Employees Association ("**CSEA**"), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, OTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2023 reported in the District's June 30, 2024 audited financial statements, the District paid $402,622 in benefits.

Total Liability. The District's total OPEB liability of $8,313,505 was measured as of June 30, 2023 and was determined by an actuarial valuation date as of July 1, 2023.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2023, is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Oakdale Joint Unified School District

	Total OPEB Liability
Balance at June 30, 2022	$9,085,964
Service Cost	551,825
Interest	323,525
Differences between expected and actual experience	(1,177,879)
Changes of assumptions	(67,308)
Benefit payments	(402,622)
Net changes	772,459
Balance at June 30, 2023	$8,313,505

Source: Oakdale Joint Unified School District.

OPEB Expense. For the year ended June 30, 2024, the District recognized OPEB expense of $678,859.

For more information regarding the District's OPEB and assumptions used in its most recent actuarial study, see Note 11 of Appendix B to the Official Statement.

Insurance – Joint Powers Authorities

The District is a member of the Central Region School Insurance Group ("**CRSIG**") joint powers authority and the California's Valued Trust ("**CVT**"). The District pays annual premiums to these entities for its vision, dental, health, and workers' compensation, and property and liability coverage. The relationships between the District and the entities are such that the entities are not component units of the District for financial reporting purposes. The District has appointed one member to the governing board of CRSIG.

During the year ended June 30, 2024, the District made payments of $1,226,547 to CRSIG for workers' compensation, and property and liability coverage. At June 30, 2024, the District has recorded no accounts receivable or accounts payable due from/to CRSIG. During the year ended June 30, 2024, the District made payments of $2,633,192 to CVT for employee health benefits.

At June 30, 2024, the District has recorded no accounts receivable or accounts payable due from/to CVT.

For more information regarding the District's in risk management and participation in joint powers authorities, see Notes 12 and 15 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 relies on other entities and service providers in the course of operating the District, including the Counties 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 received authorization from District voters at an election held on November 5, 2024 (the "**2024 Authorization**"), to issue up to $105,500,000 principal amount of general obligation bonds. The Bonds described in this Official Statement are the first issuance under the 2024 Authorization.

On May 3, 2017, the District issued its Oakdale Joint Unified School District 2017 General Obligation Refunding Bonds in the aggregate principal amount of $11,555,000 (the "**2017 Refunding Bonds**"). As of May 1, 2025, the Refunding Bonds are outstanding in the aggregate principal amount of $4,740,000.

Financed Purchase Agreement. The District has entered into an agreement to finance the retrofit of LED lighting. Such an agreement is, in substance, a purchase and is reported as a financed purchase agreement. The District's liability on the agreement as of June 30, 2024 is $416,558.

Leases Payable. The District has entered into agreements to lease various equipment. The District's liability on lease agreements as of June 30, 2024 is $163,248.

Subscriptions-Based Information Technology Arrangements (SBITAs). The District entered into SBITAs for the use of various software. At June 30, 2024, the District has recognized a right-to-use subscriptions IT asset of $263,305 and a SBITA liability of $42,345 related to these agreements. During the fiscal year 2023-24, the District recorded $86,194 in amortization expense. The subscriptions have an interest rate of 3.0%. The District's liability on the SBITA as of June 30, 2024 is $42,451.

Compensated Absences. Total unpaid employee compensated absences as of June 30, 2024, amounted to $138,438. This amount is included as part of long-term liabilities in the government-wide financial statements.

Investment of District Funds

In accordance with California Government Code Sections 53600 *et seq*., Stanislaus County Treasurer manages funds deposited with it by the District. Stanislaus 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 Stanislaus County's current investment policy and recent investment report.

Effect of State Budget on Revenues

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

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

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Underwriter nor the Counties are 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 Underwriter. Such information is not incorporated herein by reference.

The 2024-25 State Budget

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

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

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

25, $4.6 billion in fiscal year 2025-26, and $4.0 billion in fiscal year 2026-27. Significantly, the 2024-25 State Budget provides for the withdrawal of approximately $12.2 billion from the State Rainy Day Fund (the "Rainy Day Fund") over fiscal years 2024-25, and 2025-26 and approximately $0.9 billion from the State Safety Net Reserve in fiscal year 2024-25.

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

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

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

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

levels of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State's general fund revenues, plus local property tax revenues and a $4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to approximately 39.2% to increase the percentage of State general fund revenues due to the minimum guarantee.

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

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

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

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

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

Instructional Continuity and Attendance Program. The 2024-25 State Budget includes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to local educational agencies. Beginning in fiscal year 2024-25, the 2024-25 State Budget allows local educational agencies to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education for funding purposes. Beginning July 1, 2025, the 2024-25 State Budget requires local educational agencies to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application (J-13A waiver). The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The 2024-25 State Budget also includes a $4.0 million in one-time Proposition 98 general fund resources to research and develop new models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for local educational agencies to develop their own hybrid and remote learning programs to enable instructional continuity.

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

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

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

The 2024-25 State Budget solution-oriented measures that directly impact funding for school districts include forgoing planned investments of (a) $875.0 million to support the school facility program, (b) $550.0 million support to the State preschool, transitional kindergarten and full-day kindergarten facilities grant program, and (c) $500.0 million one-time investment in zero-emission school buses. The 2024-25 State Budget provides approximately $907.1 million to support arts and music in schools, an additional $179.4 million in ongoing Proposition 98 general fund resources and an additional $120.8 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25, $9.0 million in one-time Proposition 98 general fund resources for the classified school employee summer assistance program, $7.0 million in one-time Proposition 98 general fund resources to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks, and $5.0 million each for the State teachers collaborative for holocaust and genocide education and school programs in rural districts.

For the full text of the 2024-25 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 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.*

The 2025-26 State Budget Proposal

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

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

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

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

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

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

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

May Revision to the 2025-26 State Budget Proposal

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

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

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

- Enrollment Freeze for Full-Scope Medi-Cal Expansion for Undocumented Adults, Adults 19 and Older—$86.5 million in 2025-26, growing to $3.3 billion in 2028-29.

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

- Medi-Cal Asset Test Limits—$94 million in 2025-26, growing to $791 million in 2028-29.

- Elimination of Long-Term Care Benefits—$333.3 million in 2025-26, growing to $800 million in 2026-27 for individuals with certain statuses, those who will eventually qualify for federal funds, and individuals enrolled in the Medi-Cal full-scope expansion.

- Prospective Payment System Payments to Federally Qualified Health Centers and Rural Health Clinics—$452.5 million in 2025-26, growing to $1.1 billion in 2026-27.

- Specialty Drug Coverage for Weight Loss—$85 million in 2025-26, growing to $680 million in 2028-29.

- Cap In-Home Supportive Services Overtime and Travel Hours at 50 Hours—$707.5 million in 2025-26, growing to $893.4 million in 2028-29.

- Require Provider Mandates for Quality Incentive Payment Incentive Eligibility—$221.7 million ongoing beginning in 2026-27.

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

- Proposition 35 Support for Medi-Cal Rate Increases—$1.3 billion in 2025-26 and $263.7 million in 2026-27.

- Medical Providers Interim Payment Fund Loan—$3.4 billion due to extending the repayment deadline.

- Unfair Competition Law Fund Loan—$150 million in 2025-26.

- Labor and Workforce Development Fund Loan—$400 million in 2025-26.

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

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

- California Food Assistance Program Expansion—$117.2 million in 2027-28, growing to $163.2 million in 2028-29.

- Foster Care Tiered Rate Structure Trigger—$338.9 million in 2027-28, growing to $522.1 million in 2028-29.

Education. Important education highlights from the May Revision include:

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

- A reduction of $177.5 million in remaining, unused General Fund from a $2 billion one-time allocation provided to the Office of Public School Construction in the 2023 Budget Act for TK-12 school facilities.

- A reduction of $19.3 million ongoing Proposition 98 General Fund and $10.2 million ongoing General Fund to reflect the suspension of the statutory cost-of-living adjustment for the California State Preschool Program in 2025-26.

- $2.1 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal TK.

- $1.2 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

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

For the full text of the 2025-26 State Budget Proposal and the May Revision to the 2025-26 State Budget Proposal, see the DOF website at www.dof.ca.gov. *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.*

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

- <u>A Budget Problem Has Emerged Since January</u>. Since January, when the 2025-26 State Budget Proposal was roughly balanced, a budget problem has emerged. The LAO estimates the administration solved a $14 billion budget problem (similar to the $12 billion budget problem cited by the Governor in the May Revision). The budget problem is driven by two key factors: higher baseline spending, most notably in Medi-Cal, and lower revenues, reflecting diminished expectations for both the personal income tax and the corporation tax.

- <u>The Governor Mainly Proposes Addressing the Budget Problem With Spending Solutions</u>***.*** The May Revision proposes $9.5 billion in spending solutions, including about $5 billion in spending reductions. A significant share of these spending solutions are ongoing and grow to $17.5 billion by the last year of the administration's forecast, helping to address, but not fully solve, the State's persistent multiyear deficits. Notably, the administration does not propose using any more in reserves to address this new budget problem, which the LAO notes is prudent.

- Recommend Legislature Maintain Overall May Revision Structure*.* The LAO recommends the Legislature address the budget shortfall with a similar approach that the administration took, namely adopting solutions that primarily put the State on more solid fiscal footing, rather than those that delay or exacerbate future problems. Moreover, the LAO recommends avoiding committing to new activities. Finally, the State's persistent fiscal imbalance and the added downside risks, particularly from potential federal actions, suggest a need for a more proactive approach. As such, the LAO views the Governor's focus on reducing multiyear spending as a reasonable and appropriate step. That said, the Legislature could allocate the mix of solutions differently, for example, by changing the types of programs, types of reductions, or mix of spending and revenue solutions adopted.

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

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2024-25 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the Counties, the Underwriter or the owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assumes 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 Counties for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID 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 Counties for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA 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 XIIIA of the California Constitution

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

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

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

Legislation Implementing Article XIIIA*.* Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 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 XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the Counties, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB ("**Article XIIIB**") 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 XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB 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 XIIIB 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 XIIIB 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 XIIIC and XIIID 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 XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), 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 XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC 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 XIIID. 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 XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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.

California Senate Bill 222

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

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID 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

OAKDALE JOINT UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-24

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Financial Statements
June 30, 2024

Oakdale Joint Unified School District

Independent Auditor's Report

To the Governing Board
Oakdale Joint Unified School District
Oakdale, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability, and schedule of the District's contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Fresno, California
December 3, 2024

Oakdale Joint Unified School District
168 South Third Avenue, Oakdale, California 95361
(209) 848-4884 • Fax (209) 847-0155

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Oakdale Joint Unified School District (the District).

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

The Fund Financial Statements include statements for each of the three categories of funds: governmental, proprietary, and fiduciary.

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

The Proprietary Funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Fiduciary Funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The Primary unit of the government is the Oakdale Joint Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

Governmental Activities - Most of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, federal, state and local grants, as well as general obligation bonds, finance these activities.

Business-Type Activities - The District charges fees to help it cover the costs of certain services it provides. The District's before school programs and services are included here.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

***Proprietary Funds* -** When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities*. In fact, the financial information reported in District's Before School Program Enterprise Fund is the same as the business-type activities we report in the government-wide statements, but provides more detail and additional information, such as cash flows.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary,* for funds held on behalf of others. The District's fiduciary activities are reported in the *Fiduciary Funds Statement of Net Position* and the *Fiduciary Funds Statement of Changes in Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

During the 2023-2024 school year, challenges remained for school districts across the State as we saw a continued decrease in enrolled student. For Oakdale, our enrollment declined by 66 students from the prior year. Despite a decrease in students from prior year, our student attendance rates were higher than prior year. Student attendance is an important factor to monitor, not just for funding purposes, but also for the educational benefit of students. Students who are absent for any reason miss important educational content and socialization with their grade-alike peers, and if they are chronically absent, they will be ill-prepared for advancing to the next grade level. Therefore, it was exciting to see that all sites attendance campaign was able to raise our attendance rates back to 94% (pre-pandemic levels).

The ability for the District to maintain and improve facilities continues to be a local effort. Minimal state funds are available and while developer fee dollars are steady, they are dramatically insufficient for constructing a new school. Recognizing these financial limits, the District carefully plans and balances facility needs to ensure all needs are met.

In 2023-2024, between the amazing work of our maintenance and operations staff, as well as contracted vendors, Oakdale Joint Unified School District has been able install a fence at Oakdale Junior High School for additional security, retrofitted a new staff breakroom at Fair Oaks Elementary, and began the installation of two new portables at Cloverland Elementary due to the increase Transitional Kindergarten students.

THE DISTRICT AS A WHOLE

Net Position

The District's net position for governmental activities was $59.9 million for the fiscal year ended June 30, 2024, and $51.8 million for the fiscal year ended June 30, 2023; an increase of $8.1 million. Of this amount, $16.9 million was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 53,488,829	$ 46,395,220	$ 316,442	$ 321,468	$ 53,805,271	$ 46,716,688
Capital assets	71,905,982	70,799,100	-	-	71,905,982	70,799,100
Total assets	125,394,811	117,194,320	316,442	321,468	125,711,253	117,515,788
Deferred Outflows of Resources	23,845,931	17,387,604	13,043	13,968	23,858,974	17,401,572
Liabilities						
Current liabilities	5,801,558	5,133,643	2,009	110	5,803,567	5,133,753
Long-term liabilities	76,664,602	69,136,574	36,908	40,874	76,701,510	69,177,448
Total liabilities	82,466,160	74,270,217	38,917	40,984	82,505,077	74,311,201
Deferred Inflows of Resources	6,921,494	8,484,047	1,262	1,663	6,922,756	8,485,710
Net Position						
Net investment in capital assets	65,048,435	62,792,544	-	-	65,048,435	62,792,544
Restricted	16,858,269	15,676,448	-	-	16,858,269	15,676,448
Unrestricted (Deficit)	(22,053,616)	(26,641,332)	289,306	292,789	(21,764,310)	(26,348,543)
Total net position	$ 59,853,088	$ 51,827,660	$ 289,306	$ 292,789	$ 60,142,394	$ 52,120,449

The $59.9 million net position of the governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased approximately $4.5 million.

Changes in Net Position

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

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 2,243,051	$ 1,735,117	$ -	$ -	$ 2,243,051	$ 1,735,117
Operating grants and contributions	24,160,156	19,366,006	-	-	24,160,156	19,366,006
General revenues						
Federal and State aid not restricted	42,448,382	39,527,329	-	-	42,448,382	39,527,329
Property taxes	24,660,838	23,646,119	-	-	24,660,838	23,646,119
Other general revenues	2,674,760	8,701,611	39,699	26,585	2,714,459	8,728,196
Total revenues	96,187,187	92,976,182	39,699	26,585	96,226,886	93,002,767
Expenses						
Instruction-related	61,182,415	53,547,802	-	-	61,182,415	53,547,802
Pupil services	12,222,322	10,313,680	-	-	12,222,322	10,313,680
Administration	4,314,444	3,650,173	-	-	4,314,444	3,650,173
Plant services	7,929,259	6,863,549	-	-	7,929,259	6,863,549
All other services	2,513,319	2,696,890	43,182	(196,368)	2,556,501	2,500,522
Total expenses	88,161,759	77,072,094	43,182	(196,368)	88,204,941	76,875,726
Change in net position	$ 8,025,428	$ 15,904,088	$ (3,483)	$ 222,953	$ 8,021,945	$ 16,127,041

Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was $88.2 million as compared to $77.1 million in the prior year. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $24.7 million because the cost was paid by those who benefited from the programs, $2.2 million, or by other governments and organizations who subsidized certain programs with grants and contributions of $24.2 million. We paid for the remaining "public benefit" portion of our governmental activities with $45.1 million in State and Federal unrestricted funds and with other revenues, like interest and general entitlements.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $47.8 million as compared to $41.4 million in the prior year, which is an overall increase of approximately $6.4 million from last year. The General Fund balance increased $4.9 million from the prior year due to continued Federal and State funding related to COVID-19. The remaining funds increased by $1.4 million primarily due to increased child nutrition revenues relating to increased attendance and due to increased developer fee revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 10, 2024. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report.

- Student attendance is a driving factor for the majority of income for the General Fund. The 2023-2024 school year attendance was 4,769.69. Due to the new three year rolling average attendance calculation, we were funded on 4,999.35 (excluding District funded County programs).
- The District received an increase in total revenue by $2.1 million, primarily due to increased LCFF revenues.
- The expenditures for the General Fund increased $5.3 million from the 2022-2023 year, primarily due to increased services.

The District budgeted a decrease General Fund balance of approximately $2.7 million. However, revenues and other sources were about $0.7 million more than budgeted, and expenditures and other uses were approximately $6.7 million less than budgeted, resulting in an increase of $4.7 million to the fund balance from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2024, the District had $71.9 million in a broad range of capital assets (net of accumulated depreciation and amortization expenses), including land, buildings, equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation and amortization expenses) of $1.1 million from last year. This year's major additions include the ongoing Oakdale Junior High School fencing project. We present more detailed information about our capital assets and right-to-use leased assets in the Notes to Financial Statements.

Table 3

	Governmental Activities	
	2024	2023
Land and construction in progress	$ 15,890,094	$ 15,529,254
Buildings and improvements	50,481,473	50,788,089
Equipment	5,198,696	4,271,708
Right-to-use leased assets	158,608	210,049
Right-to-use subscription IT assets	177,111	-
Total	$ 71,905,982	$ 70,799,100

Long-Term Liabilities

At the end of this year, the District had $76.2 million in long-term liabilities outstanding versus $69.1 million last year, an increase of $7.1 million primarily due to increases in net pension and OPEB liabilities. These liabilities consisted of:

Table 4

	Governmental and Business-Type Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	$ 5,805,000	$ 6,830,000
Unamortized premiums	565,749	648,541
Financed purchase agreement	416,558	469,262
Leases	163,248	212,740
Subscription-based IT arrangements	42,345	-
Compensated absences	138,438	146,256
Net OPEB liability	8,073,806	9,310,681
Aggregate net pension liability	60,988,574	51,519,094
Total	$ 76,193,718	$ 69,136,574

The District's general obligation bond S&P rating at the time of their last issuance was "AAA". We present more detailed information about our capital assets in the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The key assumption in our adopted budget revenue forecast is:

1. State aid included 1.07% cost of living adjustment from prior year.
2. Average Daily Attendance funded a three-year average: 2021-2022 through 2023-2024.
3. State and Federal Career Technical Education grants continue.
4. Federal grants updated with preliminary funding levels until final information is known.

The key assumptions in our expenditure forecast are:

1. Step and column increase for all contracted employees eligible for the salary improvement.
2. Continued full funding of the Restricted Maintenance Account.
3. Increased pension costs for CalPERS members.
4. Spending priorities outlined in the Local Control Accountability Plan adopted on June 10, 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Kassandra Booth, Chief Business Officer, at Oakdale Joint Unified School District, 168 S. Third Avenue, Oakdale, California 95361, or e-mail at kbooth@ojusd.org.

	Governmental Activities	Business-Type Activities	Total
Assets			
Deposits and investments	$ 49,344,663	$ 316,540	$ 49,661,203
Receivables	3,963,088	(98)	3,962,990
Prepaid expense	30,050	-	30,050
Stores inventories	151,028	-	151,028
Capital assets not depreciated or amortized	15,890,094	-	15,890,094
Capital assets, net of accumulated depreciation and amortization	56,015,888	-	56,015,888
Total assets	125,394,811	316,442	125,711,253
Deferred Outflows of Resources			
Deferred charge on refunding	100,928	-	100,928
Deferred outflows of resources related to OPEB	998,823	311	999,134
Deferred outflows of resources related to pensions	22,746,180	12,732	22,758,912
Total deferred outflows of resources	23,845,931	13,043	23,858,974
Liabilities			
Accounts payable	4,855,599	2,009	4,857,608
Interest payable	102,167	-	102,167
Unearned revenue	843,792	-	843,792
Long-term liabilities			
Long-term liabilities other than OPEB and pensions due within one year	1,208,444	-	1,208,444
OPEB liability due in one year	470,884	-	470,884
Long-term liabilities other than OPEB and pensions due in more than one year	5,922,894	-	5,922,894
Net other postemployment benefits liability (OPEB)	8,073,806	1,882	8,075,688
Aggregate net pension liabilities	60,988,574	35,026	61,023,600
Total liabilities	82,466,160	38,917	82,505,077
Deferred Inflows of Resources			
Deferred inflows of resources related to OPEB	3,092,601	700	3,093,301
Deferred inflows of resources related to pensions	3,828,893	562	3,829,455
Total deferred inflows of resources	6,921,494	1,262	6,922,756

	Governmental Activities	Business-Type Activities	Total
Net Position			
Net investment in capital assets	65,048,435	-	65,048,435
Restricted for			
Debt service	1,159,533	-	1,159,533
Capital projects	2,073,034	-	2,073,034
Educational programs	11,336,517	-	11,336,517
Food service	1,884,152	-	1,884,152
Student activities	405,033	-	405,033
Unrestricted (deficit)	(22,053,616)	289,306	(21,764,310)
Total net position	$ 59,853,088	$ 289,306	$ 60,142,394

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Total
Governmental Activities						
Instruction	$ 53,610,732	$ 1,084,351	$ 13,475,434	$ (39,050,947)	$ -	$ (39,050,947)
Instruction-related activities						
Supervision of instruction	1,031,716	9,650	348,791	(673,275)	-	(673,275)
Instructional library, media, and technology	606,826	-	11,031	(595,795)	-	(595,795)
School site administration	5,933,141	-	615,965	(5,317,176)	-	(5,317,176)
Pupil services						
Home-to-school transportation	3,123,945	-	787	(3,123,158)	-	(3,123,158)
Food services	2,869,193	8,501	3,076,099	215,407	-	215,407
All other pupil services	6,229,184	320,903	2,102,451	(3,805,830)	-	(3,805,830)
Administration						
Data processing	546,804	-	103,022	(443,782)	-	(443,782)
All other administration	3,767,640	84,492	492,892	(3,190,256)	-	(3,190,256)
Plant services	7,929,259	667,799	2,252,826	(5,008,634)	-	(5,008,634)
Ancillary services	1,370,337	-	1,469,689	99,352	-	99,352
Community services	26,451	-	-	(26,451)	-	(26,451)
Enterprise services	3,675	-	-	(3,675)	-	(3,675)
Interest on long-term liabilities	193,121	-	-	(193,121)	-	(193,121)
Other outgo	919,735	67,355	211,169	(641,211)	-	(641,211)
Total governmental activities	88,161,759	2,243,051	24,160,156	(61,758,552)	-	(61,758,552)
Business-Type Activities						
Enterprise services	43,182	-	-	-	(43,182)	(43,182)
Total primary government	$ 88,204,941	$ 2,243,051	$ 24,160,156	(61,758,552)	(43,182)	(61,801,734)

	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues and Subventions			
Property taxes, levied for general purposes	23,010,723	-	23,010,723
Property taxes, levied for debt service	1,281,305	-	1,281,305
Taxes levied for other specific purposes	368,810	-	368,810
Federal and State aid not restricted to specific purposes	42,448,382	-	42,448,382
Interest and investment earnings	1,837,038	16,637	1,853,675
Interagency revenues	207,688	-	207,688
Miscellaneous	630,034	23,062	653,096
Subtotal, general revenues and subventions	69,783,980	39,699	69,823,679
Change in Net Position	8,025,428	(3,483)	8,021,945
Net Position - Beginning	51,827,660	292,789	52,120,449
Net Position - Ending	$ 59,853,088	$ 289,306	$ 60,142,394

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Deposits and investments	$ 40,610,403	$ 8,734,260	$ 49,344,663
Receivables	3,578,225	384,863	3,963,088
Due from other funds	81,038	1,320,850	1,401,888
Prepaid expenditures	30,050	-	30,050
Stores inventories	7,640	143,388	151,028
Total assets	$ 44,307,356	$ 10,583,361	$ 54,890,717
Liabilities			
Accounts payable	$ 4,436,215	$ 419,384	$ 4,855,599
Due to other funds	1,320,850	81,038	1,401,888
Unearned revenue	842,678	1,114	843,792
Total liabilities	6,599,743	501,536	7,101,279
Fund Balances			
Nonspendable	47,690	143,388	191,078
Restricted	11,223,653	5,771,208	16,994,861
Committed	14,960,273	674,301	15,634,574
Assigned	3,661,349	3,492,928	7,154,277
Unassigned	7,814,648	-	7,814,648
Total fund balances	37,707,613	10,081,825	47,789,438
Total liabilities and fund balances	$ 44,307,356	$ 10,583,361	$ 54,890,717

Total Fund Balance - Governmental Funds		$ 47,789,438
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 121,029,729	
Accumulated depreciation and amortization is	(49,123,747)	
Net capital assets		71,905,982
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(102,167)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	100,928	
Other postemployment benefits (OPEB)	998,823	
Net pension liability	22,746,180	
Total deferred outflows of resources		23,845,931
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB)	(3,092,601)	
Net pension liability	(3,828,893)	
Total deferred inflows of resources		(6,921,494)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(60,988,574)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(8,544,690)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds including unamortized premiums	(6,370,749)	
Financed purchase agreement	(416,558)	
Leases	(163,248)	
Subscription-based IT arrangements	(42,345)	
Compensated absences	(138,438)	
Total long-term liabilities		(7,131,338)
Total net position - governmental activities		$ 59,853,088

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Local Control Funding Formula (LCFF)	$ 62,581,712	$ 659,124	$ 63,240,836
Federal sources	5,447,906	1,433,601	6,881,507
Other State sources	11,906,393	1,973,047	13,879,440
Other local sources	8,372,572	4,265,698	12,638,270
Total revenues	88,308,583	8,331,470	96,640,053
Expenditures			
Current			
Instruction	52,013,972	492,800	52,506,772
Instruction-related activities			
Supervision of instruction	1,032,543	-	1,032,543
Instructional library, media, and technology	626,766	7,533	634,299
School site administration	5,593,862	195,205	5,789,067
Pupil services			
Home-to-school transportation	2,708,711	-	2,708,711
Food services	2,179	2,843,915	2,846,094
All other pupil services	6,215,308	-	6,215,308
Administration			
Data processing	520,207	-	520,207
All other administration	3,441,332	142,798	3,584,130
Plant services	8,756,507	129,733	8,886,240
Ancillary services	82	1,370,255	1,370,337
Community services	26,428	-	26,428
Other outgo	919,735	-	919,735
Facility acquisition and construction	716,029	1,114,516	1,830,545
Debt service			
Principal	323,156	1,025,000	1,348,156
Interest and other	525	250,025	250,550
Total expenditures	82,897,342	7,571,780	90,469,122
Excess of Revenues Over Expenditures	5,411,241	759,690	6,170,931
Other Financing Sources (Uses)			
Transfers in	46,954	800,000	846,954
Proceeds from subscription-based IT arrangements	263,305	-	263,305
Transfers out	(800,000)	(46,954)	(846,954)
Net Financing Sources (Uses)	(489,741)	753,046	263,305
Net Change in Fund Balances	4,921,500	1,512,736	6,434,236
Fund Balance - Beginning	32,786,113	8,569,089	41,355,202
Fund Balance - Ending	$ 37,707,613	$ 10,081,825	$ 47,789,438

Total Net Change in Fund Balances - Governmental Funds		$ 6,434,236
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.		
This is the amount by which capital outlay exceed depreciation and amortization expense in the period.		
Capital outlay	$ 4,283,832	
Depreciation and amortization expense	(3,162,582)	
Net expense adjustment		1,121,250
Gain(Loss) on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(14,368)
Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(263,305)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		7,818
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(379,859)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(282,406)

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	82,792
Deferred charge on refunding amortization	(16,821)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	1,025,000
Financed purchases	52,704
Leases	49,492
Subscription-based IT arrangements	220,960
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(8,542)
Change in net position of governmental activities	$ 8,028,951

	Business-Type Activities - Enterprise Fund Before School Program
Assets	
Current assets	
Deposits and investments	$ 316,540
Receivables	(98)
Total assets	316,442
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	311
Deferred outflows of resources related to pensions	12,732
Total deferred outflows of resources	13,043
Liabilities	
Current liabilities	
Accounts payable	2,009
Noncurrent liabilities	
Net other postemployment benefits liabilities	1,882
Aggregate net pension liabilities	35,026
Total noncurrent liabilities	36,908
Total liabilities	38,917
Deferred Inflows of Resources	
Deferred inflows of resources related to other postemployment benefits (OPEB) liability	700
Deferred inflows of resources related to pensions	562
Total deferred inflows of resources	1,262
Net Position	
Unrestricted	$ 289,306

	Business-Type Activities - Enterprise Fund Before School Program
Operating Revenues	
Local and intermediate sources	$ 23,062
Operating Expenses	
Payroll costs	42,582
Supplies and materials	581
Other operating costs	21
Total operating expenses	43,184
Operating Loss	(20,122)
Nonoperating Revenues	
Fair market value adjustments	7,897
Interest income	8,742
Total nonoperating revenues	16,639
Change in Net Position	(3,483)
Net Position - Beginning	292,789
Net Position - Ending	$ 289,306

	Business-Type Activities - Enterprise Fund Before School Program
Operating Activities	
Cash receipts from parents and guardians	$ 23,062
Cash payments to other suppliers of goods or services	1,297
Cash payments to employees for services	(46,024)
Net Cash Used for Operating Activities	(21,665)
Investing Activities	
Fair market value adjustments	7,897
Interest on investments	8,742
Net Cash From Investing Activities	16,639
Net Change in Cash and Cash Equivalents	(5,026)
Cash and Cash Equivalents, Beginning	321,566
Cash and Cash Equivalents, Ending	$ 316,540
Reconciliation of Operating Profit to Net Cash Used for Operating Activities	
Operating loss	$ (20,122)
Changes in assets, deferred outflows, liabilities, and deferred inflows	
Deferred outflows of resources	925
Accounts payable	1,899
Net other postemployment benefits liabilities	(218)
Aggregate net pension liabilities	(3,748)
Deferred inflows of resources	(401)
Net Cash Used for Operating Activities	$ (21,665)

	Custodial Fund	Scholarship Trust Fund
Assets		
Deposits and investments	$ 439,297	$ 2,145,724
Liabilities		
Accounts payable	$ 70	$ -
Net Position		
Held for scholarships	$ 439,227	$ 2,145,724

	Custodial Fund	Scholarship Trust Fund
Additions		
Contributions		
Private donations	$ 58,254	$ -
Grants	10,000	-
Net change in market value	3,314	244,016
Interests and dividends	3,793	2,665
Total contributions	75,361	246,681
Deductions		
Payroll	952	-
Books and supplies	1,770	-
Scholarships awarded	73,200	53,738
Services and other operating expenses	14,553	-
Total deductions	90,475	53,738
Net Change in Fiduciary Net Position	(15,114)	192,943
Net Position - Beginning	454,341	1,952,781
Net Position - Ending	$ 439,227	$ 2,145,724

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Oakdale Joint Unified School District (the District) was unified under the laws of the State of California. The District operates under a locally-elected five-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates one comprehensive high school, one junior high school, four elementary schools, an independent study high school, a charter school, and one continuation high school.

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

Related Entity

The District has an approved Charter for the Oakdale Charter School pursuant to *Education Code* Section 47605. The Oakdale Charter School is operated by the District, and its financial activities are presented in the Charter School Special Revenue Fund.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Non-Capital Fund, and Fund 20, Special Reserve Postemployment Benefits Fund, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been consolidated with the General Fund for presentation in these audited financial statements. As a result, the General Fund reflects an increase in fund balance of $4,990,966.

Non-Major Governmental Funds

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

- **Student Activities Fund** The Student Activities Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of a district-operated charter school that would otherwise be reported in the authorizing District's General Fund.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

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

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

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary fund.

- **Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the Before School Program operations of the District.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. The District's fiduciary funds are split into two classifications: scholarship trust funds and custodial funds. The trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's trust fund is the Leo Volz Scholarship Trust Fund. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties outside the District's reporting entity. The District's custodial funds are for the Oakdale Joint Unified School District scholarships.

Basis of Accounting - Measurement Focus

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

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

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

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

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

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 60 days. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization expenses, are not recognized in the governmental funds but are recognized in the government-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

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

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

As of June 30, 2024, the General Fund had a prepaid expenditure balance of $30,050.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds.

Capital Assets, Depreciation, and Amortization

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

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

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

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

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term liabilities.

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

Accrued Liabilities and Long-Term Liabilities

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

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

Premiums

In the government-wide financial statements, long-term liabilities are reported as liabilities in the governmental activities. Debt premiums are amortized over the life of the debt using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, debt premiums are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases

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

Subscriptions

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

Fund Balances - Governmental Funds

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

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board maintains a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts and it is the Board's desire to keep this level at five percent of General Fund expenditures and other financing uses, however, it shall not be lower that the requirements of 5 CCR 15450.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $16,858,269 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are fees for the before school program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

Estimates

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

Property Tax

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

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental funds	$ 49,344,663
Proprietary funds	316,540
Fiduciary funds	2,585,021
Total deposits and investments	$ 52,246,224

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

Cash on hand and in banks	$ 1,077,534
Cash in revolving	10,000
Investments	51,158,690
Total deposits and investments	$ 52,246,224

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of $49,343,269 in the Stanislaus County Treasury Investment Pool that has an average weighted maturity of 297 days.

Segmented Time Distribution

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

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
Money Market Mutual Funds	$ 1,815,421	$ 1,815,421	$ -	$ -	$ -
County Pool	49,343,269	49,343,269	-	-	-
Total	$ 51,158,690	$ 51,158,690	$ -	$ -	$ -

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, $858,052 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the investment in Money Market Mutual Funds of $1,815,421, the District has a custodial credit risk exposure of $1,815,421 because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 3 - Fair Value Measurements

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

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

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

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

The District's fair value measurements are as follows at June 30, 2024:

		Fair Value Measurements Using		
Investment Type	Reported Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Money Market Mutual Funds	$ 1,815,421	$ 1,815,421	$ -	$ -

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

Note 4 - Receivables

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Federal Government				
Categorical aid	$ 2,141,423	$ 155,522	$ 2,296,945	$ -
State Government				
LCFF apportionment	17,753	77,936	95,689	-
Categorical aid	1,021,247	151,405	1,172,652	-
Local Sources	397,802	-	397,802	(98)
Total	$ 3,578,225	$ 384,863	$ 3,963,088	$ (98)

Note 5 - Capital Assets

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	$ 13,755,591	$ -	$ -	$ 13,755,591
Construction in progress	1,773,663	2,134,503	(1,773,663)	2,134,503
Total capital assets not being depreciated or amortized	15,529,254	2,134,503	(1,773,663)	15,890,094
Capital assets being depreciated and amortized				
Land improvements	20,043,009	610,351	-	20,653,360
Buildings and improvements	72,637,212	1,679,091	-	74,316,303
Furniture and equipment	8,696,306	1,370,245	(411,634)	9,654,917
Right-to-use leased furniture and equipment	282,375	-	(30,625)	251,750
Right-to-use subscription IT assets	-	263,305	-	263,305
Total capital assets being depreciated and amortized	101,658,902	3,922,992	(442,259)	105,139,635
Total capital assets	117,188,156	6,057,495	(2,215,922)	121,029,729
Accumulated depreciation and amortization				
Land improvements	(12,795,056)	(873,818)	-	(13,668,874)
Buildings and improvements	(29,097,076)	(1,722,240)	-	(30,819,316)
Furniture and equipment	(4,424,598)	(428,889)	397,266	(4,456,221)
Right-to-use leased furniture and equipment	(72,326)	(51,441)	30,625	(93,142)
Right-to-use subscription IT assets	-	(86,194)	-	(86,194)
Total accumulated depreciation and amortization	(46,389,056)	(3,162,582)	427,891	(49,123,747)
Net depreciable and amortizable capital assets	55,269,846	760,410	(14,368)	56,015,888
Governmental activities capital assets, net	$ 70,799,100	$ 2,894,913	$ (1,788,031)	$ 71,905,982

Depreciation and amortization expense were charged to governmental functions as follows:

Governmental Activities		
Instruction	$	1,447,420
Supervision of instruction		120,998
Home-to-school transportation		725,987
Food services		241,996
Data processing		60,499
All other administration		172,439
Plant services		393,243
Total depreciation and amortization expense - governmental activities	$	3,162,582

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between the major fund and non-major governmental funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Fund		
General	$ 81,038	$ 1,320,850
Non-Major Governmental Funds		
Charter Schools	20,773	66,951
Cafeteria	77	14,087
Deferred Maintenance	300,000	-
Special Reserve Fund for Capital Outlay Projects	1,000,000	-
Total	$ 1,401,888	$ 1,401,888

The General Fund owes the Charter Schools Non-Major Governmental Fund for ESSER program.	$ 20,773
The General Fund owes the Cafeteria Non-Major Governmental Fund for indirect costs.	77
The General Fund owes the Special Reserve Non-Major Governmental Fund for for Capital Outlay for capital projects.	1,000,000
The General Fund owes the Deferred Maintenance Non-Major Governmental Fund for future maintenance costs.	300,000
The Charter Schools Non-Major Governmental Fund owes the General Fund for indirect services.	46,954
The Charter Schools Non-Major Governmental Fund owes the General Fund for unexpected grants.	19,997
The Cafeteria Non-Major Governmental Fund owes the General Fund for indirect services.	14,087
Total	$ 1,401,888

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2024, consist of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future maintenance costs.	$ 300,000
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for capital projects.	100,000
The General Fund transferred to the Special Reserve for Capital Outlay Non-Major Governmental Fund for the bus replacement program.	400,000
The Charter Schools Non-Major Governmental Fund transferred to the General Fund for District services.	46,954
Total	$ 846,954

Note 7 - Accounts Payable

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Proprietary Funds
Vendor payables	$ 1,533,779	$ 354,805	$ 1,888,584	$ 2,009
LCFF apportionment	125,109	-	125,109	-
Salaries and benefits	2,777,327	64,579	2,841,906	-
Total	$ 4,436,215	$ 419,384	$ 4,855,599	$ 2,009

Note 8 - Unearned Revenue

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

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 131,681	$ 1,114	$ 132,795
State categorical aid	710,997	-	710,997
Total	$ 842,678	$ 1,114	$ 843,792

Note 9 - Long-Term Liabilities Other than OPEB and Pensions

Summary

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 6,830,000	$ -	$ (1,025,000)	$ 5,805,000	$ 1,065,000
Unamortized debt premiums	648,541	-	(82,792)	565,749	-
Financed purchase agreement	469,262	-	(52,704)	416,558	52,710
Leases	212,740	-	(49,492)	163,248	48,389
Subscription-based IT arrangements	-	263,305	(220,960)	42,345	42,345
Compensated absences	146,256	-	(7,818)	138,438	-
Total	$ 8,306,799	$ 263,305	$ (1,438,766)	$ 7,131,338	$ 1,208,444

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues. The premiums are being amortized over the life of the related debt. The financed purchase agreement is paid by the General Fund. The leases are paid by the fund using the right-to-use asset. Payments on the subscription-based IT agreements are made from the General Fund. The compensated absences will be paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Redeemed	Bonds Outstanding June 30, 2024
5/3/2017	8/1/2030	4.0-2.0%	$ 11,555,000	$ 6,830,000	$ (1,025,000)	$ 5,805,000

Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	$ 1,065,000	$ 224,700	$ 1,289,700
2026	1,110,000	182,100	1,292,100
2027	1,155,000	137,700	1,292,700
2028	1,200,000	91,500	1,291,500
2029	525,000	43,500	568,500
2030-2031	750,000	28,500	778,500
Total	$ 5,805,000	$ 708,000	$ 6,513,000

Financed Purchase Agreement

The District has entered into an agreement to finance the retrofit of LED lighting. Such an agreement is, in substance, a purchase and is reported as a financed purchase agreement. The District's liability on the agreement is summarized below:

Year Ending June 30,	Principal
2025	$ 52,710
2026	52,703
2027	52,683
2028	52,680
2029	52,680
2030-2033	153,102
Total	$ 416,558

Leases

The District has entered into agreements to lease various equipment. The District’s liability on lease agreements is summarized below:

Lease	Leases Outstanding July 1, 2023	Payments	Leases Outstanding June 30, 2024
Copiers	$ 201,666	$ (45,947)	$ 155,719
Postage machine	11,074	(3,545)	7,529
Total	$ 212,740	$ (49,492)	$ 163,248

Copiers

The District entered into agreements to lease copiers for five years. Under the terms of the leases, the District paid total monthly payments of $4,823, which amounted to total principal and interest costs of $289,380. The annual interest rate charged on the leases range from 3.4% to 4.0%. At June 30, 2024, the District has recognized right-to-use leased assets of $233,994 and lease liability of $155,719 related to these agreements. During the fiscal year, the District recorded $47,857 in amortization expense and $6,293 in interest expense for the right-to-use the copiers. The District also pays per each additional copy in excess of the contracted amount, which are not included in the measurement of the lease liability as they are variable in nature.

Postage Machine

The District entered into an agreement to lease a postage machine for five years. Under the terms of the lease, the District binder paid monthly payments of $327, which amounted to total principal and interest costs of $19,622. The annual interest rate charged on the lease is 4.0%. At June 30, 2024, the District has recognized a right-to-use leased asset of $17,756 and a lease liability of $7,529 related to this agreement. During the fiscal year, the District recorded $3,576 in amortization expense and $378 in interest expense for the right-to-use the postage machine.

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

Year Ending June 30,	Principal	Interest	Total
2025	$ 48,389	$ 4,939	$ 53,328
2026	49,535	3,531	53,066
2027	45,291	1,523	46,814
2028	20,033	282	20,315
Total	$ 163,248	$ 10,275	$ 173,523

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into SBITAs for the use of various software. At June 30, 2024, the District has recognized a right-to-use subscriptions IT asset of $263,305 and a SBITA liability of $42,345 related to these agreements. During the fiscal year, the District recorded $86,194 in amortization expense. The subscriptions have an interest rate of 3.0%.

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 42,345	$ 106	$ 42,451

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to $138,438.

Note 10 - Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 8,313,505	$ 999,134	$ 3,093,301	$ 678,859
Medicare Premium Payment (MPP) Program	233,067	-	-	(6,250)
Total	$ 8,546,572	$ 999,134	$ 3,093,301	$ 672,609

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits payments	50
Active employees	450
Total	500

Benefits Provided

The Plan provides medical insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Oakdale Teachers Association (OTA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, OTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2023, the District paid $402,622 in benefits.

Actuarial Assumption

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

Inflation	2.50%
Salary increases	2.75%
Discount rate	3.65%
Healthcare cost trend rates	4.00%

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

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified and miscellaneous employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

Retirement rates were based on the 2020 CalSTRS Retirement Rates for certificated employees, the 2021 CalPERS Retirement Rates for classified employees hired before 2013, and the 2021 CalPERS two percent at 62 Retirement Rates for classified employees hired after 2012 (adjusted to reflect minimum retirement age of 55.)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2022	$ 9,085,964
Service cost	551,825
Interest	323,525
Differences between expected and actual experience	(1,177,879)
Changes of assumptions	(67,308)
Benefit payments	(402,622)
Net change in total OPEB liability	(772,459)
Balance, June 30, 2023	$ 8,313,505

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 percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (2.65%)	$ 8,857,781
Current discount rate (3.65%)	8,313,505
1% increase (4.65%)	7,795,471

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rate:

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (3.0%)	$ 7,518,281
Current healthcare cost trend rate (4.0%)	8,313,505
1% increase (5.0%)	9,245,881

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate was changed from 3.54% to 3.65% since the previous measurement.

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

For the year ended June 30, 2024, the District recognized OPEB expense of $678,859. At June 30, 2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 377,728	$ -
Differences between expected and actual experience	-	1,853,674
Changes of assumptions	621,406	1,239,627
Total	$ 999,134	$ 3,093,301

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

The deferred outflows of resources and deferred inflows of resources related to differences between expected and actual experience and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period.

The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 76,209	$ 297,839
2026	76,209	297,839
2027	76,209	297,839
2028	76,209	297,839
2029	76,209	297,839
Thereafter	240,361	1,604,106
Total	$ 621,406	$ 3,093,301

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

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

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of $233,067 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0768% and 0.0689%, resulting in a net increase in the proportionate share of 0.0079%.

For the year ended June 30, 2024, the District recognized OPEB expense of $(6,250).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	$ 253,296
Current discount rate (3.65%)	233,067
1% increase (4.65%)	215,478

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	$ 214,445
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	233,067
1% increase (5.50% Part A and 6.40% Part B)	254,091

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Non-Major Governmental Funds	Total
Nonspendable			
Revolving cash	$ 10,000	$ -	$ 10,000
Stores inventories	7,640	143,388	151,028
Prepaid expenditures	30,050	-	30,050
Total nonspendable	47,690	143,388	191,078
Restricted			
Legally restricted programs	11,223,653	112,864	11,336,517
Student activities	-	405,033	405,033
Food service	-	1,884,152	1,884,152
Capital projects	-	2,107,459	2,107,459
Debt service	-	1,261,700	1,261,700
Total restricted	11,223,653	5,771,208	16,994,861
Committed			
Deferred maintenance program	-	674,301	674,301
Stabilization	10,002,610	-	10,002,610
Textbook and technology	1,224,733	-	1,224,733
Lottery carryover	1,763,930	-	1,763,930
BP 3100 - District minimum reserve	1,669,000	-	1,669,000
Special education contingency	300,000	-	300,000
Total committed	14,960,273	674,301	15,634,574
Assigned			
Retiree health benefits	3,661,349	-	3,661,349
Stabilization		760,482	760,482
OID Grant	-	33,426	33,426
Special projects	-	144,569	144,569
Bus replacement	-	1,399,360	1,399,360
Capital projects	-	1,155,091	1,155,091
Total assigned	3,661,349	3,492,928	7,154,277
Unassigned			
Reserve for economic uncertainties	2,504,000	-	2,504,000
Remaining unassigned	5,310,648	-	5,310,648
Total unassigned	7,814,648	-	7,814,648
Total	$ 37,707,613	$ 10,081,825	$ 47,789,438

Note 12 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with Central Region School Insurance Group (CRSIG) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024, the District participated in the Central Region School Insurance Group (CRSIG), an insurance purchasing pool. The intent of CRSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in CRSIG. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in CRSIG. Each participant pays its workers' compensation premium based on its individual rate.

Employee Medical Benefits

The District has contracted with the California's Valued Trust (CVT) to provide employee medical benefits. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

Note 13 - Employee Retirement Systems

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 39,549,312	$ 14,952,836	$ 3,484,886	$ 5,976,061
CalPERS	21,474,288	7,806,076	344,569	3,646,461
Total	$ 61,023,600	$ 22,758,912	$ 3,829,455	$ 9,622,522

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $6,221,322.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 39,549,312
State's proportionate share of the net pension liability	18,949,188
Total	$ 58,498,500

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0519% and 0.0459%, resulting in a net increase in the proportionate share of 0.0060%.

For the year ended June 30, 2024, the District recognized pension expense of $5,976,061. In addition, the District recognized pension expense and revenue of $2,577,613 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,221,322	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	5,225,298	1,368,797
Differences between projected and actual earnings on pension plan investments	169,287	-
Differences between expected and actual experience in the measurement of the total pension liability	3,107,924	2,116,089
Changes of assumptions	229,005	-
Total	$ 14,952,836	$ 3,484,886

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (1,244,252)
2026	(1,949,961)
2027	3,204,468
2028	159,032
Total	$ 169,287

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 744,724
2026	750,459
2027	890,972
2028	773,827
2029	760,481
Thereafter	1,156,878
Total	$ 5,077,341

Actuarial Methods and Assumptions

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

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

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 66,340,815
Current discount rate (7.10%)	39,549,312
1% increase (8.10%)	17,295,846

California Public Employees Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were $3,021,341.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $21,474,288. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.0593% and 0.0572%, resulting in a net increase in the proportionate share of 0.0021%.

For the year ended June 30, 2024, the District recognized pension expense of $3,646,461. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,021,341	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	718,004	14,756
Differences between projected and actual earnings on pension plan investments	2,293,761	-
Differences between expected and actual experience in the measurement of the total pension liability	783,658	329,813
Changes of assumptions	989,312	-
Total	$ 7,806,076	$ 344,569

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 427,875
2026	253,485
2027	1,541,017
2028	71,384
Total	$ 2,293,761

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 913,175
2026	879,257
2027	353,973
Total	$ 2,146,405

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 31,046,269
Current discount rate (6.90%)	21,474,288
1% increase (7.90%)	13,563,263

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security. Contributions made by the District and an employee vest immediately. The District contributes 6.2% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to Social Security.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $3,030,479 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves and in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is not currently a party to any legal proceedings.

Construction Commitments

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
HVAC Phase 2	$ 86,285	September 30, 2024
Ventilation	179,181	December 31, 2024
Fair Oaks shade structure	82,226	March 31, 2025
Fair Oaks play structure	96,406	September 30, 2024
Magnolia play structure	129,189	September 30, 2024
Cloverland play structure	95,123	September 30, 2024
Total	$ 668,410	

Note 15 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Central Region School Insurance Group (CRSIG) joint powers authority and the California's Valued Trust (CVT). The District pays annual premiums to these entities for its vision, dental, health, workers' compensation, and property and liability coverage. The relationships between the District and the entities are such that the entities are not component units of the District for financial reporting purposes.

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

The District has appointed one member to the governing board of CRSIG.

During the year ended June 30, 2024, the District made payments of $1,226,547 to CRSIG for workers' compensation, and property and liability coverage. At June 30, 2024, the District has recorded no accounts receivable or accounts payable due from/to CRSIG.

The District has no members appointed to the governing board of CVT.

During the year ended June 30, 2024, the District made payments of $2,633,192 to CVT for employee health benefits. At June 30, 2024, the District has recorded no accounts receivable or accounts payable due from/to CVT.

Required Supplementary Information
June 30, 2024

Oakdale Joint Unified School District

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances - Positive (Negative) Final to Actual
Revenues				
Local Control Funding Formula	$ 62,438,808	$ 62,448,429	$ 62,581,712	$ 133,283
Federal sources	2,309,750	5,925,880	5,447,906	(477,974)
Other State sources	7,223,920	11,615,042	11,906,393	291,351
Other local sources	5,117,737	6,458,927	8,372,572	1,913,645
Total revenues [1]	77,090,215	86,448,278	88,308,583	1,860,305
Expenditures				
Current				
Certificated salaries	31,449,477	33,243,083	33,001,633	241,450
Classified salaries	11,065,138	11,794,206	11,774,848	19,358
Employee benefits	17,043,630	17,867,715	17,736,896	130,819
Books and supplies	3,416,674	7,069,999	3,289,682	3,780,317
Services and operating expenditures	10,177,309	14,221,613	13,288,606	933,007
Other outgo	283,882	4,401,191	804,404	3,596,787
Capital outlay	1,367,948	1,363,197	2,677,592	(1,314,395)
Debt service				
Debt service - principal	-	-	323,156	(323,156)
Debt service - interest and other	-	-	525	(525)
Total expenditures [1]	74,804,058	89,961,004	82,897,342	7,063,662
Excess (Deficiency) of Revenues Over Expenditures	2,286,157	(3,512,726)	5,411,241	8,923,967
Other Financing Sources (Uses)				
Transfers in	217,140	1,216,499	46,954	(1,169,545)
Proceeds from SBITAs	-	-	263,305	263,305
Transfers out	(400,000)	(400,000)	(800,000)	(400,000)
Net financing sources (uses)	(182,860)	816,499	(489,741)	(1,306,240)
Net Change in Fund Balances	2,103,297	(2,696,227)	4,921,500	7,617,727
Fund Balance - Beginning	32,786,113	32,786,113	32,786,113	-
Fund Balance - Ending	$ 34,889,410	$ 30,089,886	$ 37,707,613	$ 7,617,727

[1] Due to the consolidation of Fund 17, Special Reserve Fund for Other than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets.

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	$ 551,825	$ 665,838	$ 973,804	$ 766,775
Interest	323,525	209,658	231,417	309,262
Difference between expected and actual experience	(1,177,879)	(25,317)	(829,122)	(142,931)
Changes of assumptions	(67,308)	(934,820)	(389,366)	800,664
Benefit payments	(402,622)	(431,023)	(417,159)	(451,689)
Net change in total OPEB liability	(772,459)	(515,664)	(430,426)	1,282,081
Total OPEB Liability - Beginning	9,085,964	9,601,628	10,032,054	8,749,973
Total OPEB Liability - Ending	$ 8,313,505	$ 9,085,964	$ 9,601,628	$ 10,032,054
Covered Payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 726,937	$ 707,481	$ 688,546
Interest	310,228	294,906	253,646
Difference between expected and actual experience	(14,872)	-	-
Changes of assumptions	136,692	(171,334)	-
Benefit payments	(418,875)	(456,244)	(438,696)
Net change in total OPEB liability	740,110	374,809	503,496
Total OPEB Liability - Beginning	8,009,863	7,635,054	7,131,558
Total OPEB Liability - Ending	$ 8,749,973	$ 8,009,863	$ 7,635,054
Covered Payroll	N/A [1]	N/A [1]	N/A [1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A [1]	N/A [1]	N/A [1]
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.0768%	0.0689%	0.0720%	0.0781%
Proportionate share of the net OPEB liability	$ 233,067	$ 226,817	$ 287,370	$ 333,939
Covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note: In the future, as data becomes available, ten years of information will be presented.

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.0788%	0.0795%	0.0802%
Proportionate share of the net OPEB liability	$ 290,777	$ 304,474	$ 337,375
Covered payroll	N/A [1]	N/A [1]	N/A [1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A [1]	N/A [1]	N/A [1]
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note: In the future, as data becomes available, ten years of information will be presented.

	2024	2023	2022	2021	2020
CalSTRS					
Proportion of the net pension liability	0.0519%	0.0459%	0.0479%	0.0452%	0.0441%
Proportionate share of the net pension liability	$ 39,549,312	$ 31,879,647	$ 21,812,175	$ 43,825,174	$ 39,864,600
State's proportionate share of the net pension liability	18,949,188	15,965,202	10,975,041	22,591,882	21,748,800
Total	$ 58,498,500	$ 47,844,849	$ 32,787,216	$ 66,417,056	$ 61,613,400
Covered payroll	$ 31,011,995	$ 28,443,729	$ 27,156,359	$ 25,103,234	$ 24,467,783
Proportionate share of the net pension liability as a percentage of its covered payroll	127.53%	112.08%	80.32%	174.58%	162.93%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalPERS					
Proportion of the net pension liability	0.0593%	0.0572%	0.0557%	0.0559%	0.0553%
Proportionate share of the net pension liability	$ 21,474,288	$ 19,678,221	$ 11,330,604	$ 17,157,973	$ 16,109,049
Covered payroll	$ 10,342,495	$ 9,255,779	$ 8,149,179	$ 8,061,361	$ 7,451,224
Proportionate share of the net pension liability as a percentage of its covered payroll	207.63%	212.60%	139.04%	212.84%	216.19%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017	2016	2015
CalSTRS					
Proportion of the net pension liability	0.0443%	0.0443%	0.0457%	0.0463%	0.0467%
Proportionate share of the net pension liability	$ 40,730,838	$ 40,963,715	$ 36,961,317	$ 31,199,553	$ 27,297,799
State's proportionate share of the net pension liability	23,320,310	24,233,787	21,041,419	16,501,124	16,483,590
Total	$ 64,051,148	$ 65,197,502	$ 58,002,736	$ 47,700,677	$ 43,781,389
Covered payroll	$ 24,014,012	$ 23,621,224	$ 22,982,507	$ 22,008,671	$ 20,768,933
Proportionate share of the net pension liability as a percentage of its covered payroll	169.61%	173.42%	160.82%	141.76%	131.44%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS					
Proportion of the net pension liability	0.0570%	0.0575%	0.0588%	0.0607%	0.0614%
Proportionate share of the net pension liability	$ 15,201,576	$ 13,723,890	$ 11,605,259	$ 8,945,959	$ 6,966,033
Covered payroll	$ 7,527,725	$ 7,331,063	$ 7,057,939	$ 6,750,854	$ 6,452,246
Proportionate share of the net pension liability as a percentage of its covered payroll	201.94%	187.20%	164.43%	132.52%	107.96%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

	2024	2023	2022	2021	2020
CalSTRS					
Contractually required contribution	$ 6,221,322	$ 5,923,291	$ 4,812,679	$ 4,385,752	$ 4,292,653
Less contributions in relation to the contractually required contribution	6,221,322	5,923,291	4,812,679	4,385,752	4,292,653
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 32,572,366	$ 31,011,995	$ 28,443,729	$ 27,156,359	$ 25,103,234
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%
CalPERS					
Contractually required contribution	$ 3,021,341	$ 2,623,891	$ 2,120,499	$ 1,686,880	$ 1,589,781
Less contributions in relation to the contractually required contribution	3,021,341	2,623,891	2,120,499	1,686,880	1,589,781
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,324,367	$ 10,342,495	$ 9,255,779	$ 8,149,179	$ 8,061,361
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%

	2019	2018	2017	2016	2015
CalSTRS					
Contractually required contribution	$ 3,983,355	$ 3,465,222	$ 2,971,550	$ 2,466,023	$ 1,954,370
Less contributions in relation to the contractually required contribution	3,983,355	3,465,222	2,971,550	2,466,023	1,954,370
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 24,467,783	$ 24,014,012	$ 23,621,224	$ 22,982,507	$ 22,008,671
Contributions as a percentage of covered payroll	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS					
Contractually required contribution	$ 1,345,840	$ 1,169,131	$ 1,018,138	$ 836,154	$ 794,643
Less contributions in relation to the contractually required contribution	1,345,840	1,169,131	1,018,138	836,154	794,643
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,451,224	$ 7,527,725	$ 7,331,063	$ 7,057,939	$ 6,750,854
Contributions as a percentage of covered payroll	18.062%	15.531%	13.888%	11.847%	11.771%

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The discount rate assumption was changed from 3.54% to 3.65% since the previous measurement.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plan's fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

Schedule of the District's Contributions

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

Supplementary Information
June 30, 2024

Oakdale Joint Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	$ 2,035,526
COVID-19 Expanded Learning Opportunities Grant, ESSER III State Reserve, Emergency Needs	84.425U	15620	308,963
COVID-19 Expanded Learning Opportunities Grant, ESSER III State Reserve, Learning Loss	84.425U	15621	480,196
COVID-19 American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	84.425W	15566	4,967
Subtotal			2,829,652
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	849,024
School Improvement Funding for LEAs	84.010	15438	(300)
Subtotal			848,724
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Section 131	84.048	14894	58,514
Title III, English Learner Student Program	84.365	14346	96,216
Title II, Part A, Supporting Effective Instruction	84.367	14341	146,551
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	65,516
Passed through Stanislaus SELPA			
Special Education Cluster (IDEA)			
Local Assistance, Part B, Sec 611, Private School Individual Service Plans	84.027	10115	1,560
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	1,260,666
COVID-19 ARP Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	78,817
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	61,691
Subtotal Special Education Cluster (IDEA)			1,402,734
Total U.S. Department of Education			5,447,907

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through California Department of Education			
Child Nutrition Cluster			
School Breakfast Basic	10.553	13525	121,790
School Breakfast Needy	10.553	13526	166,055
Subtotal			287,845
School Lunch - Section 4	10.555	13523	205,457
Commodities	10.555	13524	168,669
School Lunch - Section 11	10.555	13524	698,823
Meal Supplements	10.555	13755	39,918
Local Food for Schools	10.555	15708	32,888
Subtotal			1,145,755
Subtotal Child Nutrition Cluster			1,433,600
Total U.S. Department of Agriculture			1,433,600
Total Federal Financial Assistance			$ 6,881,507

	Second Period Report	Annual Report
Oakdale Joint Unified School District		
Regular ADA		
Transitional kindergarten through third	1,379.67	1,379.95
Fourth through sixth	1,030.82	1,029.93
Seventh and eighth	751.23	750.49
Ninth through twelfth	1,607.97	1,595.42
Total ADA	4,769.69	4,755.79
Oakdale Charter School		
Regular ADA, all Non-Classroom Based		
Seventh and eighth	17.27	17.41
Ninth through twelfth	48.84	49.06
Total charter school ADA	66.11	66.47

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Actual Days	Status
Kindergarten	36,000	36,900	180	Complied
Grades 1 - 3	50,400			
Grade 1		50,400	180	Complied
Grade 2		50,400	180	Complied
Grade 3		50,400	180	Complied
Grades 4 - 8	54,000			
Grade 4		54,000	180	Complied
Grade 5		54,000	180	Complied
Grade 6		54,000	180	Complied
Grade 7		57,750	180	Complied
Grade 8		57,750	180	Complied
Grades 9 - 12	64,800			
Grade 9		68,439	180	Complied
Grade 10		68,439	180	Complied
Grade 11		68,439	180	Complied
Grade 12		68,439	180	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2024.

	(Budget) 2025 [1]	2024	2023 [1]	2022 [1]
General Fund [3]				
Revenues	$ 80,568,662	$ 88,056,815	$ 86,835,617	$ 72,039,669
Other sources	218,452	193,283	374,178	270,114
Total Revenues and Other Sources	80,787,114	88,250,098	87,209,795	72,309,783
Expenditures	81,633,583	82,634,037	77,370,683	71,087,188
Other uses	40,000	800,000	1,242,156	300,000
Total Expenditures and Other Uses	81,673,583	83,434,037	78,612,839	71,387,188
Increase in Fund Balance	(886,469)	4,816,061	8,596,956	922,595
Ending Fund Balance	$ 31,829,623	$ 32,716,092	$ 27,900,031	$ 19,303,075
Available Reserves [2]	$ 6,149,464	$ 7,814,648	$ 7,276,261	$ 7,127,549
Available Reserves as a Percentage of Total Outgo	7.53%	9.37%	9.26%	9.98%
Long-Term Liabilities	Not Available	$ 76,193,718	$ 69,136,574	$ 51,580,869
Average Daily Attendance at P-2 [4]	4,770	4,770	4,773	4,745

The General Fund balance has increased by $13,413,017 over the past two years. The fiscal year 2024-2025 budget projects a decrease of $886,469 (2.71%). For a district this size, the State recommends available reserves of at least 3.0% of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by $24,609,101 over the past two years.

Average daily attendance has increased by 25 over the past two years. No change in ADA is anticipated during fiscal year 2024-2025.

[1] Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund.
[3] General Fund amounts do not include activity related to the consolidation of the Special Reserve Non-Capital Outlay Fund and the Special Reserve Postemployment Benefits Fund as required by GASB Statement No. 54.
[4] Excludes charter school average daily attendance.

Name of Charter School	Charter Number	Included in Audit Report
Oakdale Charter	0103	Yes

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets									
Deposits and investments	$ 405,033	$ 866,032	$ 1,675,511	$ 432,916	$ 34,425	$ 2,312,317	$ 1,746,326	$ 1,261,700	$ 8,734,260
Receivables	-	81,962	302,901	-	-	-	-	-	384,863
Due from other funds	-	20,773	77	300,000	-	-	1,000,000	-	1,320,850
Stores inventories	-	-	143,388	-	-	-	-	-	143,388
Total assets	$ 405,033	$ 968,767	$ 2,121,877	$ 732,916	$ 34,425	$ 2,312,317	$ 2,746,326	$ 1,261,700	$ 10,583,361
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ -	$ 28,470	$ 79,136	$ 58,615	$ -	$ 239,283	$ 13,880	$ -	$ 419,384
Due to other funds	-	66,951	14,087	-	-	-	-	-	81,038
Unearned revenue	-	-	1,114	-	-	-	-	-	1,114
Total liabilities	-	95,421	94,337	58,615	-	239,283	13,880	-	501,536
Fund Balances									
Nonspendable	-	-	143,388	-	-	-	-	-	143,388
Restricted	405,033	112,864	1,884,152	-	34,425	2,073,034	-	1,261,700	5,771,208
Committed	-	-	-	674,301	-	-	-	-	674,301
Assigned	-	760,482	-	-	-	-	2,732,446	-	3,492,928
Total fund balances	405,033	873,346	2,027,540	674,301	34,425	2,073,034	2,732,446	1,261,700	10,081,825
Total liabilities and fund balances	$ 405,033	$ 968,767	$ 2,121,877	$ 732,916	$ 34,425	$ 2,312,317	$ 2,746,326	$ 1,261,700	$ 10,583,361

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues									
Local Control Funding Formula	$ -	$ 659,124	$ -	$ -	$ -	$ -	$ -	$ -	$ 659,124
Federal sources	-	-	1,433,601	-	-	-	-	-	1,433,601
Other State sources	-	70,444	1,894,125	-	-	-	-	8,478	1,973,047
Other local sources	1,469,689	42,994	65,441	48,846	1,912	864,143	455,169	1,317,504	4,265,698
Total revenues	1,469,689	772,562	3,393,167	48,846	1,912	864,143	455,169	1,325,982	8,331,470
Expenditures									
Current									
Instruction	-	492,800	-	-	-	-	-	-	492,800
Instruction-related activities									
Instructional library, media, and technology	-	7,533	-	-	-	-	-	-	7,533
School site administration	-	195,205	-	-	-	-	-	-	195,205
Pupil services									
Food services	-	-	2,843,915	-	-	-	-	-	2,843,915
Administration									
All other administration	-	-	54,954	-	-	87,844	-	-	142,798
Plant services	-	5,317	76,556	46,668	-	-	1,192	-	129,733
Ancillary services	1,370,255	-	-	-	-	-	-	-	1,370,255
Facility acquisition and construction	-	-	-	505,454	-	335,730	273,332	-	1,114,516
Debt service									
Principal	-	-	-	-	-	-	-	1,025,000	1,025,000
Interest and other	-	-	-	-	3,725	-	-	246,300	250,025
Total expenditures	1,370,255	700,855	2,975,425	552,122	3,725	423,574	274,524	1,271,300	7,571,780
Excess (Deficiency) of Revenues Over Expenditures	99,434	71,707	417,742	(503,276)	(1,813)	440,569	180,645	54,682	759,690
Other Financing Sources (Uses)									
Transfers in	-	-	-	300,000	-	-	500,000	-	800,000
Transfers out	-	(46,954)	-	-	-	-	-	-	(46,954)

	Student Activities Fund	Charter Schools Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Net Financing Sources (Uses)	-	(46,954)	-	300,000	-	-	500,000	-	753,046
Net Change in Fund Balances	99,434	24,753	417,742	(203,276)	(1,813)	440,569	680,645	54,682	1,512,736
Fund Balance - Beginning	305,599	848,593	1,609,798	877,577	36,238	1,632,465	2,051,801	1,207,018	8,569,089
Fund Balance - Ending	$ 405,033	$ 873,346	$ 2,027,540	$ 674,301	$ 34,425	$ 2,073,034	$ 2,732,446	$ 1,261,700	$ 10,081,825

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Oakdale Joint Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Oakdale Joint Unified School District, it is not intended to and does not present the net position, changes in net position or fund balances of Oakdale Joint Unified School District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District has not elected to use the ten percent de minimis cost rate.

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. For the fiscal year ending June 30, 2024, the District expanded food commodities totaling $168,669.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

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

Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Other Information
June 30, 2024

Oakdale Joint Unified School District

Organization

The Oakdale Joint Unified School District was established in 1998 and consists of an area comprising approximately 336 square miles. The District operates one comprehensive high school, one junior high school, four elementary schools, an independent study high school, a charter school, and one continuation high school. There were no school boundary changes during the year.

Governing Board

Member	Office	Term Expires
Tina Shatswell	President	2024
Clayton Schemper	Clerk	2026
Bill Duvall	Member	2026
Diane Gilbert	Member	2026
Terri Taylor	Member	2024

Administration

Larry Mendonca	Superintendent
Gillian Wegener, Ed.D.	Assistant Superintendent, Curriculum and Instruction
Kassandra Booth	Chief Business Officer
Craig Redman	Assistant Superintendent, Human Resources
Tracey Jaubowski	Assistant Superintendent, Pupil Services

Independent Auditor’s Reports
June 30, 2024

Oakdale Joint Unified School District

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

To the Governing Board
Oakdale Joint Unified School District
Oakdale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oakdale Joint Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Fresno, California
December 3, 2024

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

To the Governing Board
Oakdale Joint Unified School District
Oakdale, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Fresno, California
December 3, 2024

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

To the Governing Board
Oakdale Joint Unified School District
Oakdale, California

Report on Compliance

Opinion on State Compliance

We have audited Oakdale Joint Unified School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Early Retirement Incentive	Not Applicable
GAAN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable
	Not Applicable

The term "Not Applicable" is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the 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 a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fresno, California
December 3, 2024

Schedule of Findings and Questioned Costs
June 30, 2024

Oakdale Joint Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19 ESSER III State Reserve Emergency Needs	84.425U
COVID-19 ESSER III State Reserve Learning Loss	84.425U
COVID-19 American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	84.425W
Child Nutrition Cluster	10.553, 10.555

Dollar threshold used to distinguish between type A and type B programs	$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Other Matters to be reported	Yes
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

The following finding represents an instance of noncompliance including questioned costs that is required to be reported by the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

2024-001 40000 - Expanded Learning Opportunities Program

Criteria or Specific Requirements

Per *Education Code* Section 46120(b)(1), local educational agencies shall offer to at least unduplicated pupils in classroom-based instructional programs in kindergarten and grades 1 to 6, inclusive, access to expanded learning opportunity program (ELOP), and shall provide access to any unduplicated pupil whose parent or guardian requests their placement in the program. Additionally, the expanded learning opportunity program shall include at least 30 non-school days, inclusive of extended school year, for no fewer than nine hours per day.

In addition, *Education Code* Section 46120(g)(6) requires that transportation shall be provided for any pupil who attends a school that is not operating ELOP to attend a location that is providing ELOP and return to their original location or another location established by the local education agency.

Condition

The following conditions were noted during our audit of the ELOP program:

- The District did not offer ELOP to transitional kindergarten.
- The District only operated ELOP for 26 non-school days.
- The availability of transportation was not offered or communicated during 7 of the 26 non-school days.

Cause

Due to limited capacity, the District opted not to offer ELOP to transitional kindergarten pupils and not to operate for all 30 non-school days. No transportation requests were made during the July 2023 non-school days; thus transportation was not offered.

Effect

The District is out of compliance with *Education Code* Section 46120(b)(1) and 46120(g)(6).

Questioned Costs

There is a questioned cost of $122,267 associated with not offering ELOP to transitional kindergarten pupils and operating for only 26 non-school days.

Although the of transportation was not offered or communicated during seven of the 26 non-school days, there is no questioned costs associated with the condition. Auditor verified that transportation was not a barrier for participation in ELOP during those seven days. All pupils had access to participate in the program and no requests were made by the community to provide access.

Repeat Finding

No

Recommendation

We recommend the District to continue searching for resources available that will allow them to offer the Expanded Learning Opportunities Program to all eligible students and to operate during all required non-operating school days. Additionally, we recommend the District to provide transportation to participants as required.

Corrective Action Plan and Views of Responsible Officials

The District is now providing transportation for all students participating in the Summer Expanded Learning Program. Transportation will be offered moving forward to meet ELOP requirements and remove any possible barriers for participation.

The District will continue working with staff to increase the number of non-school days during the summer in order to reach the required 30 days for ELOP.

The District does not have the staffing capacity to serve TK students during the after school or summer programs. The District will continue to closely monitor the staffing situation for the opportunity to serve TK students.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF OAKDALE AND STANISLAUS COUNTY

*The following information concerning the City of Oakdale (the "**City**") and Stanislaus County (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 City, the County, the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

General Information

The City. The City lies in the north-central area of the County, southeast of Stockton and northeast of Modesto in California's Central Valley, approximately 60 miles south of Sacramento, 90 miles north of San Jose and 125 miles east of San Francisco.

The County. The County is located approximately 90 minutes southeast from both the City of San Francisco and Silicon Valley. The County covers approximately 1,521 square miles and reaches from the Sierra Nevada foothills to California's coastal range. It is located in the geographic center of the State.

Population

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

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

Area	2021	2022	2023	2024	2025
Ceres	49,803	49,508	49,121	49,480	49,305
Hughson	7,486	7,493	7,590	7,801	7,977
Modesto	218,745	217,860	217,833	219,705	219,765
Newman	12,333	12,259	12,183	12,260	12,389
Oakdale	**23,210**	**23,137**	**23,014**	**23,167**	**23,231**
Patterson	23,796	24,221	24,492	24,977	25,868
Riverbank	24,792	24,654	24,775	25,290	26,090
Turlock	71,626	71,296	71,228	71,997	72,219
Waterford	9,100	8,965	9,110	9,161	9,169
Balance Of County	110,831	109,879	109,077	109,776	109,752
Total County	**551,722**	**549,272**	**548,423**	**553,614**	**555,765**

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

Employment and Industry

The District is included in the Modesto Metropolitan Statistical Area ("**MSA**"). The unemployment rate in the County was 7.2% in March 2025, down from a revised 7.3% in February 2025, and unchanged from the year-ago estimate of 7.2%. This compares with an unadjusted unemployment rate of 5.3% for the State and 4.2% for the nation during the same period.

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

MODESTO METROPOLITAN STATISTICAL AREA
(COUNTY OF STANISLAUS)
Annual Average Civilian Labor Force,
Unemployment and Employment by Industry
(March 2024 Benchmark)

	2020	2021	2022	2023	2024
Civilian Labor Force (1)(2)	244,300	243,000	245,100	249,300	253,600
Employment	217,900	222,900	231,700	233,600	236,200
Unemployment	26,400	20,100	13,300	15,700	17,500
Unemployment Rate	10.8%	8.3%	5.4%	6.3%	6.9%
Wage and Salary Employment: (3)					
Agriculture	14,500	14,000	13,900	12,500	12,700
Mining, Logging and Construction	9,800	10,700	11,300	10,700	11,100
Manufacturing	5,900	5,600	5,600	5,500	5,700
Wholesale Trade	21,900	23,000	23,100	22,800	22,800
Retail Trade	9,000	9,100	10,100	10,700	10,200
Transportation, Warehousing, Utilities	800	800	800	800	700
Information	5,100	4,900	5,000	4,800	4,800
Finance Activities	15,100	15,400	15,200	14,600	14,400
Professional and Business Services	34,600	35,000	35,600	36,900	38,900
Educational and Health Services	15,800	18,200	20,500	20,900	20,600
Leisure and Hospitality	5,100	5,500	6,000	6,100	6,100
Other Services	900	700	700	700	700
Federal Government	2,100	2,000	2,100	2,200	2,300
State Government	25,900	25,700	27,000	28,300	29,600
Local Government	14,500	14,000	13,900	12,500	12,700
Total all Industries	**187,700**	**192,600**	**199,900**	**201,000**	**203,900**

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Columns may not sum to totals due to rounding.
Source: California Employment Development Department.

Major Employers

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

COUNTY OF STANISLAUS
Major Employers
(Listed Alphabetically)

Employer Name	Location	Industry
Amazon Fulfillment Ctr	Patterson	Mail Order Fulfillment Service
Bartles & Jaymes Co	Modesto	Wineries (mfrs)
Behavioral Health & Recovery	Modesto	Mental Health Services
Conagra Brands Inc	Oakdale	Food Products (whls)
Duarte Nursery	Hughson	Nurserymen
Duarte Nursery Inc	Hughson	Nurserymen
E & J Gallo Winery	Modesto	Wineries (mfrs)
Emanuel Medical Ctr	Turlock	Hospitals
Foster Farms	Turlock	Poultry Processing Plants (mfrs)
Frito-Lay Inc	Modesto	Potato Chips Corn Chips/Snacks (mfrs)
Health Services Agency	Modesto	Clinics
Macdonald Group At PMZ Real	Modesto	Real Estate
Memorial Medical Ctr	Modesto	Hospitals
Modesto Bee	Modesto	Newspapers (publishers/Mfrs)
Oak Valley Hospital District	Oakdale	Health Care Management
Pacific Southwest Contnr LLC	Modesto	Corrugated & Solid Fiber Boxes (mfrs)
Patterson City Sheriff Ofc	Modesto	City Government-Executive Offices
Stanislaus County Ofc of Edu	Modesto	Home Health Service
Stanislaus County Welfare Dept	Modesto	Government Offices-County
Storer Coachways	Modesto	Buses-Charter & Rental
Sysco Central California	Modesto	Grocers-Wholesale
Temsa	Turlock	Nonclassified Establishments
Turlock Irrigation District	Turlock	Utility Contractors
United States Postal Svc	Modesto	Post Offices
Walmart	Modesto	Department Stores

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

Effective Buying Income

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

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

CITY OF OAKDALE; STANISLAUS COUNTY;
STATE OF CALIFORNIA; UNITED STATES
Effective Buying Income
2021 through 2025

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	City of Oakdale	$591,728	$53,672
	Stanislaus County	12,472,918	55,452
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Oakdale	$710,099	$66,294
	Stanislaus County	13,889,615	63,128
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Oakdale	$742,089	$66,460
	Stanislaus County	14,125,584	63,716
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Oakdale	$828,570	$74,576
	Stanislaus County	15,843,489	71,567
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Oakdale	$793,703	$74,202
	Stanislaus County	15,349,499	69,398
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

Commercial Activity

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

Total taxable sales during calendar year 2024 in the City were reported to be $390,319,092, a 0.62% decrease from the total taxable sales of $392,746,341 reported during calendar year 2023.

CITY OF OAKDALE
Taxable Retail Sales
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	459	$256,256	761	$332,855
2021	433	296,574	727	378,030
2022	423	296,498	719	391,842
2023	393	302,095	679	392,746
2024	397	307,944	704	390,319

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2024 in the County were reported to be $12,560,940,154, an 1.90% decrease from the total taxable sales of $12,803,797,600 reported during calendar year 2023.

STANISLAUS COUNTY
Taxable Retail Sales
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	8,329	$6,882,397	13,500	$10,018,240
2021	7,848	8,695,930	12,854	12,336,565
2022	7,903	8,691,722	13,158	13,020,438
2023	7,641	8,722,391	12,837	12,803,798
2024	7,715	8,652,761	13,068	12,560,940

Source: State Department of Tax and Fee Administration.

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Construction Activity

Provided below are the building permits and valuations for the City and the County, for calendar years 2019 through 2023.

CITY OF OAKDALE
Total Building Permit Valuations
(Valuations in Thousands)

Permit Valuation	2019	2020	2021	2022	2023
New Single-family	$1,211.0	$10,859.0	$12,070.8	$9,771.3	$22,749.0
New Multi-family	6,673.6	9,677.6	0.0	0.0	3,830.8
Res. Alterations/Additions	2,711.5	3,634.0	715.9	750.4	1,454.4
Total Residential	10,596.1	24,170.6	12,786.7	10,521.7	28,034.2
New Commercial	723.6	784.2	1,091.2	12,865.4	11,130.5
New Industrial	35.0	0.0	0.0	0.0	0.0
New Other	515.7	2,568.1	2,260.6	2,495.4	3,033.4
Com. Alterations/Additions	1,827.6	2,219.7	656.8	650.1	1,920.3
Total Nonresidential	3,101.9	5,572.0	4,008.6	16,010.9	16,084.2
New Dwelling Units					
Single Family	5	37	40	24	64
Multiple Family	56	60	0	0	24
TOTAL	61	97	40	24	88

Source: Construction Industry Research Board, Building Permit Summary.

STANISLAUS COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

Permit Valuation	2019	2020	2021	2022	2023
New Single-family	$117,995.9	$138,915.1	$165,543.8	$217,803.9	$270,120.0
New Multi-family	19,128.6	18,152.6	17,992.0	12,867.1	6,394.3
Res. Alterations/Additions	36,671.9	31,153.3	27,562.7	40,236.7	35,460.9
Total Residential	173,796.4	188,221.0	211,098.5	270,907.7	311,975.2
New Commercial	97,980.1	665,798.9	167,721.6	131,558.5	165,228.6
New Industrial	30,302.6	17,429.8	14,000.0	120.0	1,442.0
New Other	30,777.1	30,371.3	34,862.0	54,393.4	112,108.4
Com. Alterations/Additions	104,465.8	68,270.3	47,614.7	155,867.6	141,622.9
Total Nonresidential	263,525.6	781,870.3	264,198.3	341,939.5	420,401.9
New Dwelling Units					
Single Family	569	646	707	842	1,041
Multiple Family	178	110	80	109	85
TOTAL	739	756	787	951	1,126

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[Closing Date]

Board of Trustees
Oakdale Joint Unified School District
168 South Third Avenue
Oakdale, California 95361

OPINION: $__________ Oakdale Joint Unified School District
(Stanislaus and San Joaquin Counties, California)
General Obligation Bonds, Election of 2024, Series A

Members of the Board of Trustees:

We have acted as bond counsel to the Oakdale Joint Unified School District (the "District") in connection with the issuance by the District of $_________ principal amount of Oakdale Joint Unified School District (Stanislaus and San Joaquin Counties, California) General Obligation Bonds, Election of 2024, Series A, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the District (the "Board") on May 12, 2025 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is duly established and validly existing as a 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 Stanislaus County and the Board of Supervisors of the County of San Joaquin are 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. 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, 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.

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,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____________
OAKDALE JOINT UNIFIED SCHOOL DISTRICT
(Stanislaus and San Joaquin Counties, California)
General Obligation Bonds
Election of 2024, Series A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**"), dated _____, 2025, is executed and delivered by the Oakdale Joint 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 a resolution adopted by the Board of Trustees of the District on May 12, 2025 (the "**Resolution**"). U.S. Bank Trust Company, National Association, is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District.

"*Dissemination Agent*" means, initially, Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means U.S. Bank Trust Company, National Association, or any successor thereto.

"*Participating Underwriter*" means Raymond James & Associates, Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2026, with the report for the 2024-25 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the

Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information shall be provided in the Annual Report:

(i) Assessed value of taxable property in the jurisdiction of the District;

(ii) Assessed valuation of the properties of the top 20 secured property taxpayers in the District;

(iii) Property tax collection delinquencies for the District, but only if available from Stanislaus County and San Joaquin County at the time of filing the Annual Report and only if the District's general obligation bond levies are not included in Stanislaus County's teeter plan and San Joaquin County's teeter plan;

(iv) The District's most recently adopted budget or approved interim report with budgeted figures which is available at the time of filing the Annual Report; and

(v) Such further information, if any, as may be necessary to make the statements made pursuant to (a) and (b) of this Section 4, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. <u>Reporting of Significant Events</u>.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ________, 2025

OAKDALE JOINT 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

STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

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2024

STANISLAUS COUNTY TREASURY POOL INVESTMENT POLICY

Donna Riley
Treasurer – Tax Collector
Effective Date: July 1, 2024

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1. Purpose

The purpose of the Stanislaus County Treasury Pool Investment Policy ("Policy") is to provide guidance for the investment of funds in excess of the current day anticipated expenditures. Investment responsibility has been entrusted and delegated to the Stanislaus County Treasurer (“Treasurer”) in accordance with California State Law (“Law”) and local ordinance. This policy is intended to provide guidelines to ensure compliance with State and local laws and the prudent money management and investment of funds in the Stanislaus County Treasury Pool (“Pool”).

2. Scope

This investment policy applies to all financial assets and investment activity of the County of Stanislaus (“County”) including monies entrusted to the Treasurer and deposited into the Pool by County departments, County & City Schools, and Special Districts. The funds covered by this Policy are accounted for and incorporated in the County of Stanislaus Comprehensive Annual Financial Report (CAFR) and include:

- 2.1. General Fund
- 2.2. Special Revenue Funds
- 2.3. Debt Service Funds
- 2.4. Capital Project Funds
- 2.5. Enterprise Funds
- 2.6. Internal Service Funds
- 2.7. Fiduciary Funds

3. Objective

The investment program shall provide for daily cash flow requirements while following the objectives of this Policy in priority order of Safety, Liquidity, and Return on Investment. In accordance with Government Code 53600.5, the primary objectives of the investment program for the Pool, in priority order, shall be:

3.1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a prudent manner as to ensure the preservation and return of capital in the overall portfolio. To attain this objective, investments will only be made in highly rated or strongly collateralized securities with a very high probability of maintaining the principal amount invested. The County will diversify its investments by type, issuer, and maturity among a variety of securities with independent returns.

3.2. Liquidity

The investment portfolio will remain sufficiently liquid to meet all anticipated cash flow requirements of all the Pool’s depositors. This may be accomplished through a variety of investment strategies, such as laddering investment maturities to meet historical cash flow needs, seasonal disbursements, and one-time disbursement requests by depositors. To further ensure liquidity, a portion of the Pool may be in highly liquid securities which can easily be sold on the secondary market or matched to know expenditures such as bond payments. In addition, reserves may be held in a local government investment pool offering same day withdrawal.

3.3. Return on Investments

The investment portfolio strategy shall be designed with the objective of achieving a competitive market rate of return or yield, while adhering to credit quality requirements and liquidity needs. A market rate of return should correspond with the County's investment risk constraints identified in the Policy and the cash flow requirements of the depositors. Due to the primary objectives of safety and liquidity, the portfolio's yield may be lower than that of a higher risk and/or longer maturity investment pool.

3.4. Strategy

The core investment strategy will call for securities to be held to maturity. The following exceptions may apply:

3.4.1 Liquidity needs of the portfolio require a security to be sold;
3.4.2 A security with declining credit may be sold early to minimize loss of principal; or
3.4.3 Sale of a security before maturity may be made if such sale will allow investment in a higher yielding instrument and any loss upon sale can be more than compensated by additional interest earnings within a six-month period.

4. Delegation of Authority

In accordance with Government Code Section 27000-27013 and Government Code 53607, the Stanislaus County Board of Supervisors ("Board") has delegated the daily investment of Pool funds to the Treasurer. This is an annual delegation given to the Treasurer by the Board and can be revoked at any time. The Treasurer is responsible for all transactions undertaken and for establishing a system of controls to regulate the activities of staff authorized to invest, specifically the Assistant Treasurer-Tax Collector and the Chief Deputy Treasurer, and their procedures in the absence of the Treasurer.

5. Prudent Investor Standard

In accordance with Government Code 53600.3, the County Treasurer is a fiduciary subject to the "Prudent Investor Standard" which shall be applied in the context of managing the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence to meet the objectives set forth in the Policy to safeguard investment principal, maintain liquidity needs of the County and earn a reasonable competitive market rate of return.

6. Ethics and Conflicts of Interest

Investment officials shall refrain from personal business activity that could conflict with proper execution and management of the Policy and investment program, or which could impair their ability to make impartial decisions. Investment officials must provide a public disclosure document (Form 700) by February 1 of each year or when material interest in financial institutions or personal investment positions require it. Furthermore, investment officials must refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution with whom business is conducted on behalf of the County. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers, and dealers will disclose any fee sharing arrangements or fee splitting to the Treasurer prior to the execution of any transactions.

7. Treasury Oversight Committee

In accordance with Government Codes 27130 - 27137 and 53646, the Board established a Treasury Oversight Committee ("Committee") in 1996. The purpose of the Committee is to review and monitor the Policy and regular reporting thereof. The Committee will cause an annual audit to be conducted to determine compliance with this Policy.

This policy shall be reviewed by the Treasurer annually, and any changes prepared by the Treasurer shall be reviewed and approved for propriety by the Committee, prior to being submitted for review and approval by the Board at a public meeting. The members of the Committee are the County Auditor-Controller (or designee), the County Superintendent of Schools (or designee) and a member of the public familiar with the investment industry.

In 2004, Government Code Section 27131 (b) was added to remove the mandate requiring counties to have a Committee. The Committee is now optional and no longer required. However, Stanislaus County chooses to maintain its Treasury Oversight Committee functionality as an added layer of oversight and transparency to the compliance of investment policies and government code.

Pursuant to Government Code Sections 27132.1, 27132.2 and 27132.3, Committee members are prohibited from:

7.1. Being an employee of an entity, which has contributed to the campaign fund of any candidate for local treasurer or legislative body either during membership or three years prior to membership.

7.2. Raising any money for a candidate for local treasurer or governing board.

7.3. Securing employment with bond underwriters, bond counsel, security brokerages or dealers, or like financial services while a Committee member or for three years after leaving the Committee.

An annual certification of compliance as prepared by the Treasurer shall be submitted by Committee members.

Pursuant to Government Code Section 27132.4, Committee meetings shall be open to the public and subject to the Ralph M. Brown Act.

8. Limits on Honoraria, Gifts, and Gratuities

A limit of $50 per calendar year is placed on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasury ("Treasury") conducts business by any member of the Committee, the Treasurer and any staff involved in the investment process. A Statement of Economic Interests (Form 700 from the California Fair Political Practices Commission) will be collected from the Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, and Chief Deputy Treasurer on an annual basis. Committee members will confirm their understanding and agreement with these limitations annually.

The acceptance of transportation, meals, and/or refreshments received during regularly scheduled conferences (such as the California Association of County Treasurers and Tax Collectors – CACTTC) are not prohibited by this Policy.

9. Authorized Broker/Dealers and Institutions

In accordance with Government Code 53601.5, the Treasurer shall maintain an approved list of broker/dealers and institutions authorized to provide investment services to the County. The approved list may include "primary" or regional dealers qualified under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule) with a minimum capitalization of $250,000 and have at least one major office in the State of California.

Broker/Dealers staff assigned to Stanislaus County accounts must have at least five years of experience in California public agency investing with knowledge of investment products acceptable under the Stanislaus County Investment Policy and reside within the State of California. The firms and individuals assigned to the County accounts shall be reputable and trustworthy. No public deposit shall be made except in a qualified public depository as established by Law. All financial institutions and broker/dealers proposing to conduct investment transactions with the County shall supply the following to the Treasurer for review:

9.1. Proof of registration with the Financial Industry Regulation Authority (FINRA)

9.2. Proof of registration with the State of California

9.3. Completed Broker/Dealer questionnaire

9.4. Certification of review and willingness to comply with all aspects of this Policy.

Broker/Dealers are prohibited from making political contributions to any candidate for the Board or Treasurer, which exceed the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board. The County is prohibited from selecting any broker/dealer or security firm within any consecutive 48-month period following a contribution exceeding the limit set forth in the above rule.

A review of the financial condition and registrations of previously approved Broker/Dealer firms will be conducted by the Treasurer, at least annually or more often, as needed. A current audited financial statement is required to be on file for each financial institution and broker/dealer on the County's approved list.

10. Authorized Investments

In accordance with Government Code 53601 and 53635, investments will only be made in authorized securities with a maturity date of five (5) years or less from the transaction settlement date unless otherwise approved by the Board. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

For the purpose of approved investments and compliance with the investment percentage limits compared to the overall portfolio balance, calculations shall be performed on the date the investment is purchased. If the percentage is legally compliant on the date of purchase, then compliance with the Law shall have been met. Calculations are to be based on the final maturity date, and neither duration nor average days may be used.

The investment instruments listed in Attachment 1 are authorized for investment and any instrument not listed are specifically prohibited. Authorized investments are allowed under California State Government Code 53601 and 53635 and concentration limitations are equivalent to, or more conservative than, the code allows.

11. Non-Authorized Investments

In accordance with Government Code 53601.6, investments in derivative securities such as inverse floaters, range notes, or mortgage-derived, interest-only strips or any securities that could result in zero interest accrual if held to maturity are prohibited.

12. Due Diligence - Investment Pools and Mutual Funds

Due diligence shall be performed by investigating any pool or fund prior to investing and on an annual basis thereafter. A completed questionnaire will be required which will answer the following questions:

12.1. A description of eligible investment securities, and a written statement of investment policy and objectives.

12.2. A description of interest calculations and how interest is distributed, and how gains and losses are treated.

12.3. A description of how the securities are safeguarded (including the settlement processes), how often the securities are priced, and the how often the program is audited for compliance.

12.4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.

12.5. A schedule for receiving statements and portfolio listings.

12.6. Are reserves, retained earnings, etc. utilized by the pool/fund?

12.7. A fee schedule, and when and how is it assessed.

12.8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

All Due Diligence reviews will be maintained with the annual investment files for a period of five (5) years. Third-party safekeeping arrangements will be approved by the Treasurer and will be corroborated by a written custodial agreement.

13. Review of Investment Portfolio

The securities held by the Pool must be in compliance with Section 10.0 Authorized Investments at the time of purchase. The Treasurer shall review the portfolio, at least monthly, to identify any securities that may not comply with Section 10.0 Authorized Investments after the date of purchase and establish a procedure to report to the Board and Committee any major or critical incidences of non-compliance identified through review of the portfolio. To ensure diversification of the portfolio, purchases of the following types of investments will limit issuers to 10% across all asset types:

13.1 Certificates of Deposit

13.2 Negotiable Certificates of Deposit

13.3 Yankee Certificates of Deposit

13.4 Commercial Paper

13.5 Medium-Term and Corporate Notes

14. Collateralization

In accordance with Government Code 53601, collateralization will be required on certificates of deposit and repurchase agreements. To anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for certificates of deposit and 102% or greater based on the collateral type for repurchase agreements. Collateralization of any investment will be in accordance with securities approved under this policy. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

15. Safekeeping & Custody

In accordance with Government Code 53608, all security transactions, including collateral for repurchase agreements, entered into by the Treasurer shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping statements. Third-party safekeeping arrangements will be approved by the Treasurer and will be corroborated by a written custodial agreement.

16. Diversification

The Treasurer will diversify the Pool investments by security type and institution to achieve a diversified mix of independent maturities. No more than 10% of the total portfolio may be invested in the securities of any single issuer, across all investment types, other than the US Government, its agencies and instrumentalities.

17. Maximum Maturities

Investment purchases shall not include securities maturing more than five years from the date of purchase unless previously approved by the County Board of Supervisors. If approved by the Board, reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Board approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

18. Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Pool are protected from loss, theft, fraud or misuse. Accordingly, the Treasurer shall budget for independent review by an external auditor, with the scope of the audit to be determined by the Auditor-Controller in consultation of the Treasury Oversight Committee. This review will provide internal control by assuring investment transactions are in compliance with policies, procedures and laws.

The annual audit shall be supervised by a Certified Public Accountant (CPA) who shall render an opinion to the Committee. The opinion shall be forwarded to the Board for review and acceptance. The selection of the CPA shall be by the Stanislaus County Auditor-Controller as a Committee member.

19. Performance Standards

The investment portfolio shall be designed with the objective of earning a rate of return throughout budgetary cycles, corresponding with the investment risk constraints and the cash flow needs of the Pool.

20. Reporting

In accordance with Government Code 53607, a monthly report shall be prepared by the Treasurer no later than 30 days following the end of the monthly reporting period. A copy of the report will be forwarded to Committee members, and the Treasurer will maintain a file of their acceptance. The report will be forwarded to the Board for final review and acceptance. The report will be provided through both the Board and Treasurer’s web sites.

The monthly report shall include:

20.1. A concise management summary of Pool activity and position rendered with statements of review and reconciliation with custodial records, source of market valuation, ability to meet next six (6) month's expenditures and for compliance with this Policy by the Treasurer.

20.2. A detailed listing of securities held at the end of the month grouped by investment type (e.g. CD, CP, MTN) and delineated as follows:

20.2.1. Issuing agency (e.g. U.S. Government, FHLB, Toyota Motor Credit)

20.2.2. Date purchased

20.2.3. Date of maturity

20.2.4. Par Value

20.2.5. Book Value

20.2.6. Market value

20.2.7. Stated rate (coupon rate)

20.2.8. Yield-to-Maturity

20.2.9. Days-to-Maturity

20.3. A detailed listing of security transactions during the report period (purchases, sales and maturities) grouped by investment type and to include the following:

20.3.1. Date of transaction

20.3.2. Issuing agency (e.g. U.S. Government, FHLB, Toyota Motor Credit)

20.3.3. Purchase, Deposit, Sale, Maturity or Withdrawal Amount

20.3.4. Stated rate (coupon rate)

20.3.5. A summary of Pool position by investment type dollar amount, percentage of total portfolio and average weighted maturity showing compliance with Policy limitations.

20.3.6. A summary by investment type of purchases and sales/maturities and ending position.

21. Investment Policy Adoption

In accordance with Government Code 53646, the Policy shall be adopted by resolution of the Board. The Policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

The Treasurer shall establish written procedures for the operation of the investment program consistent with this Policy. The procedures will include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer.

22. Investment Pool Expenses

The expenses for administration of the Pool shall be borne by all depositors by the utilization of investment earnings to offset the costs. Costs include normal Treasury costs for staff and support services in the areas of:

22.1. Handling, safekeeping, and depositing monies received;

22.2. Investment transactions and custodial safekeeping of securities;

22.3. Bank services; accounting, reporting, and auditing of deposit and investment transactions;

22.4. Training, informational, and educational materials and services related to financial markets, investments, and individual business and governmental entities' financial condition; and

22.5. Other duties and costs related to the management of Pool funds.

Appropriate costs normally charged as "Treasury/org 30400" on the Stanislaus County Auditor-Controller's records will incorporate and clearly define the Pool expenses.

23. Agencies' Voluntary Depositing and Withdrawal

"Voluntary" agency depositing is discouraged due to the potential volatility of depositing and withdrawal, which may occur. The Pool is designed as an operating fund for the County and entities, which are required to deposit by Law or have historically utilized the efficiencies of the Treasury. Only those agencies which use the Treasury for operational purposes due to their ties to County departmental functions, area schools or special public districts and are either required or allowed to deposit funds in the Treasury are allowed to be participants in the Pool.

Withdrawals from the Pool, for investment purposes outside of the Pool, by non-County member agencies may be done if the following conditions are met:

23.1. The agency has provided the Treasurer with legal authority that it can invest funds outside of the Pool and specifying that responsibility for investment of funds now resides with the agency;

23.2. The agency shows evidence of maintaining a minimum cash balance of one month's normal payroll expenditures for 30 days prior to the date of request as verified by the County Auditor-Controller;

23.3. The agency withdraws a minimum of $1,000,000 and will continue to maintain a minimum Pool cash balance of one month's normal payroll costs;

23.4. The agency makes its request in writing signed by an authorized representative of the agency's board; and

23.5. The agency must allow two business days for each five million dollars or increment thereof which is being withdrawn (e.g. a $15,000,000 withdrawal would require that the Treasurer receive a completed request form with appropriate signatures and verifications 6 business days before the funds are released)

If the withdrawing agency's Pool cash balance falls below one month's payroll expense, the Treasurer may demand that funds be retrieved to restore the Pool cash balance to such level.

Reinvestment of funds from external investments (e.g. California State Local Agency Investment Fund) may be done without the above procedures. The Treasurer's Office may verify with the Auditor's Office, by email, that the agency has one month's payroll expenditures as cash in the Pool exclusive of the redemption of the external investment funds.

24. Investment Earnings Apportionment and Rate

The Pool's investment earnings shall be apportioned by the following method. The investment earnings, which have been received in cash and accumulated from the beginning to the end of each calendar quarter, shall be apportioned to each cash balance fund maintained within the Pool. The apportionment of earnings to any cash balance fund will be in direct proportion of that fund's average daily cash balance to the entire Pool's average daily cash balance for that same quarter.

Example:

Earnings received for the quarter ending March 31	$5,000,000
Fund ABC average daily cash balance during the quarter	$10,000,000
Treasury Pool average daily cash balance during the quarter	$500,000,000
Interest earnings apportioned to Fund ABC would be calculated as $5,000,000 x ($10,000,000/$500,000,000)	$100,000

Cash balance accounts shall be maintained in and earnings apportionment shall be performed by the County Auditor-Controller's Office.

The cash earnings apportionment rate is calculated as the investment earnings received on a cash basis for the quarter divided by the average daily cash balance for the entire Pool, annualized (times four). In the example above the cash earnings apportionment rate would be 4% [($5,000,000 / $500,000,000) x 4].

25. Exemptions and Amendments

Any investment held prior to the adoption of changes to this Policy, which does not meet the revised guidelines of the Policy, shall be exempted from the requirements. Upon that investment's maturity or liquidation, the monies received shall be invested in accordance with this Policy.

ATTACHMENT I – AUTHORIZED INVESTMENTS

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
Local Agency Bonds, Notes, and Warrants						
Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency including Stanislaus County.	53601 (a)(e)	5 years	None	None	None	None
U.S. Treasury Obligations						
United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.	53601 (b)	5 years	None	None	None	None
California State Registered Warrants, Treasury Notes, and Bonds						
Registered State warrants or Treasury notes or bonds of this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.	53601 (c)	5 years	None	None	None	None

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
State Registered Treasury Notes and Bonds						
Registered Treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a State or by a department, board, agency, or authority of any of the other 49 states, in addition to California.	53601 (d)	5 years	None	None	None	None
U.S. Agency Obligations						
Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.	53601 (f), 53601.6	5 years	None	None	None	None
Bankers' Acceptances						
Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.	53601 (g)	180 days	40%	30%	None	None

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
Commercial Paper						
Commercial paper of "prime" quality only. The entity that issues the commercial paper shall meet all of the following conditions: (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars ($500,000,000). (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.	53601 (h), 53601.2, 53635 (a)(1)	270 days	40%	10%	"A-1" by S&P or equivalent by an NRSRO	Must not exceed 10% of the outstanding commercial paper of one issuer. NRSRO is a nationally recognized statistical rating organization.
Negotiable Certificates of Deposit						
Negotiable certificates of deposit issued by a Nationally- or State-Chartered Bank, or by a Federally- or State-Licensed branch of a foreign bank. NCD's are highly liquid and actively traded in the secondary market.	53601 (i), 53638	5 years	30%	10%	None	The deposit shall not exceed the shareholder's equity of any depository bank.
Certificates of Deposit (Non-Negotiable)						
Certificates of deposit issued by a nationally or state-chartered bank which are 110% collateralized by the institution with government securities.	53635, 53635.2, 53635.8, 53636, 53637, 53638, 53641	5 years	None	10%	None	The deposit shall not exceed the shareholder's equity of any depository bank.

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
Repurchase Agreement						
Repurchase Agreement for any security authorized by government code 53601 with an approved broker/dealer and a third-party custodial bank. Signed Master Repurchase Agreement is required.	53601 (j)	1 year	None	None	None	The market value of the agreement's underlying securities shall be valued at 102% or greater. Reverse repurchase agreements are prohibited.
Medium-Term and Corporate Notes						
Debt securities issued by corporate or depository institutions operating or licensed in the United States with a maximum remaining maturity of five years or less.	53601 (k)	5 years	30%	10%	"A" by S&P or equivalent by an NRSRO	Notes purchased at par or a discount and payable at par or greater are preferred.
Mutual Funds (Beneficial Interest)						
Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by Government Code 53601 (a) to (l) inclusive and have assets under management in excess of $500 million.	53601 (l)(1)	N/A	20%	10%	See Additional Requirements	Mutual Fund must receive highest rating by not less than two NRSROs or have an investment advisor registered or exempt from registration with the Securities & Exchange Commission (SEC) with at least five years' experience investing in instruments authorized by Sections 53601 and 53635 with assets under management in excess of $500 million dollars.

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
Money Market Mutual Funds (Beneficial Interest)						
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the SEC under the Investment Company Act of 1940 (15 U.S.C. Sec 80a-1 et seq.)	53601 (l)(2)	N/A	20%	None	See Additional Requirements	Money Market Mutual Fund must receive highest rating by not less than two NRSROs or have an investment advisor registered or exempt from registration with the SEC with at least five years' experience investing in money market mutual funds with assets under management in excess of $500 million dollars.
California Asset Management Program (CAMP)						
CAMP is a California Joint Powers Authority established in 1989 for public agencies to jointly exercise their common power to invest surplus funds.	53601 (p)	N/A	None	N/A	None	To be used for reserves and liquidity
Local Agency Investment Fund (LAIF)						
LAIF is a voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts.	16429.1 (b)	N/A	$75 million **or** as approved by the State Treasurer	N/A	None	To be used for reserves and liquidity

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or $ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
Supranational Bonds and Notes						
Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB) and eligible for purchase and sale in the United States.	53601 (q)	5 years	30%	None	"AA" by S&P or equivalent by an NRSRO	None

ATTACHMENT II – GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the *(entity).* It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued a discount and redeemed at maturity for full face value *(e.g., U.S. Treasury Bills.)*

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

FEDERAL AGENCIES: Agencies of the Federal government set up to supply credit to variousclasses of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUND: An investment company that pools cash and is able to invest in a variety of securities, including fixed-income securities and money market instruments, as outlined in the fund's prospectus.

NRSRO: National Recognized Statistical Rating Organization; current NRSROs include: A.M. Best Rating Services, Inc., DBRS, Inc., Egan-Jones Ratings Co., Fitch Ratings, Inc., HR Ratings de México, S.A. de C.V., Japan Credit Rating Agency, Ltd., Kroll Bond Rating Agency, Inc., Moody's Investors Service, Inc., & S&P Global Ratings.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): Reverse repurchase agreements are forms of short-term lending and borrowing using bonds or securities as collateral.

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB): Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The annual rate of income returned on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Treasurer / Tax Collector

BOARD AGENDA:5.B.1
AGENDA DATE: May 6, 2025

SUBJECT:
Acceptance of the Stanislaus County Treasury Pool February 2025 Monthly Investment Report

BOARD ACTION AS FOLLOWS: **RESOLUTION NO. 2025-0223**

On motion of Supervisor Grewal **Seconded by Supervisor** Withrow
and approved by the following vote,
Ayes: Supervisors: Chiesa, Withrow, Grewal, C. Condit, and Chairman B. Condit
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) X **Approved as recommended**
2) ______ **Denied**
3) ______ **Approved as amended**
4) ______ **Other:**

MOTION:

Elizabeth A. King

ATTEST: **ELIZABETH A. KING, Clerk of the Board of Supervisors** **File No.**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM

DEPT: Treasurer / Tax Collector BOARD AGENDA:5.B.1
AGENDA DATE: May 6, 2025

CONSENT: ☑

CEO CONCURRENCE: YES 4/5 Vote Required: No

SUBJECT:

Acceptance of the Stanislaus County Treasury Pool February 2025 Monthly Investment Report

STAFF RECOMMENDATION:

1. Accept the February 2025 Investment Report for the Stanislaus County Treasury Pool.
2. Authorize the Chairman of the Board of Supervisors to sign on behalf of the Board that the report has been reviewed and accepted.

DISCUSSION:

On April 16, 1996, the Board of Supervisors enacted Code Sections 2.30.010 through 2.30.040. This provides for a comprehensive policy of investment delegation and oversight, including:

- Delegation of day-to-day investment to the County Treasurer-Tax Collector
- Qualifications for the Office of County Treasurer-Tax Collector
- Establishment of a Treasury Pool Oversight Committee

On June 4, 2024, the Board of Supervisors reviewed and adopted revisions to the Investment Policy (Policy), effective July 1, 2024. Revisions to the Policy were prepared by the Stanislaus County Treasurer-Tax Collector and reviewed for conformity with California State law by the Treasury Oversight Committee members comprised of the County Auditor-Controller, the County Superintendent of Schools' designee, and a member of the public, who is familiar with investments.

The Policy includes language that mandates the preparation of the monthly report and provides guidelines for its contents. Each monthly report contains a summary, with sufficient detail to show investment activity and compliance with legal and policy directives. The report is prepared by the Stanislaus County Treasurer-Tax Collector's Office, reviewed by the Treasurer-Tax Collector for conformity with the Stanislaus County Treasury Pool Investment Policy and distributed to the Treasury Pool Oversight Committee.

The Stanislaus County Treasury Pool yield to maturity for February 2025 was 3.416%. The Average-Days-to-Maturity was 262 days. With the current cash flow and investment schedule, the Treasury is projecting sufficient cash to meet historical cash needs for the next six months, through the end of August 2025. Surpluses in prior months are projected to carry forward, covering individual month deficits.

To provide additional information regarding the composition of the Treasury Pool and the diversity of holdings, the Treasurer-Tax Collector's monthly investment report includes a comparison of the Treasury Pool investment holdings year-on-year, and a comparison of the Stanislaus County Treasury Pool to similar investment pools in the eight comparable counties. It should be noted that differences in size, cash flow, need, and composition of funds impact the strategy used and that earnings rates will fluctuate over time.

Upon acceptance and signature of the Chairman, the report can be viewed on the Stanislaus County Treasurer-Tax Collector's Office website at:

http://www.stancounty.com/tr-tax/treasury.shtm.

POLICY ISSUE:

Section 27133(e) of the State of California Government Code requires that the Treasurer of any county having an Oversight Committee prepare an investment report for said Committee. Section 2.30.040 of the Stanislaus County Code establishes the Treasury Oversight Committee and the Stanislaus County Investment Policy further mandates preparation, review, and acceptance of the investment report.

FISCAL IMPACT:

Costs associated with administration of the Pool, including the cost to produce the Monthly Investment Report (estimated at $800 per month) are deducted from interest earnings before distribution is made to the participating agencies' funds.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services* by providing transparency and adherence to the law through the issuance of monthly investment reports.

STAFFING IMPACT:

There is no staffing impact associated with acceptance of the Treasury Pool's Monthly Investment Report. Existing Department staff prepares the monthly report.

CONTACT PERSON:

Donna Riley, Treasurer-Tax Collector Telephone: (209) 525-4466

ATTACHMENT(S):

1. February 2025 Monthly Investment Report

Stanislaus County

OFFICE OF TREASURER/TAX COLLECTOR

Donna Riley
Treasurer/Tax Collector

PO Box 3052, Modesto, CA 95353-0859
Phone: 209.525.6524 Fax: 209.525-4333

Stanislaus County Treasury – Pooled Investments
Monthly Investment Report
February 2025

The Stanislaus County Treasury Pool yield to maturity for February 2025 was 3.416%, with an Average-Days-to-Maturity of 262 days.

With the current cash flow and investment schedule, the Pool will have sufficient cash to meet historical cash needs for the next six months, through the end of August 2025, as noted below. Surpluses in prior months are projected to carry forward, covering individual month deficits.

	Projected				
Month	Revenue	Expenditures	Net Cash Flow	Maturities	Projected Surplus/(Deficit)
Mar-25	$349,515,183	($289,675,125)	$59,840,058	$1,117,750,000	$1,177,590,058
Apr-25	$450,686,467	($279,065,001)	$171,621,466	$42,753,000	$214,374,466
May-25	$275,962,736	($329,915,809)	($53,953,073)	$102,108,000	$48,154,927
Jun-25	$352,066,753	($320,505,372)	$31,561,381	$214,950,000	$246,511,381
Jul-25	$185,489,873	($364,657,856)	($179,167,983)	$136,000,000	($43,167,983)
Aug-25	$263,739,073	($281,486,870)	($17,747,797)	$172,441,000	$154,693,203

The report has been prepared by the Chief Deputy Treasurer, reviewed by the Assistant Treasurer - Tax Collector, and submitted by the Treasurer/Tax Collector. The portfolio has been reviewed for compliance with the investment policy. The US Bank custodial statement is the source of market valuation for securities held by our custodial agent. All other securities are valued at cost.

The Treasury Monthly Investment Report for February 2025 has been provided to the Treasury Oversight Committee members for review.

Karen Helms — 3/27/25
Karen Helms, Chief Deputy Treasurer — Date

Dolores Sarenana — 3/27/25
Dolores Sarenana, Asst Treasurer - Tax Collector — Date

04/07/2025
Donna Riley, Treasurer - Tax Collector — Date

The County of Stanislaus Board of Supervisors has reviewed and accepted the February 2025 Treasurer's Monthly Investment Report.

5/6/2025
Chair, Board of Supervisors — Date

Stanislaus County Treasury - Pooled Investments
Investment Pool Summary
February 28, 2025

CASHFLOW	FEBRUARY 2025	YTD FY 24/25	FEBRUARY 2024	YTD FY 23/24
BEG. CASH BALANCE	$ 2,901,638,071.55	$ 2,894,789,877.42	$ 2,772,541,770.83	$ 2,691,900,459.20
RECEIPTS	362,295,430.36	2,984,100,155.98	296,909,229.94	2,738,012,385.19
DISBURSEMENTS	(378,780,285.26)	(2,993,736,816.75)	(355,139,117.88)	(2,715,600,961.50)
ENDING CASH BALANCE	$ 2,885,153,216.65	$ 2,885,153,216.65	$ 2,714,311,882.89	$ 2,714,311,882.89

INTEREST INCOME	FEBRUARY 2025	YTD FY 24/25	FEBRUARY 2024	YTD FY 23/24
INTEREST RECEIVED	$ 8,677,694.31	$ 67,511,097.11	$ 6,554,422.59	$ 45,502,479.87
TREASURY EXPENSE	(54,219.35)	(502,421.21)	(52,758.99)	(463,790.63)
AUDITOR EXPENSE	(12,440.37)	(102,463.86)	(9,642.92)	(96,657.16)
NET DISTRIBUTION	$ 8,611,034.59	$ 66,906,212.04	$ 6,492,020.68	$ 44,942,032.08

BALANCE - 02/28/2025	ORACLE BOOK VALUE	MARKET VALUE	MAX INVEST. AS % OF TOTAL	ORACLE BOOK VALUE AS % OF TOTAL*	MAX DAYS TO MATURE	AVG DAYS TO MATURE	YTM 360 EQUIV.
BANK CERT. OF DEPOSIT	$ 1,000,000.00	$ 1,000,000.00		0.03%	1,825	140	4.300%
NEGOTIABLE CERT. OF DEPOSIT	$ 95,000,000.00	$ 95,098,350.00	30.00%	3.32%	1,825	191	4.972%
COMMERCIAL PAPER	53,568,081.94	54,267,150.00	40.00%	1.87%	270	111	4.577%
MANAGED POOL - CAMP	1,017,800,000.00	1,017,800,000.00		35.58%		1	4.448%
AGENCIES	879,454,712.93	867,208,027.52		30.74%	1,825	441	2.103%
AGENCIES - AMORTIZING	53,652,173.62	54,356,550.00		1.88%	1,825	100	4.607%
TREASURIES	400,712,914.34	400,652,100.00		14.01%	1,825	487	3.889%
TREASURIES - AMORTIZING	47,872,638.97	49,737,250.00		1.67%	1,825	47	5.141%
MEDIUM TERM NOTES	311,476,725.29	303,316,554.56	30.00%	10.89%	1,825	433	1.975%
TOTAL INVESTMENTS	$ 2,860,537,247.09	$ 2,843,435,982.08		100.00%		262	3.416%
BOOK CASH BALANCE	24,615,969.56	24,615,969.56					
TOTAL	$ 2,885,153,216.65	$ 2,868,051,951.64					

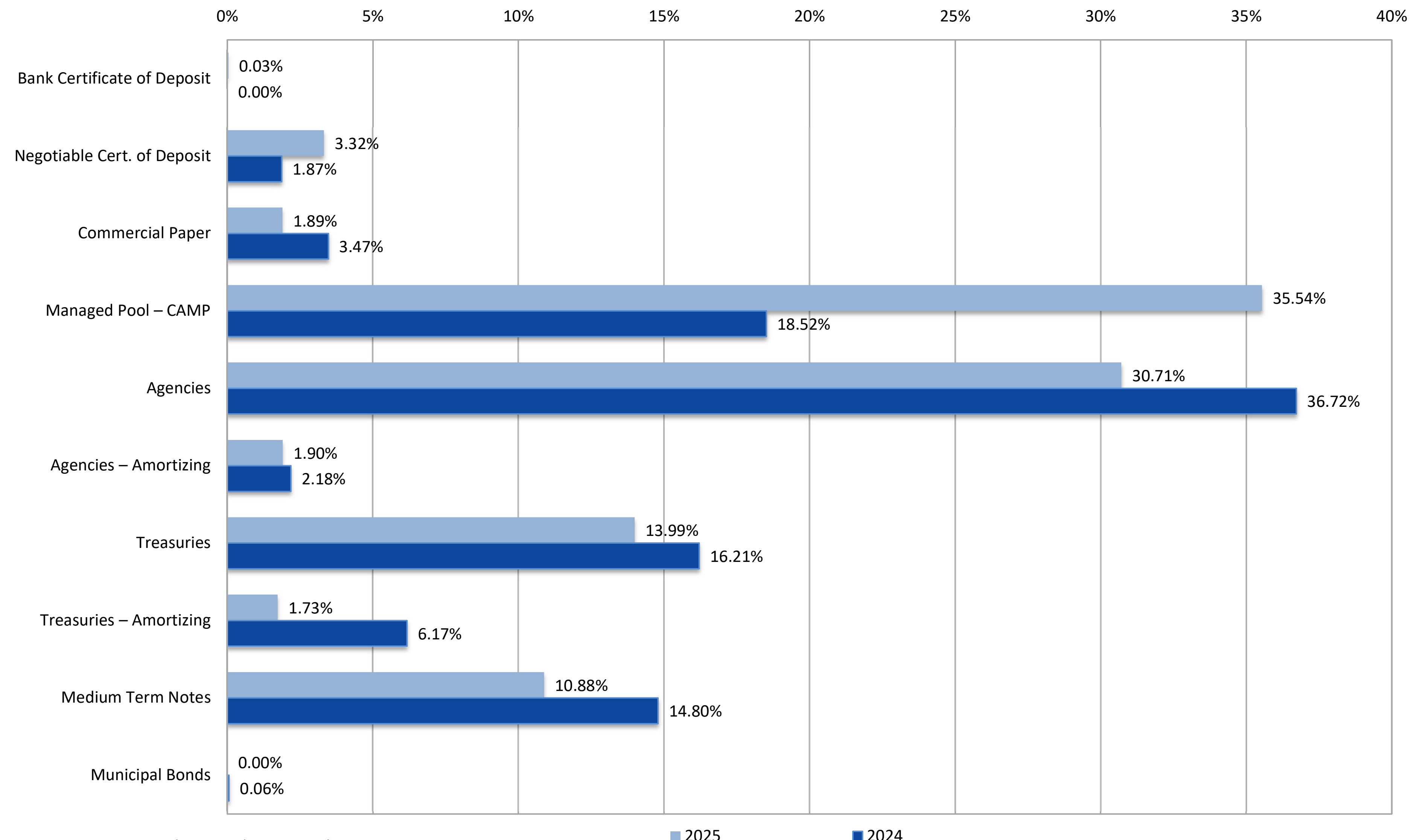
BOOK & BANK BALANCE RECONCILIATION	
ORACLE FMS ENDING BOOK CASH BALANCE	$ 24,549,760.90
TREASURY DEPOSITS IN TRANSIT (VAULT)	66,208.66
BANK RETURNED CHECKS	0.00
BOOK CASH BALANCE	$ 24,615,969.56
UNRECORDED BANK ITEMS	
TREASURY/TAXES CREDIT CARD REVENUE	(716,029.19)
TREASURY DEPOSITS IN TRANSIT (CASH/COIN SHIPMENTS)	(237,000.00)
TREASURY DEPOSITS IN TRANSIT (HEALTHNET)	0.00
TREASURY CASH ON HAND (VAULT)	(66,208.66)
UNRECORDED BOOK ITEMS	
BANK CREDITS/REVENUE	46,832.16
BANK DEBITS/WITHDRAWALS	(6,592,742.19)
BANK RETURNED CHECKS	0.00
BANK CASH BALANCE	$ 17,050,821.68

Percentages may not total to 100, due to rounding

ORACLE FMS TOTAL INVESTMENTS RECONCILIATION	
POOLED CASH - ALL FUNDS ON DEPOSIT	$ 2,824,619,269.88
OUTSTANDING CHECKS/TRANSACTIONS	$ 51,922,912.18
UNDISTRIBUTED YTD INTEREST *(Lags one month for distribution)*	$ 8,611,034.59
TOTAL CASH & INVESTMENTS	$ 2,885,153,216.65

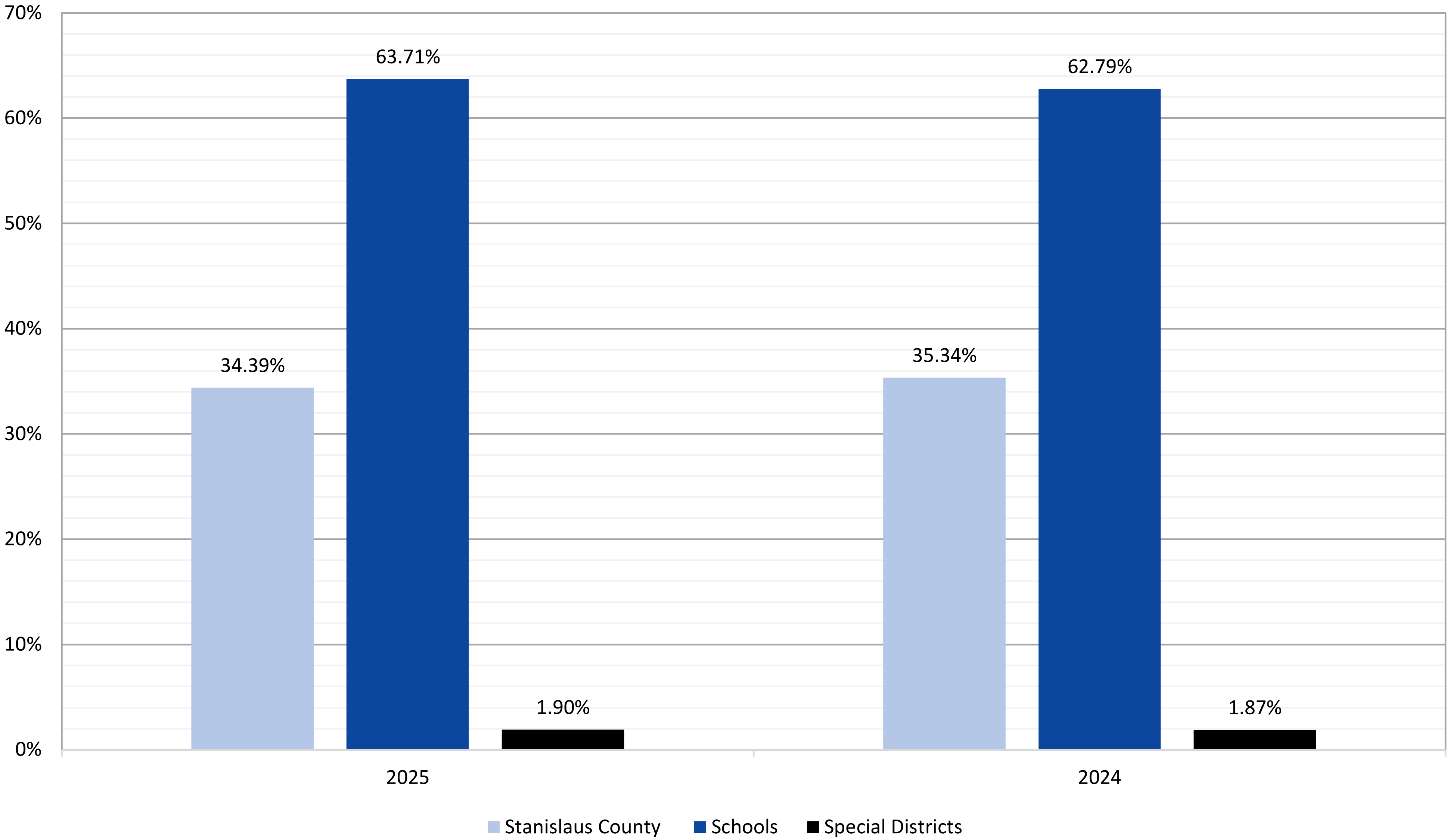
POOLED CASH PARTICIPANT DETAIL*		
COUNTY	*34.39%*	$ 971,445,035.24
SCHOOL DISTRICTS	*63.71%*	$ 1,799,572,165.13
SPECIAL DISTRICTS	*1.90%*	$ 53,602,069.51
TOTAL	*100.00%*	$ 2,824,619,269.88

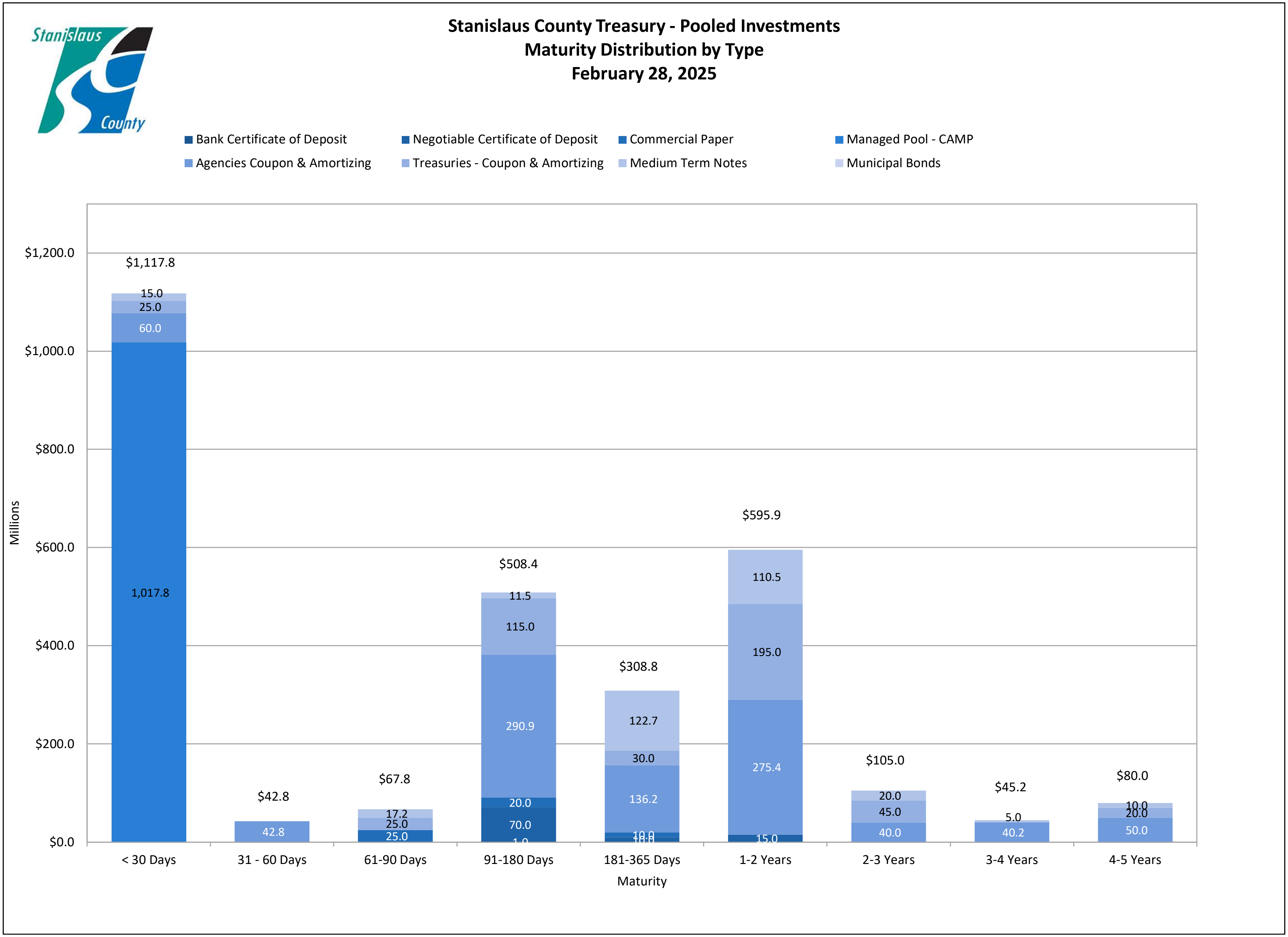
Stanislaus County Treasury - Pooled Investments
Change in Asset Distribution Year-On-Year*
February 2025 vs. February 2024



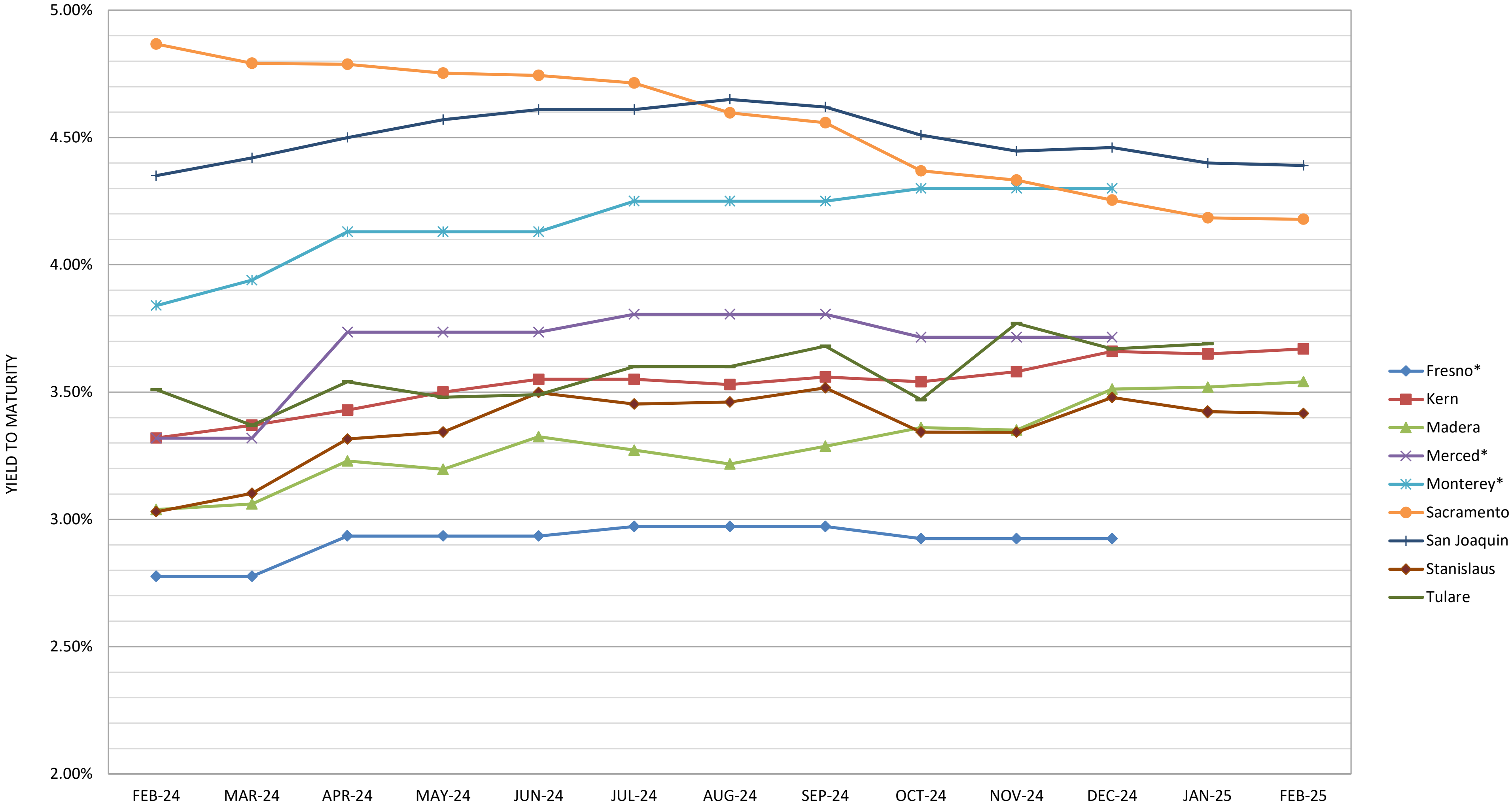
Percentages may not total to 100, due to rounding

Stanislaus County Treasury - Pooled Investments
Pool Participation Year-On-Year
February 2025 vs. February 2024




Stanislaus County Treasury - Pooled Investments
Maturity Distribution by Type
February 28, 2025
Bank Certificate of Deposit
Negotiable Certificate of Deposit
Commercial Paper
Managed Pool - CAMP
Agencies Coupon & Amortizing
Treasuries - Coupon & Amortizing
Medium Term Notes
Municipal Bonds
Millions
$1,200.0
$1,000.0
$800.0
$600.0
$400.0
$200.0
$0.0
$1,117.8
15.0
25.0
60.0
1,017.8
$42.8
42.8
$67.8
17.2
25.0
25.0
$508.4
11.5
115.0
290.9
20.0
70.0
1.0
$308.8
122.7
30.0
136.2
10.0
10.0
$595.9
110.5
195.0
275.4
15.0
$105.0
20.0
45.0
40.0
$45.2
5.0
40.2
$80.0
10.0
20.0
50.0
< 30 Days
31 - 60 Days
61-90 Days
91-180 Days
181-365 Days
1-2 Years
2-3 Years
3-4 Years
4-5 Years
Maturity

Stanislaus County Treasury - Pooled Investments
Comparison of Yield to Maturity for the Eight Comparable Counties
February 2024 through February 2025



*PUBLISHED QUARTERLY

Stanislaus County Treasury - Pooled Investments
Reconciliation of Received Interest
February 2025

Date	90103 JPM Checking	90110/11 Certificate of Deposit	90115 Commercial Paper	90125 Managed Pool - LAIF	90126 Managed Pool - CAMP	90130/31 Agencies - Coupon & Amortizing	90132/33 Treasuries - Coupon & Amortizing	90140 Medium Term Notes	90145 Municipal Bonds	**Treasury Total**	**Oracle Cloud**	**Variance**
1										**$ -**	**$ -**	**$ -**
2										**-**	**-**	**-**
3					3,964,017.83					**3,964,017.83**	**$ 3,964,017.83**	**-**
4						74,750.00				**74,750.00**	**74,750.00**	**-**
5										**-**		**-**
6						386,104.25				**386,104.25**	**386,104.25**	**-**
7										**-**		**-**
8										**-**		**-**
9										**-**		**-**
10						93,100.00		80,146.50		**173,246.50**	**173,246.50**	**-**
11						260,000.00				**260,000.00**	**260,000.00**	**-**
12						206,250.00		31,875.00		**238,125.00**	**238,125.00**	**-**
13										**-**		**-**
14										**-**		**-**
15										**-**		**-**
16										**-**		**-**
17										**-**		**-**
18							630,892.35	73,083.33		**703,975.68**	**703,975.68**	**-**
19						41,250.00				**41,250.00**	**41,250.00**	**-**
20						425,027.75				**425,027.75**	**425,027.75**	**-**
21										**-**		**-**
22										**-**		**-**
23										**-**		**-**
24						90,875.00				**90,875.00**	**90,875.00**	**-**
25						136,253.13		62,500.00		**198,753.13**	**198,753.13**	**-**
26						170,000.00		93,750.00		**263,750.00**	**263,750.00**	**-**
27						113,500.00				**113,500.00**	**113,500.00**	**-**
28						795,674.22	313,019.71	89,000.00		**1,197,693.93**	**1,197,693.93**	**-**
29										**-**		**-**
30										**-**		**-**
31	46,547.16									**46,547.16**	**46,547.16**	**-**
AMORT						33,257.62	451,523.53	15,296.93		**500,078.08**	**500,078.08**	**-**
TOTAL	**$ 46,547.16**	**$ -**	**$ -**	**$ -**	**$ 3,964,017.83**	**$ 2,826,041.97**	**$ 1,395,435.59**	**$ 445,651.76**	**$ -**	**$ 8,677,694.31**	**$ 8,677,694.31**	**$ -**

Stanislaus County Pool FY 2025
Portfolio Management
Portfolio Summary
February 28, 2025

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Certificates of Deposit - Bank	1,000,000.00	1,000,000.00	1,000,000.00	0.03	365	140	4.300
Negotiable CDs	95,000,000.00	95,098,350.00	95,000,000.00	3.32	366	191	4.972
Commercial Paper Disc. -Amortizing	55,000,000.00	54,267,150.00	54,253,544.44	1.89	210	111	4.577
Managed Pool Account - CAMP	1,017,800,000.00	1,017,800,000.00	1,017,800,000.00	35.54	1	1	4.448
Federal Agency Coupon Securities	880,424,000.00	867,208,027.52	879,454,712.93	30.71	1,426	441	2.103
Federal Agency Disc. -Amortizing	55,000,000.00	54,356,550.00	54,347,780.55	1.90	194	100	4.607
Treasury Coupon Securities	405,000,000.00	400,652,100.00	400,712,914.34	13.99	897	487	3.889
Treasury Discounts -Amortizing	50,000,000.00	49,737,250.00	49,680,784.72	1.73	312	47	5.141
Medium Term Notes	311,736,000.00	303,316,554.56	311,476,725.29	10.88	1,607	433	1.975
Investments	**2,870,960,000.00**	**2,843,435,982.08**	**2,863,726,462.27**	**100.00%**	**764**	**262**	**3.416**

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	7,516,734.26	62,252,360.52
Average Daily Balance	**2,800,961,856.46**	**2,716,721,444.20**
Effective Rate of Return	**3.50%**	**3.44%**

Reporting period 02/01/2025-02/28/2025

Run Date: 03/05/2025 - 13:02

Portfolio POOL
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PM (PRF_PM1) 7.3.0
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Stanislaus County Pool FY 2025
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
286394423	4061	Farmers & Merchants		07/19/2024	1,000,000.00	1,000,000.00	1,000,000.00	4.300	4.300	4.360	140	07/19/2025
		Subtotal and Average	**1,000,000.00**		**1,000,000.00**	**1,000,000.00**	**1,000,000.00**		**4.300**	**4.360**	**140**	
Negotiable CDs												
53947BY79	4044	Lloyds Bank Corp		06/24/2024	25,000,000.00	25,063,750.00	25,000,000.00	5.350	5.350	5.424	116	06/25/2025
63873Q3Z5	4045	Natixis Banque Popular NY		06/24/2024	25,000,000.00	25,064,500.00	25,000,000.00	5.380	5.380	5.455	117	06/26/2025
63873Q7J7	4077	Natixis Banque Popular NY		12/05/2024	20,000,000.00	20,008,000.00	20,000,000.00	4.550	4.550	4.613	179	08/27/2025
85325VPE4	4076	Standard Chartered Bk NY		11/01/2024	10,000,000.00	9,998,700.00	10,000,000.00	4.560	4.560	4.623	180	08/28/2025
85325VPW4	4078	Standard Chartered Bk NY		12/06/2024	15,000,000.00	14,963,400.00	15,000,000.00	4.500	4.500	4.563	461	06/05/2026
		Subtotal and Average	**95,000,000.00**		**95,000,000.00**	**95,098,350.00**	**95,000,000.00**		**4.972**	**5.041**	**191**	
Commercial Paper Disc. -Amortizing												
22533TTB2	4086	Credit Agri CIB		12/18/2024	10,000,000.00	9,878,100.00	9,874,766.67	4.420	4.517	4.580	102	06/11/2025
22533TU95	4095	Credit Agri CIB		02/28/2025	10,000,000.00	9,843,900.00	9,846,166.66	4.260	4.327	4.387	130	07/09/2025
62479LVU6	4097	MUFG Bank LTD/NY		02/28/2025	10,000,000.00	9,782,900.00	9,786,500.00	4.270	4.364	4.424	180	08/28/2025
63873JSL5	4062	Natixis Banque Popular NY		08/26/2024	25,000,000.00	24,762,250.00	24,746,111.11	4.570	4.785	4.851	80	05/20/2025
		Subtotal and Average	**35,262,625.69**		**55,000,000.00**	**54,267,150.00**	**54,253,544.44**		**4.577**	**4.640**	**111**	
Managed Pool Account - CAMP												
CAMP	62	California Asset Management Pr			1,017,800,000.00	1,017,800,000.00	1,017,800,000.00	4.510	4.448	4.510	1	
		Subtotal and Average	**956,635,714.29**		**1,017,800,000.00**	**1,017,800,000.00**	**1,017,800,000.00**		**4.448**	**4.510**	**1**	
Federal Agency Coupon Securities												
31422BYS3	3804	Farmer Mac.		06/25/2021	17,753,000.00	17,647,369.65	17,752,173.20	0.650	0.671	0.680	58	04/28/2025
31424WCY6	4018	Farmer Mac.		12/06/2023	5,000,000.00	5,014,050.00	5,000,000.00	4.800	4.738	4.804	213	09/30/2025
31424WKT8	4050	Farmer Mac.		06/27/2024	10,000,000.00	9,997,100.00	10,000,000.00	5.120	5.021	5.090	118	06/27/2025
31422XD33	4073	Farmer Mac.		11/01/2024	10,000,000.00	9,858,000.00	9,833,549.50	3.420	4.091	4.148	891	08/09/2027
31424WSQ6	4087	Farmer Mac.		12/20/2024	10,000,000.00	10,091,800.00	10,000,000.00	4.280	4.221	4.280	1,572	06/20/2029
31422B2J8	3735	Farmer Mac		10/29/2020	5,000,000.00	4,879,250.00	4,999,920.67	0.500	0.496	0.502	242	10/29/2025
3133ELZ80	3693	Federal Farm Credit Bank		07/29/2020	25,000,000.00	24,617,250.00	25,000,000.00	0.580	0.572	0.580	150	07/29/2025
3133EL2S2	3694	Federal Farm Credit Bank		08/04/2020	10,000,000.00	9,846,300.00	10,000,000.00	0.670	0.661	0.670	156	08/04/2025
3133EL4W1	3715	Federal Farm Credit Bank		09/04/2020	10,000,000.00	9,823,100.00	9,999,514.24	0.610	0.612	0.620	177	08/25/2025
3133EMBJ0	3729	Federal Farm Credit Bank		10/01/2020	5,000,000.00	4,894,200.00	4,999,421.58	0.530	0.543	0.550	212	09/29/2025
3133EMEC2	3739	Federal Farm Credit Bank		11/09/2020	10,000,000.00	9,765,700.00	9,997,732.75	0.530	0.558	0.566	235	10/22/2025
3133EMJP8	3754	Federal Farm Credit Bank		12/10/2020	20,000,000.00	19,981,000.00	20,000,000.00	0.490	0.483	0.490	9	03/10/2025

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon Securities												
3133EMH47	3799	Federal Farm Credit Bank		06/24/2021	20,000,000.00	19,778,000.00	19,997,067.04	0.600	0.642	0.651	107	06/16/2025
3133EM3Y6	3834	Federal Farm Credit Bank		09/01/2021	15,000,000.00	14,310,900.00	15,000,000.00	0.930	0.917	0.930	549	09/01/2026
3133ENDC1	3848	Federal Farm Credit Bank		11/03/2021	10,000,000.00	9,551,000.00	10,000,000.00	1.330	1.312	1.330	612	11/03/2026
3133ENDC1	3857	Federal Farm Credit Bank		11/03/2021	10,000,000.00	9,551,000.00	10,000,000.00	1.330	1.312	1.330	612	11/03/2026
3133EPZN8	4010	Federal Farm Credit Bank		10/24/2023	10,000,000.00	10,309,000.00	10,000,000.00	5.000	4.932	5.000	1,333	10/24/2028
3133EPC60	4016	Federal Farm Credit Bank		11/15/2023	10,000,000.00	10,147,400.00	9,976,799.86	4.625	4.655	4.720	989	11/15/2027
3133EPW68	4031	Federal Farm Credit Bank		01/29/2024	10,000,000.00	9,996,800.00	9,978,344.88	4.125	4.321	4.381	327	01/22/2026
3133EP2T1	4032	Federal Farm Credit Bank		02/12/2024	10,000,000.00	10,010,300.00	9,989,290.28	4.125	4.107	4.164	713	02/12/2027
3133EP5S0	4033	Federal Farm Credit Bank		03/20/2024	5,000,000.00	5,028,050.00	4,993,512.85	4.250	4.238	4.297	1,115	03/20/2028
3133EP5U5	4034	Federal Farm Credit Bank		03/20/2024	5,000,000.00	5,010,850.00	4,984,599.44	4.125	4.135	4.192	1,480	03/20/2029
3133EP7C3	4037	Federal Farm Credit Bank		04/01/2024	10,000,000.00	10,042,300.00	10,000,000.00	4.625	4.562	4.625	396	04/01/2026
3133ERHT1	4046	Federal Farm Credit Bank		06/24/2024	10,000,000.00	10,059,700.00	9,999,374.24	4.750	4.694	4.759	419	04/24/2026
3133ERJH5	4049	Federal Farm Credit Bank		06/25/2024	25,000,000.00	25,040,250.00	24,996,041.67	5.000	4.983	5.052	116	06/25/2025
3133ERJZ5	4059	Federal Farm Credit Bank		06/28/2024	10,000,000.00	10,097,400.00	9,998,915.00	4.500	4.443	4.505	849	06/28/2027
3133ERRW3	4068	Federal Farm Credit Bank		09/30/2024	13,840,000.00	13,785,193.60	13,935,859.70	3.875	3.546	3.595	551	09/03/2026
3133ERWE7	4070	Federal Farm Credit Bank		10/01/2024	10,000,000.00	9,759,600.00	10,000,000.00	3.500	3.452	3.500	1,675	10/01/2029
3133ERZD6	4075	Federal Farm Credit Bank		11/01/2024	5,000,000.00	4,985,700.00	4,968,266.67	4.000	4.095	4.152	1,706	11/01/2029
3133ERJ85	4079	Federal Farm Credit Bank		12/09/2024	10,000,000.00	9,975,200.00	9,963,825.42	4.000	4.034	4.090	1,650	09/06/2029
3133ERT84	4091	Federal Farm Credit Bank		01/14/2025	10,000,000.00	10,068,400.00	9,973,409.81	4.250	4.290	4.350	1,049	01/14/2028
3133ER2X8	4092	Federal Farm Credit Bank		02/04/2025	10,000,000.00	10,123,000.00	9,956,167.50	4.250	4.290	4.350	1,801	02/04/2030
3130AJZ36	3707	Federal Home Loan Bank		08/27/2020	10,000,000.00	9,825,600.00	9,999,022.22	0.600	0.612	0.620	179	08/27/2025
3130AK4T0	3718	Federal Home Loan Bank		09/11/2020	5,000,000.00	4,905,250.00	4,999,472.22	0.580	0.592	0.600	194	09/11/2025
3130AKZP4	3773	Federal Home Loan Bank		02/26/2021	15,000,000.00	14,487,450.00	15,000,000.00	0.600	0.592	0.600	362	02/26/2026
3130ALCV4	3783	Federal Home Loan Bank		04/13/2021	10,000,000.00	9,673,300.00	9,981,856.08	0.750	0.927	0.940	360	02/24/2026
3130ALYU2	3787	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,717,100.00	10,000,000.00	1.000	0.986	1.000	333	01/28/2026
3130AM2J0	3789	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,644,500.00	10,000,000.00	1.050	1.036	1.050	423	04/28/2026
3130ALZQ0	3790	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,674,900.00	10,000,000.00	1.250	1.011	1.025	423	04/28/2026
3130AM6U1	3791	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,674,900.00	10,000,000.00	1.250	0.986	1.000	423	04/28/2026
3130AMKN1	3795	Federal Home Loan Bank		05/27/2021	18,600,000.00	18,142,812.00	18,600,000.00	1.500	1.036	1.050	452	05/27/2026
3130AMX80	3818	Federal Home Loan Bank		06/30/2021	4,950,000.00	4,937,427.00	4,950,000.00	0.670	0.661	0.670	27	03/28/2025
3130AN4X5	3820	Federal Home Loan Bank		07/01/2021	15,000,000.00	14,956,200.00	15,000,000.00	0.670	0.661	0.670	31	04/01/2025
3130ANG95	3823	Federal Home Loan Bank		08/24/2021	8,540,000.00	8,189,518.40	8,540,000.00	1.250	1.011	1.025	541	08/24/2026
3130AN4T4	3829	Federal Home Loan Bank		08/27/2021	10,000,000.00	9,601,800.00	10,008,017.39	0.875	0.800	0.811	468	06/12/2026
3130ANVS6	3830	Federal Home Loan Bank		08/30/2021	25,000,000.00	23,868,250.00	25,000,000.00	1.000	0.986	1.000	543	08/26/2026
3130ANW48	3831	Federal Home Loan Bank		08/30/2021	15,000,000.00	14,747,700.00	15,000,000.00	0.730	0.720	0.730	179	08/27/2025
3130ANW22	3832	Federal Home Loan Bank		08/30/2021	15,000,000.00	14,524,350.00	15,000,000.00	0.850	0.838	0.850	361	02/25/2026

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon Securities												
3130ANW97	3833	Federal Home Loan Bank		08/30/2021	15,000,000.00	14,392,500.00	15,000,000.00	1.270	0.949	0.963	545	08/28/2026
3130AP3H6	3837	Federal Home Loan Bank		09/28/2021	11,150,000.00	10,869,577.50	11,142,061.20	0.750	0.836	0.848	272	11/28/2025
3130ANWH9	3838	Federal Home Loan Bank		09/28/2021	3,500,000.00	3,340,330.00	3,498,947.49	1.080	1.085	1.100	563	09/15/2026
3130APCH6	3839	Federal Home Loan Bank		09/29/2021	15,000,000.00	14,313,150.00	15,000,000.00	1.125	1.110	1.125	577	09/29/2026
3130APE35	3840	Federal Home Loan Bank		09/30/2021	15,000,000.00	14,491,950.00	15,000,000.00	1.000	0.986	1.000	394	03/30/2026
3130AQ3T8	3860	Federal Home Loan Bank		12/23/2021	5,000,000.00	4,819,650.00	5,000,000.00	2.000	1.618	1.641	662	12/23/2026
3130APV51	3861	Federal Home Loan Bank		11/30/2021	6,965,000.00	6,828,416.35	6,965,000.00	1.500	1.941	1.968	633	11/24/2026
3130AQFX6	3881	Federal Home Loan Bank		12/30/2021	10,500,000.00	10,387,545.00	10,500,000.00	1.180	1.164	1.180	121	06/30/2025
3130AYEL6	4025	Federal Home Loan Bank		01/05/2024	5,000,000.00	5,000,700.00	5,000,000.00	4.610	4.549	4.613	97	06/06/2025
3130AYNU6	4028	Federal Home Loan Bank		01/24/2024	10,000,000.00	10,004,900.00	10,000,000.00	4.580	4.510	4.573	123	07/02/2025
3130AYNT9	4029	Federal Home Loan Bank		01/24/2024	10,000,000.00	10,027,600.00	10,000,000.00	4.220	4.158	4.216	494	07/08/2026
3130AFFX0	4053	Federal Home Loan Bank		06/25/2024	10,000,000.00	9,760,300.00	9,644,109.77	3.250	4.254	4.313	1,356	11/16/2028
3130B2PJ8	4063	Federal Home Loan Bank		09/30/2024	25,000,000.00	24,856,750.00	25,060,399.61	3.625	3.527	3.576	552	09/04/2026
3130B2PJ8	4069	Federal Home Loan Bank		09/30/2024	8,995,000.00	8,943,458.65	9,014,268.52	3.625	3.546	3.595	552	09/04/2026
3130B2YA7	4071	Federal Home Loan Bank		10/01/2024	25,000,000.00	24,968,500.00	25,000,000.00	4.020	3.972	4.027	93	06/02/2025
3130B2YB5	4072	Federal Home Loan Bank		10/01/2024	25,000,000.00	25,000,000.00	25,000,000.00	4.300	4.300	4.360	2	03/03/2025
3134GWJW7	3695	Federal Home Loan Mortgage Co		08/04/2020	15,000,000.00	14,760,150.00	15,000,000.00	0.550	0.542	0.550	156	08/04/2025
3134GWL38	3721	Federal Home Loan Mortgage Co		09/15/2020	15,000,000.00	14,704,200.00	15,000,000.00	0.540	0.533	0.540	198	09/15/2025
3134GWY91	3733	Federal Home Loan Mortgage Co		10/15/2020	5,000,000.00	4,887,450.00	5,000,000.00	0.570	0.562	0.570	228	10/15/2025
3136G4A86	3688	Federal National Mortgage Asso		07/21/2020	25,000,000.00	24,629,250.00	24,993,194.44	0.500	0.563	0.571	142	07/21/2025
3136G4Q48	3702	Federal National Mortgage Asso		08/19/2020	10,000,000.00	9,827,500.00	9,999,066.67	0.600	0.612	0.620	171	08/19/2025
3136G4M34	3703	Federal National Mortgage Asso		08/19/2020	5,000,000.00	4,910,300.00	5,000,000.00	0.450	0.444	0.450	171	08/19/2025
3136G4N33	3704	Federal National Mortgage Asso		08/27/2020	5,000,000.00	4,908,700.00	5,000,000.00	0.500	0.528	0.536	179	08/27/2025
3136G4S87	3705	Federal National Mortgage Asso		08/27/2020	5,000,000.00	4,912,300.00	5,000,000.00	0.650	0.641	0.650	179	08/27/2025
3135G05X7	3708	Federal National Mortgage Asso		08/27/2020	10,000,000.00	9,813,600.00	9,995,470.97	0.375	0.463	0.470	177	08/25/2025
3136G4X57	3713	Federal National Mortgage Asso		09/04/2020	7,441,000.00	7,309,815.17	7,441,000.00	0.625	0.616	0.625	177	08/25/2025
3135GA2Z3	3741	Federal National Mortgage Asso		11/17/2020	5,000,000.00	4,872,850.00	4,999,111.11	0.560	0.577	0.585	261	11/17/2025
3135GAAZ4	3757	Federal National Mortgage Asso		12/24/2020	8,000,000.00	7,903,200.00	8,000,000.00	0.500	0.493	0.500	115	06/24/2025
880591EZ1	4009	Tennessee Valley Authority		10/16/2023	15,190,000.00	15,147,164.20	14,829,928.94	3.875	4.683	4.748	1,110	03/15/2028
		Subtotal and Average	**896,431,616.44**		**880,424,000.00**	**867,208,027.52**	**879,454,712.93**		**2.103**	**2.132**	**441**	
Federal Agency Disc. -Amortizing												
313313MH8	4094	Federal Farm Credit Bank		02/18/2025	10,000,000.00	9,757,700.00	9,753,255.56	4.190	4.344	4.405	212	09/29/2025
313385DE3	4051	Federal Home Loan Bank		06/25/2024	10,000,000.00	9,979,000.00	9,976,719.44	4.930	5.146	5.217	17	03/18/2025
313385DX1	4054	Federal Home Loan Bank		06/25/2024	10,000,000.00	9,959,100.00	9,953,722.22	4.900	5.121	5.192	34	04/04/2025
313385HH2	4096	Federal Home Loan Bank		02/28/2025	25,000,000.00	24,660,750.00	24,664,083.33	4.170	4.286	4.346	116	06/25/2025

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		Subtotal and Average	**43,854,925.80**		**55,000,000.00**	**54,356,550.00**	**54,347,780.55**		**4.607**	**4.671**	**100**	
Treasury Coupon Securities												
91282CBC4	3817	U S Treasury Securities		06/30/2021	15,000,000.00	14,541,750.00	14,947,853.34	0.375	0.789	0.800	305	12/31/2025
91282CBC4	3827	U S Treasury Securities		08/27/2021	15,000,000.00	14,541,750.00	14,955,519.33	0.375	0.727	0.737	305	12/31/2025
912828ZT0	3828	U S Treasury Securities		08/27/2021	15,000,000.00	14,852,700.00	14,986,291.28	0.250	0.613	0.622	91	05/31/2025
912828Y95	3986	U S Treasury Securities		07/13/2023	25,000,000.00	24,260,750.00	24,191,009.14	1.875	4.281	4.340	517	07/31/2026
91282CHM6	3992	U S Treasury Securities		08/15/2023	50,000,000.00	50,297,000.00	49,911,795.77	4.500	4.574	4.638	501	07/15/2026
91282CEY3	3993	U S Treasury Securities		08/18/2023	20,000,000.00	19,905,000.00	19,864,624.39	3.000	4.859	4.926	136	07/15/2025
91282CHM6	4002	U S Treasury Securities		09/21/2023	10,000,000.00	10,059,400.00	9,949,931.99	4.500	4.826	4.893	501	07/15/2026
91282CHH7	4003	U S Treasury Securities		09/22/2023	20,000,000.00	20,017,200.00	19,828,748.75	4.125	4.773	4.839	471	06/15/2026
91282CFH9	4008	U S Treasury Securities		10/13/2023	15,000,000.00	14,697,600.00	14,458,248.30	3.125	4.658	4.723	913	08/31/2027
91282CEY3	4026	U S Treasury Securities		01/23/2024	10,000,000.00	9,952,500.00	9,944,312.39	3.000	4.498	4.561	136	07/15/2025
91282CHM6	4027	U S Treasury Securities		01/23/2024	10,000,000.00	10,059,400.00	10,031,390.44	4.500	4.198	4.256	501	07/15/2026
91282CEU1	4030	U S Treasury Securities		01/26/2024	20,000,000.00	19,914,600.00	19,921,517.81	2.875	4.222	4.280	106	06/15/2025
91282CEY3	4064	U S Treasury Securities		09/30/2024	25,000,000.00	24,881,250.00	24,918,836.81	3.000	3.834	3.887	136	07/15/2025
912828K74	4067	U S Treasury Securities		09/30/2024	25,000,000.00	24,740,000.00	24,787,323.67	2.000	3.852	3.905	167	08/15/2025
91282CLL3	4074	U S Treasury Securities		11/01/2024	10,000,000.00	9,857,000.00	9,868,103.41	3.375	4.057	4.114	928	09/15/2027
91282CFB2	4082	U S Treasury Securities		12/12/2024	20,000,000.00	19,439,000.00	19,383,357.18	2.750	4.050	4.107	882	07/31/2027
91282CHB0	4083	U S Treasury Securities		12/18/2024	20,000,000.00	19,892,200.00	19,926,714.94	3.625	4.165	4.223	440	05/15/2026
91282CHB0	4088	U S Treasury Securities		12/30/2024	20,000,000.00	19,892,200.00	19,936,431.70	3.625	4.225	4.284	440	05/15/2026
91282CGB1	4093	U S Treasury Securities		02/11/2025	20,000,000.00	19,872,600.00	19,690,859.53	3.875	4.277	4.337	1,766	12/31/2029
912828Z78	4098	U S Treasury Securities		02/28/2025	20,000,000.00	19,086,000.00	19,105,763.18	1.500	3.951	4.006	701	01/31/2027
91282CHB0	4099	U S Treasury Securities		02/28/2025	20,000,000.00	19,892,200.00	20,104,280.99	3.625	4.020	4.076	440	05/15/2026
		Subtotal and Average	**390,245,932.70**		**405,000,000.00**	**400,652,100.00**	**400,712,914.34**		**3.889**	**3.943**	**487**	
Treasury Discounts -Amortizing												
912797LB1	4038	U S Treasury Securities		05/23/2024	25,000,000.00	24,787,250.00	24,745,833.33	4.880	5.135	5.206	75	05/15/2025
912797KJ5	4048	U S Treasury Securities		06/25/2024	25,000,000.00	24,950,000.00	24,934,951.39	4.930	5.147	5.218	19	03/20/2025
		Subtotal and Average	**70,998,166.67**		**50,000,000.00**	**49,737,250.00**	**49,680,784.72**		**5.141**	**5.212**	**47**	
Medium Term Notes												
037833EB2	3772	Apple Inc		02/08/2021	15,000,000.00	14,510,100.00	14,999,441.14	0.700	0.694	0.704	344	02/08/2026
037833EB2	3786	Apple Inc		04/14/2021	7,899,000.00	7,641,018.66	7,877,384.98	0.700	0.986	1.000	344	02/08/2026
037833DT4	3975	Apple Inc		05/22/2023	3,427,000.00	3,404,416.07	3,405,954.64	1.125	4.398	4.459	71	05/11/2025
06048WN22	3824	Bank of America Corp		08/26/2021	15,000,000.00	14,216,100.00	15,000,000.00	1.250	1.233	1.250	543	08/26/2026
06048WS84	3887	Bank of America Corp		03/02/2022	10,000,000.00	9,587,400.00	10,000,000.00	2.750	2.712	2.750	731	03/02/2027

Stanislaus County Pool FY 2025
Portfolio Management
Portfolio Details - Investments
February 28, 2025

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
06048WK41	3745	Bank of America		11/25/2020	25,000,000.00	24,236,500.00	25,000,000.00	1.000	0.789	0.800	269	11/25/2025
14913R2U0	3885	Caterpillar Financial Service		01/10/2022	5,000,000.00	4,771,250.00	5,002,040.32	1.700	1.654	1.677	678	01/08/2027
14913R2U0	3886	Caterpillar Financial Service		01/10/2022	5,000,000.00	4,771,250.00	5,001,762.10	1.700	1.657	1.680	678	01/08/2027
17330FVU2	3914	Citigroup Global Markets		05/27/2022	10,000,000.00	9,986,400.00	10,000,000.00	4.050	3.995	4.050	85	05/25/2025
194162AN3	4090	Colgate Polomive Co		01/03/2025	5,000,000.00	4,877,700.00	4,857,358.81	3.100	4.281	4.340	897	08/15/2027
254687FN1	3984	Walt Disney Co		06/26/2023	5,000,000.00	4,996,350.00	4,994,746.26	3.350	5.017	5.086	23	03/24/2025
02079KAH0	3700	Alphabet Inc (Google)		08/17/2020	5,000,000.00	4,911,750.00	4,999,548.50	0.450	0.464	0.470	167	08/15/2025
24422EVK2	3771	John Deere		01/15/2021	5,000,000.00	4,848,200.00	4,997,948.53	0.700	0.738	0.748	320	01/15/2026
24422EVK2	3858	John Deere		11/24/2021	15,000,000.00	14,544,600.00	14,907,316.30	0.700	1.412	1.432	320	01/15/2026
24422EWB1	3900	John Deere		04/14/2022	10,000,000.00	9,996,200.00	10,000,000.00	2.125	2.096	2.125	6	03/07/2025
478160CN2	3794	Johnson & Johnson		04/26/2021	10,000,000.00	9,813,100.00	9,991,741.85	0.550	0.796	0.807	184	09/01/2025
478160CN2	3836	Johnson & Johnson		09/08/2021	4,755,000.00	4,666,129.05	4,751,607.46	0.550	0.685	0.695	184	09/01/2025
48128G4X5	3825	JP Morgan Chase Bank		08/30/2021	15,000,000.00	14,105,400.00	15,000,000.00	1.200	1.184	1.200	545	08/28/2026
48128GX54	3736	JP Morgan Chase Bank		10/30/2020	5,000,000.00	4,844,850.00	5,000,000.00	0.750	0.739	0.749	243	10/30/2025
46625HJZ4	4080	JP Morgan Chase Bank		12/09/2024	6,169,000.00	6,139,697.25	6,142,186.09	4.125	17.018	17.254	654	12/15/2026
58769JAR8	4081	Mercedes-Benz Fin North Am		12/09/2024	5,000,000.00	5,017,300.00	5,031,633.83	4.850	4.603	4.667	1,412	01/11/2029
63254AAS7	3843	National Australia Bank/NY		10/21/2021	15,000,000.00	14,650,800.00	15,228,137.48	2.500	1.327	1.345	498	07/12/2026
713448FW3	4015	Pepsico		11/13/2023	5,000,000.00	5,068,900.00	5,000,537.19	5.125	5.048	5.118	619	11/10/2026
69353REQ7	3766	PNC Bank NA		01/13/2021	6,450,000.00	6,428,586.00	6,476,893.79	3.250	0.777	0.788	92	06/01/2025
74460WAA5	3871	Public Storage		12/21/2021	10,000,000.00	9,671,000.00	9,954,897.78	0.875	1.343	1.362	351	02/15/2026
808513BF1	3785	Charles Schwab Corp		04/14/2021	19,283,000.00	18,592,475.77	19,250,253.82	0.900	1.003	1.017	375	03/11/2026
89236THW8	3770	Toyota Motor Credit Corp		01/13/2021	10,000,000.00	9,705,900.00	9,999,581.56	0.800	0.794	0.805	314	01/09/2026
89236THW8	3784	Toyota Motor Credit Corp		04/14/2021	15,000,000.00	14,558,850.00	14,967,535.35	0.800	1.045	1.060	314	01/09/2026
89236TJK2	3842	Toyota Motor Credit Corp		10/04/2021	25,000,000.00	24,031,750.00	24,972,616.71	1.125	1.195	1.212	474	06/18/2026
89236TKD6	4085	Toyota Motor Credit Corp		12/18/2024	10,000,000.00	9,991,000.00	9,921,383.57	4.450	4.589	4.653	1,581	06/29/2029
904764BU0	4084	Unilever Capital Corp		12/18/2024	5,000,000.00	5,001,400.00	4,987,994.76	4.250	4.293	4.353	894	08/12/2027
91159HHZ6	3767	US Bank NA		01/13/2021	3,753,000.00	3,730,181.76	3,756,222.47	1.450	0.671	0.680	72	05/12/2025
		Subtotal and Average	**311,532,874.89**		**311,736,000.00**	**303,316,554.56**	**311,476,725.29**		**1.975**	**2.003**	**433**	
		Total and Average	**2,800,961,856.46**		**2,870,960,000.00**	**2,843,435,982.08**	**2,863,726,462.27**		**3.416**	**3.463**	**262**	