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

PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2026

NEW ISSUES – BOOK-ENTRY ONLY

Fitch: "AAA"
Moody's: "Aa2"
(See "MISCELLANEOUS – Ratings.")

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

$31,335,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2004), Series 2026A

$26,065,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2008), Series 2026B

$32,370,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2016), Series 2026C

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

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

The Grossmont Union High School District General Obligation Refunding Bonds (Election of 2004), Series 2026A (the "Series 2026A Bonds") are being issued by the Grossmont Union High School District (the "District"), located in the County of San Diego, California (the "County"), for the purpose of providing funds (i) to refund all or a portion of the outstanding Grossmont Union High School District General Obligation Refunding Bonds (Election of 2004), Series 2015 (the "2015 Refunding Bonds"), and (ii) to pay costs of issuance of the Series 2026A Bonds. The Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2026B (the "Series 2026B Bonds") are being issued by the District for the purpose of providing funds (i) to refund all or a portion of the outstanding: (a) Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2016 (the "2016 Refunding Bonds"), (b) Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2016B (the "2016B Refunding Bonds"), and (c) Grossmont Union High School District 2017 General Obligation Bonds (Election of 2008, Series G-2) (the "2017G-2 Bonds"), and (ii) to pay costs of issuance of the Series 2026B Bonds. The Grossmont Union High School District General Obligation Refunding Bonds (Election of 2016), Series 2026C (the "Series 2026C Bonds" and, together with the Series 2026A Bonds and the Series 2026B Bonds, the "Bonds") are being issued by the District for the purpose of providing funds (i) to refund all or a portion of the outstanding Grossmont Union High School District 2017 General Obligation Bonds (Election of 2016, Series A-2) (the "2017A-2 Bonds" and, together with the 2015 Refunding Bonds, the 2016 Refunding Bonds, the 2016B Refunding Bonds and the 2017G-2 Bonds, the "Prior Bonds"), and (ii) to pay costs of issuance of the Series 2026C Bonds. Such portion of the Prior Bonds to be refunded is collectively referred to herein as the "Refunded Bonds."

The 2015 Refunding Bonds were authorized by the registered voters of the District at an election held on March 2, 2004, at which the requisite 55% or more of the persons voting on the bond measure ("Proposition H") voted to authorize the issuance and sale of $274 million principal amount of general obligation bonds of the District (the "2004 Election"). The 2016 Refunding Bonds, the 2016B Refunding Bonds and the 2017G-2 Bonds were authorized by the registered voters of the District at an election held on November 4, 2008, at which the requisite 55% or more of the persons voting on the bond measure ("Proposition U") voted to authorize the issuance and sale of $417 million principal amount of general obligation bonds of the District (the "2008 Election"). The 2017A-2 Bonds were authorized by the registered voters of the District at an election held on November 8, 2016, at which the requisite 55% or more of the persons voting on the bond measure ("Measure BB") voted to authorize the issuance and sale of $128 million principal amount of general obligation bonds of the District (the "2016 Election").

The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

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

The Bonds will be issued as current interest bonds and will be dated the date of their delivery. Interest on the Bonds is payable commencing on February 1, 2027, and thereafter on each August 1 and February 1 to maturity. Principal of the Bonds is payable on the dates in each of the years and in the amounts set forth in the Maturity Schedules on the inside cover page of this Official Statement.

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

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

The Bonds will be offered when, as, and if issued by the District and received by the Underwriters, subject to the approval of validity by Orrick, Herrington & Sutcliffe llp, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe llp, as Disclosure Counsel, and for the Underwriters by Stradling Yocca Carlson & Rauth LLP. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about _____, 2026.

RAYMOND JAMES **STIFEL**

The date of this Official Statement is _____, 2026.

* Preliminary, subject to change.

MATURITY SCHEDULES

$31,335,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2004), Series 2026A

Maturity (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ No. (399262)
2033				

$26,065,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2008), Series 2026B

Maturity (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ No. (399262)
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

* Preliminary, subject to change.
† Yields certified by the Underwriters. The District takes no responsibility for the accuracy therefor.
‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters, or their agents or counsel assumes responsibility for the accuracy of such numbers.

**$32,370,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2016), Series 2026C**

Maturity (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ No. (399262)
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

* Preliminary, subject to change.
† Yields certified by the Underwriters. The District takes no responsibility for the accuracy therefor.
‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters, or their agents or counsel assumes responsibility for the accuracy of such numbers.

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

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

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

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

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

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

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

GROSSMONT UNION HIGH SCHOOL DISTRICT

District Governing Board

Robert Shield
President
Area 4

Dr. Gary Woods
Vice President
Area 3

Scott Eckert
Clerk
Area 2

Chris Fite
Member
Area 1

Jim Kelly
Member
Area 5

District Administration

Dr. Kirsten Vital Brulte
Superintendent

Dr. Ryan Burke[*]
Assistant Superintendent, Business Services

Dr. Stephanie Stewart
Assistant Superintendent, Human Resources

Vacant[†]
Assistant Superintendent, Educational Services

Emily Mayer
Executive Director, Fiscal Services

Municipal Advisor
KNN Public Finance, LLC
Los Angeles, California

Bond Counsel and Disclosure Counsel
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

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

[*] Dr. Ryan Burke was placed on administrative leave in July 2026.

[†] Dr. Paul Dautremont resigned from his position as the Assistant Superintendent, Educational Services of the District effective June 30, 2026. The Governing Board of the District has commenced discussions to hire an Assistant Superintendent, Educational Services for the District.

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**$31,335,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2004), Series 2026A**

**$26,065,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2008), Series 2026B**

**$32,370,000*
GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2016), Series 2026C**

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the sale of the Grossmont Union High School District General Obligation Refunding Bonds (Election of 2004), Series 2026A (the "Series 2026A Bonds"), the Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2026B (the "Series 2026B Bonds") and the Grossmont Union High School District General Obligation Refunding Bonds (Election of 2016), Series 2026C (the "Series 2026C Bonds"). The Series 2026A Bonds, the Series 2026B Bonds and the Series 2026C Bonds are herein referred to collectively as the "Bonds."

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

The Bonds are being issued pursuant to a resolution of the District adopted on July 23, 2026 (the "District Resolution") and paying agent agreements (the "Paying Agent Agreements"), each dated as of August 1, 2026, each by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), and agreed to and acknowledged by the Treasurer-Tax Collector of the County of San Diego (the "County Treasurer").

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the District Resolution and the Paying Agent Agreements providing for the issuance of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District upon request to the Superintendent, Grossmont Union High School District, 1100 Murray Drive, El Cajon, CA 92020-5664. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District, located in eastern San Diego County (the "County"), was established in 1920 and encompasses an area of approximately 465 square miles, including all of the cities of El Cajon, Santee and Lemon Grove, most of the City of La Mesa, a small portion of the City of San Diego and the unincorporated communities of Alpine, Dulzura, Jamul, Lakeside, and Spring Valley, the population of which is approximately 484,000 residents. The District's budgeted average daily attendance for fiscal year 2026-27 is 14,832, and the District's 2026-27 budgeted general fund

* Preliminary, subject to change.

expenditures are approximately $343.6 million. The District is the ninth-largest high school district in California as measured by enrollment.

The District is a high school district, providing education to students in grades 9-12 from eight feeder elementary school districts. The District currently operates nine comprehensive high schools, one continuation high school, two alternative education sites, four special education facilities, a middle college high school program, a Career Technical Education Program ("CTE"), an adult education program and a day care facility. The District is also the sponsoring local education agency for four charter schools.

Taxable property in the District has a fiscal year 2025-26 assessed value of $73,339,603,486. For fiscal year 2025-26, the District has projected the employment of 951.0 full-time equivalent ("FTE") certificated employees (teaching staff), 793.8 FTE classified employees and 109.8 FTE management, supervisory and confidential personnel. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

As of July 1, 2026, the District has $586,142,030.40 principal amount of general obligation bonds outstanding. See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT – FINANCIAL AND OPERATING INFORMATION – District Debt Structure and Long Term Obligations."

The District is governed by a governing board consisting of five members (the "Board"). The members are elected to four-year terms in staggered years. Elections for positions to the Board are held every two years, alternating between two and three available positions. Beginning November 2016, the Board changed the District's method of election of the Board from "at-large" voting to "by-trustee-area" voting, by which method members of the Board are elected by the voters of the trustee area in which they reside. The day-to-day operations are managed by a board-appointed Superintendent. For additional information about the District, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT – FINANCIAL AND OPERATING INFORMATION."

THE BONDS

Authority for Issuance; Purpose

The Bonds described herein are authorized to be issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code") and other applicable provisions of law, including applicable provisions of the California Education Code (the "Education Code"), the District Resolution adopted by the Governing Board of the District on July 23, 2026, and the Paying Agent Agreements. The District has authorization from the Board of Supervisors of the County to issue and sell the Bonds on its own behalf pursuant to a blanket resolution adopted by the Board of Supervisors of the County on June 8, 2021.

The Grossmont Union High School District General Obligation Refunding Bonds (Election of 2004), Series 2015 (the "2015 Refunding Bonds") were authorized to be issued at an election held on March 2, 2004, by 55% or more of the votes cast by eligible voters within the District (the "2004 Election"). The measure authorized the District to issue bonds in an aggregate principal amount not to exceed $274,000,000 ("Proposition H") for school construction and modernization projects. The District has issued all of its voter-approved authorization under Proposition H.

The Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2016 (the "2016 Refunding Bonds"), Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2016B (the "2016B Refunding Bonds"), and Grossmont Union High School District 2017 General Obligation Bonds (Election of 2008, Series G-2) (the "2017G-2 Bonds") were authorized to be issued at an election held on November 4, 2008, by 55% or more of the votes cast by eligible voters within the District (the "2008 Election"). The measure authorized the District to issue bonds in an aggregate principal amount not to exceed $417,000,000 ("Proposition U") for school construction and modernization projects. The District has issued $416,999,406.25 of its $417,000,000 voter-approved authorization under Proposition U.

The Grossmont Union High School District 2017 General Obligation Bonds (Election of 2016, Series A-2) (the "2017A-2 Bonds") were authorized to be issued at an election held on November 8, 2016, by 55% or more of the votes cast by eligible voters within the District (the "2016 Election"). The measure authorized the District to issue

bonds in an aggregate principal amount not to exceed $128,000,000 ("Measure BB") for school construction and modernization projects. The District has issued all of its voter-approved authorization under Measure BB.

Proceeds of the Series 2026A Bonds will be used (i) to refund all or a portion of the outstanding 2015 Refunding Bonds, and (ii) to pay costs of issuance of the Series 2026A Bonds. Proceeds of the Series 2026B Bonds will be used (i) to refund all or a portion of the outstanding: (a) 2016 Refunding Bonds, (b) 2016B Refunding Bonds, and (c) 2017G-2 Bonds, and (ii) to pay costs of issuance of the Series 2026B Bonds. Proceeds of the Series 2026C Bonds will be used (i) to refund all or a portion of the outstanding 2017A-2 Bonds, and (ii) to pay costs of issuance of the Series 2026C Bonds. The 2015 Refunding Bonds, the 2016 Refunding Bonds, the 2016B Refunding Bonds, the 2017G-2 Bonds and the 2017A-2 Bonds are herein referred to as, the "Prior Bonds." Such portion of the Prior Bonds to be refunded is collectively referred to herein as the "Refunded Bonds." See "PLAN OF REFUNDING."

Form and Registration

The Bonds will be issued in fully registered book-entry form only, in denominations of $5,000 or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be issued as current interest bonds as set forth on the inside cover page hereof.

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the inside front cover page hereof, payable on February 1, 2027* and February 1 and August 1 of each year thereafter (each, an "Interest Payment Date"), until payment of the principal amount thereof, computed using a year of 360 days consisting of twelve 30-day months. Bonds authenticated and registered on any date prior to the close of business on January 15, 2027*, will bear interest from the date of their delivery. Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The principal of, premium, if any, and interest on the Bonds is payable in lawful money of the United States of America upon the surrender thereof at the office of the Paying Agent at the maturity thereof or upon redemption prior to maturity, payable from moneys on deposit in the interest and sinking fund of the District (the "Interest and Sinking Fund") within the treasury of the County, consisting of *ad valorem* taxes collected and held by the County Treasurer, together with any net premium received upon issuance of the Bonds and deposited therein. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer to DTC. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Redemption*

Optional Redemption of Bonds. The Bonds maturing on or prior to August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to 100%

* Preliminary, subject to change.

of the principal amount of the Bonds to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

Selection of Bonds for Redemption. If less than all of a series of the Bonds are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. If less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot. For purposes of such selection, each Bond shall be deemed to consist of individual Bonds of denominations of $5,000 principal amount each, which may be separately redeemed.

Notice of Redemption. Notice of redemption of the Bonds shall be given by the Paying Agent. Notice of redemption of the Bonds shall be mailed postage prepaid not less than 20 nor more than 60 days prior to the date fixed for redemption (i) by first-class mail to the respective owners of Bonds designated for redemption at the addresses appearing on the bond registration books of the Paying Agent, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX D – "PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the date fixed for redemption; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then-outstanding Bonds are to be redeemed, the distinctive serial numbers of the Bonds of each maturity of such series to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the owners at the office of the Paying Agent designated by the Paying Agent for such purpose; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. The actual receipt by the owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the applicable Paying Agent Agreement, and when the amount necessary for the payment of the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption shall become due and payable on the date fixed for redemption and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The owners of Bonds so called for redemption after such date fixed for redemption shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit in the interest and sinking fund of the District (the "Interest and Sinking Fund") or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Conditional Notice. Any notice of optional redemption of the Bonds delivered in accordance with the applicable Paying Agent Agreement may be conditioned on any fact or circumstance stated therein, and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, (i) said notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall be cancelled and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest,

and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or Defeasance Securities (defined below) in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates.

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds when due, or as described above, or as otherwise provided by law, then such owners shall cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds as described in the applicable Paying Agent Agreement, and such obligation and all agreements and covenants of the District to such owners thereunder and under the Bonds shall be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by such Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment, provided, that the unclaimed moneys provisions described below shall apply in all events.

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

Unclaimed Moneys

Any money held in any fund created pursuant to the Paying Agent Agreements, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

PLAN OF REFUNDING

A portion of the proceeds from the sale of the Bonds will be used to pay all principal of, redemption premium, if any, and interest on the Refunded Bonds on the date of issuance of the Bonds.

A portion of the proceeds of the Bonds will be retained by the Paying Agent in a costs of issuance account and used to pay costs associated with the refunding of the Refunded Bonds. Any proceeds of sale of the Bonds not

needed to redeem the Refunded Bonds or to pay costs of issuance of the Bonds will be transferred to the County Treasurer for deposit in the Interest and Sinking Fund, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Bonds, will be invested at the sole discretion of the County Treasurer pursuant to law and the County's investment policy. See APPENDIX E – "SAN DIEGO COUNTY INVESTMENT POOL."

The Refunded Bonds to be refunded by the Series 2026A Bonds are as follows*:

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
GENERAL OBLIGATION REFUNDING BONDS
(ELECTION OF 2004), SERIES 2015

Redemption Date: August 19, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No. (399262)
2027	$ 55,000	5.000%	KV5
2028	55,000	3.000	KW3
2029	60,000	3.000	KX1
2030	60,000	3.000	KY9
2031	60,000	3.125	KZ6
2032	65,000	3.125	LA0
2033	34,500,000	4.000	LB8

The Refunded Bonds to be refunded by the Series 2026B Bonds are as follows*:

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
GENERAL OBLIGATION REFUNDING BONDS
(ELECTION OF 2008), SERIES 2016

Redemption Date: August 19, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No. (399262)
2027	$3,520,000	5.000%	LP7
2028	4,005,000	4.000	LQ5
2029	4,495,000	4.000	LR3
2030	5,025,000	4.000	LS1
2031	5,595,000	3.000	LT9
2032	6,165,000	3.000	LU6
2033	6,775,000	3.000	LV4

* Preliminary, subject to change.

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
GENERAL OBLIGATION REFUNDING BONDS
(ELECTION OF 2008), SERIES 2016B

Redemption Date: August 19, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No. (399262)
2034	$1,670,000	4.000%	LW2
2035	2,155,000	4.000	LX0
2036	5,275,000	4.000	LY8
2037	5,900,000	3.000	LZ5
2038	6,505,000	4.000	MB7
2039	7,220,000	3.000	MD3
2042*	26,235,000	4.000	ME1
2045*	34,345,000	3.000	MA9

*Term Bonds

GROSSMONT UNION HIGH SCHOOL DISTRICT
(SAN DIEGO COUNTY, CALIFORNIA)
2017 GENERAL OBLIGATION BONDS
(ELECTION OF 2008, SERIES G-2)

Redemption Date: August 19, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No. (399262)
2027	$1,085,000	5.000%	MT8
2028	1,175,000	5.000	MU5
2029	1,275,000	3.000	MV3
2030	1,355,000	4.000	MW1
2031	1,455,000	4.000	MX9
2032	1,560,000	5.000	MY7
2033	1,690,000	5.000	MZ4
2034	155,000	5.000	NA8

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* Preliminary, subject to change.

The Refunded Bonds to be refunded by the Series 2026C Bonds are as follows*:

GROSSMONT UNION HIGH SCHOOL DISTRICT
(SAN DIEGO COUNTY, CALIFORNIA)
2017 GENERAL OBLIGATION BONDS
(ELECTION OF 2016, SERIES A-2)

Redemption Date: August 19, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP No. (399262)
2027	$ 755,000	5.000%	NL4
2028	895,000	5.000	NM2
2029	1,045,000	3.000	NN0
2030	1,180,000	4.000	NP5
2031	1,340,000	4.000	NQ3
2032	1,510,000	5.000	NR1
2033	1,705,000	5.000	NS9
2034	1,915,000	5.000	NT7
2035	2,145,000	5.000	NU4
2036	2,390,000	5.000	NV2
2037	2,655,000	5.000	NW0
2042*	17,600,000	4.000	NX8

* Term Bond

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* Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	Series 2026A Bonds	Series 2026B Bonds	Series 2026C Bonds	Total
Sources of Funds:				
Principal Amount of Bonds				
[Net] Original Issue [Premium/Discount]				
Total Sources				
Uses of Funds:				
Redemption of Refunded Bonds				
Underwriters' Discount				
Costs of Issuance[(1)]				
Total Uses				

[(1)] Includes fees of the municipal advisor, Bond Counsel, Disclosure Counsel, rating agencies, Paying Agent, printing, and other miscellaneous expenses.

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DEBT SERVICE

Aggregate Annual Debt Service

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

Year Ending (August 1)	Other Outstanding General Obligation Bonds[1][2][3]	Series 2026A Bonds		Series 2026B Bonds		Series 2026C Bonds		Combined Annual Debt Service[3]
		Principal	Interest	Principal	Interest	Principal	Interest	
2026	$50,744,924.67							
2027	53,439,721.26							
2028	55,607,266.26							
2029	58,278,863.76							
2030	61,062,753.76							
2031	63,578,168.76							
2032	66,627,043.76							
2033	69,833,612.50							
2034	32,915,912.50							
2035	34,317,312.50							
2036	36,107,362.50							
2037	37,481,012.50							
2038	39,090,512.50							
2039	40,768,781.26							
2040	42,521,516.67							
2041	47,769,968.76							
2042	49,823,175.00							
2043	51,962,600.00							
2044	50,446,300.00							
2045	43,036,400.00							
2046	37,925,000.00							
TOTAL	$1,023,338,208.92							

[1] Includes debt service on the Refunded Bonds.
[2] Includes a final debt service payment date of June 1, 2029 on the Election of 2004, Series 2004 Bonds, a final debt service payment date of June 1, 2031 for the Election of 2004, Series 2006 Bonds, and a final debt service payment date of June 1, 2040 for the Series 2024A Bonds.
[3] For more information See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 8.
Source: The District.

Outstanding General Obligation Bonds

The District has bonds outstanding under three voter authorizations. On March 2, 2004, the District voters approved a measure authorizing the District to issue up to $274 million in general obligation bonds ("Proposition H"). The District issued the full authorized amount of these bonds in three series, representing the full amount of obligations authorized under Proposition H. On November 4, 2008, the District received authorization from the voters to issue $417 million in general obligation bonds pursuant to Proposition U. The District issued nearly the full amount of the bonds authorized under Proposition U (excepting nominal amounts unissued due to the issuance of capital appreciation bonds) were issued in eighteen series. On November 8, 2016, the District's voters approved Measure BB, authorizing the District to issue up to $128 million in general obligation bonds ("Measure BB"). The District issued the full authorized amount of these bonds in six series, representing the full amount of obligations authorized under Measure BB. In addition, the District issued ten series and has outstanding seven series of refunding bonds issued to refund prior outstanding bonds of Proposition H and Proposition U. See APPENDIX A – "INFORMATION RELATING

TO THE DISTRICT – FINANCIAL AND OPERATING INFORMATION – District Debt Structure and Long Term Obligations." A summary of the District's general obligation bonds issued prior to the issuance of the Bonds is presented below:

Series	Issue Date	Original Principal Amount	Principal Amount Outstanding as of July 1, 2026[1]
Proposition H (2004)			
Series 2004	06/17/2004	$ 60,841,197.25	$ 6,215,908.50
Series 2006	06/21/2006	124,999,224.95	31,708,770.25
Series 2008	08/05/2008	88,159,577.80	23,669,623.60
Proposition U (2008)			
Series A	04/15/2009	$60,000,000.00	-
Series B	08/18/2010	80,000,000.00	-
Series C	05/25/2011	15,000,000.00	-
Series D	05/25/2011	25,000,000.00	-
Series E	11/13/2013	40,000,000.00	-
Series F	06/04/2015	68,746,678.20	-
Series G-1	03/01/2017	2,060,000.00	-
Series G-2[2]	03/01/2017	16,250,000.00	$10,745,000.00
Series H-1	09/26/2017	285,000.00	-
Series H-2	09/26/2017	9,715,000.00	8,780,000.00
Series I-1	11/06/2019	1,420,000.00	-
Series I-2	11/06/2019	13,580,000.00	13,195,000.00
Series J-1	10/14/2020	1,120,000.00	-
Series J-2	10/14/2020	19,380,000.00	7,820,000.00
Series K	10/12/2021	25,003,402.25	25,003,402.25
Series L-1	11/02/2022	340,000.00	-
Series L-2	11/02/2022	20,855,000.00	20,660,000.00
Series L-3	11/02/2022	18,244,325.80	18,244,325.80
Measure BB (2016)			
Series A-1	03/01/2017	$1,710,000.00	-
Series A-2[3]	03/01/2017	41,290,000.00	$35,765,000.00
Series B-1	10/24/2018	4,510,000.00	-
Series B-2	10/24/2018	38,490,000.00	37,920,000.00
Series C-1	11/06/2019	4,620,000.00	-
Series C-2	11/06/2019	37,380,000.00	35,625,000.00
Refunding Bonds			
Series 2011A	11/22/2011	$10,260,000.00	-
Series 2011B	11/22/2011	10,660,000.00	-
Series 2012	05/17/2012	54,515,000.00	-
Series 2015[4]	12/23/2015	50,770,000.00	$34,905,000.00
Series 2016[2]	04/13/2016	51,490,000.00	38,655,000.00
Series 2016B[2]	10/19/2016	90,435,000.00	89,305,000.00
Series 2017	09/26/2017	15,450,000.00	14,060,000.00
Series 2020	04/21/2020	45,450,000.00	45,450,000.00
Series 2024A	11/05/2024	86,840,000.00	86,840,000.00
Series 2024B	11/05/2024	1,575,000.00	1,575,000.00

[1] Excludes accreted value on capital appreciation bonds.
[2] Expected to be refunded in full or in part with proceeds of the Series 2026B Bonds.
[3] Expected to be refunded in full or in part with proceeds of the Series 2026C Bonds.
[4] Expected to be refunded in full or in part with proceeds of the Series 2026A Bonds.
Source: The District.

For the combined annual debt service for all outstanding bonds of the District (assuming no additional optional redemptions prior to maturity), see "– Aggregate Annual Debt Service" above.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for payment of principal and interest on the Bonds when due, the Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation

by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of assessed value. When collected, the tax revenues levied to pay the Bonds will be deposited by the County Treasurer in the Interest and Sinking Fund, which is required by law to be maintained by the County and to be used solely for the payment of bonds of the District.

Pledge of and Lien on Tax Revenues

Pursuant to the District Resolution, the District pledges, and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors of the County with respect to each voter-approved bond measure of the District for the payment of District Bonds issued under such bond measure and all amounts on deposit in any interest and sinking fund of the District related to such bond measure with respect to the District Bonds of such bond measure, in order to secure the payment of the principal or redemption price of and interest on such District Bonds. This pledge and grant is valid and binding from the date of the District Resolution for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in any interest and sinking fund of the District shall be immediately subject to this pledge and grant, and the pledge and grant constitute a lien and security interest which immediately attaches to (i) the property taxes theretofore and thereafter collected and (ii) the amounts held in any interest and sinking fund of the District. The pledge and grant shall secure the payment of District Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The pledge and grant is an agreement between the District and the owners of District Bonds to provide security for the District Bonds in addition to any statutory lien that may exist, and the District Bonds secured by the pledge and grant are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

"District Bonds" means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including Proposition H, Proposition U and Measure BB.

Statutory Lien on Taxes (Senate Bill 222)

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

Property Taxation System

Article XIIIA of the State Constitution. 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. The 1% tax is required to be collected by the counties and apportioned to the districts within the counties. Additional *ad valorem* taxes above the 1% may only be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. As a result of amendments to Article XIIIA approved by California voters, on June 3, 1986, and November 7, 2000, additional *ad valorem* taxes above the 1% may be levied to pay debt service on bonded indebtedness for the acquisition or improvement of real property that has been approved by two-thirds of the voters and on bonded indebtedness incurred for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition.

Local property taxation in California is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding general obligation bonds in each year, the county

auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school general obligation bonds, and is charged with payment of principal of and interest on such bonds when due. The State Board of Equalization also assesses certain special classes of property, as described later in this Section.

Assessed Valuation of Property Within the District

Under Proposition 13, the assessed value of *ad valorem* property was established as the county assessor's valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Such assessed value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction, market forces or other factors. See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT – FINANCIAL AND OPERATING INFORMATION – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." As a result, property that has been owned by the same taxpayer for many years can have an assessed value that is lower than the market value of the property. Similar property that has recently been acquired may have a higher assessed value reflecting the recent acquisition price. Increases in assessed value in a taxing area due to the change in ownership of property may occur even when the rate of inflation or consumer price index do not permit a full 2% increase or require a reduction in assessed valuation of property.

Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer-owned properties are transferred and reassessed upon such transfer, and new construction and the remodeling and reconstruction of existing property occur.

Proposition 8 ("Proposition 8"), approved by the voters in November of 1978, subsequently amended Article XIIIA 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. Proposition 8 provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. The assessed value increases to its pre-reduction level (base year value escalated by the annual inflation rate of no more than 2%) following the year(s) for which the reduction is applied. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors. See "—*Appeals and Adjustments of Assessed Valuation"* below.

Property values could be reduced by factors beyond the District's control, such as a depressed real estate market due to the housing industry or general economic conditions in San Diego County, the region and the State.

The District is located in a seismically active area. Active fault lines lie about 15 miles west of the District. Property within the District could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect local economic activity. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by federal, State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Risk of Sea Level Changes and Flooding. In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise

on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property in the State is at risk of flooding as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly $100 billion (in year 2000 dollars). A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resource Agency, the Governor's Office of Planning and Research, and the California Energy Commission) published a report that was formally adopted in March 2018, entitled "Rising Seas in California: An Update on Sea Level Rise Science" (the "Sea Level Rise Report") to provide a new synthesis of the state of science regarding sea level rise. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

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

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

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

It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

2022-23 Winter Storms. The State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack, leading to an unseasonably wet winter in late 2022 and early 2023, which impacted communities across the State (the "2022-23 Winter Storms"). The increased rainfall caused by the 2022-23 Winter Storms has eased drought conditions across the State considerably. Accordingly, in March 2023, the Governor rescinded some of the State's drought restrictions, including restrictions in the County. In addition, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted by the 2022-23 Winter Storms and the resulting mudslides and flooding (the "2023 Winter Storm Tax Extension"). Most counties in the State

were included in the 2023 Winter Storm Tax Extension, such that certain individual and business tax payments which would have typically been due at various times between January and September 2023 were then due on October 16, 2023.

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

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

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

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See "– *Drought*," "– *Risk of Sea Level Changes and Flooding*," "– *Wildfire*," "– *2022-23 Winter Storms*" and "– *2023-24 Winter Storms*" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District in unable to predict when or if adverse impacts of climate change will occur or the extent of such impacts.

Property Tax Collections. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, federal trusts, and charitable institutions. State law also exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling provided that the owner files for such exemption. The homeowners' exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of this exemption.

For assessment and tax collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." State law requires that the assessment roll be finalized by August 20 of each year.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows a history of the District's taxable assessed valuation. The total assessed valuation of secured and unsecured property of the District for fiscal year 2025-26 is approximately $73,339,603,486, resulting in a 5.39% increase in total valuation from fiscal year 2024-25. The District was approached by a developer indicating a potential future request for the transfer of land with an assessed value of approximately $7.3 million (representing about 0.01% of the District's total assessed value in 2025-26) to the Sweetwater Union High School District to better serve students that may reside on the property after development. The Environmental Impact Report for the development project has been certified by the County Board of Supervisors. District representatives have been in communication on this proposal with the other affected districts, including the affected elementary school district counterparts, as well as the San Diego County Office of Education staff. Ultimately the San Diego County Office of Education, sitting as San Diego County Committee on School

District Organization, makes the final determination on any property transfer proposal and the District cannot predict the outcome of any such request.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Summary of Taxable Assessed Valuation
Fiscal Years 1992-93 to 2025-26

Fiscal Year Ending June 30,	Total Secured[1][2]	Annual % Change	Unsecured	Annual % Change	Total Valuation	Annual % Change
1993	$15,945,529,483	5.51%	$479,966,511	-0.26%	$16,425,495,994	-
1994	16,294,927,140	2.19	451,582,930	-5.91	16,746,510,070	1.95%
1995	16,695,760,514	2.46	497,469,924	10.16	17,193,230,438	2.67
1996	16,857,561,131	0.97	506,606,042	1.84	17,364,167,173	0.99
1997	16,820,811,898	-0.22	515,892,035	1.83	17,336,703,933	-0.16
1998	17,009,224,500	1.12	514,253,619	-0.32	17,523,478,119	1.08
1999	17,743,880,218	4.32	585,814,497	13.92	18,329,694,715	4.60
2000	19,076,534,721	7.51	617,442,232	5.40	19,693,976,953	7.44
2001	20,352,040,217	6.69	685,889,485	11.09	21,037,929,702	6.82
2002	21,741,540,162	6.83	779,359,841	13.63	22,520,900,003	7.05
2003	23,296,637,789	7.15	771,882,592	-0.96	24,068,520,381	6.87
2004	25,180,840,862	8.09	853,134,395	10.53	26,033,975,257	8.17
2005	27,585,623,242	9.55	900,711,328	5.58	28,486,334,570	9.42
2006	31,036,108,480	12.51	942,671,612	4.66	31,978,780,092	12.26
2007	34,560,613,407	11.36	1,017,858,980	7.98	35,578,472,387	11.26
2008	37,309,204,695	7.95	1,111,632,486	9.21	38,420,837,181	7.99
2009	38,261,778,383	2.55	1,159,947,074	4.35	39,421,725,457	2.61
2010	36,228,048,586	-5.32	1,151,172,293	-0.76	37,379,220,879	-5.18
2011	35,726,274,196	-1.39	1,092,460,473	-5.10	36,818,734,669	-1.50
2012	35,929,085,384	0.57	1,054,248,404	-3.50	36,983,333,788	0.45
2013	36,042,290,810	0.32	1,008,416,103	-4.35	37,050,706,913	0.18
2014	37,070,696,416	2.85	996,572,702	-1.17	38,067,269,118	2.74
2015	38,852,923,986	4.81	995,245,520	-0.13	39,848,169,506	4.68
2016	40,997,775,550	5.52	1,011,104,565	1.59	42,008,880,115	5.42
2017	43,097,562,759	5.12	1,044,534,035	3.31	44,142,096,794	5.08
2018	45,828,350,719	6.34	1,055,353,603	1.04	46,883,704,322	6.21
2019	48,524,851,707	5.88	1,118,340,630	5.97	49,643,192,337	5.89
2020	51,302,355,859	5.72	1,159,451,663	3.68	52,461,807,522	5.68
2021	53,968,816,522	5.20	1,179,674,122	1.74	55,148,490,644	5.12
2022	56,373,195,451	4.46	1,070,096,888	-9.29	57,443,292,339	4.16
2023	61,073,897,918	8.34	1,257,955,791	17.56	62,331,853,709	8.51
2024	65,039,161,844	6.49	1,425,684,083	13.33	66,464,845,927	6.63
2025	68,072,727,162	4.66	1,513,987,672	6.19	69,586,714,834	4.70
2026	71,649,840,576	5.25	1,689,762,910	11.61	73,339,603,486	5.39
Annual Compound Growth, 1992-93 to 2025-26		4.66%		3.89%		4.64%

[1] Net assessed valuation including the valuation of homeowners' exemptions.
[2] Includes secured local utility roll but not assessed valuation from the unitary utility roll.
Source: California Municipal Statistics, Inc., and San Diego County Auditor-Controller.

The District, with an area of 465 square miles, includes all of the cities of El Cajon, Santee and Lemon Grove, most of the City of La Mesa, a small portion of the City of San Diego and the unincorporated communities of Alpine, Dulzura, Jamul, Lakeside and Spring Valley. The table on the following page gives a distribution of taxable property in the District by location.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Fiscal Year 2025-26 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in School District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of El Cajon	$13,908,203,185	18.96%	$13,908,203,185	100.00%
City of La Mesa	10,616,945,135	14.48	10,623,358,564	99.94
City of Lemon Grove	3,505,065,782	4.78	3,505,065,782	100.00
City of San Diego	676,649,616	0.92	368,363,337,481	0.18
City of Santee	9,518,795,204	12.98	9,519,010,436	100.00
Unincorporated San Diego County	35,113,944,564	47.88	108,663,413,361	32.31
Total District	$73,339,603,486	100.00%		
San Diego County	$73,339,603,486	100.00%	$777,157,537,282	9.44%

Source: California Municipal Statistics, Inc.

As a high school district, the District may issue bonds in an amount up to 1.25% of the assessed valuation of taxable property within its boundaries. Based on the fiscal year 2025-26 assessment roll, including $934,616,617 of apportioned unitary utility assessed value as determined by the County Auditor-Controller, the District's gross bonding capacity is $928,427,751, and its net bonding capacity is $342,285,721, not taking into account the issuance of the Bonds. Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

Appeals and Adjustments of Assessed Valuation. State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may request a reduction in assessment directly from the County Assessor (the "Assessor"), who may grant or refuse the request in whole or in part, and taxpayers may appeal an assessment directly to the County Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer. Despite a significant number of reductions since fiscal year 2009-10 pursuant to Proposition 8, assessed value in the District has increased each year since fiscal year 2011-12.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers or actions by the 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 bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Treasurer against all taxing agencies who received tax revenues, including the District.

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

methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use in fiscal year 2025-26. Single-family residential properties comprise 61.69% of the assessed value of property in the District.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Fiscal Year 2025-26 Assessed Valuation and Parcels by Land Use

	2025-26	% of	No. of	% of	No. of Taxable	% of
Non-Residential:	Assessed Valuation[1]	Total	Parcels	Total	Parcels	Total
Agricultural/Rural	$ 337,465,095	0.47%	1,328	0.99%	1,315	0.99%
Commercial	5,856,846,306	8.17	3,217	2.39	3,188	2.40
Vacant Commercial	275,076,966	0.38	474	0.35	458	0.34
Industrial	2,803,676,317	3.91	1,490	1.11	1,485	1.12
Vacant Industrial	125,541,498	0.18	221	0.16	221	0.17
Recreational	84,585,239	0.12	97	0.07	97	0.07
Government/Social/Institutional/Other	130,248,373	0.18	1,444	1.07	514	0.39
Subtotal Non-Residential	$9,613,439,794	13.42%	8,271	6.14%	7,278	5.47%
Residential:						
Single Family Residence	$44,200,004,469	61.69%	88,611	65.75%	88,471	66.54%
Condominium/Townhouse	6,400,551,783	8.93	18,384	13.64	18,362	13.81
Mobile Home	853,505,872	1.19	7,253	5.38	7,228	5.44
Mobile Home Park	543,442,205	0.76	182	0.14	182	0.14
2-4 Residential Units	2,420,950,303	3.38	4,480	3.32	4,473	3.36
5+ Residential Units/Apartments	6,482,663,890	9.05	1,467	1.09	1,444	1.09
Miscellaneous Residential Improvements	16,177,064	0.02	1,090	0.81	1,090	0.82
Vacant Residential	1,118,740,286	1.56	5,035	3.74	4,434	3.33
Subtotal Residential	$62,036,035,872	86.58%	126,502	93.86%	125,684	94.53%
Total	$71,649,475,666	100.00%	134,773	100.00%	132,962	100.00%

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

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Assessed Valuation of Single-Family Residential Properties. The following table shows the distribution of single family residential parcels by increments of assessed value in fiscal year 2025-26. For fiscal year 2025-26, the average assessed value of single-family homes is $499,599, and the median assessed value is $470,689.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Per Parcel Fiscal Year 2025-26 Assessed Valuation of Single Family Homes

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	88,471	$44,200,004,469	$499,599	$470,689

2025-26 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	793	0.896%	0.896%	$ 29,042,114	0.066%	0.066%
$50,000 - $99,999	4,935	5.578	6.474	367,971,438	0.833	0.898
$100,000 - $149,999	3,486	3.940	10.415	434,759,591	0.984	1.882
$150,000 - $199,999	4,436	5.014	15.429	781,139,807	1.767	3.649
$200,000 - $249,999	5,714	6.459	21.887	1,293,023,744	2.925	6.575
$250,000 - $299,999	6,122	6.920	28.807	1,681,980,748	3.805	10.380
$300,000 - $349,999	5,842	6.603	35.410	1,897,463,212	4.293	14.673
$350,000 - $399,999	5,379	6.080	41.490	2,016,976,423	4.563	19.236
$400,000 - $449,999	5,278	5.966	47.456	2,244,389,851	5.078	24.314
$450,000 - $499,999	5,630	6.364	53.820	2,676,566,745	6.056	30.369
$500,000 - $549,999	5,821	6.580	60.399	3,053,316,570	6.908	37.277
$550,000 - $599,999	5,383	6.084	66.484	3,091,538,936	6.994	44.272
$600,000 - $649,999	5,115	5.782	72.265	3,193,857,696	7.226	51.498
$650,000 - $699,999	4,431	5.008	77.274	2,991,205,286	6.767	58.265
$700,000 - $749,999	4,087	4.620	81.894	2,959,811,429	6.696	64.962
$750,000 - $799,999	3,540	4.001	85.895	2,739,777,018	6.199	71.160
$800,000 - $849,999	2,875	3.250	89.144	2,369,022,097	5.360	76.520
$850,000 - $899,999	2,167	2.449	91.594	1,892,830,029	4.282	80.802
$900,000 - $949,999	1,638	1.851	93.445	1,512,465,465	3.422	84.224
$950,000 - $999,999	1,206	1.363	94.808	1,174,963,969	2.658	86.883
$1,000,000 and greater	4,593	5.192	100.000	5,797,902,301	13.117	100.000
Total8	8,471	100.000%		$44,200,004,469	100.000%	

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

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Largest Taxpayers in District. The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2025-26 tax roll, and the assessed valuations thereof, are shown in the following table. In fiscal year 2025-26, no single taxpayer accounted for more than 0.26% of the total taxable property in the District.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Largest 2025-26 Local Secured Taxpayers

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total[(1)]
1.	FR Grossmont LLC	Shopping Center	$ 189,425,626	0.26%
2.	Rancho Investors LP	Apartments	186,092,996	0.26
3.	Trolley 8727 Apartments California LLC	Apartments	168,520,346	0.24
4.	MF Panda NR Owner (CA) LP	Apartments	161,732,114	0.23
5.	WRPV XIV Veranda La Mesa LLC	Apartments	146,374,165	0.20
6.	BMF V CA Forest Park Fletcher Hills LLC	Apartments	127,427,676	0.18
7.	Essex JMS Acquisition LP	Apartments	110,414,445	0.15
8.	GKN Aerospace Chem-Tronics Inc.	Industrial	97,250,611	0.14
9.	Santee Senior Retirement Communities	Convalescent Home	95,946,118	0.13
10.	Jefferson La Mesa LLC	Apartments	92,561,241	0.13
11.	Bridge WF II CA Parkway Club LLC	Apartments	91,953,670	0.13
12.	SGCLMC-Weld Investment Company LP	Industrial	89,329,740	0.12
13.	Seta Apartment Homes LLC	Apartments	80,718,754	0.11
14.	SP Lavida Real LLC	Convalescent Home	72,876,900	0.10
15.	MMGER	Apartments	72,687,824	0.10
16.	Costco Wholesale Corporation	Commercial	69,658,674	0.10
17.	Kaiser Foundation Health Plan Inc.	Professional Building	68,708,264	0.10
18.	Parc One LLC	Apartments	65,372,323	0.09
19.	TC Lakeview LLC	Apartments	63,683,607	0.09
20.	Lysinger 1999 Trust	Apartments	61,223,521	0.09
			$2,111,958,615	2.95%

(1) 2025-26 local secured assessed valuation: $71,649,475,666.
Source: California Municipal Statistics, Inc.

Tax Rates

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

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (Unsecured property is taxed at the secured property tax rate from the prior year.) Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. From information obtained from California Municipal Statistics, Inc., there are a total of 1,390 tax rate areas in the District in fiscal year 2025-26. A representative tax rate area located within the City of El Cajon, Tax Rate Area 03-001, has a fiscal year 2025-26 assessed valuation of $2,316,269,375, representing 3.16% of the District's taxable assessed valuation. A representative tax rate area in the city of La Mesa, Tax Rate Area 05-003, has a fiscal year 2025-26 assessed valuation of $6,803,539,897, representing 9.28% of the District's assessed valuation. A representative tax rate area located in unincorporated San Diego County, Tax Rate Area 83-171, has a fiscal year 2025-26 assessed valuation of $1,078,362,056, representing 1.47% of the District's taxable assessed valuation.

The following tables summarize the total *ad valorem* tax rates levied by all taxing entities in Tax Rate Areas 03-001, 05-003 and 83-171 from 2021-22 through 2025-26. These are representative of tax rates in the District; other Tax Rate Areas in the District may have higher or lower tax rates.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Summary of *Ad Valorem* Tax Rates
$1 per $100 of Assessed Valuation

City of El Cajon – Tax Rate Area 03-001

TRA 03-001 – 2025-26 Assessed Valuation: $2,316,269,375

	2021-22	2022-23	2023-24	2024-25	2025-26
General	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
Cajon Valley School District	.07310	.07047	.07726	.07094	.04374
Grossmont Union High School District	.06448	.06180	.06194	.06164	.06293
Grossmont-Cuyamaca Community College District	.04115	.03936	.02749	.04237	.03752
Grossmont Healthcare	.02459	.02459	.02459	.02038	.01989
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Total	$1.20682	$1.19972	$1.19478	$1.20236	$1.17108

City of La Mesa – Tax Rate Area 05-003

TRA 05-003 – 2025-26 Assessed Valuation: $6,803,539,897

	2021-22	2022-23	2023-24	2024-25	2025-26
General	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
La Mesa-Spring Valley School District	.04779	.04338	.04548	.04214	.05365
Grossmont Union High School District	.06448	.06180	.06194	.06167	.06293
Grossmont-Cuyamaca Community College District	.04115	.03936	.02749	.04237	.03752
Grossmont Healthcare	.02459	.02459	.02459	.02038	.01989
City of La Mesa	.01500	.01500	.01500	.01500	.01500
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Total	$1.19651	$1.18763	$1.17800	$1.18856	$1.19599

Unincorporated San Diego County – Tax Rate Area 83-171

TRA 83-171 – 2025-26 Assessed Valuation: $1,078,362,056

	2021-22	2022-23	2023-24	2024-25	2025-26
General	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
La Mesa-Spring Valley School District	.04779	.04338	.04548	.04214	.05362
Grossmont Union High School District	.06448	.06180	.06194	.06167	.06293
Grossmont-Cuyamaca Community College District	.04115	.03936	.02749	.04237	.03752
Grossmont Healthcare	.02459	.02459	.02459	.02038	.01989
Metropolitan Water District	.00350	.00350	.00350	.00700	.00700
Total	$1.18151	$1.17263	$1.16300	$1.17356	$1.18099

_____
Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

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

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments. The first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are

not paid by the delinquent date, a 10% penalty attaches. If taxes remain unpaid by June 30, the tax is deemed to be in default. Penalties then begin to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer may also bring a civil suit against the taxpayer for payment. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

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

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by, among other factors, high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of the unprecedented events of a pandemic, such as the COVID-19 pandemic, or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies. Annual reserves can be used towards debt service where tax collections are insufficient to pay such debt service.

The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District's financial condition or operations. However, the County has adopted the Teeter Plan (defined herein), according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See "– *Teeter Plan*" below.

The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service levy. The County uses the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest. See "– *Teeter Plan*" below.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Secured Tax Charges and Delinquencies[1]
Fiscal Years 2015-16 to 2024-25

Fiscal Year	Secured Tax Charge[2]	Amount Delinquent June 30	% Delinquent June 30
2015-16	$24,499,597.59	$33,849.34	0.14%
2016-17	21,922,519.64	27,011.09	0.12
2017-18	29,954,703.66	26,791.72	0.09
2018-19	31,104,055.91	16,184.99	0.05
2019-20	34,072,993.84	8,391.96	0.02
2020-21	33,762,310.29	(1)	(1)
2021-22	36,120,325.87	(1)	(1)
2022-23	37,450,295.98	(1)	(1)
2023-24	39,873,705.52	(1)	(1)
2024-25	41,785,255.61	(1)	(1)

(1) San Diego County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.
(2) District's general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

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

The County's policy is that any new taxing entity that includes its levy on the County's secured and supplemental tax rolls is qualified to be included in the Teeter Plan. The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls in that agency. The County of San Diego applies the Teeter Plan to taxes levied on the secured roll for repayment of school district bonds.

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

Direct and Overlapping Debt. The following table was prepared by California Municipal Statistics Inc., and is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which had outstanding debt as of July 1, 2026, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor

are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Direct and Overlapping Bonded Debt
as of July 1, 2026

2025-26 Assessed Valuation: $73,339,603,486

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/1/26
Metropolitan Water District	1.679%	$ 269,396
Grossmont-Cuyamaca Community College District	97.367	363,038,152
Grossmont Union High School District	**100.000**	**586,142,030**[1]
Cajon Valley Union School District	100.000	109,120,000
Dehesa School District	100.000	5,207,045
Jamul-Dulzura Union School District	100.000	3,623,213
La Mesa-Spring Valley School District	100.000	126,831,132
Lakeside Union School District	100.000	54,023,811
Lemon Grove School District	100.000	57,981,260
Santee School District	100.000	49,774,918
City of La Mesa	99.940	14,026,579
Grossmont Healthcare District	91.144	174,381,532
City of Santee Community Facilities District No. 2017-1	100.000	7,715,000
California Statewide Communities Development Authority 1915 Act Bonds	100.000	9,534,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,561,668,068
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
San Diego County General Fund Obligations	9.437%	$ 38,518,531
San Diego County Pension Obligation Bonds	9.437	6,148,206
San Diego County Superintendent of Schools Obligations	9.437	444,011
Grossmont Union High School District General Fund Obligations	**100.000**	**28,045,000**
Alpine Union School District Certificates of Participation	100.000	365,000
Cajon Valley Union School District Certificates of Participation	100.000	11,457,000
Dehesa School District General Fund Obligations	100.000	3,140,000
Lemon Grove School District Certificates of Participation	100.000	21,775,000
Santee School District Certificates of Participation	100.000	19,625,865
City of El Cajon Pension Obligations	100.000	119,855,000
City of La Mesa Parking Authority	99.940	474,715
City of San Diego General Fund Obligations	0.184	2,027,266
Lakeside Fire Protection District General Fund and Pension Obligation Bonds	100.000	28,411,000
San Miguel Consolidated Fire Protection District Pension Obligation Bonds	98.921	24,302,911
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$304,589,505
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	0.326 –100.	$86,275,826
COMBINED TOTAL DEBT		$1,952,533,399[2]

Ratios to 2025-26 Assessed Valuation:

Direct Debt ($586,142,030)	**0.80%**
Total Direct and Overlapping Tax and Assessment Debt	2.13%
Combined Direct Debt ($614,187,030)	**0.84%**
Combined Total Debt	2.66%

Ratios to Redevelopment Incremental Valuation ($7,651,483,565):

Total Overlapping Tax Increment Debt	1.13%

(1) Excludes Bonds to be sold but includes Refunded Bonds to be refunded.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

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

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

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

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

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

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

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

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

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

OTHER LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

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

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

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

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

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

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

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, recently held that this provision permitted voluntary payments of debt

service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds without the bankruptcy court's permission. This could result in substantial delays in payments on the Bonds.

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

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

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

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

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

Amounts Held in County Treasury Pool

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

Legal Opinion

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

Legality for Investment in California

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

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or

contesting the title to their offices of District officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriters at the time of the original delivery of the Bonds.

There are a few lawsuits and claims pending and threatened against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under such pending lawsuits and claims will not materially affect the finances of the District. The District cannot predict if or how any threatened litigation may affect its finances. The Bonds are payable from dedicated unlimited *ad valorem* property taxes that may not be lawfully used for any other purpose.

MISCELLANEOUS

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for fiscal year 2025-26 (which is due not later than April 1, 2027), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board ("MSRB"). The notices of enumerated events will be filed by the District with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in APPENDIX D – "PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

During the five-year period preceding the date of this Official Statement, the District filed all annual reports in a timely manner. In 2025, the District failed to timely file certain financial information required by the terms of its previous undertakings relating to previous issues of lease revenue bonds. In June 2025, the District filed such missing information.

The District is not aware of any other instances in which it has failed to comply in any material respect with any previous undertakings in regard to Rule 15c2-12(b)(5) (adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934), to file annual reports or notices of events required by its continuing disclosure undertakings in the five most recent years.

Cybersecurity

The District relies on a large and complex technology infrastructure to conduct its operations. The District and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. The District experienced a cybersecurity incident in March 2026. The email accounts of multiple members of the District's staff were compromised and used for a spam campaign. The District is coordinating with its cybersecurity insurance provider to finalize its investigation and findings. Actions taken to mitigate the situation included a Districtwide staff and student password reset and the rollout of multi-factor authentication, effectively resecuring all District accounts. After submitting payment as directed on the invoice, the District discovered that it was fraudulent. Ultimately, the District was able to recover such funds. The District has not suffered any material financial consequences as a result of the incident.

The District maintains insurance to cover cybersecurity incidents. The District has made cybersecurity investments and implemented procedural changes in operations to improve network and system security, including multi-factor authentication and email security, and implemented operational procedural changes to improve network and system security. The District has started a multi-year project to implement the CIS (Center for Internet Security) controls framework in the District. District staff are required to take cybersecurity training annually. District IT staff also conduct random biannual email anti-phishing campaigns to maintain awareness of email scams and phishing. While the District continuously strives to reduce its cybersecurity liability, no assurances can be given that the District's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the District's computer and information technology systems could have a material adverse

impact on the District's operations and damage the District's digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the District's operations and finances.

Ratings

The Bonds have received the rating of "Aa2" by Fitch Ratings ("Fitch") and "AAA" by Moody's Investors Service ("Moody's"). A rating agency generally bases its rating on its own investigations, studies and assumptions. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). Such ratings reflect only the views of the rating agencies, and any explanation of the significance of such ratings may be obtained from the rating agencies furnishing such ratings, from Fitch at www.fitchratings.com and Moody's at www.moodys.com. The information set forth on such websites is not incorporated herein by reference. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the respective rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

Professionals Involved in the Offering

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

Underwriting

The Bonds are being purchased by Raymond James & Associates, Inc., as representative of itself and Stifel, Nicolaus & Company, Incorporated (collectively, the "Underwriters"), pursuant to the terms of a bond purchase contract between the District and the Underwriters, dated _____, 2026 (the "Purchase Contract"). The Underwriters have agreed to purchase the Bonds from the District at a purchase price of $_____. The Underwriters' discount is $_____. Under the terms of the contract, the Underwriters will be obligated to purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions to be satisfied by the District.

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

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Additional Information

Quotations from and summaries and explanations of the Bonds, the District Resolution and the Paying Agent Agreements providing for issuance and payment of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

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

GROSSMONT UNION HIGH SCHOOL DISTRICT

By: _____
Executive Director, Fiscal Services

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APPENDIX A

INFORMATION RELATING TO THE DISTRICT

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

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

PART I

THE ECONOMY OF THE DISTRICT

The District encompasses all of the cities of El Cajon, Santee and Lemon Grove, most of the city of La Mesa, a small portion of the city of San Diego, as well as adjacent unincorporated areas of the County. The following economic data for selected cities and the County are presented for information purposes only. The Bonds are not a debt or obligation of the cities or the County.

The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors.

General

The District is located in eastern San Diego County, encompassing a large portion of the urbanized area of the east county as well as foothill communities of the Cuyamaca Mountains. The District is traversed by U.S. Interstate Highway 8, State Route 94, State Route 125, and State Route 67. The District is located about 12 miles east of downtown San Diego, the County seat, and the San Diego International Airport.

The local economy is closely tied to federal spending and actions taken by the federal government to reduce local expenditures could adversely affect the County's economy.

Population

The table below shows the recent population growth for the County and for the cities of El Cajon, La Mesa, Lemon Grove, and Santee. The population of the four cities in 2025 accounted for approximately 7.7% of the population of the County.

POPULATION GROWTH
San Diego County and Cities Within Grossmont Union High School District
2006-2025

Year	City of El Cajon	City of La Mesa	City of Santee	City of Lemon Grove	County of San Diego
2006	96,699	55,098	51,983	24,878	2,976,492
2007	97,027	55,452	51,936	24,873	2,998,477
2008	97,684	55,753	52,367	24,949	3,032,689
2009	98,363	56,148	52,963	25,037	3,064,436
2010	99,478	57,065	53,413	25,320	3,095,313
2011	100,326	58,199	54,304	25,547	3,127,603
2012	101,158	58,608	54,901	25,735	3,161,808
2013	102,206	58,967	55,594	25,845	3,199,900
2014	102,668	59,234	56,109	26,103	3,232,762
2015	103,072	59,390	56,212	26,431	3,264,706
2016	103,497	59,830	56,075	26,502	3,283,009
2017	103,778	59,965	56,245	26,609	3,303,366
2018	103,954	60,057	56,450	26,575	3,321,118
2019	103,741	59,833	57,308	26,515	3,333,319
2020	103,576	59,621	57,430	26,432	3,331,279
2021	106,447	60,608	59,146	27,422	3,288,503
2022	105,638	60,472	59,015	27,242	3,287,306
2023	104,804	60,753	59,574	27,517	3,290,423
2024	104,180	60,620	59,195	27,568	3,291,101
2025	105,449	61,863	60,044	28,445	3,339,392

Note: For 2006 to 2009, 2011 to 2019, 2021 to 2019 and 2021 to 2025, population statistics are as of January 1. For 2010 and 2020, population statistics are as of April 1.
Sources: State Department of Finance for 2006 to 2009, 2011 to 2019, 2021 to 2019 and 2021 to 2025; U.S. Department of Commerce, Bureau of the Census, for 2010 and 2020.

Employment

The following table summarizes wage and salary employment in the County from 2021 to 2025. The total wage and salary employment in the County increased by 8.1% between 2021 and 2025. Employment was highest in 2024 for this five-year period.

ANNUAL AVERAGE WAGE AND SALARY EMPLOYMENT
County of San Diego, 2021-2025

	Employment[1]				
Industry	2021	2022	2023	2024	2025
Total Farm	8,800	9,600	9,500	9,100	8,700
Mining and Logging	300	400	300	300	300
Construction	83,400	87,600	89,800	90,500	88,700
Manufacturing	114,100	116,900	115,100	112,900	110,400
Trade, Transportation & Utilities	216,300	222,400	223,100	222,600	219,000
Information	22,200	22,100	21,900	20,400	18,100
Financial Activities	75,500	76,900	72,700	72,900	73,200
Professional & Business Services	264,900	282,500	276,000	267,000	263,100
Educational and Health Services	215,700	228,300	243,200	261,800	273,100
Leisure and Hospitality	161,600	193,100	201,600	202,300	203,200
Other Services	47,300	54,400	57,100	57,600	58,000
Government	237,300	246,600	251,300	258,400	257,300
Total	1,447,400	1,540,800	1,561,600	1,566,600	1,564,400

[1] Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.
Source: California Employment Development Department, based on April 2026 benchmark.

The following table summarizes civilian labor force, employment, and unemployment in the County from 2017 to 2025. The County's civilian labor force increased by approximately 5.9% between 2017 and 2025. In the same period, the employed labor force in the County increased by approximately 5.2% and the unemployment rate in the County increased by approximately 0.6%. The unemployment rate in the County in 2025 is 4.6%.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
County of San Diego
Annual Averages, 2017-2025

Year	Civilian Labor Force	Employed Labor Force[1]	Unemployed Labor Force[2]	Unemployment Rate[3]
2017	1,584,700	1,521,200	63,500	4.0%
2018	1,592,200	1,539,500	52,700	3.3
2019	1,595,800	1,539,100	56,800	3.6
2020	1,528,400	1,396,500	141,800	9.2
2021	1,543,700	1,443,800	99,900	6.5
2022	1,565,700	1,515,800	49,900	3.2
2023	1,600,900	1,537,400	63,600	4.0
2024	1,660,700	1,589,700	71,000	4.3
2025	1,677,700	1,600,900	76,700	4.6

[1] Includes persons involved in labor-management trade disputes.
[2] Includes all persons without jobs who are actively seeking work.
[3] The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: California Employment Development Department, based on Industry Employment & Labor Force April 2026 Benchmark.

Major Employers

The largest employers in the City of El Cajon and in the County are as follows:

TEN LARGEST EMPLOYERS
City of El Cajon

Employer	Service	Fiscal Year 2024-25 Employment
Cajon Valley Union School District[(1)]	Government	2,164
Grossmont-Cuyamaca Community College District[(2)]	Government	1,460
GKN Aerospace Chem-Tronics Inc.	Engineering	893
Grossmont Union High School District	Government	735
Kaiser Permanente – Medical Offices and Call Center	Health Care	591
University Mechanical & Engineering	Contractor	448
City of El Cajon	Government	406
Avocado Post Acute (formerly El Dorado Care Center)	Health Care	396
Taylor Guitars	Retail	387
Country Hills Health Care	Health Care	361

_____
(1) Includes full-time and part-time classified and certificated employees, certificated administrators, management and supervisory.
(2) Includes full-time classified and certificated employees in El Cajon only and in the district office.
Source: City of El Cajon Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025.

TEN LARGEST EMPLOYERS
County of San Diego

Employer	Service	Fiscal Year 2024-25 Employment
U.S. Navy	Military	91,317
MCCS MCRD San Diego Marine Corps	Military	42,687
UC San Diego	Government	41,698
County of San Diego	Government	20,471
Sharp Healthcare	Health Care	20,432
Scripps San Diego	Health Care	17,760
Kaiser Permanente Vandever Medical Offices	Health Care	12,859
UC San Diego Health	Health Care	12,675
Merchants Building Maintenance	Commercial Cleaning	6,000
Cubic Corporation	Defense/Transportation	6,000

_____
Source: Annual Comprehensive Financial Report of the County of San Diego for the Fiscal Year Ended June 30, 2025.

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Income

Total personal income in the County increased by approximately 118.7% between 2005 and 2024, representing an average annual compound growth rate of approximately 4.0%. Per capita personal income in the County grew by approximately 103.0% during this time, representing an average annual compound growth of approximately 3.6%. The following tables summarize personal income for the County for the period of 2006 to 2025 and per capita personal income for the period 2006 to 2025.

PERSONAL INCOME
2005-2024[(1)]
(in thousands)

Year	County of San Diego	Annual Percent Change
2005	$122,069,367	-
2006	128,619,711	5.4%
2007	132,558,872	3.1
2008	135,573,433	2.3
2009	130,932,057	(3.4)
2010	135,927,888	3.8
2011	144,239,664	6.1
2012	151,467,749	5.0
2013	156,734,939	3.5
2014	166,463,498	6.2
2015	176,111,921	5.8
2016	181,985,201	3.3
2017	188,526,586	3.6
2018	195,679,529	3.8
2019	202,642,332	3.6
2020	220,825,596	9.0
2021	240,216,669	7.9
2022	243,506,541	1.4
2023	261,515,685	7.4
2024	266,924,506	2.1

(1) Most recent annual data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PER CAPITA PERSONAL INCOME
2005-2024[(1)]

Year	County of San Diego	California	United States
2005	$41,543	$38,932	$35,868
2006	43,640	41,746	38,120
2007	44,546	43,385	39,883
2008	44,860	43,567	41,026
2009	42,771	41,689	39,356
2010	43,802	43,246	40,683
2011	45,977	45,557	42,747
2012	47,704	48,121	44,548
2013	48,815	48,502	44,798
2014	51,230	51,266	46,887
2015	53,679	54,546	48,725
2016	55,056	56,560	49,613
2017	56,802	58,813	51,573
2018	58,719	61,509	53,817
2019	60,845	64,333	55,724
2020	66,266	69,958	59,147
2021	73,350	76,987	64,427
2022	74,326	77,013	65,473
2023	79,921	80,423	68,531
2024	84,312	86,378	74,258

(1) Most recent annual data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Retail Sales

Taxable sales in the cities of El Cajon and La Mesa, and in the County of San Diego, from 2021 through 2025 are shown below. Increases in taxable sales between 2021 and 2025 were 3.2% in El Cajon, 3.5% in La Mesa, and 14.0% in the County.

TAXABLE SALES, 2021-2025[(1)]
City of El Cajon
(in thousands)

	2021	2022	2023	2024	2025
Apparel	$124,418	$121,139	$118,294	$112,039	$108,341
General Merchandise	112,801	106,867	100,938	59,965	51,497
Food Stores	88,236	90,876	88,675	91,534	99,427
Eating and Drinking	210,894	226,766	238,411	236,469	232,211
Home Furnishings & Appliances	112,352	106,969	99,938	93,189	92,614
Building Materials and Farm Implements	239,449	264,877	275,112	288,787	288,788
Auto Dealers & Supplies	863,235	934,853	922,584	912,629	929,670
Service Stations	183,117	214,978	194,922	176,365	143,976
Other Retail Stores	130,894	131,484	121,273	117,503	107,507
Total Retail Stores	$2,065,397	$2,198,813	$2,160,152	$2,091,485	$2,054,035
All Other Outlets	482,838	514,588	538,894	576,083	576,222
Total All Outlets	$2,548,234	$2,713,401	$2,699,047	$2,667,568	$2,630,257

(1) Most recent annual data available.
Source: California Board of Equalization.

TAXABLE SALES, 2021-2025[(1)]
City of La Mesa
(in thousands)

	2021	2022	2023	2024	2025
Apparel	$62,598	$55,910	$53,752	$54,921	$52,945
General Merchandise	323,566	374,090	355,731	351,182	346,112
Food Stores	68,516	68,997	68,969	69,583	81,763
Eating and Drinking	182,021	206,000	213,741	221,531	217,258
Home Furnishings & Appliances	21,825	19,380	24,538	15,705	11,216
Building Materials and Farm Implements	60,075	71,815	65,051	64,137	63,508
Auto Dealers & Supplies	295,982	292,787	284,923	266,769	277,298
Service Stations	76,334	93,564	84,788	82,843	66,471
Other Retail Stores	149,681	165,873	165,378	163,397	152,239
Total Retail Stores	$1,240,598	$1,348,422	$1,316,874	$1,290,072	$1,268,812
All Other Outlets	94,137	116,008	124,083	126,503	112,582
Total All Outlets	$1,334,735	$1,464,431	$1,440,957	$1,416,581	$1,381,394

(1) Most recent annual data available.
Source: California Board of Equalization.

TAXABLE SALES, 2021-2025[1]
County of San Diego
(in thousands)

	2021	2022	2023	2024	2025
Motor Vehicle and Parts Dealers	$9,196,200	$9,546,225	$8,976,516	$8,911,658	$9,310,325
Furniture and Home Furnishings Stores	2,747,719	2,977,057	2,675,451	2,265,777	2,789,411
Building Materials and Garden Equipment and Supplies	3,823,268	3,997,213	3,806,581	3,847,697	3,795,504
Food and Beverage Stores	2,840,160	2,975,756	2,995,528	3,047,878	3,183,841
Gasoline Stations	4,400,959	5,278,625	4,848,935	4,613,323	4,291,831
Clothing and Clothing Accessories Stores	4,223,140	4,568,966	4,575,767	4,687,758	4,787,659
General Merchandise Stores	5,807,758	6,283,250	6,067,189	6,043,061	5,970,371
Miscellaneous Store Retailers	8,477,927	9,638,416	10,695,828	11,012,764	11,106,771
Food Services and Drinking Places	8,373,953	10,140,082	10,457,828	10,719,565	11,300,004
Total Retail and Food Services	$49,891,084	$55,405,593	$55,099,627	$55,448,487	$56,545,722
All Other Outlets	21,823,571	25,294,367	25,718,126	25,550,684	25,228,990
Total All Outlets	$71,714,655	$80,699,960	$80,817,754	$80,999,171	$81,774,713

[1] Most recent annual data available.
Source: California Board of Equalization.

PART II

FINANCIAL AND OPERATING INFORMATION

The information in this Part II of this appendix concerning the operations of the District, the District's finances, and State funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are approved by the voters of the District and are payable from the proceeds of an ad valorem tax that under the laws and State Constitutional requirements is required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

General

The District, located in eastern San Diego County (the "County"), was established in 1920 and encompasses an area of approximately 465 square miles, including all of the cities of El Cajon, Santee and Lemon Grove, most of the City of La Mesa, a small portion of the City of San Diego and the unincorporated communities of Alpine, Dulzura, Jamul, Lakeside, and Spring Valley, the population of which is approximately 484,000 residents. The District's budgeted average daily attendance for fiscal year 2026-27 is 14,832, and the District's 2026-27 budgeted general fund expenditures are approximately $343.6 million. The District is the ninth-largest high school district in California as measured by enrollment.

The District is a high school district, providing education to students in grades 9-12 from eight feeder elementary school districts. The District currently operates nine comprehensive high schools, one continuation high school, two alternative education sites, four special education facilities, a middle college high school program, a Career Technical Education Program ("CTE"), an adult education program and a day care facility. The District is also the sponsoring local education agency for four charter schools.

Taxable property in the District has a fiscal year 2025-26 assessed value of $73,339,603,486. For fiscal year 2025-26, the District has projected the employment of 951.0 full-time equivalent ("FTE") certificated employees (teaching staff), 793.8 FTE classified employees and 109.8 FTE management, supervisory and confidential personnel. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

The District is governed by a five-member Governing Board (the "Board"), each of whom 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. Beginning November 2016, the Board changed the District's method of election of the Board from "at-large" voting to "by-trustee-area" voting, by which method members of the Board are elected by the voters of the trustee area in which they reside. Trustee Area 1 includes portions of Lemon Grove, La Presa and Spring Valley. Trustee Area 2 includes portions of La Mesa, Casa de Oro-Mount Helix, and Rancho San Diego. Trustee Area 3 includes portions of El Cajon. Trustee Area 4 covers portions of Santee, Winter Gardens and Eucalyptus Hills. Trustee Area 5 includes Alpine, Jamul, Crest, and Harbison Canyon. Current members of the Board, together with their offices, the dates their terms expire, and their trustee areas, are listed below:

Board Member	Office	Term Expires	Trustee Area
Robert Shield	President	November 2026	Area 4
Dr. Gary Woods	Vice President	November 2026	Area 3
Scott Eckert	Clerk	November 2028	Area 2
Chris Fite	Member	November 2028	Area 1
Jim Kelly	Member	November 2026	Area 5

The administrative staff of the District includes Dr. Kirsten Vital Brulte, Superintendent; Dr. Ryan Burke, Assistant Superintendent, Business Services; Dr. Stephanie Stewart, Assistant Superintendent, Human Resources; and Emily Mayer, Executive Director, Fiscal Services.

Dr. Kirsten Vital Brulte was appointed the Superintendent of the District, on July 1, 2025. Prior to joining the District, Dr. Vital Brulte served as Superintendent of Capistrano Unified School District; as Superintendent of the

Alameda Unified School District; as Associate Superintendent (Chief of Community Accountability) for Oakland Unified School District; as Director in the Los Angeles Unified School District; as Assistant Principal and Co-Principal at Santa Monica High School; and as an English teacher at Whittier High School. Dr. Vital Brulte holds a Doctor of Education in Educational Leadership from Saint Mary's College of California, a Master of Arts in Education from Whittier College and a Bachelor of Arts in English from Northeastern University.

Dr. Ryan Burke has served as Assistant Superintendent, Business Services of the District since July 2025. Prior to joining the District, Dr. Burke served as Assistant Superintendent, Business Services for National School District; as Director of Adult Education for Sweetwater Union High School District; as Director of Categorical Programs and Language Acquisition for Sweetwater Union High School District; and as Principal at two schools within the Cajon Valley Union School District. Prior to working in public education, Dr. Burke founded and served as Chief Executive Officer of Viking Financial Group, Inc., an S-Corporation focused on real estate services and financial planning. Dr. Burke holds a Ph.D. in Education from Northcentral University, a Master of Arts in Educational Administration from California State University, San Bernardino and a Bachelor of Science from Vanderbilt University, with a double major in Secondary Education and History. Dr. Ryan Burke was placed on administrative leave in July 2026.

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula ("Local Control Funding Formula" or "LCFF") (see "– Allocation of State Funding to School Districts; Local Control Funding Formula" below) and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution. In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District has projected to receive approximately 43.8% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), budgeted at approximately $140.5 million in fiscal year 2026-27. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "– Allocation of State Funding to School Districts; Local Control Funding Formula" and "– Other District Revenues – *Other State Revenues*" below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District's revenues and operations. In addition, the District has budgeted for approximately $41.9 million of LCFF revenues to be transferred to charter schools in lieu of property taxes in fiscal year 2026-27.

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

In connection with the State Budget Act for fiscal year 2013-14, the State and local educational agencies therein implemented a new funding formula for school finance system called the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF"). Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" below for more information.

Constitutional Provisions Governing School Finance. On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in

1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

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

Under the law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated to school districts in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test") or a third test, which replaces the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test becomes a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two–thirds to a simple majority (50% plus one) of each house of the State Legislature. The lower vote requirement would also apply to trailer bills that appropriate funds and are identified by the State Legislature as "related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two–thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2026-27 State budget on June 29, 2026 (the "2026-27 State Budget").

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

frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

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

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

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

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

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

State Rainy Day Fund; SB 858. In connection with the 2014-15 State Budget, the Governor proposed certain constitutional amendments ("Proposition 2") to the rainy day fund (the "State Rainy Day Fund") for the November

2014 Statewide election. Senate Bill 858 (2014) ("SB 858") amends the Education Code to, among other things, limit the amount of reserves that may be maintained by a school district subject to certain State budget matters. Upon the approval of Proposition 2, SB 858 became operational. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2." See also "– *2026-27 State Budget*" discussing the State's plan to draw on this reserve in fiscal year 2026-27.

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

2026-27 State Budget. The Governor signed the fiscal year 2026-27 State budget on June 29, 2026 (the "2026-27 State Budget"). The 2026-27 State Budget largely maintains the framework of the May Revise to the Proposed State Budget for fiscal year 2026-27, which balances the State budget in both fiscal years 2026-27 and 2027-28 and significantly reduces projected structural deficits in fiscal years 2028-29 and 2029-30. The 2026-27 State Budget supports priorities enacted over the past seven fiscal years and includes a number of strategic, mostly one-time, investments made possible in large part by increased revenue since the State budget for fiscal year 2025-26 was adopted.

The 2026-27 State Budget projects a positive balance in the Special Fund for Economic Uncertainties (the "SFEU") in fiscal years 2026-27 and 2027-28, including projected SFEU balances of $4.5 billion in fiscal year 2026-27 and $403.0 million in fiscal year 2027-28. The 2026-27 State Budget also includes a transfer of $6.4 billion into the Projected Surplus Temporary Holding Account (the "Surplus Holding Account") in fiscal year 2026-27, to be allocated in fiscal year 2027-28. The 2026-27 State Budget identifies three revenue measures intended to solidify the State's fiscal structure. First, renewal of a House of Representatives (H.R.) 1-compliant Managed Care Organization tax, projected to increase revenue by $575.0 million in fiscal year 2026-27, $2.3 billion in fiscal years 2027-28 and 2028-29 and $1.7 billion in fiscal year 2029-30 to support the Medi-Cal program and maintain targeted rate increases for primary, maternal, and non-specialty mental health care. Second, extension of the business tax credit limitation of $5.0 million per year for an additional three years through fiscal year 2028-29, projected to increase State general fund revenue by $1.0 billion in fiscal year 2026-27, $3.3 billion in fiscal year 2027-28, $4.7 billion in fiscal year 2028-29, and $4.2 billion in fiscal year 2029-30. Third, extension of the sales tax on prewritten software delivered on a tangible medium to electronically delivered prewritten software, projected to increase State general fund revenue by $450.0 million in fiscal year 2026-27 and $900.0 million in fiscal year 2027-28 and annually thereafter.

Over the last two fiscal years, the State has withdrawn approximately $12.2 billion from the State Rainy Day Fund and suspended deposits into the fund for fiscal years 2024-25 and 2025-26. The 2026-27 State Budget continues the suspension of the fiscal year 2025-26 "true-up." As a result of the increase in revenue, the total suspension in fiscal year 2025-26 is $5.4 billion. However, the 2026-27 State Budget includes a deposit of $3.6 billion into the State Rainy Day Fund in fiscal year 2026-27 and a minor "true-up" for fiscal year 2024-25. After accounting for these actions, the 2026-27 State Budget projects a State Rainy Day Fund balance of $15.1 billion in fiscal year 2026-27, a $4.5 billion balance in the SFEU, and $9.2 billion in the Proposition 98 Rainy Day Fund, bringing combined reserves in fiscal year 2026-27 to $28.8 billion. When accounting for the balance in the Surplus Holding Account, the 2026-27 State Budget sets aside approximately $35.2 billion for future funding obligations in fiscal year 2026-27.

The 2026-27 State Budget projects total resources available in fiscal year 2025-26 of approximately $302.5 billion, including revenues and transfers of approximately $245.8 billion and a prior year balance of approximately $56.7 billion, and total expenditures in fiscal year 2025-26 of approximately $245.3 billion. The 2026-27 State Budget projects total resources available for fiscal year 2026-27 of approximately $284.0 billion, inclusive of revenues and transfers of approximately $226.8 billion and a prior year balance of approximately $57.2 billion. The 2026-27 State Budget projects total expenditures in fiscal year 2026-27 of approximately $251.5 billion, inclusive of non-Proposition 98 expenditures of approximately $158.6 billion and Proposition 98 expenditures of approximately $92.9 billion. The 2026-27 State Budget projects total reserve balances of $56.8 billion at the end of fiscal year 2026-27. This includes $28.0 billion in the Reserve for Liquidation of Encumbrances, $4.5 billion in the SFEU, $9.2 billion in the Proposition 98 Rainy Day Fund and $15.1 billion in the State Rainy Day Fund. The 2026-27 State Budget includes total funding of $151.4 billion for all TK-12 education programs, including $91.1 billion from the State's general fund and $60.3

billion from other funds. The 2026-27 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, educator workforce, and preschool.

Certain budgeted programs and adjustments for TK-12 education set forth in the 2026-27 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2026-27 State Budget projects Proposition 98 funding levels of $124.9 billion in fiscal year 2024-25, $125.3 billion in fiscal year 2025-26, and $128.1 billion in fiscal year 2026-27. The Proposition 98 minimum guarantee is in Test 1 for fiscal years 2024-25 through 2026-27, meaning that the funding level of the Proposition 98 minimum guarantee for such fiscal years is equal to approximately 40% of the State's general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of State general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 formula requires an $8.3 billion maintenance factor payment in fiscal year 2024-25, to be paid in addition to the Proposition 98 minimum guarantee level, which will fully retire the Proposition 98 maintenance factor balance. The 2026-27 State Budget maintains a $3.9 billion settle-up amount in fiscal year 2025-26. In spring 2027, if revenues remain at the same or higher levels for fiscal year 2025-26, the State is statutorily required to pay this amount back to TK-14 schools and the State will need to schedule its payment in the State budget for fiscal year 2027-28, either from funds available in that budget or scheduled across multiple budget years. The 2026-27 State Budget also includes a $1.9 billion settle-up payment in fiscal year 2024-25, completely paying off the settle-up owed to the Proposition 98 minimum guarantee in that fiscal year.

- Proposition 98 Rainy Day Fund. The 2026-27 State Budget projects mandatory deposits into the Proposition 98 Rainy Day Fund across the three-year budget window totaling $8.7 billion. To provide additional long-term budget stability, the 2026-27 State Budget includes a discretionary deposit of $500.0 million in fiscal year 2025-26, leaving the final balance in the Proposition 98 Rainy Day Fund at $9.2 billion. The $9.2 billion balance in fiscal year 2025-26 triggers school district reserve caps beginning in fiscal year 2026-27. See "– *School District Reserves*" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – *SB 751*."

- Rebench for Non-Local Educational Agency State Preschool Program. Historically, California State Preschool Program contractors that are not local educational agencies have received non-Proposition 98 general fund resources, while local educational agency contractors have received Proposition 98 general fund resources. To reduce programmatic complexity, the 2026-27 State Budget changes the funding source for non-local educational agency State Preschool Program providers to Proposition 98 general fund resources. To allow for this transition without negatively impacting Proposition 98 general fund-supported programs, the 2026-27 State Budget "rebenches" Proposition 98 by expanding it in proportion to the size of the incoming program. Specifically, the 2026-27 State Budget shifts $813.0 million from the State's general fund to the Proposition 98 general fund and increases the Proposition 98 minimum guarantee Test 1 percentage from 39.3% to 39.6%.

- Local Control Funding Formula. The 2026-27 State Budget includes a statutory LCFF cost-of-living adjustment of 2.87%, which, when combined with population growth adjustments, will result in an increase of approximately $1.1 billion in discretionary funds for LEAs as compared to the State budget for fiscal year 2025-26. Additionally, the 2026-27 State Budget includes $1.1 billion to further increase funding for the LCFF. This discretionary investment, commonly referred to as a "super COLA," results in a total statutory plus discretionary LCFF cost-of-living adjustment of 4.31%. The 2026-27 State Budget also includes an ongoing increase of $31.3 million in Proposition 98 general fund resources to provide a 20% increase in LCFF funding for Necessary Small Schools. This additional funding will help the smallest schools in the State maintain instructional programming when student population fluctuates.

- Special Education. The 2026-27 State Budget reflects an increase of $2.4 billion in special education funding for students with disabilities, or 43% over the State budget for fiscal year 2025-26. These funds will allow all LEAs in the State to receive special education funding at the same rate and will increase the per-student funding rate to $1,340. The 2026-27 State Budget also includes an ongoing allocation of $80.0 million for

the special education extraordinary cost pool and the low-incidence disabilities add-on, a one-time increase of $30.0 million for the Supporting Inclusive Practices Project, a one-time increase of $25.0 million for the Inclusive College Technical Assistance Center, and a one-time investment of $10.0 million to support alternative pathways and alternative means to a high school diploma for students with disabilities.

- Student Support and Professional Development Discretionary Block Grant. The 2026-27 State Budget provides $5.0 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant. These funds will provide LEAs with additional fiscal support to address rising costs, as well as fund Statewide priorities.

- Community Schools. The 2026-27 State Budget includes $1.0 billion in ongoing Proposition 98 general fund resources to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care.

- Literacy and Math Instruction. The 2026-27 State Budget provides a one-time increase of $350.0 million to extend funding for the Literacy Coaches and Reading Specialists Grant Program for all grantees until June 30, 2031.

- Teacher Preparation and Professional Development. The 2026-27 State Budget includes nearly $750.0 million in new investments to address teacher shortages, including, but not limited to: (1) an additional $408.0 million in one-time Proposition 98 general fund resources for the Student Teacher Stipend Program to extend the program and provide an additional $5,000 stipend for student teachers pursuing a credential in a high-need field; and (2) $250.0 million in one-time Proposition 98 general fund resources to continue educator residency programs through fiscal year 2029-30.

- Support for Immigrant Students. The 2026-27 State Budget includes new investments to the State's TK-12 immigrant and newcomer students, including but not limited to: (1) $100.0 million in one-time Proposition 98 general fund resources for the State Department of Education, in consultation with the Department of Social Services, to establish the California's New Americans in Schools program to provide supportive services for newcomer pupils, English learners, and immigrant families; and (2) $75.0 million in one-time Proposition 98 general fund resources to establish Dream Resource Centers at high schools serving grades 9-12 to support pupils with social services, State-funded immigration legal services, academic opportunities, and parent and family workshops.

- Early Education. The 2026-27 State Budget includes funding to strengthen State preschool and early education programs, the 2026-27 State Budget, including but not limited to, $250.0 million in one-time Proposition 98 general fund resources for the Universal Prekindergarten Planning & Implementation Grant, which supports expansion of high-quality State preschool and transitional kindergarten programs for two-, three-, and four-year-old students throughout the State.

Additional budgeted programs and adjustments for TK-12 education set forth in the 2026-27 State Budget include the following:

- Learning Recovery Emergency Block Grant. The 2026-27 State Budget provides $757.3 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which provides funds to LEAs to establish learning recovery initiatives through the 2027-28 school year. This investment is the final payment to this program, which has received multi-year investments totaling $7.2 billion in past budgets to support schools in learning recovery efforts related to the COVID-19 pandemic.

- Kitchen Infrastructure and Training. The 2026-27 State Budget provides $500.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.

- Support for Students Experiencing Homelessness. The 2026-27 State Budget provides $116.0 million in one-time Proposition 98 general fund resources to provide three-year grants to LEAs to increase identification of, and improve educational outcomes for, students experiencing homelessness.

- Dual Enrollment. The 2026-27 State Budget provides $100.0 million in one-time Proposition 98 general fund resources to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities.

The complete 2026-27 State Budget is available from the California Department of Finance website at **www.dof.ca.gov** or **www.ebudget.ca.gov**. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures, collection and receipt of tax revenues, funding of delayed investments, implementation of federal policy changes, or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Bonds are payable from *ad valorem* property taxes, the 2026-27 State Budget is not expected to have a material impact on the payment of the Bonds.

School District Reserves. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of A.D.A. Payments allocated to the Proposition 98 Rainy Day Fund under the fiscal year 2021-22 State budget and the fiscal year 2022-23 State budget triggered a reserve cap for school districts in fiscal years 2022-23 and 2023-24, respectively. However, the State's economic and revenue outlook has changed and the balance in the Proposition 98 Rainy Day Fund has not triggered the reserve cap since fiscal year 2023-24. See "– *2026-27 State Budget*" above. School districts may need to access their local reserves in light of operational needs that may exceed expected funding under LCFF in a given fiscal year.

The District, which has an average daily attendance of less than 30,000 (but greater than 1,001), is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. At the time of preparation of its fiscal year 2026-27 budget, the District projects it will meet the 3% statutory reserve requirement in fiscal years 2026-27 through 2028-29. The District projects it will need to use its existing general fund balance in fiscal year 2026-27 to meet its obligations.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as "Proposition 1A" at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government,

including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see *"– Dissolution of Redevelopment Agencies"* below). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years – such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal year 2011-12, as signed by the Governor on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and Assembly Bill No. 27 (First Extraordinary Session) ("AB1X 27"), which the Governor signed on June 29, 2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. AB1X 26 dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. Certain provisions of AB1X 26 are described further below.

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

On February 1, 2012, and pursuant to *Matosantos,* AB1X 26 dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency, will be transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

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

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a "redevelopment property

tax trust fund" created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 (now each January 2 and June 1 pursuant to AB 1484, as described below) thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller's administrative costs, in the following order of priority:

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

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

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

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

The District estimates receipt of approximately $14.6 million in pass-through payments in fiscal year 2025-26 and projects it will receive approximately $14.4 million in pass-through payments in fiscal year 2026-27. The District has entered into a lease obligation and caused to be issued lease revenue bonds, the repayment of which are secured by pass-through revenues to be received by the District. See "– District Debt Structure and Long Term Obligations – *Lease Revenue Bonds*."

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

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

Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under State Education Code Section 42238 *et seq.*, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts." The District is an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base revenue funding limit grant ("Base Grant") per unit of average daily attendance ("A.D.A.") with additional supplemental funding allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF originally had an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. In fiscal year 2018-19, the LCFF was fully funded ahead of the eight year implementation schedule. The LCFF includes the following components:

A Base Grant for each local educational agency ("LEA"). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2026-27, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to $11,811 per A.D.A. for transitional kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to $10,860 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to $11,181 per A.D.A. for grades 7 and 8; and (d) a Target Base Grant for each LEA equivalent to $12,780 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grant amount for fiscal year 2026-27 includes a cost-of-living adjustment of 4.31%.

A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

An additional Concentration Grant of up to 50% of a local educational agency's Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.

An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF. Upon full implementation, LEAs would receive the greater of the Base Grant or the ERT.

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

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

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

Local Control Accountability Plan. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop,

implement and annually update a three-year local control and accountability plan ("LCAP"). Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

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

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

Attendance and Enrollment. The District's recent A.D.A. history per the District's Second Period Reports (P2) and total enrollment as reported to the CDE is set forth in the table below:

GROSSMONT UNION HIGH SCHOOL DISTRICT
Average Daily Attendance and Total Enrollment[(1)]
Fiscal Years 2017-18 to 2026-27

Fiscal Year	Average Daily Attendance	Total Enrollment
2017-18	15,611	16,837
2018-19	15,563	16,754
2019-20	15,613	16,831
2020-21	15,878[(2)]	16,909
2021-22	15,294	17,108
2022-23	15,079	16,738
2023-24[(3)]	14,951	16,566
2024-25[(3)]	14,937	16,476
2025-26[(3)]	14,930	16,368
2026-27[(3)] [(4)]	14,832	16,261

(1) Excludes charter school attendance and enrollment, and also excludes adult education.
(2) A.D.A. not reported in fiscal year 2020-21.
(3) Funded based on three-year prior average of A.D.A.
(4) Budgeted.
Source: The District.

There are currently four charter schools approved by and operating within the District, but others have previously operated within the District and had their charters revoked and/or ceased operating within the District. See "– Charter Schools" below. The closure of charter schools within the District's boundaries is expected to lead to an increase in enrollment and A.D.A. in the District.

Attendance and LCFF. The following table sets forth the District's estimated and projected A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, "EL/LI Students")), and targeted Base Grant per unit of A.D.A. for fiscal years 2017-18 through 2026-27. The A.D.A. and enrollment numbers reflected in the following table include special education but exclude adult education and charter school attendance.

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2017-18 through 2026-27

		A.D.A./Base Grant		Enrollment[14]	
Fiscal Year		9-12	Total A.D.A.	Total Enrollment	Unduplicated Percent of EL/LI Students
2017-18	A.D.A.[2]:	15,611	15,611	16,837	58.96%
	Targeted Base Grant[3][4]:	$8,712	–	–	–
2018-19	A.D.A.[2]:	15,563	15,563	16,754	58.80%
	Targeted Base Grant[3][5]:	$9,034	–	–	–
2019-20	A.D.A.[2]:	15,613	15,613	16,831	59.97%
	Targeted Base Grant[3][6]:	$9,329	–	–	–
2020-21	A.D.A.[2]:	15,878	15,878	16,909	60.23%
	Targeted Base Grant[3][7]:	$9,329	–	–	–
2021-22	A.D.A.[2]:	15,294	15,294	17,108	60.87%
	Targeted Base Grant[3][8]:	$9,802	–	–	–
2022-23	A.D.A.[2]:	15,079	15,079	16,738	62.23%
	Targeted Base Grant[3][9]:	$11,102	–	–	–
2023-24	A.D.A.[2]:	14,951	14,951	16,566	64.41%
	Targeted Base Grant[3][10]:	$12,015	–	–	–
2024-25	A.D.A.[2]:	14,937	14,937	16,476	65.29%
	Targeted Base Grant[3][11]:	$12,144	–	–	–
2025-26	A.D.A.[2]:	14,930	14,930	16,368	65.85%
	Targeted Base Grant[3][12]:	$12,423	–	–	–
2026-27[1]	A.D.A.[2]:	14,832	14,832	16,261	65.24%
	Targeted Base Grant[3][13]:	$12,780	–	–	–

[1] Figures are projections.
[2] A.D.A. for the second period of attendance, typically in mid-April of each school year.
[3] Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts were not fully funded until fiscal year 2018-19.
[4] Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.
[5] Targeted fiscal year 2018-19 Base Grant amounts reflect a 3.70% cost of living adjustment from targeted fiscal year 2017-18 Base Grant amounts.
[6] Targeted fiscal year 2019-20 Base Grant amounts reflect a 3.26% cost of living adjustment from targeted fiscal year 2018-19 Base Grant amounts.
[7] Targeted fiscal year 2020-21 Base Grant amounts reflect a 0.0% cost of living adjustment from targeted fiscal year 2019-20 Base Grant amounts.
[8] Targeted fiscal year 2021-22 Base Grant amount reflects a 4.05% cost-of-living adjustment from targeted fiscal year 2020-21 Base Grant amounts.
[9] Targeted fiscal year 2022-23 Base Grant amount reflects a 13.26% adjustment from targeted fiscal year 2021-22 Base Grant amounts, which includes a 6.56% cost-of-living adjustment and a 6.70% discretionary increase in Base Grant funding.
[10] Targeted fiscal year 2023-24 Base Grant amount reflects an 8.22% cost-of-living adjustment from targeted fiscal year 2022-23 Base Grant amounts.
[11] Targeted fiscal year 2024-25 Base Grant amount reflects a 1.07% cost-of-living adjustment from targeted fiscal year 2023-24 Base Grant amounts.
[12] Targeted fiscal year 2025-26 Base Grant amount reflects a 2.30% cost-of-living adjustment from targeted fiscal year 2024-25 Base Grant amounts.
[13] Targeted fiscal year 2026-27 Base Grant amount reflects a 4.31% cost-of-living adjustment from targeted fiscal year 2025-26 Base Grant amounts.
[14] Reflects enrollment as of October report submitted to the CALPADS in each school year. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI Students was expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, the percentage of unduplicated EL/LI Students was and will be based on a rolling average of such school district's EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
Source: The District.

The District estimates it received approximately $234.9 million in aggregate revenues reported under LCFF sources in fiscal year 2025-26, and projects to receive approximately $239.6 million in aggregate revenues under the LCFF in fiscal year 2026-27 (or approximately 74.6% of its general fund revenues in fiscal year 2026-27). Such amount includes supplemental and concentration grants estimated to be approximately $38.6 million in fiscal year 2025-26 and projected to be approximately $38.6 million in fiscal year 2026-27.

Effect of Changes in Enrollment. Changes in local property tax income and student enrollment (or A.D.A.) affect community funded districts and LCFF districts, differently. In a LCFF district, increasing enrollment increases the amount allocated under LCFF and thus generally increases a district's entitlement to State aid, while increases in property taxes do nothing to increase district revenues, but only offset the State aid funding requirement. Operating costs typically increase disproportionately slower than enrollment growth until the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State aid, while operating costs typically decrease slowly until the district decides to lay off teachers, close schools, or initiate other cost-saving measures.

In community funded districts, the opposite is generally true: increasing enrollment does increase the amount allocated under LCFF, but since all LCFF income (and more) is already generated by local property taxes, there is typically no increase in State income. New students impose increased operating costs, but typically at a slower pace than enrollment growth, and the effect on the financial condition of a community funded district would depend on whether property tax growth keeps pace with enrollment growth. Declining enrollment typically does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

For LCFF districts, any loss of local property taxes is made up by an increase in State aid. For community funded districts, the loss of tax revenues is not reimbursed by the State. The District is an LCFF district.

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

The District cannot make any predictions regarding how the current economic environment or changes thereto or other factors will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's adopted budget for fiscal year 2026-27 and projected A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for fiscal year 2026-27 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Local Sources of Education Funding

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 *et seq.* and Sections 95 *et seq.* of the California Revenue and Taxation Code. Section 42238(h) of the Education Code of the State itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to. Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula for revenue limit districts, though community funded districts continue to receive the same level of State aid as allotted in fiscal year 2012-13. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" above for more information about the LCFF. The District is an LCFF district.

For the District, local property tax revenues are projected to be approximately $127.9 million, or 39.8% of total general fund revenues in fiscal year 2026-27, accounting for approximately 53.4% of the District's aggregate revenues allocated under the LCFF. For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 4.6% (or approximately $14.8 million) of the District's general fund projected revenues for fiscal year 2026-27.

However, no representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs and/or eliminate or merge governmental agencies. In particular, such funding may be impacted by the executive order signed by President Trump on March 20, 2025, to begin dismantling the U.S. Department of Education. On June 30, 2025, the Trump Administration announced it would be withholding approximately $6.8 billion in federal funding due to be released on July 1, 2025 for certain Title I, II, III and IV programs, including migrant education, professional development, English-learner services, academic enrichment, before-and after-school programs, and adult basic and literacy education. In the June 30, 2025 announcement, the Trump Administration stated that such program grants were under review and no decision had yet been made for the upcoming academic year.

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

The District cannot predict the extent of the impact of these changes nor whether such impact may materially affect the District's finances or operations.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues which comprise approximately 9.0% (or approximately $28.9 million) of the District's general fund projected revenues for fiscal year 2026-27. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is projected at $4.1 million for fiscal year 2026-27.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from items such as leases and rentals, interest earnings, other redevelopment funds, and other local sources must be used to offset State funding for District operations. Other local revenues in aggregate comprise approximately 11.8% (or approximately $37.9 million) of the District's general fund projected revenues for fiscal year 2026-27.

Charter Schools

Charter schools operate as autonomous public schools, under charter from a school district, county office of education, or the State Board of Education, with minimal supervision by the local school district. Charter schools receive revenues from the State and from the District for each student enrolled, and thus effectively reduce revenues available for students enrolled in District schools. The District is required to accommodate charter school students originating in the District in facilities comparable to those provided to regular District students.

Four charter high schools have been approved by and are currently operating in the District: Helix Charter High School (serving grades 9–12), Steele Canyon Charter High School (serving grades 9–12), the Learning Choice Academy (serving grades TK-12) and Altus Schools East County (serving grades 7-12). Enrollment figures for the District's charter schools are presented in the table below.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Charter School Annual Enrollment 2017-18 to 2026-27

School Year	Helix Charter High School	Steele Canyon Charter High School	The Learning Choice Academy	Altus Schools East County
2017-18	2,465	2,195	-	-
2018-19	2,428	2,154	-	-
2019-20	2,449	2,147	335[2]	-
2020-21	2,469	2,182	374	-
2021-22	2,462	2,156	368	-
2022-23	2,502	2,168	407	-
2023-24	2,544	2,147	440	-
2024-25	2,554	2,198	466	287
2025-26	2,571	2,237	529	297
2026-27[1]	2,571	2,237	550	297

[1] Budgeted.
[2] First year of operation.
Source: Data Reporting Office, California Department of Education, unless otherwise noted.

There are charter schools authorized by other agencies operating within the District's boundaries without approval from or permission from the District. In 2017, the California State Board of Education approved a charter school within the District, the Grossmont Secondary School. Following the 2011-12 school year, the San Diego County Office of Education approved a charter school within the District, Liberty Charter High School. The Cajon Valley Union School District, located within the District's boundaries, established a dependent charter school within the District's boundaries by expanding the Bostonia Language Academy from TK-8 to TK-12 and renaming itself Bostonia Global Charter School, with a current grade 9-12 enrollment of approximately 247 students.

The District is not able to ascertain the number of students attending these other charter schools. Cumulatively, the charter school operators estimate approximately 3,124 students are enrolled at those charter schools. From 2016 through the present, the District has litigated multiple actions to limit a charter school's right to establish a charter school outside of the geographic boundaries of the authorizing school district, unless one of the specific exceptions of the California Education Code applies. The District has been successful and the Superior Court granted a judgement in its favor. As a result, Julian Union Elementary School District was required to revoke the charters of Diego Valley Public Charter and Julian Charter School-Alpine Academy. After waivers and other delays, Julian Charter School-Alpine Academy is no longer operating within the District. The District is continuing to take steps to enforce the California Superior Court's judgment against current parties operating Diego Valley East Public Charter, previously referred to as Diego Valley Public Charter.

Legislative Developments. Assembly Bill 1505 was enacted in October 2019 (the "AB 1505"), and aims to slow the growth of charter schools. AB 1505 gives school districts increased leverage to deny applications for new charter schools by providing school districts additional discretion when authorizing charter schools to consider the number and enrollment in proposed charter schools, academic outcomes and offerings and a statement of need for the school. The District cannot predict the impact such legislation will have on its operations and finances.

District Expenditures

The largest part of each school district's general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

The District has projected expenditures of $268.7 million in salaries and benefits, or approximately 84.8% of its general fund expenditures, in fiscal year 2025-26. This amount represents a decrease of 0.5% from the $270.0 million the District expended in fiscal year 2023-24.

Labor Relations. As of July 1, 2026, approximately 1,718.0 FTE employees were represented by labor organizations, as shown in the table below. For fiscal year 2026-27, the District has budgeted the employment of 951.0 FTE certificated employees (teaching staff) and 793.8 FTE classified employees (non-instructional support staff). The District has also budgeted 109.8 FTE management, supervisory and confidential employees who are not represented by labor organizations.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Labor Organizations

Labor Organization	Represented Employees (FTE)	Contract Expiration
Grossmont Education Association (GEA)	952.9	06/30/2027[(1)]
California School Employees Association Chapter No. 443 (CSEA 443)	682.8	06/30/2028[(1)]
Service Employees International Union, Local 221 (SEIU 221)	82.3	06/30/2027

[(1)] Tentative agreement approved by the Governing Board on July 23, 2026.
Source: The District.

In 2017, the American Federation of Teachers ("AFT") filed a petition with the Public Employment Relations Board to represent a portion of the District's adult education teachers. At that time, the District's adult education teachers were not represented by a labor organization. On March 23, 2018, the Public Employment Relations Board issued its Administrative Determination dismissing AFT's representation petition because AFT sought a legally inappropriate bargaining unit. The District's adult education teachers are now represented by the Grossmont Education Association (GEA).

Retirement Benefits

The District participates in retirement plans with CalSTRS which covers all full-time certificated District employees, and the State Public Employees' Retirement System ("CalPERS"), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Assembly Bill 1469, signed into law by former Governor Brown as part of the fiscal year 2014-15 State budget, increased employee, employer and State contributions to CalSTRS as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers' Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events

on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

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

The following table sets forth the District's employer contributions from the general fund of the District to CalSTRS as well as the State's non-employer contributions to CalSTRS on behalf of the District for fiscal years 2017-18 through 2024-25, the estimated contribution for fiscal year 2025-26 and the budgeted contribution for fiscal year 2026-27.

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
Annual Regular CalSTRS Contributions
Fiscal Years 2017-18 through 2026-27

Fiscal Year	District Contributions
2017-18	$12,472,338
2018-19	14,335,807
2019-20	15,542,832
2020-21	15,710,107
2021-22	18,748,506
2022-23	20,805,697
2023-24	23,792,634
2024-25	23,201,695
2025-26	33,889,427[(1)]
2026-27	34,107,657[(2)]

[(1)] Estimated. Includes on-behalf payments.
[(2)] Budgeted. Includes on-behalf payments.
Source: The District.

The District's total employer contributions to CalSTRS for fiscal years 2017-18 through 2024-25 were equal to 100% of the required contributions for each year.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2025 (the "2025 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of $81.99 billion, a decrease of approximately $6.68 billion from the June 30, 2024, valuation. Such estimated unfunded actuarial liability was projected to decrease slightly in the June 30, 2024, valuation, which projected an unfunded actuarial liability of $87.17 billion as of June 30, 2025. The actual unfunded actuarial liability as of June 30, 2025, represents a net actuarial gain of approximately $5.12 million. Such net actuarial gain is due primarily to member salary increases being less than assumed, change in actuarial value assumptions based on the most recent experience analysis, market value returns (estimated at 9.20%) being higher than assumed (7.00%) and returns on actuarial value of assets (estimated at 8.20%)

being greater than assumed as the recognition of a portion of the current year actuarial investment gain and the prior year deferred gains. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2025, and June 30, 2024, based on the actuarial assumptions, were approximately 79.30% and 76.70%, respectively. According to the 2025 CalSTRS Actuarial Valuation, the funded ratio increased by 2.60% during the past year. As described in the 2025 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the expected contributions made to pay down the unfunded actuarial obligation in fiscal year 2024-25 along with other positive factors. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2025 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation, 0.00% lump-sum death benefit amount increases and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2025 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "− California Public Employees' Pension Reform Act of 2013" below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

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

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

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

The following table sets forth the District's total employer contributions from all applicable funds of the District to CalPERS for fiscal years 2017-18 through 2024-25, the estimated contribution for fiscal year 2025-26 and the budgeted contribution for fiscal year 2026-27.

GROSSMONT UNION HIGH SCHOOL DISTRICT
(San Diego County, California)
Annual CalPERS Regular Contributions
Fiscal Years 2017-18 through 2026-27

Fiscal Year	District Contributions[1]
2017-18	$6,851,448
2018-19	8,101,412
2019-20	9,267,548
2020-21	10,029,896
2021-22	11,657,196
2022-23	14,195,390
2023-24	16,735,480
2024-25	16,678,594
2025-26	15,710,673[2]
2026-27	17,052,872[3]

[1] Includes Regular Contributions and employee contributions paid by the District and "PERS Recapture." Pursuant to State law, the State is allowed to recapture the savings corresponding to a lower CalPERS rate by reducing a school district's revenue limit apportionment by the amount of the school district's CalPERS savings in that year. Such recapture has occurred with respect to the District in each fiscal year since fiscal year 1982-83.
[2] Estimated.
[3] Budgeted.
Sources: The District.

The District's total employer contributions to CalPERS for fiscal years 2017-18 through 2024-25 were equal to 100% of the required contributions for each year.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2024 (the "2024 CalPERS Schools Pool Actuarial Valuation"), was released in September 2025, and such valuation reported an actuarial accrued liability of approximately $133.98 billion with the market value of assets at approximately $93.19 billion, and a funded status of approximately 69.60%. From June 30, 2023, to June 30, 2024, the funded status of the CalPERS Schools Pool increased by approximately 2.10%, and the unfunded accrued liability increased by approximately $159.58 million, largely due to the difference between the expected and actual rate of return on investments.

CalPERS reported a negative 6.10% net return on investments for fiscal year 2021-22, which is CalPERS' first negative return on investments since fiscal year 2008-09. The negative 6.10% net return on investments was less than the assumed annual rate of return on investments of 6.80%. Such negative return generated an actuarial investment loss of approximately $12.40 billion, which will be amortized over 20 years with a five-year phase in, increasing the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2024-25 by 0.07% of payroll. The 2024 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2025-26, 2026-27, 2027-28, 2028-29, 2029-30 and 2030-31 are projected to be 26.81%, 26.90%, 27.80%, 27.40%, 27.00% and 26.20%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2024 CalPERS Schools Pool Actuarial Valuation. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2024 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2024 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of administrative

expenses) as of June 30, 2024. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020 to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2024 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

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

CalSTRS and CalPERS are more fully described in Note 11 to the District's financial statements in APPENDIX B − "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

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

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

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make (except as already announced). CalSTRS and CalPERS liabilities are more fully described in APPENDIX B − "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025." The District is not permitted to pay down its portion of retirement liability for CalSTRS or CalPERS.

GASB 67 and 68. In June 2012, GASB approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("GASB 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements changed how governments calculated and reported the costs and obligations associated with pensions. GASB 67 replaced the requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 68 replaced the requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes included: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities

and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. GASB 67 became effective beginning in fiscal year 2013-14, and Statement Number 68 became effective beginning in fiscal year 2014-15.

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

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

In addition to the retirement plan benefits with CalSTRS and CalPERS (see "– Retirement Benefits" above), the District provides the Post-Employment Benefit Plan (the "OPEB Plan") is a single-employer defined benefit healthcare plan administered by the District. The OPEB Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Based on the Actuarial Valuation (as defined herein), as of June 30, 2025, membership of the OPEB Plan consists of 202 retirees and beneficiaries currently receiving benefits, and 1,802 active OPEB Plan members. The contribution requirements of OPEB Plan members and the District are established and may be amended by the District and the Grossmont Education Association ("GEA"), the local California Service Employees Association ("CSEA"), and the local Service Employees International Union ("SEIU"). The required contribution is based on projected pay-as-you-go financing requirements. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 10.

Subsequent to the District's audited financial statements for fiscal year 2024-25, Foster & Foster Actuaries and Consultants prepared an actuarial valuation for the OPEB Plan for fiscal year 2025-26, dated May 27, 2026, for the June 30, 2026 valuation and measurement date (the "Actuarial Valuation"). According to the Actuarial Valuation, as of June 30, 2026, the District had a total OPEB liability of $52,785,539, and an OPEB expense of $3,104,286. Such amounts reflect a decrease in the total OPEB liability and the OPEB expense from the prior fiscal year amounts, which provides a total OPEB liability of $56,426,159, and an OPEB expense of $3,379,783. The District commenced prefunding for retiree health benefits through the California Employers' Retiree Benefits Trust ("CERBT") in June 2014. As of June 30, 2026, the District's balance in CERBT was $12,467,295. The CERBT balance reduces the total OPEB liability to a net OPEB liability equal to $40,318,244. The Actuarial Valuation assumes, among other things, a 2.50% inflation rate, a 5.32% discount rate per year net of expenses, a 2.75% payroll increase, and a 4.00% healthcare cost trend rate per year. Such assumptions are generally same as those assumptions used in the prior actuarial valuation for fiscal year 2023-24, except that the prior actuarial valuation assumed a 5.33% discount rate per year net of expenses.

The District also participates in the Medicare Premium Payment Program (the "MPP Program"), a cost-sharing multiple-employer other postemployment benefit plan administered by CalSTRS. The MPP Program is established pursuant to Chapter 1032, Statutes of 2000 (SB 1435), and CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Defined Benefit 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 MPP Program is funded on a pay-as-you-go basis from a portion of monthly District benefit payments. As of June 30, 2025, the District reported a liability of $712,080 for its proportionate share of the net OPEB liability for the MPP Program.

Accrued Vacation and other Obligations. The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2025 was $24,662,167.

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Summary of District Revenues and Expenditures

The following table summarizes the District's actual general fund revenues, expenditures and fund balances for fiscal years 2021-22 through 2025-26. The following table presents audited and estimated actuals figures in a format showing expenditures by object rather than by function. See also APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

GROSSMONT UNION HIGH SCHOOL DISTRICT
General Fund Revenues, Expenditures and Fund Balances
Fiscal Years 2021-22 through 2025-26

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Actuals	2025-26 Estimated Actuals
Revenue/Receipts					
LCFF Sources	$190,523,798	$217,068,257	$234,584,573	$233,821,478	$234,930,655
Federal Revenue	36,481,200	28,274,444	32,226,231	14,678,615	15,808,808
Other State Revenue	37,806,750	57,033,533	28,330,252	30,770,420	35,119,001
Other Local Revenue	29,692,505	36,320,537	41,762,704	41,150,824	38,298,465
TOTAL REVENUES	**$294,504,253**	**$338,696,771**	**$336,903,760**	**$320,421,337**	**$324,156,929**
Expenditures/Disbursements					
Certificated Salaries	$113,702,365	$113,861,559	$129,654,230	$126,314,058	$129,180,693
Classified Salaries	46,438,583	48,792,442	54,623,782	53,880,763	54,993,930
Employee Benefits	73,141,144	78,147,996	85,771,036	87,093,350	90,841,137
Books and Supplies	10,292,539	11,206,936	11,939,412	9,641,354	16,298,670
Services/Other Operating Expenditures	30,548,913	34,930,348	43,909,914	48,920,414	56,639,398
Capital Outlay	3,586,500	16,473,606	12,236,074	8,589,890	2,088,175
Other Outgo (excluding Transfers of Indirect/Direct Support Costs)	1,397,706	1,778,786	2,653,910	2,474,161	1,270,521
Transfers of Indirect/Direct Supports Costs	(891,966)	(950,904)	(884,247)	(1,019,159)	(1,142,610)
TOTAL EXPENDITURES	**$278,215,784**	**$304,240,769**	**$339,904,111**	**$335,894,831**	**$350,169,914**
Excess of Revenues Over/(Under) Expenditures	16,288,469	34,456,002	(3,000,351)	(15,473,494)	(26,012,985)
Other Financing Sources/(Uses)					
Transfers In	123,246	13,640	77,016	2,133	5,000
Other Sources	80,761	5,227,913[1]	-	4,218,385[1]	-
Transfers Out	-	-	(17,350)	(739,402)	(119,995)
TOTAL OTHER SOURCES/USES	**$204,007**	**$5,241,553**	**$59,666**	**$3,481,116**	**$(114,995)**
Net Change in Fund Balances	$16,492,476	$39,697,555	$(2,940,685)	$(11,992,378)	$(26,127,980)
Fund Balance, Beginning	**$54,095,064[2]**	**$68,975,467[3]**	**$108,673,022**	**$105,732,337**	**$93,739,955**
Fund Balance, Ending	**$70,587,540[3]**	**$108,673,022**	**$105,732,337**	**$93,739,959**	**$67,611,975**

[1] Other Sources in fiscal years 2022-23 and 2024-25 consist of proceeds from leases and from subscriptions-based information technology arrangements (SBITAs) pursuant to GASB Statement No. 96.
[2] An audit restatement to reclassify scholarship balances from Fund 73 (Foundation Private-Purpose Trust Fund) to the General Fund, accounts for the difference between the ending fund balance for fiscal year 2020-21 and the beginning fund balance for fiscal year 2021-22.
[3] An audit adjustment to account for a GASB 31 fair market value adjustment accounts for the difference between the ending fund balance for fiscal year 2021-22 and the beginning fund balance for fiscal year 2022-23.
Sources: District's audited financial statements for fiscal years ended June 30, 2022; 2023; 2024 and 2025; District's estimated actuals for fiscal year 2025-26.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain unrestricted general fund reserves in the amount of 3% of its total general fund expenditures, the level of which is based on total student attendance below 30,000. For fiscal year 2026-27, the District projects an unrestricted general fund reserve of 4.5%, or approximately $15.5 million, compared to the fiscal year 2025-26 unrestricted general fund reserve of $15.8 million. Substantially all funds of the District are required by law to be

deposited with and invested by the County Treasurer on behalf of the District, pursuant to law and the investment policy of the County. See APPENDIX E – "SAN DIEGO COUNTY INVESTMENT POOL."

The District's adopted budgets in fiscal years 2025-26 and 2026-27 include deficit spending of $9.3 million and $22.7 million, respectively. The fiscal year 2026-27 revenue estimates were prepared before the adoption of the 2026-27 State Budget. Following the adoption of the 2026-27 State Budget, the District began preparing a 45-day revised budget that is expected to reflect: (i) additional revenues in LCFF, Special Education, one-time Learning Recovery Emergency Block Grant, and one-time Discretionary Block Grant, (ii) additional spending on athletics as directed by the Governing Board, and (iii) the tentative agreement between the District and its certificated and classified labor organizations which was approved by the Governing Board on July 23, 2026. See "– District Expenditures – *Labor Relations*" above. The 45-day revised budget is expected to reflect a slight decrease in the ending balance for unrestricted funds and a significant increase in the ending balance for restricted funds, in the general fund. However, the 45-day revised budget is expected to continue to reflect deficit spending in fiscal year 2026-27.

The following table sets forth the budgeted revenues, expenditures and changes in fund balances for the District's general fund for fiscal year 2026-27. Certain adjustments may be made throughout the year based on actual State funding and actual District revenues and tax collections. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on the District. The District's budget is a planning tool, and does not represent a prediction as to the actual achievement of any budgeted revenues or fund balances.

GROSSMONT UNION HIGH SCHOOL DISTRICT
Budgeted General Fund Summary for Fiscal Year 2026-27

	2026-27 Budgeted[(1)]
REVENUES	
LCFF Sources	$239,630,859
Federal Revenue	14,768,075
Other State Revenue	28,859,706
Other Local Revenue	37,928,712
TOTAL	**$321,187,352**
EXPENDITURES	
Certificated Salaries	$126,977,282
Classified Salaries	57,911,195
Employee Benefits	95,759,173
Books and Supplies	13,053,310
Services/Other Operating Expenditures	49,174,983
Other Outgo	595,145
Other Outgo – Transfers of Indirect Costs	1,312,770
Capital Outlay	(1,192,503)
TOTAL	**$343,591,355**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,404,003)
OTHER FINANCING SOURCES (USES)	
Transfers In	5,000
Transfers Out	(287,172)
Other Sources	-
TOTAL OTHER FINANCING SOURCES (USES)	**(282,172)**
NET CHANGE IN FUND BALANCE	(22,686,175)
Fund Balance – Beginning	**$67,611,975**
Fund Balance – Ending	**$44,925,800**

[(1)] Adopted budget as of June 23, 2026.
Source: The District.

District Debt Structure and Long Term Obligations

Certain of the District's outstanding indebtedness is described below. For further discussion of the District's outstanding indebtedness, see APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 8.

General Obligation Bonds. As of July 1, 2026, the District has $586,142,030.40 principal amount of general obligation bonds outstanding and no remaining voter-approved authorization for future issuances from prior bond authorizations.

The principal amount outstanding does not include the accreted value on those portions of the General Obligation Bonds, Election of 2004, and those portions of the General Obligation Bonds, Election of 2008, that were issued as capital appreciation bonds. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 8.

For information on the annual debt service for the outstanding bonds of the District (assuming no additional optional redemptions prior to maturity), see "DEBT SERVICE – Aggregate Annual Debt Service."

Tax and Revenue Anticipation Notes. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available moneys. The District evaluates each year whether or not temporary borrowing will be necessary or economically beneficial. The District has approved a borrowing of up to $20 million in tax and revenue anticipation notes in fiscal year 2026-27, through the County's tax and revenue anticipation note pool.

Capital Leases. The District has leases for buses under agreements with options to purchase. The annual requirements on these capital leases outstanding as of June 30, 2025, are as follows:

GROSSMONT UNION HIGH SCHOOL DISTRICT
Annual Lease Payments
Capital Leases

Fiscal Year Ended June 30,	Total
2026	$512,770
2027	512,770
Total minimum payments	$1,025,540
Less amount representing interest	(56,603)
Present value of minimum payments	$968,937

Source: The District.

Leases. On March 1, 2024, the District entered into a 60-month lease as lessee for the use of certain Apple technology products. An initial lease liability was recorded in the amount of $2,072,210. As of June 30, 2025, the value of the lease liability was $1,244,112. The District is required to make annual fixed payments of $418,755. The lease has an interest rate of 0.49%. The computer equipment estimated useful life in months was nil as of the contract commencement.

On April 1, 2024, the District entered into a 60-month lease as lessee for the use of certain Dell technology products. An initial lease liability was recorded in the amount of $450,540. As of June 30, 2025, the value of the lease liability was $270,174. The District is required to make annual fixed payments of $95,378. The lease has an interest rate of 2.93%. The computer equipment estimated useful life in months was nil as of the contract commencement.

Lease Revenue Bonds. On August 4, 2020, the District entered into a lease obligation and caused to be issued $33,185,000 of related lease revenue bonds (the "Lease Revenue Bonds") with interest of 4.0% on each maturity of such bonds. The lease obligation was entered into to finance improvements to the District's transportation yard and bus maintenance facilities. Interest with respect to the Lease Revenue Bonds is payable semi-annually on

each January 1 and July 1, through the final maturity of the bonds on July 1, 2040. Principal with respect to the Lease Revenue Bonds is payable annually on each July 1, and annual principal payments range from $655,000 to $3,010,000. As of July 1, 2026, the principal balance outstanding was $29,145,000.

SBITAs. The District has entered into various subscriptions-based information technology arrangements ("SBITAs") for the use of various software. As of June 30, 2025, the District has recognized subscription liabilities in the aggregate amount of $2,359,894 related to these agreements. The District is required to make annual fixed principal and interest payments through the various dates set forth in such subscriptions, which typically span from 24 to 60 months.

Capital Financing Plan

The District Board approved its original Long Range Facility Plan (the "Master Plan") in October 2003, which led to the authorization of a bond measure ("Proposition H") in 2004, and issuance, in 2004, 2006, and 2008, of an aggregate $274 million in facilities improvement bonds. Since 2004, substantial modernization work has been completed at each of the District's campuses.

In June 2008, the District undertook an update of the Master Plan, which identified additional facilities improvement needs of approximately $1 billion to (a) modernize campus facilities and structures at its eleven comprehensive high schools, one alternative education facility and several adult education facilities not anticipated in Proposition H, (b) complete the first phase of construction of a new high school, and (c) bring all campus facilities up to a common standard parity. The District financed the school modernization and construction costs ("a" and "b" above) from the proceeds of voter-approved debt and State matching funds. The Proposition U bonding authority of $417 million, combined with State matching funds of approximately $81.9 million, funded a substantial majority of these costs. The District has utilized subsequent bond measure proceeds as the funding source for the parity facilities improvements ("c" above) identified in the updated Master Plan. The Master Plan was further revised in October 2009 in order to accommodate programmatic improvements in career technical education, special education, and the arts.

On November 8, 2016, Measure BB was approved by voters in the District, authorizing up to $128 million of general obligation bonds, which, along with anticipated State match funding up to $50 million, allowed the District to complete much needed remaining Proposition U projects and additional facility needs. In August 2023, the District prepared an updated facilities needs assessment which outlined a total remaining need for the District of over $479 million to address remaining capital projects, site work, and safety projects.

Insurance, Risk Pooling and Joint Powers Arrangements

The District participates in joint ventures under joint powers agreements ("JPAs") with the San Diego County School Risk Management Authority (the "Risk Pool") and the San Diego County Educational Facilities Authority No. 1 (the "Facilities Authority"). The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs provide property and liability insurance coverage for their member school districts. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs. Financial information for the most recently audited period is available directly from the JPA.

The Facilities Authority is a JPA of the Authority and the San Diego County Office of Education that was established to provide funding for a joint use educational facility (the "Joint Use Facility"). The governing board of the Facilities Authority is comprised of two representatives from each of the two participants.

The District is not a member of any other joint powers agencies or authorities. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025," Note 13.

SCHOOL DISTRICT BUDGET PROCEDURES AND REQUIREMENTS

District Budget Process and County Review

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

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

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

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code of the State (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet

its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

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

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

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

Accounting Practices

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

CWDL, Certified Public Accountants, serves as independent auditor to the District and its report for Fiscal Year Ended June 30, 2025, is attached hereto as APPENDIX B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit excerpts herein that there has been no material change in the financial condition of the District since the audit was concluded.

The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District's Governing Board by September 15, and the audit report must be filed with the San Diego County Superintendent of Schools and State officials by December 15 of each year. The District

is required by law to adopt its audited financial statements following a public meeting to be conducted no later than January 31 following the close of each fiscal year.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978 voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for payment of the District's bonds approved at the elections of 2004, 2008, and 2016 falls within the exception for bonds approved by a 55% vote. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed at $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Proposition 19. Proposition 19, which was approved by the voters of the State on November 3, 2020, among other things, allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a

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

Article XIIIB of the State Constitution

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

In fiscal year 2024-25, the District had an appropriations limit of $156,815,805.77 and appropriations subject to such limit of $156,815,805.77, and an appropriations limit in 2025-26 of $163,709,980.58. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIIIC and Article XIIID of the State Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees imposed by the District are restricted as to use and are neither pledged nor available to pay the Bonds.

The District receives a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

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

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

Proposition 39

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

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

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

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

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

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

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

Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the "Education Protection Account"), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

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

Applications of Constitutional and Statutory Provisions

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

Proposition 2

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

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (Proposition 98 Rainy Day Fund) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

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

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

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

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

Proposition 2 (2024)

At the November 5, 2024 Election, voters in the State approved the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 ("Proposition 2 (2024)"). Proposition 2 (2024) authorizes the sale and issuance of $10.0 billion in general obligation bonds for new construction and modernization of K-14 facilities. The District makes no representation or guarantee that it will either pursue or qualify for Proposition 2 (2024) State facilities funding.

To receive funding under Proposition 2 (2024), a district must develop a five-year master plan, including (i) an inventory of existing facilities, sites and property; (ii) existing classroom capacity and projected enrollment; (iii) a capital planning budget, and (iv) a deferred maintenance plan. Specific guidelines are being developed by the Department of General Services and the Department of Education. The District shall take the requirements of Proposition 2 (2024) into consideration in the development of its facilities master plan.

TK-12 School Facilities. Proposition 2 (2024) includes $3.3 billion for new construction of TK-12 facilities and an additional $4.0 billion for modernization of existing TK-12 facilities. TK-12 school districts will be required to pay for 50% of new construction costs and 40% of modernization costs with local revenues. If a school district lacks sufficient local funding it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school facilities ($600 million) and technical education facilities ($600 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two project types may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound prior to project approval.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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GROSSMONT UNION HIGH SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2025

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GROSSMONT UNION HIGH SCHOOL DISTRICT
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GROSSMONT UNION HIGH SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Governing Board
Grossmont Union High School District
El Cajon, California

Report on Audit of Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. s. The Supplementary Information section as listed in the Table of Contents, which includes 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*, 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. Such 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 supplementary information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 4, 2025

INTRODUCTION

Our discussion and analysis of Grossmont Union High School District's (the "District") financial performance provides an overview of the District's financial activities as of and for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

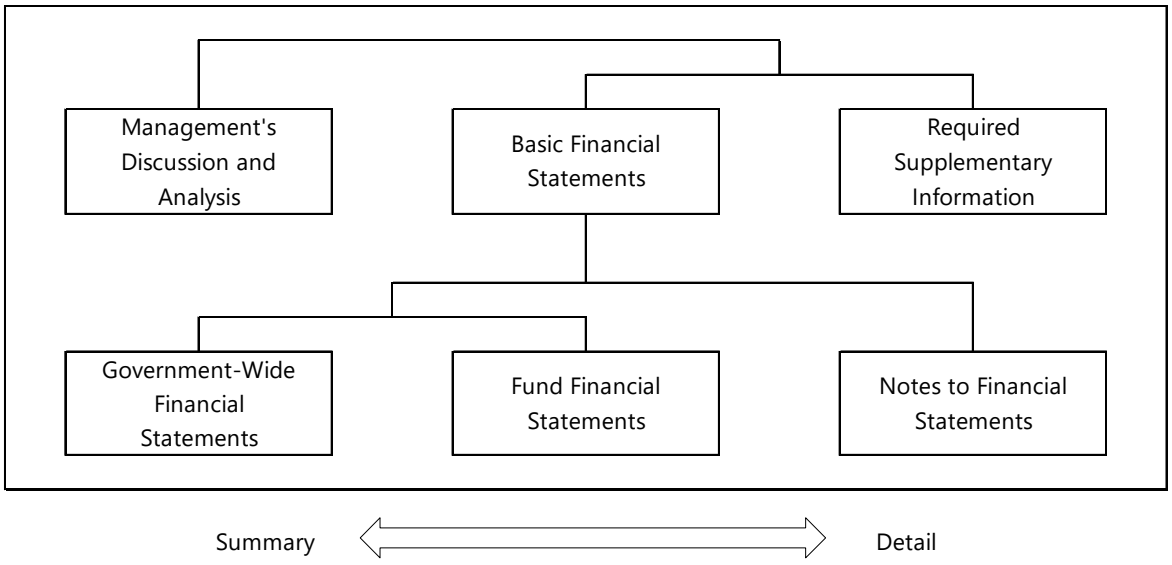
FINANCIAL HIGHLIGHTS

The District's net position was $152,248,695 at June 30, 2025. This decreased $39,412,805 from the prior year.

Overall revenues were $427,880,312 which falls short of the expenses of $448,798,209.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS, continued

Components of the Financial Section, continued

This annual report consists of three parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The three sections together provide a comprehensive overview of the District. The Basic Financial Statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District's operations in more detail. The fund financial statements comprise the remaining statements:

    - **Governmental Funds** provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

    - **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide financial statements, they provide both long-term and short-term financial information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Financial Statements

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

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was $152,248,695 at June 30, 2025, as reflected in the table below. Of this amount, $(283,444,037) net position was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2025	2024	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$ 271,702,781	$ 305,442,850	$ (33,740,069)
Non-current assets	958,275,037	957,031,730	1,243,307
Deferred outflows of resources	121,238,251	127,851,406	(6,613,155)
Total Assets and Deferred Outflows of Resources	1,351,216,069	1,390,325,986	(39,109,917)
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	100,026,863	38,084,715	61,942,148
Non-current liabilities	1,059,718,411	1,123,534,599	(63,816,188)
Deferred inflows of resources	39,222,100	37,045,172	2,176,928
Total Liabilities and Deferred Inflows of Resources	1,198,967,374	1,198,664,486	302,888
NET POSITION			
Net investment in capital assets	272,489,139	333,839,001	(61,349,862)
Restricted	163,203,593	195,984,960	(32,781,367)
Unrestricted	(283,444,037)	(338,162,461)	54,718,424
Total Net Position	$ 152,248,695	$ 191,661,500	$ (39,412,805)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues			
Charges for services	$ 6,266,195	$ 6,546,084	$ (279,889)
Operating grants and contributions	94,204,237	107,796,416	(13,592,179)
Capital grants and contributions	1,616,521	3,058,949	(1,442,428)
General revenues			
Property taxes	212,045,210	203,215,079	8,830,131
Federal and state aid not restricted for specific purposes	85,113,182	90,735,266	(5,622,084)
Other	28,634,967	28,058,401	576,566
Total Revenues	427,880,312	439,410,195	(11,529,883)
EXPENSES			
Instruction	199,675,935	194,350,462	5,325,473
Instruction-related services	49,396,577	51,724,660	(2,328,083)
Pupil services	48,028,655	45,566,706	2,461,949
General administration	25,529,094	24,629,732	899,362
Plant services	37,191,991	34,156,608	3,035,383
Ancillary services	9,072,912	9,156,191	(83,279)
Community services	1,006,383	874,876	131,507
Enterprise services	(1,428,957)	(1,725,161)	296,204
Interest on long-term debt	35,753,452	36,949,561	(1,196,109)
Other outgo	603,128	1,211,644	(608,516)
Depreciation (unallocated)	42,586,004	40,012,676	2,573,328
Amortization (unallocated)	1,383,035	1,334,555	48,480
Total Expenses	448,798,209	438,242,510	10,555,699
CHANGE IN NET POSITION	(20,917,897)	1,167,685	(22,085,582)
NET POSITION - BEGINNING	191,661,500	201,235,189	(9,573,689)
PRIOR PERIOD ADJUSTMENT (NOTE 15)	(18,494,908)	(10,741,374)	(7,753,534)
NET POSITION - ENDING	$ 152,248,695	$ 191,661,500	$ (39,412,805)

The District's total revenues decreased by 2.62% to $427,880,312 (refer to the table above). The decrease in overall Net Position is almost exclusively attributable to the excess of expenditures over revenue of $20,917,897.

The total cost of all programs and services increased 2.41% from the prior year to $448,798,209. The District's expenses are predominately related to educating and supporting students, accounting for 66.2% of the total expenses. The District's administrative activities accounted for only 5.7% of the total costs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position, continued

The table below reflects the net cost of each of the District's functions. Net cost is the total expense net of each program's revenues. These services increased by a total of $25.3 million from the prior year. This increase is due to the following factors:

- **Instruction:** The overall change in Net Position (revenues over expenditures) saw a significant impact from three primary areas.

    1. Increased Contribution to Restricted Programs: A positive change resulted from modifications in the accounting treatment of both Career Technical Education (CTE) and Special Education funding. These changes led to an increased contribution to Restricted Programs.

    2. Increases in Health and Welfare Costs: We recorded an increase in Health and Welfare costs. These expenditures relate to employee benefits, such as health insurance premiums.

    3. Implementation of GASB Lease Accounting: In accordance with Governmental Accounting Standards Board (GASB) requirements (specifically referring to GASB Statement No. 87, *Leases*), we recognized additional recorded expenditures related to lease assets. This change reflects the capitalization and subsequent amortization/expense recognition for payments made on all lease agreements, where these assets were previously expensed as operating costs.

	Governmental Activities	
	Net Cost of Services	
	2025	2024
Instruction	$ 143,865,205	$ 133,617,651
Instruction-related services	37,114,551	38,929,521
Pupil services	28,558,941	25,275,909
General administration	23,380,752	21,659,040
Plant services	34,065,438	21,948,562
Ancillary services	1,968,860	1,901,744
Community services	1,006,383	874,876
Enterprise services	(1,428,957)	(1,725,161)
Interest on long-term debt	35,753,452	36,949,561
Other outgo	(1,542,408)	62,127
Depreciation (unallocated)	43,969,039	40,012,676
Amortization (unallocated)	1,383,035	1,334,555
Total	$ 348,094,291	$ 320,841,061

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

As of June 30, 2025, the District's governmental funds reported a combined fund balance of $235,371,676. This represents a decrease of $34,308,607 from the prior year's ending balance of $269,680,323.

General Fund: The General Fund decreased by $11,992,378. This decrease resulted from a $15,473,494 deficit in operations, partially offset by net financing sources of $3,481,116.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS, continued

Building Fund: The Building Fund's fund balance decreased by $24,775,684 during the fiscal year ended June 30, 2025. This significant decrease was primarily attributable to ongoing construction activities related to the Proposition U and Measure BB bond programs, which exceeded operating revenues.

County School Facilities Fund: The County School Facilities Fund reported a net decrease in fund balance of $5,350,636 for the fiscal year ended June 30, 2025. This decrease was due to operating expenditures exceeding revenues.

Bond Interest and Redemption Fund: The Bond Interest and Redemption Fund experienced a net increase in fund balance of $5,692,976 for the fiscal year ended June 30, 2025. This increase resulted from a $98,394,073 operating deficit offset by net other financing sources of $104,087,049.

CURRENT YEAR BUDGET 2024-2025

Throughout the fiscal year, the District's Governing Board regularly approves budget revisions and appropriation transfers to accommodate changes in revenue and expenditure estimates. These adjustments are necessary to reflect evolving financial conditions, including updates from state and local funding sources.

Additionally, the Board approves financial projections incorporated into the Adopted Budget, First Interim Financial Report, and Second Interim Financial Report. The Unaudited Actuals presented herein reflect the District's financial performance as compared to these approved projections and the most recent budget.

There were no significant budgetary variations between the original budget and the final amended budget.

CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

By the end of fiscal year 2024-2025, the District had invested $956,135,229 in capital assets, net of accumulated depreciation and amortization. More detailed information about the District's capital assets is presented in Note 4 to financial statements.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	$ 50,111,979	$ 50,111,979	$ -
Construction in progress	33,507,893	58,507,053	(24,999,160)
Land improvements	194,085,791	180,122,188	13,963,603
Buildings and improvements	1,138,812,865	1,089,532,902	49,279,963
Furniture and equipment	58,983,027	55,913,485	3,069,542
Accumulated depreciation	(523,812,220)	(481,226,216)	(42,586,004)
Right-to-use assets	6,695,694	2,693,244	4,002,450
Accumulated amortization	(2,249,800)	(866,765)	(1,383,035)
Total Capital Assets and Right-to-Use Assets	$ 956,135,229	$ 954,787,870	$ 1,347,359

LONG-TERM LIABILITIES

By the end of fiscal year 2024-2025, the District had $1,059,718,411 in non-current portion of long-term liabilities, a decrease of 4.12% from last year – as shown in the table below. More detailed information about the District's long-term liabilities is presented in Notes 8, 10 and 11 to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	$ 777,102,395	$ 790,811,606	$ (13,709,211)
Lease revenue bonds	29,145,000	30,125,000	(980,000)
Unamortized debt premiums/(discounts)	5,480,779	5,823,328	(342,549)
Finance purchase agreement	968,937	1,426,501	(457,564)
Lease liability	1,514,286	-	1,514,286
Subscription-based IT arrangements	2,359,894	1,729,934	629,960
Compensated absences*	24,662,167	21,757,594	2,904,573
Net pension liability	235,183,452	247,436,739	(12,253,287)
Net OPEB liability	45,723,668	42,918,805	2,804,863
Less: long-term liabilities, current portion	(62,422,167)	(36,784,695)	(25,637,472)
Long-term Liabilities, Non-Current Portion	$ 1,059,718,411	$ 1,105,244,812	$ (45,526,401)

*2024 balance as restated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

According to the UCLA Anderson forecast, it is predicted that California's economy will continue to struggle in 2026, but will, by year's end, join a national recovery predicted for mid-2026. Adaptation to evolving international trade norms, increased construction, and improvements in the technology sector are identified as the impetus to the recovery. The UCLA Anderson forecast foreshadows that 2027 will provide further improved conditions for economic growth nationally and for California, both positive indicators for the future fiscal health of the District.

However, state and national economic trends do not fully define the state budget, and there are many other factors that impact the District's future fiscal health. The primary in-district data points to watch are enrollment and attendance. While both have dropped steeply since the 2020 shutdown, the district is showing signs of enrollment stabilization, increased unduplicated counts, and attendance improvement in 2025-2026. Changes to these patterns can impact the district's financial status positively or negatively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

At the state level, California is currently experiencing unemployment at 5.5%, a tick higher than the national rate of 4.4%. Ken Kappan of the Legislative Analyst's Office (LAO) conveys that California's economic situation projects positively, and in alignment with the Anderson Forecast projection, but the outlook is tenuous at best and hinges on the unpredictable performance of the stock market. He conveyed his concerns that 10% of California's state revenues are generated by taxes related to just 4 technology companies, Apple, Meta, Google, and Nvidia. These stocks have all performed exceedingly well over the last 5 years, so the LAO warned the shares could be overvalued with the general possibility of an overheated market posing significant threat to the health of the state economy. Price to Earnings ratios are the worst they have been since the great recession; a stock bubble crash could negatively impact the California economy and district finance. The cautiously optimistic projection the LAO has for California is steeped in concern, relying on what Ken Kappan described as "unsustainable" stock market performance sustaining for one more year; a prognostication that necessitates fiscal prudence.

California's public education funding is subject to annual fluctuations due to changes in state revenue. To ensure a minimum level of support, Proposition 98 mandates that nearly 40% of the state's General Fund be allocated to K-12 and community college education. The Proposition 98 guarantee for K-12 schools is $114.6 billion in 2025-2026, a concern in that it is a reduction from the 119.2 Billion guaranteed for 2024-2025. Of further concern is the status of the state budget and its continued disconnection from revenues. The state has been using one-time money and "rainy day" emergency funds the last few years to keep the expenditures robustly over revenues, but the economy has not cooperated fully and the hopes of bridging through the post-pandemic era with available solutions and stopgaps have faded. The LAO projects that the state budget calls for $18 billion more in expenditures than revenues in 2026-20027, and $35 billion dollars more in 2027-2028. Inevitably, there will be cuts and maneuvers that will impact every layer of the state budget, including education funding in ways that cannot be predicted. The Governor is scheduled to provide an update on state revenues in the January Proposed Budget, which will inform future decisions regarding Proposition 98 and K-12 funding levels.

All of these factors have been considered in preparing and enacting the District's budget for the 2025-26 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, 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 the Business Office at (619) 644-8000.

FINANCIAL SECTION

GROSSMONT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and equivalents	$ 232,817,403
Accounts receivable	35,503,017
Inventory	519,606
Prepaid expenses	523,499
Other current assets	2,065,000
Lease receivable, current portion	274,256
Total Current Assets	271,702,781
Non-Current Assets	
Lease receivable, non-current portion	2,139,808
Capital assets, net	951,689,335
Right-to-use assets, net	4,445,894
Total Non-Current Assets	958,275,037
TOTAL ASSETS	1,229,977,818
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	18,941,260
Deferred outflows related to OPEB	7,778,666
Deferred outflows related to pensions	94,518,325
TOTAL DEFERRED OUTFLOWS OF RESOURCES	121,238,251
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,351,216,069
LIABILITIES	
Current Liabilities	
Accrued liabilities	$ 25,168,928
Interest payable	11,858,795
Unearned revenue	576,973
Long-term debt, current portion	62,422,167
Total Current Liabilities	100,026,863
Non-Current Liabilities	
Net pension liability	235,183,452
Net OPEB liability	45,723,668
Long-term debt, non-current portion	778,811,291
Total Non-Current Liabilities	1,059,718,411
TOTAL LIABILITIES	1,159,745,274
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to lease receivable	2,317,386
Deferred inflows related to OPEB	12,583,357
Deferred inflows related to pensions	24,321,357
TOTAL DEFERRED INFLOWS OF RESOURCES	39,222,100
NET POSITION	
Net investment in capital assets	272,489,139
Restricted	
Educational programs	23,297,528
Debt service	72,200,139
Capital projects	48,959,772
Child nutrition	9,876,860
Student activity funds	3,954,719
Other restrictions	4,914,575
Unrestricted	(283,444,037)
TOTAL NET POSITION	152,248,695
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,351,216,069

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

GROSSMONT UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 199,675,935	$ 205,226	$ 53,988,983	$ 1,616,521	$ (143,865,205)
Instruction-related services					
Instructional supervision and administration	15,659,414	54,103	5,505,176	-	(10,100,135)
Instructional library, media, and technology	3,940,979	-	161,616	-	(3,779,363)
School site administration	29,796,184	47,004	6,514,127	-	(23,235,053)
Pupil services					
Home-to-school transportation	8,608,866	215	117,183	-	(8,491,468)
Food services	12,809,067	534,959	13,016,408	-	742,300
All other pupil services	26,610,722	20,066	5,780,883	-	(20,809,773)
General administration					
Centralized data processing	10,120,070	-	23,515	-	(10,096,555)
All other general administration	15,409,024	22,870	2,101,957	-	(13,284,197)
Plant services	37,191,991	912,248	2,214,305	-	(34,065,438)
Ancillary services	9,072,912	4,388,626	2,715,426	-	(1,968,860)
Community services	1,006,383	-	-	-	(1,006,383)
Enterprise services	(1,428,957)	-	-	-	1,428,957
Interest on long-term debt	35,753,452	-	-	-	(35,753,452)
Other outgo	603,128	80,878	2,064,658	-	1,542,408
Depreciation (unallocated)	42,586,004	-	-	-	(42,586,004)
Amortization (unallocated)	1,383,035	-	-	-	(1,383,035)
Total	$ 448,798,209	$ 6,266,195	$ 94,204,237	$ 1,616,521	(346,711,256)
General Revenues					
Taxes and subventions					
Property taxes, levied for general purposes					161,504,239
Property taxes, levied for debt service					47,180,397
Property taxes, levied for other specific purposes					3,360,574
Federal and state aid not restricted for specific purposes					85,113,182
Interest and investment earnings					8,651,819
Interagency revenues					12,211,749
Miscellaneous					8,345,357
Special and extraordinary items					(573,958)
Total General Revenues					325,793,359
CHANGE IN NET POSITION					(20,917,897)
NET POSITION - BEGINNING					191,661,500
PRIOR PERIOD ADJUSTMENTS (NOTE 15)					(18,494,908)
NET POSITION - ENDING					$ 152,248,695

GROSSMONT UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and equivalents	$ 80,342,103	$ 14,048,098	$ 23,067,859	$ 72,200,139	$ 32,934,455	$ 222,592,654
Accounts receivable	28,577,331	323,731	380,361	-	5,822,216	35,103,639
Due from other funds	1,006,486	17,187	5,367,989	-	838,015	7,229,677
Inventory	271,267	-	-	-	248,339	519,606
Prepaid expenses	262,241	21,761	-	-	164,068	448,070
Other current assets	1,800,000	-	-	-	-	1,800,000
Lease receivable	1,390,657	-	-	-	1,023,407	2,414,064
Total Assets	$ 113,650,085	$ 14,410,777	$ 28,816,209	$ 72,200,139	$ 41,030,500	$ 270,107,710
LIABILITIES						
Accrued liabilities	$ 17,282,107	$ 3,841,465	$ 2,270,834	$ -	$ 1,217,592	$ 24,611,998
Due to other funds	840,575	5,368,156	14,943	-	1,006,003	7,229,677
Unearned revenue	464,381	-	-	-	112,592	576,973
Total Liabilities	18,587,063	9,209,621	2,285,777	-	2,336,187	32,418,648
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to lease receivable	1,323,063	-	-	-	994,323	2,317,386
Total Deferred Inflows of Resources	1,323,063	-	-	-	994,323	2,317,386
FUND BALANCES						
Nonspendable	593,508	21,761	-	-	420,790	1,036,059
Restricted	29,693,520	5,179,395	26,530,432	72,200,139	29,600,107	163,203,593
Committed	32,563,346	-	-	-	-	32,563,346
Assigned	15,741,040	-	-	-	7,679,093	23,420,133
Unassigned	15,148,545	-	-	-	-	15,148,545
Total Fund Balances	93,739,959	5,201,156	26,530,432	72,200,139	37,699,990	235,371,676
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 113,650,085	$ 14,410,777	$ 28,816,209	$ 72,200,139	$ 41,030,500	$ 270,107,710

GROSSMONT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 235,371,676
Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets and right-to-use assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation, and right-to-use assets and accumulated amortization:		
Capital assets	$ 1,475,501,555	
Accumulated depreciation	(523,812,220)	
Right-to-use assets	6,695,694	
Accumulated amortization	(2,249,800)	956,135,229
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period		(11,858,795)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the government-wide statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds	$ 777,102,395	
Lease revenue bonds	29,145,000	
Unamortized debt premiums/(discounts)	5,480,779	
Finance purchase agreement	968,937	
Lease liability	1,514,286	
Subscription-based IT arrangements	2,359,894	
Compensated absences	24,662,167	
Net pension liability	235,183,452	
Net OPEB liability	45,723,668	(1,122,140,578)
Deferred gain or loss on debt refunding:		
In the government-wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:		18,941,260
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In government-wide the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows related to pensions	$ 94,518,325	
Deferred inflows related to pensions	(24,321,357)	70,196,968
Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB):		
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the government-wide statement of net position, deferred outflows and inflows of resources relating to OPEB are reported:		
Deferred outflows related to OPEB	$ 7,778,666	
Deferred inflows related to OPEB	(12,583,357)	(4,804,691)
Internal service fund:		
An internal service fund is used by the District's management to charge the costs of the proprietary and liability insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		10,407,626
Total Net Position - Governmental Activities		$ 152,248,695

GROSSMONT UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	$ 233,821,478	$ -	$ -	$ -	$ -	$ 233,821,478
Federal sources	14,678,615	-	-	1,192,667	9,144,109	25,015,391
Other state sources	30,770,420	-	-	290,035	21,750,691	52,811,146
Other local sources	41,150,824	1,501,966	1,616,522	49,802,066	17,585,101	111,656,479
Total Revenues	320,421,337	1,501,966	1,616,522	51,284,768	48,479,901	423,304,494
EXPENDITURES						
Current						
Instruction	194,230,845	-	-	-	7,287,097	201,517,942
Instruction-related services						
Instructional supervision and administration	15,000,216	-	-	-	532,415	15,532,631
Instructional library, media, and technology	3,884,618	-	-	-	-	3,884,618
School site administration	19,684,826	-	-	-	9,820,012	29,504,838
Pupil services						
Home-to-school transportation	8,518,307	-	-	-	-	8,518,307
Food services	84,312	-	-	-	13,536,679	13,620,991
All other pupil services	26,312,608	-	-	-	98,936	26,411,544
General administration						
Centralized data processing	8,803,804	-	-	-	-	8,803,804
All other general administration	15,818,482	-	-	-	1,058,685	16,877,167
Plant services	33,054,955	699,032	-	-	2,642,565	36,396,552
Facilities acquisition and maintenance	3,434,211	25,376,844	6,967,158	-	2,914,536	38,692,749
Ancillary services	2,190,398	-	-	-	6,944,204	9,134,602
Community services	1,061,254	-	-	-	-	1,061,254
Enterprise activities	845,667	-	-	-	-	845,667
Transfers to other agencies	401,354	-	-	-	-	401,354
Other outgo	-	201,774	-	-	-	201,774
Debt service						
Principal	2,452,786	-	-	-	1,058,917	3,511,703
Interest and other	116,188	-	-	20,376,704	1,206,049	21,698,941
Redemptions	-	-	-	129,302,137	-	129,302,137
Total Expenditures	335,894,831	26,277,650	6,967,158	149,678,841	47,100,095	565,918,575
Excess/(Deficiency) of Revenues						
Over Expenditures	(15,473,494)	(24,775,684)	(5,350,636)	(98,394,073)	1,379,806	(142,614,081)
OTHER FINANCING SOURCES/(USES)						
Transfers in	2,133	-	-	-	739,402	741,535
Other sources	4,218,385	-	-	104,087,049	-	108,305,434
Transfers out	(739,402)	-	-	-	(2,133)	(741,535)
Other Financing Sources/(Uses), Net	3,481,116	-	-	104,087,049	737,269	108,305,434
NET CHANGE IN FUND BALANCES	(11,992,378)	(24,775,684)	(5,350,636)	5,692,976	2,117,075	(34,308,647)
FUND BALANCES - BEGINNING	105,732,337	29,976,840	31,881,068	66,507,163	35,582,915	269,680,323
FUND BALANCES - ENDING	$ 93,739,959	$ 5,201,156	$ 26,530,432	$ 72,200,139	$ 37,699,990	$ 235,371,676

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

GROSSMONT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds		$ (34,308,647)
Amounts reported for governmental activities in the statement of activities are different from amounts		
Capital outlay:		
In governmental funds, the costs of capital assets, lease assets and subscription-based IT arrangements are reported as expenditures in the period when the assets are acquired. In the government-wide statement of activities, costs of capital assets, lease assets and subscription-based IT arrangements are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay	$ 45,890,711	
Depreciation expense	(42,586,004)	
Amortization expense	(1,383,035)	1,921,672
Debt service:		
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		83,834,878
Debt proceeds:		
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:		(104,087,049)
Gain or loss from the disposal of capital assets:		
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the government-wide statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:		(574,313)
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		(1,417,253)
Accreted interest on long-term debt:		
In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.		(18,448,399)
Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the government-wide statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		(2,904,573)
Balance Forward:		$ (75,983,684)

GROSSMONT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Balance Brought Forward:	$	(75,983,684)
Pensions:		
In government funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		2,048,196
Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer contributions are made. In the government-wide statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:		171,249
Amortization of deferred gain or loss from debt refunding:		
In the government-wide statements, any deferred gain or loss from debt refunding is amortized as interest over the life of the debt. Amortization of deferred gain or loss from debt refunding for the period is:		(1,473,930)
Amortization of debt issuance premium or discount:		
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an 'other financing source' or an 'other financing use' in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:		52,045,648
Internal service funds:		
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:		2,274,624
Change in Net Position of Governmental Activities	$	(20,917,897)

GROSSMONT UNION HIGH SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF FUND NET POSITION
JUNE 30, 2025

	Non-Major Internal Service Fund
	Internal Service Fund
ASSETS	
Cash and equivalents	$ 10,224,749
Accounts receivable	399,378
Prepaid expenses	75,429
Other current assets	265,000
TOTAL ASSETS	10,964,556
LIABILITIES	
Accrued liabilities	556,930
TOTAL LIABILITIES	556,930
NET POSITION	
Unrestricted	10,407,626
TOTAL NET POSITION	$ 10,407,626

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

GROSSMONT UNION HIGH SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Non-Major Internal Service Fund
	Internal Service Fund
OPERATING REVENUES	
Local sources	$ 6,827,027
Total Operating Revenues	6,827,027
OPERATING EXPENSES	
Services and other operating expenses	4,873,048
Total Operating Expenses	4,873,048
Operating Income/(Loss)	1,953,979
NON-OPERATING REVENUES	
Interest income	320,645
Total Non-Operating Revenues	320,645
CHANGE IN NET POSITION	2,274,624
NET POSITION - BEGINNING	8,133,002
NET POSITION - ENDING	$ 10,407,626

GROSSMONT UNION HIGH SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Non-Major Internal Service Fund
	Internal Service Fund
Cash Flows from Operating Activities	
Cash received from grants and customers	$ 6,786,601
Cash payments for other goods and services	(4,624,255)
Net Cash Provided by/(Used in) Operating Activities	2,162,346
Net Increase/(Decrease) in Cash and Equivalents	2,482,991
Cash and Equivalents, Beginning of Year	7,741,758
Cash and Equivalents, End of Year	$ 10,224,749
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities	
Operating Income/(Loss)	$ 1,953,979
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities	
Changes in Assets and Liabilities:	
Accounts receivable	(40,426)
Prepaid expenses	8,374
Due from other funds	138,419
Accrued liabilities	240,419
Due to other funds	(138,419)
Total Adjustments	208,367
Net Cash Flows From Operating Activities	$ 2,162,346

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

The District operates under a locally elected Board form of government and provides educational services to grades 9-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government, the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, continued

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary –are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-like activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

General Fund
The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

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

County School Facilities Fund
This fund is established pursuant to *Education Code Section* 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code Section* 17070.10 et seq.).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, continued

Major Governmental Funds, continued

Bond Interest and Redemption Fund
This fund is used for the repayment of bonds issued by the District (*Education Code Sections* 15125–15262). The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

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

- **Student Activity Special Revenue Fund:** This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

- **Adult Education Fund:** This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections* 52616[b] and 52501.5[a]).

- **Cafeteria Special Revenue Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections* 38090–38093). The fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections* 38091 and 38100).

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

- **Capital Facilities Fund:** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections* 17620–17626). The authority for these levies may be county/city ordinances (*Government Code Sections* 65970–65981) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section* 66006).

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, continued

Proprietary Funds

Internal Service Fund
Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

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

Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements
The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Governmental Funds
Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting – Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Expenses/Expenditures
On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Equivalents

The District's cash and equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and equivalents also include cash in county treasury for purposes of the statement of cash flows. Fair values of cash in county treasury are determined by the program sponsor.

Accounts Receivable

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2025 are deemed fully collectible.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Prepaid Expenses and Other Current Assets

Certain payments to vendors for costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectable amounts. An associated deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable, plus any prepayments at the beginning of the lease. The deferred inflow is amortized on a straight-line basis over the term of the lease.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $5,000 for capital assets other than lease assets and subscription assets. The District does not own any infrastructure as defined in GASB Statement No. 34. 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. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed and recorded using the straight-line method. Estimated useful life of the various classes of depreciable capital assets are as follows: buildings and improvements, 5-50 years; furniture and equipment, 2-15 years; and vehicles, 8 years.

Included in capital assets are right-to-use assets as a result of implementing GASB Statement No. 87 and right-to-use subscription-based IT assets (SBITA) under GASB Statement No. 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right-to-use subscription-based IT assets are measured at the amount of the initial measurement of the subscription liability, plus any payments made to the SBITA vendor at the commencement of the subscription term and any capitalizable initial implementation costs. The district maintains a separate capitalization threshold of $50,000 for right-to-use assets and subscription assets. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or subscription.

Due From/To Other Funds

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities' columns of the statement of net position.

Accrued Liabilities and Long-Term Debt

All payables, accrued liabilities, interest payable and long-term debt 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 obligations of the funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

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

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Under applicable California law, credit for unused sick leave is available at retirement. Classified employees retiring after January 1, 1999, receive 0.004 year of CalPERS service credit for each day of unused sick leave. Certificated employees receive CalSTRS service credit for unused sick leave, calculated by dividing unused sick days by the number of base service days required to complete the last school year, if employed full-time. This conversion to service credit is administered by the pension systems and does not create a direct financial liability of the District.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

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

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Postemployment Benefits Other Than Pensions (OPEB), continued

Gains and losses related to changes in net OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. 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 and deferred charges on refunding bonds that are attributable capital activity. 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 $163,203,593 of restricted net position, of which is restricted by enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, leases receivable (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government intends to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Interfund Activity

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

Estimates

The preparation of the financial statements in 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.

Budgetary Data

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

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

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 Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements

The following GASB Pronouncements were adopted by the District during the year ending June 30, 2025:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The financial impact of this Statement is reflected in Notes 8 and 15.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has determined that the adoption of this Statement did not have any material impact on the District's financial statements.

Upcoming GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 - In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

NOTE 2 – CASH AND EQUIVALENTS

Summary of Cash and Equivalents

At June 30, 2025, cash and equivalents comprise of the following:

	Governmental Funds	Internal Service Funds	Governmental Activities
Cash in county treasury	$ 215,748,252	$ 10,219,874	$ 225,968,126
Fair market value adjustment	102,908	4,875	107,783
Cash on hand and in banks	6,673,111	-	6,673,111
Cash in revolving fund	68,383	-	68,383
Total	$ 222,592,654	$ 10,224,749	$ 232,817,403

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; collateralized mortgage obligations; and the County Investment Pool.

Cash in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The San Diego County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is 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.

NOTE 2 – CASH AND EQUIVALENTS, continued

General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by *California Government Code*.

Authorized Investment Type	Maximum 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%	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 manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of $226,075,909. The average weighted maturity for this pool is 562 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2025, the pooled investments in the County Treasury were rated at least A.

NOTE 2 – CASH AND EQUIVALENTS, continued

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. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the District's bank balance was exposed to custodial credit risk amounting to $6,491,494 because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy 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 (unadjusted) in active markets for identical assets.
- 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, either directly or indirectly.
- 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 reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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

The District's fair value measurements at June 30, 2025 were as follows:

	Fair Value Measurement Uncategorized
Investment in San Diego County Treasury	$ 226,075,909

NOTE 3 – RECEIVABLES

Accounts Receivable

Accounts receivable at June 30, 2025 consisted of the following:

	General Fund	Building Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Fund	Total Governmental Activities
Federal Government							
Categorical aid	$ 7,299,227	$ -	$ -	$ 3,781,199	$ 11,080,426	$ -	$ 11,080,426
State Government							
Categorical aid	4,844,375	-	-	61,916	4,906,291	-	4,906,291
Lottery	1,170,652	-	-	-	1,170,652	-	1,170,652
Local Government							
Interest	1,370,526	275,586	380,361	350,207	2,376,680	129,702	2,506,382
Other local sources	13,892,551	48,145	-	1,628,894	15,569,590	269,676	15,839,266
Total	$ 28,577,331	$ 323,731	$ 380,361	$ 5,822,216	$ 35,103,639	$ 399,378	$ 35,503,017

Lease Receivable

For the year ended June 30, 2025, the financial statements include GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

On July 1, 2021, the District entered into a 32 month lease as Lessor for the use of a AT&T El Capitan Cell Tower. An initial lease receivable was recorded in the amount of $79,254. As of June 30, 2025, the value of the lease receivable is $875,695. The lessee is required to make monthly fixed payments of $2,750. The lease has an interest rate of 0.73%. The value of the deferred inflow of resources as of June 30, 2025 was $861,440, and the District recognized lease revenue of $36,399 during the fiscal year. The lessee has 5 extension option(s), each for 60 months. The District has exercised its extension option.

On July 1, 2021, the District entered into a 106 month lease as Lessor for the use of a Verizon Wireless Grossmont Cell Tower. An initial lease receivable was recorded in the amount of $182,270. As of June 30, 2025, the value of the lease receivable is $108,614. The lessee is required to make monthly fixed payments of $1,697. The lease has an interest rate of 1.06%. The value of the deferred inflow of resources as of June 30, 2025 was $99,888, and the District recognized lease revenue of $20,595 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The District has exercised its extension option.

On July 1, 2021, the District entered into a 46 month lease as Lessor for the use of a T-Mobile Monte Vista Cell Tower. An initial lease receivable was recorded in the amount of $103,177. As of June 30, 2025, the value of the lease receivable is $147,732. The lessee is required to make monthly fixed payments of $2,364. The lease has an interest rate of 0.98%. The value of the deferred inflow of resources as of June 30, 2025 was $147,274, and the District recognized lease revenue of $27,565 during the fiscal year.

NOTE 3 – RECEIVABLES, continued

Leases Receivable, continued

On July 1, 2021, the District entered into a 36 month lease as Lessor for the use of a Verizon Monte Vista Cell Tower. An initial lease receivable was recorded in the amount of $91,625. As of June 30, 2025, the value of the lease receivable is $148,905. The lessee is required to make monthly fixed payments of $2,814. The lease has an interest rate of 0.87%. The value of the deferred inflow of resources as of June 30, 2025 was $144,344, and the District recognized lease revenue of $35,797 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The District has exercised its extension option.

On July 1, 2021, the District entered into a 55 month lease as Lessor for the use of a ATT Wireless Grossmont Cell Tower. An initial lease receivable was recorded in the amount of $143,008. As of June 30, 2025, the value of the lease receivable is $19,638. The lessee is required to make monthly fixed payments of $2,760. The lease has an interest rate of 1.06%. The value of the deferred inflow of resources as of June 30, 2025 was $18,471, and the District recognized lease revenue of $31,664 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2023, the District entered into a 120 month lease as Lessor for the use of a DMV Lease. An initial lease receivable was recorded in the amount of $1,242,904. As of June 30, 2025, the value of the lease receivable is $1,023,407. The lessee is required to make monthly fixed payments starting at $9,730. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2025 was $994,323, and the District recognized lease revenue of $124,290 during the fiscal year.

On May 1, 2023, the District entered into a 60 month lease as Lessor for the use of Verizon Santana Cell Tower. An initial lease receivable was recorded in the amount of $91,140. As of June 30, 2025, the value of the lease receivable is $90,073. The lessee is required to make monthly fixed payments of $2,652. The lease has an interest rate of 2.2300%. The value of the deferred inflow of resources as of June 30, 2025 was $51,646, and the District recognized lease revenue of $18,228 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

The annual lease receivable payments as of June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Receivable	Interest	Total
2026	$ 274,256	$ 16,567	$ 290,823
2027	263,452	14,208	277,660
2028	266,752	11,838	278,590
2029	246,779	9,844	256,623
2030	213,164	8,205	221,369
2031 - 2035	574,603	27,278	601,881
2036 - 2040	186,320	17,655	203,975
2041 - 2045	213,976	10,397	224,373
2046 - 2049	174,762	2,393	177,155
Total	$ 2,414,064	$ 118,385	$ 2,532,449

NOTE 4 – CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital assets and right-to-use-assets activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	$ 50,111,979	$ -	$ -	$ 50,111,979
Construction in progress	58,507,053	27,889,893	52,889,053	33,507,893
Total Capital Assets not Being Depreciated	108,619,032	27,889,893	52,889,053	83,619,872
Capital assets being depreciated				
Land improvements	180,122,188	13,963,603	-	194,085,791
Buildings and improvements	1,089,532,902	49,279,963	-	1,138,812,865
Furniture and equipment	55,913,485	3,427,920	358,378	58,983,027
Total Capital Assets Being Depreciated	1,325,568,575	66,671,486	358,378	1,391,881,683
Total Capital Assets	1,434,187,607	94,561,379	53,247,431	1,475,501,555
Less Accumulated Depreciation				
Land improvements	126,793,090	7,828,483	-	134,621,573
Buildings and improvements	328,292,566	30,796,163	-	359,088,729
Furniture and equipment	26,140,560	4,319,736	358,378	30,101,918
Total Accumulated Depreciation	481,226,216	42,944,382	358,378	523,812,220
Capital Assets, Net	952,961,391	51,616,997	52,889,053	951,689,335
Right-to-Use Assets				
Leased assets - furniture and equipment	-	2,523,250	-	2,523,250
Subscription-based IT arrangements	2,693,244	1,695,135	215,935	4,172,444
Total Right-to-Use Assets	2,693,244	4,218,385	215,935	6,695,694
Less Accumulated Amortization				
Leased assets - furniture and equipment	-	665,358	-	665,358
Subscription-based IT arrangements	866,765	933,612	215,935	1,584,442
Total Accumulated Amortization	866,765	1,598,970	215,935	2,249,800
Right-to-Use Assets, Net	1,826,479	2,619,415	-	4,445,894
Capital Assets and Right-to-Use Assets, Net	$ 954,787,870	$ 54,236,412	$ 52,889,053	$ 956,135,229

NOTE 5 – INTERFUND TRANSACTIONS

Due From/Due To Other Funds

Individual interfund receivable and payable (due to/from other funds) balances at June 30, 2025 were as follows:

	Due from Other Funds				
Due to Other Funds	General Fund	Building Fund	County School Facilities Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 2,559	$ -	$ 838,015	$ 840,574
Adult Education Fund	500,298	-	-	-	500,298
Cafeteria Special Revenue Fund	389,609	-	-	-	389,609
Building Fund	168	-	5,367,989	-	5,368,157
Capital Facilities Fund	19,086	-	-	-	19,086
County School Facilities Fund	315	14,628	-	-	14,943
Special Reserve for Capital Outlay Projects Fund	97,010	-	-	-	97,010
Total	$ 1,006,486	$ 17,187	$ 5,367,989	$ 838,015	$ 7,229,677

Due to the General Fund from the Building Fund for expenditures.	$ 168
Due to the General Fund from the Adult Education Fund for indirect costs, payroll and other expenditures.	500,298
Due to the General Fund from the Capital Facilities Fund for expenditures.	19,086
Due to the General Fund from the Special Reserve for Capital Outlay Projects Funds for expenditures.	97,010
Due to the General Fund from the Cafeteria Special Revenue Fund for indirect costs, payroll, loan, and other expenditures.	389,609
Due to the General Fund from the County School Facilities Fund for expenditures.	315
Due to the Building Fund from the General Fund for construction expenditures.	2,559
Due to the Building Fund from County School Facilities Fund for construction projects.	14,628
Due to the Adult Education Fund from the General Fund for expenditures.	1,469
Due to the Cafeteria Special Revenue Fund from the General Fund for construction projects.	54,941
Due to the Special Reserve for Capital Outlay Projects Fund from the General Fund for construction expenditures.	781,605
Due to the County School Facilities Fund from Buidling Fund for construction projects.	5,367,989
Total	$ 7,229,677

Interfund Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Interfund Transfer In		
Interfund Transfer Out	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 739,402	$ 739,402
Non-Major Governmental Funds	2,133	-	2,133
Total	$ 2,133	$ 739,402	$ 741,535

Transfer to the General Fund from Special Reserve for the Capital Outlay Projects Fund for capital expenditure.	$ 2,133
Transfer to the Special Reserve for Capital Outlay Projects Fund from the General Fund for capital outlay expenditures.	739,402
Total	$ 741,535

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

	General Fund	Building Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Fund	Total Governmental Activities
Payroll and related	$ 8,331,257	$ 8,330	$ -	$ 627,894	$ 8,967,481	$ -	$ 8,967,481
Vendors payable	8,641,525	3,833,135	2,270,834	589,698	15,335,192	556,930	15,892,122
Due to grantor government	309,325	-	-	-	309,325	-	309,325
Total	$ 17,282,107	$ 3,841,465	$ 2,270,834	$ 1,217,592	$ 24,611,998	$ 556,930	$ 25,168,928

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal sources	$ 167,850	$ 47,121	$ 214,971
Other state sources	153,379	-	153,379
Other local sources	143,152	65,471	208,623
Total	$ 464,381	$ 112,592	$ 576,973

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Balance July 01, 2024	Adjustments	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Long-Term Liabilities							
General obligation bonds	$ 615,336,573	$ -	$ 615,336,573	$ 88,415,000	$ 80,323,175	$ 623,428,398	$ 37,286,368
Unamortized premium	24,045,397	-	24,045,397	15,672,049	2,724,137	36,993,309	2,699,047
Accreted interest	151,429,636	-	151,429,636	14,230,014	48,978,962	116,680,688	14,703,632
Total general obligation bonds	790,811,606	-	790,811,606	118,317,063	132,026,274	777,102,395	54,689,047
Lease revenue bonds	30,125,000	-	30,125,000	-	980,000	29,145,000	1,100,000
Unamortized premiums	5,823,328	-	5,823,328	-	342,549	5,480,779	342,549
Total lease revenue bonds	35,948,328	-	35,948,328	-	1,322,549	34,625,779	1,442,549
Finance purchase agreement	1,426,501	-	1,426,501	-	457,564	968,937	475,272
Lease liability	-	-	-	2,523,250	1,008,964	1,514,286	500,162
Subscription-based IT arrangements	1,729,934	-	1,729,934	1,695,136	1,065,176	2,359,894	838,710
Compensated absences	3,262,686	18,494,908	21,757,594	2,904,573	-	24,662,167	4,476,427
Net OPEB liability	42,918,805	-	42,918,805	2,804,863	-	45,723,668	-
Net pension liability	247,436,739	-	247,436,739	-	12,253,287	235,183,452	-
Total	$ 1,123,534,599	$ 18,494,908	$ 1,142,029,507	$ 128,244,885	$ 148,133,814	$ 1,122,140,578	$ 62,422,167

NOTE 8 – LONG-TERM LIABILITIES, continued

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for lease revenue bonds are made in the Special Reserve Fund for Capital Outlay Projects.
- Payments for financed purchases, leases and subscriptions are made in the General Fund.
- Payments for compensated absences, net pension liability and net OPEB liability are typically liquidated in the General Fund and the Non-Major Governmental Funds.

General Obligation Bonds

A schedule of general obligation bonds activities for the year ended June 30, 2025 consisted of the following:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Proposition H (2004)									
Series 2004	6/17/2004	8/1/2029	3.0%-5.375%	$ 60,841,197	$ 9,450,477	$ -	$ 1,633,104	$ 7,817,373	$ 1,601,465
Series 2006	6/21/2006	6/1/2031	4.0%-5.0%	124,999,225	41,454,224	-	4,872,524	36,581,700	4,872,930
Series 2008	8/5/2008	8/1/2033	2.0%-5.0%	88,159,578	27,204,674	-	1,763,077	25,441,597	1,771,973
Proposition U (2008)									
Series D	5/25/2011	8/1/2025	5.479%	25,000,000	24,990,000	-	-	24,990,000	24,990,000
Series F	6/4/2015	6/1/2040	3.82%-6.00%	68,746,678	65,764,470	-	65,764,470	-	-
Series G-2	3/1/2017	8/1/2034	2.0%-5.0%	16,250,000	12,505,000	-	845,000	11,660,000	915,000
Series H-2	9/26/2017	8/1/2040	3.0%-5.0%	9,715,000	9,165,000	-	180,000	8,985,000	205,000
Series I-2	10/23/2019	8/1/2044	4.0%-5.0%	13,580,000	13,195,000	-	-	13,195,000	-
Series J-2	10/14/2020	8/1/2043	2.125%-4.0%	19,380,000	8,415,000	-	290,000	8,125,000	305,000
Series K	10/12/2021	8/1/2046	2.73%-3.28%	25,003,402	25,003,402	-	-	25,003,402	-
Series L	11/2/2022	8/1/2046	4.0%-5.0%	39,439,326	39,099,326	-	65,000	39,034,326	130,000
Measure BB (2016)									
Series A-2	3/1/2017	8/1/2042	2.0%-5.0%	41,290,000	36,685,000	-	405,000	36,280,000	515,000
Series B-2	10/24/2018	8/1/2043	5.00%	38,490,000	38,390,000	-	190,000	38,200,000	280,000
Series C-2	10/23/2019	8/1/2044	3.0%-5.0%	37,380,000	35,980,000	-	140,000	35,840,000	215,000
Refunding Bonds									
Series 2015	12/23/2015	8/1/2033	1.3%-5.0%	50,770,000	35,000,000	-	45,000	34,955,000	50,000
Series 2016	4/13/2016	8/1/2033	1.0%-5.0%	51,490,000	43,625,000	-	3,835,000	39,790,000	1,135,000
Series 2016B	10/19/2016	8/1/2045	2.0%-4.0%	90,435,000	89,305,000	-	-	89,305,000	-
Series 2017	9/26/2017	8/1/2036	3.0%-5.0%	15,450,000	14,655,000	-	295,000	14,360,000	300,000
Series 2020	4/21/2020	8/1/2043	3.00%	45,450,000	45,450,000	-	-	45,450,000	-
Series 2024A	11/5/2024	8/1/2040	5.00%	86,840,000	-	86,840,000	-	86,840,000	-
Series 2024B	11/5/2024	8/1/2030	4.30%-4.55%	1,575,000	-	1,575,000	-	1,575,000	-
					$ 615,336,573	$ 88,415,000	$ 80,323,175	$ 623,428,398	$ 37,286,368

Accreted Interest					
Proposition H (2004), Series 2004	$ 20,002,580	$ 1,604,833	$ 3,476,895	$ 18,130,518	$ 3,778,535
Proposition H (2004), Series 2006	57,536,122	4,713,015	6,857,475	55,391,662	7,487,070
Proposition H (2004), Series 2008	37,587,437	3,582,314	3,101,924	38,067,827	3,438,027
Proposition U (2008), Series F	33,010,261	2,532,407	35,542,668	-	-
Proposition U (2008), Series K	2,076,901	764,274	-	2,841,175	-
Proposition U (2008), Series L	1,216,335	1,033,171	-	2,249,506	-
	$ 151,429,636	$ 14,230,014	$ 48,978,962	$ 116,680,688	$ 14,703,632

Election 2004 - Proposition H

On March 3, 2004, the voters of the District approved Proposition H authorizing the District to issue up to $274 million general obligation bonds to repair aging high schools, improve student safety, and qualify for state matching funds.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

Election 2008 - Proposition U

On November 4, 2008, the voters of the District approved Proposition U by authorizing the District to issue up to $417 million general obligation bonds for upgrading educational technology, constructing science labs, replacing deteriorating portables, rehabilitating aging classrooms, and improving safety/energy efficiency. The bonds represent an obligation of the District payable solely from ad valorem property taxes levied and collected by the County of San Diego.

On May 25, 2011, the District issued $25,000,000 of General Obligation Bonds, Series D (Taxable Direct Subsidy). The Series D bond was issued as a current interest bond with an interest rate of 5.48% and a maturity date of August 1, 2025.

On June 4, 2015, the District issued $68,746,678 of General Obligation Bonds, Election 2008, Series F. The Series F bonds were issued as capital appreciation bonds with interest rates ranging between 3.82% and 6.00% with maturity dates of August 1, 2016 through June 1, 2040.

On March 1, 2017, the District issued $2,060,000 of General Obligation Bonds, Series G-1 (Federally Taxable) and $16,250,000 of General Obligation Bonds, Series G-2. The Series G-1 bonds bear a fixed interest rate of 1.00% and matured on August 1, 2017. The Series G-2 bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from August 1, 2018 through August 1, 2034.

On September 26, 2017, the District issued $285,000 of General Obligation Bonds, Series H-1 (Federally Taxable) and $9,715,000 of General Obligation Bonds, Series H-2. The Series H-1 bonds bear a fixed interest rate of 1.4% and matured on August 1, 2018. The Series H-2 bonds bear fixed interest rates ranging between 3.0% and 5.0% with annual maturities from August 1, 2019 through August 1, 2040.

On October 23, 2019, the District issued $1,420,000 of General Obligation Bonds, Series I-1 (Federally Taxable) and $13,580,000 of General Obligation Bonds, Series I-2. The Series I-1 bonds bear a fixed interest rate of 1.75% and matured on February 1, 2020. The Series I-2 bonds bear fixed interest rates ranging between 4.0% and 5.0% with annual maturities from August 1, 2020 through August 1, 2044.

On October 14, 2020, the District issued $1,120,000 of General Obligation Bonds, Series J-1 (Federally Taxable) and $19,380,000 of General Obligation Bonds, Series J-2. The Series J-1 bonds bear a fixed interest rate of 0.20% and matured on February 1, 2021. The Series J-2 bonds bear fixed interest rates ranging between 2.13% and 4.0% with annual maturities from August 1, 2021 through August 1, 2043.

On October 12, 2021, the District issued $25,003,402 of General Obligation Bonds, Election 2008, Series K. The Series K bonds were issued as capital appreciation bonds with interest rates ranging between 2.73% and 3.28% with maturity dates of August 1, 2041 through August 1, 2046.

On November 2, 2022, the District issued $39,439,326 of General Obligation Bonds, Election 2008, Series L. The Series L bonds were issued as current interest bonds and capital appreciation bonds with interest rates ranging between 4.0% and 5.0% with maturity dates of February 1, 2023 through August 1, 2046.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

Election 2016 – Measure BB
On November 8, 2016, the voters of the District approved Measure BB authorizing the District to issue up to $128 million general obligation bonds to upgrade East County high school classrooms, labs and facilities, repair aging roofs, plumbing and electrical systems, modernize technology infrastructure, improve student safety and security, replace deteriorated portables, construct new school facilities to accommodate growth, and renovate career-training facilities for instruction in science, technology, engineering, math and skilled trades.

On March 1, 2017, the District issued $1,710,000 of General Obligation Bonds, Series A-1 (Federally Taxable) and $41,290,000 of General Obligation Bonds, Series A-2. The Series A-1 bonds bear a fixed interest rate of 1.0% and matured on August 1, 2017. The Series A-2 bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from August 1, 2018 through August 1, 2042.

On October 24, 2018, the District issued $4,510,000 of General Obligation Bonds, Series B-1 (Federally Taxable) and $38,490,000 of General Obligation Bonds, Series B-2. The Series B-1 bonds bear a fixed interest rate of 2.62% and mature on August 1, 2019. The Series B-2 bonds bear fixed interest rates ranging between 3.0% and 5.0% with annual maturities from August 1, 2023 through August 1, 2043.

On October 23, 2019, the District issued $4,620,000 of General Obligation Bonds, Series C-1 (Federally Taxable) and $37,380,000 of General Obligation Bonds, Series C-2. The Series C-1 bonds bear a fixed interest rate of1.75% and matured on February 1, 2020. The Series C-2 bonds bear fixed interest rates ranging between 3.0% and 5.0% with annual maturities from August 1, 2020 through August 1, 2044.

Refunding Bonds
On May 17, 2012, the District issued $54,515,000 of General Obligation Refunding Bonds, Series 2012. The bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from August 1, 2013, through August 1, 2023, when it was fully paid.

On December 23, 2015, the District issued $50,770,000 of General Obligation Refunding Bonds, Series 2015. The bonds bear fixed interest rates ranging between 1.3% and 5.0% with annual maturities from August 1, 2016, through August 1, 2033.

On April 13, 2016, the District issued $51,490,000 of General Obligation Refunding Bonds, Series 2016. The bonds bear fixed interest rates ranging between 1.0% and 5.0% with annual maturities from August 1, 2017, through August 1, 2033.

On October 19, 2016, the District issued $90,435,000 of General Obligation Refunding Bonds, Series 2016B. The bonds bear fixed interest rates ranging between 2.0% and 4.0% with annual maturities from August 1, 2017, through August 1, 2045.

NOTE 8 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

Refunding Bonds, continued

On September 26, 2017, the District issued $15,450,000 of General Obligation Refunding Bonds, Series 2017. The bonds bear fixed interest rates ranging between 3.0% and 5.0% with annual maturities from August 1, 2018, through August 1, 2036. The net proceeds of $17,084,504 (after premiums and issuance costs) were used to advance refund the District's outstanding Election of 2008 Series C General Obligation Bonds.

On April 21, 2020, the District issued $45,450,000 of Election 2008, Series 2020 (Federally Taxable) general obligation refunding bonds. Proceeds from the bonds were used to establish an escrow portfolio to defease the remaining outstanding bonds issued in Election of 2008, Series E. The net proceeds received for the Election 2008, Series 2020 Refunding Bonds were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the Election of 2008 General Obligation Bonds, Series E that were advance refunded. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's financial statements. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized as an expense over the life of the bond. This refunding reduced total debt service payments by $6,722,025 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $5,699,901.

On November 5, 2024, the District issued $86,840,000 of General Obligation Refunding Bonds, Series 2024A, bearing a fixed interest rate of 5.00%, and $1,575,000 of General Obligation Refunding Bonds, Series 2024B, bearing interest rates ranging from 4.30% to 4.55%. The Series 2024A bonds mature beginning August 1, 2029 thru June 1, 2040. The Series 2024B bonds mature on August 1, 2026 thru August 1, 2030. Authorized under Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, this bond refinancing involved replacing $65 million in Capital Appreciation Bonds with the Series 2024A Capital Interest Bonds, which carry a lower interest rate. The proceeds from the sale of the new bonds are being held in an interest-bearing escrow account, which will be used to retire the prior bonds at their maturity or redemption dates. The sale was strategically timed to leverage favorable market conditions in October 2024, maximizing taxpayer savings.

The annual requirements to amortize general obligation bonds outstanding at June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 37,286,368	$ 34,450,765	$ 71,737,133
2027	16,150,005	35,029,705	51,179,710
2028	17,223,671	36,038,423	53,262,094
2029	18,350,912	37,078,328	55,429,240
2030	19,923,982	38,171,552	58,095,534
2031 - 2035	142,700,733	149,326,763	292,027,496
2036 - 2040	148,500,000	52,417,205	200,917,205
2041 - 2045	184,329,102	41,273,891	225,602,993
2046 - 2047	38,963,625	41,812,075	80,775,700
Total	$ 623,428,398	$ 465,598,707	$ 1,089,027,105

NOTE 8 – LONG-TERM LIABILITIES, continued

Finance Purchase Agreement

The District entered into financed purchase agreements for school buses. The annual requirements on these financed purchases as of June 30, 2025, are as follows:

Year Ending June 30,	Payments
2026	$ 512,770
2027	512,770
Total minimum payments	1,025,540
Less amount representing interest	(56,603)
Present value of minimum payments	$ 968,937

Leases

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On April 1, 2024, the District entered into a 60 month lease as Lessee for the use of Dell Latitude. An initial lease liability was recorded in the amount of $450,540. As of June 30, 2025, the value of the lease liability is $270,174. The District is required to make annual fixed payments of $95,378. The lease has an interest rate of 2.93%. The computer equipment estimated useful life was in months was nil as of the contract commencement. The value of the right-to-use asset as of June 30, 2025 of $450,540 with accumulated amortization of $112,635 disclosed in Note 4. The District has the option to purchase the computer equipment for $1.

On March 1, 2024, the District entered into a 60 month lease as Lessee for the use of Apple - 14- lnch MacBook Pro: Apple M3 Pro. An initial lease liability was recorded in the amount of $2,072,710. As of June 30, 2025, the value of the lease liability is $1,244,112. The District is required to make annual fixed payments of $418,755. The lease has an interest rate of 0.49%. The computer equipment estimated useful life in months was nil as of the contract commencement. The value of the right-to-use asset as of June 30, 2025 of $2,072,710 with accumulated amortization of $552,723 is disclosed in Note 4.

The annual lease payable payments as of June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 500,162	$ 13,971	$ 514,133
2027	504,734	9,400	514,134
2028	509,390	4,743	514,133
Total	$ 1,514,286	$ 28,114	$ 1,542,400

NOTE 8 – LONG-TERM LIABILITIES, continued

Subscriptions

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financing of the right-to-use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2025, Grossmont Union High School District (San Diego County), CA had 7 active subscriptions. The subscriptions have payments that range from $0 to $518,807 and interest rates that range from 1.7100% to 8.9157%. As of June 30, 2025, the total combined value of the subscription liability is $2,359,894, and the total combined value of the short-term subscription liability is $838,710. The combined value of the right-to-use asset, as of June 30, 2025 of $4,172,444 with accumulated amortization of $1,584,442 is included within the Subscription Class activities table found below. The subscriptions had $0 of variable payments and $0 of other payments, not included in the subscription liability, within the fiscal year.

The amount of subscription assets by major classes of underlying assets are as follows:

	As of Fiscal Year-end	
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$ 4,172,444	$ 1,584,442
Total Subscriptions	$ 4,172,444	$ 1,584,442

The annual requirements on these subscriptions as of June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 838,710	$ 136,028	$ 974,738
2027	817,642	98,615	916,257
2028	337,366	60,084	397,450
2029	366,176	31,274	397,450
Total	$ 2,359,894	$ 326,001	$ 2,685,895

NOTE 8 – LONG-TERM LIABILITIES, continued

Lease Revenue Bonds

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Series 2020	8/4/2020	7/1/2040	4.00%	$ 33,185,000	$ 30,125,000	$ -	$ 980,000	$ 29,145,000	$ 1,100,000
					$ 30,125,000	$ -	$ 980,000	$ 29,145,000	$ 1,100,000

On August 4, 2020, the District issued $33,185,000 of Lease Revenue Bonds, Series 2020 to construct, expand, remodel, renovate, improve and equip educational facilities within the District, including but not limited to, the District's transportation and bus maintenance facilities. The bonds bear a fixed interest rate of 4.00% with annual maturities from July 1, 2021 through July 1, 2040.

The annual requirements to amortize lease revenue bonds outstanding at June 30, 2025, is as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,100,000	$ 1,165,800	$ 2,265,800
2027	1,230,000	1,121,800	2,351,800
2028	1,365,000	1,072,600	2,437,600
2029	1,510,000	1,018,000	2,528,000
2030	1,925,000	957,600	2,882,600
2031 - 2035	13,035,000	3,368,200	16,403,200
2036 - 2040	8,980,000	867,200	9,847,200
Total	$ 29,145,000	$ 9,571,200	$ 38,716,200

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for compensated absences was $24,662,167.

Other Postemployment Benefits

The District's beginning net OPEB liability was $42,918,805 and increased by $2,804,863 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was $45,723,668. See Note 10 for additional information regarding the net OPEB liability.

Net Pension Liability

The District's beginning net pension liability was $247,436,739 and decreased by $12,253,287 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was $235,183,452. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

	General Fund	Building Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Revolving cash	$ 60,000	$ -	$ -	$ -	$ 8,383	$ 68,383
Stores inventory	271,267	-	-	-	248,339	519,606
Prepaid expenditures	262,241	21,761	-	-	164,068	448,070
Total nonspendable	593,508	21,761	-	-	420,790	1,036,059
Restricted						
Educational programs	22,760,370	-	-	-	537,158	23,297,528
Debt service	-	-	-	72,200,139	-	72,200,139
Capital projects	1,957,734	5,179,395	26,530,432	-	15,292,211	48,959,772
Child nutrition	60,841	-	-	-	9,816,019	9,876,860
Student activity funds	-	-	-	-	3,954,719	3,954,719
Other restrictions	4,914,575	-	-	-	-	4,914,575
Total restricted	29,693,520	5,179,395	26,530,432	72,200,139	29,600,107	163,203,593
Committed						
School and department carryover	2,464,966	-	-	-	-	2,464,966
Enrollment initiative	700,000	-	-	-	-	700,000
Portrait of a graduate	100,000	-	-	-	-	100,000
Classification study impact	500,000	-	-	-	-	500,000
Synthetic turf & track replacement	1,500,000	-	-	-	-	1,500,000
Deferred maintenance	2,000,000	-	-	-	-	2,000,000
Classroom technology	1,800,000	-	-	-	-	1,800,000
Teacher laptop refresh	1,542,399	-	-	-	-	1,542,399
School safety	4,055,981	-	-	-	-	4,055,981
AB218	1,000,000	-	-	-	-	1,000,000
Special education growth	1,800,000	-	-	-	-	1,800,000
Academic esports phase I	675,795	-	-	-	-	675,795
ETS strategic reserve	1,424,205	-	-	-	-	1,424,205
Student safety and wellness	13,000,000	-	-	-	-	13,000,000
Total committed	32,563,346	-	-	-	-	32,563,346
Assigned						
Budget flexibility reserve	15,741,040	-	-	-	-	15,741,040
Adult Education Program	-	-	-	-	5,354,664	5,354,664
Vehicle replacement reserve	-	-	-	-	693,253	693,253
Utilities savings energy projects	-	-	-	-	30,883	30,883
Office of civil rights	-	-	-	-	331,292	331,292
Facilities safety reserve	-	-	-	-	497,638	497,638
Americans with disabilities act	-	-	-	-	645,657	645,657
CBOC support	-	-	-	-	125,706	125,706
Total assigned	15,741,040	-	-	-	7,679,093	23,420,133
Unassigned						
Remaining unassigned	15,148,545	-	-	-	-	15,148,545
Total unassigned	15,148,545	-	-	-	-	15,148,545
Total Fund Balance	$ 93,739,959	$ 5,201,156	$ 26,530,432	$ 72,200,139	$ 37,699,990	$ 235,371,676

NOTE 9 – FUND BALANCES, continued

Revolving cash funds are commonly used within organizations to manage small, frequent expenses in an efficient manner. By maintaining a consistent fund balance that is periodically replenished, these funds reduce the need for more formal payment processes for minor, day-to-day, and emergency transactions. The District's revolving cash balance at June 30, 2025 was $60,000 in the General Fund and $8,383 in the Non-Major Governmental Funds. Non-Major Governmental Funds totaled $8,383, including $7,883 in the Student Activity Special Reserve Fund and $500 in the Adult Education Fund.

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 4.5 percent of General Fund expenditures and other financing uses.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For the fiscal year ended June 30, 2025, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	$ 45,011,588	$ 7,778,666	$ 12,583,357	$ 3,379,783
MPP Program	712,080	-	-	(66,717)
Total	$ 45,723,668	$ 7,778,666	$ 12,583,357	$ 3,313,066

The details of each plan are as follows:

District Plan

Plan Description

The Grossmont Union High School District's defined benefit OPEB plan, the Grossmont Union High School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. The District is a participant in the California Employer's Retiree Benefit Trust (CERBT), a GASB-compliant, agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS.

OPEB Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately-issued Plan Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by contacting the District.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

District Plan, continued

Benefits Provided

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

The District provides health coverage for the retiree and any eligible dependent until the retiree reaches age 65 or Medicare eligibility. To be eligible to receive retiree health coverage, the employee must retire on or after age 54 (prior valuation was 55 for Management, Confidential, and Supervisory employees) and have at least 10 years of District eligible service at retirement. District paid benefits cease upon reaching age 65 (Medicare eligibility) or at the death of the retiree, if earlier. Spouse coverage ceases upon the earlier of the death of the retiree, the death of the spouse or when the retiree reaches age 65.

	Classified	Certificated
Benefit types provided	Medical, Dental, & Vision	Medical, Dental, & Vision
Duration of benefits	To age 65	To age 65
Required services	10 years	10 years
Minimum age	54	54
Dependent coverage	Yes	Yes
District contribution	100% of retiree only and 80% of dependent coverage	100% of retiree only and 80% of dependent coverage
District cap	Active Cap	Active Cap

Covered benefits include a choice between the Kaiser HMO Plan, the UHC Harmony, VEBA Direct, UHC Alliance and SIMNSA Plans. for medical coverage, the Delta PPO Plan for dental coverage and the Vision Service Plan for vision coverage. The District funded 100% of the cost of coverage for the retiree-only coverage for any of the medical plans selected by the retiree. For retirees electing dependent coverage, the District paid 80% of the costs for the Kaiser HMO Plan, the UHC Harmony and VEBA Direct, HMO Plan. Effective January 1, 2024, the district now pays 80% of dependent coverage for all medical plan premiums except SIMNSA. District pays 100% of the premium for SIMNSA and dependents. In 2025, the District will fund 80% of the UHC Alliance plan for those with dependents. Out-of-state retirees receive an annual dollar amount comparable to the last plan of medical/vision enrollment. The District also funds 100% of the cost of dental coverage. Grandfathered retirees electing to waive medical coverage receive an annual dollar amount equal to $1,200.

Contributions

The District funds the plan on a pay-as-you-go basis. At the measurement date of June 30, 2024, the District contributed $3,544,620 to the Plan, all of which was used for current premiums.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

District Plan, continued

Plan Membership

Membership of the Plan consisted of the following:

	Number of Participants
Inactive employees receiving benefits	202
Participating active employees	1,802
Total	2,004

Actuarial Assumptions

The net OPEB liability/(asset) as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Census data	The census was provided by the District
Actuarial cost methods	Entry age
Inflation rate	2.50%
Discount rate	5.02%
Healthcare cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

We used historic 20 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 25 basis points. The interest assumption reflects a municipal bond rate. The interest assumption reflects a municipal bond rate. We used the municipal bond rate beyond 33 years to result in an equivalent valuation rate of 5.02%.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

District Plan, continued

Changes in Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2023	$ 52,883,590	$ 10,743,582	$ 42,140,008
Changes for the year:			
Service cost	2,471,053	-	2,471,053
Interest	2,803,556	-	2,803,556
Employer contributions	-	3,544,620	(3,544,620)
Difference between expected and actual experience	505,486	-	505,486
Changes of assumptions	1,307,094	-	1,307,094
Net investment income	-	590,803	(590,803)
Investment gains/(losses)	-	83,616	(83,616)
Administrative expense	-	(3,430)	3,430
Expected benefit payments	(3,544,620)	(3,544,620)	-
Net change	3,542,569	670,989	2,871,580
Balance June 30, 2024	$ 56,426,159	$ 11,414,571	$ 45,011,588

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (4.02%)	Current Discount Rate (5.02%)	1% Increase (6.02%)
Net OPEB liability/(asset)	$ 48,967,680	$ 45,011,588	$ 41,112,384

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

District Plan, continued

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	$ 39,073,782	$ 45,011,588	$ 52,093,336

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of $3,379,783. At June 30, 2025, the District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 507,687	$ -
Differences between expected and actual experience	1,027,710	3,550,078
Change in assumptions	2,758,954	9,033,279
District contributions subsequent to the measurement date	3,484,315	-
Total	$ 7,778,666	$ 12,583,357

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

District Plan, continued

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources Related to OPEB, continued

The $3,484,315 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (1,235,037)
2027	(484,421)
2028	(789,906)
2029	(1,083,733)
2030	(1,067,011)
Thereafter	(3,628,898)
Total	$ (8,289,006)

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program, through the Teachers' Health Benefit Fund. The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the Defined Benefit 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 on a monthly basis.

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, 2023 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.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Medicare Premium Payment (MPP) Program, continued

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, 2025, the District reported a liability of $712,080 for its proportionate share of the net OPEB liability/(asset) for the MPP Program. The net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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, 2024 and June 30, 2023, respectively, was 0.267% and 0.257%, resulting in a net increase in the proportionate share of 0.010%.

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of ($66,717).

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Medicare Premium Payment (MPP) Program, continued

Actuarial Assumptions

The June 30, 2025 net OPEB liability/(asset) was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the net OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.93%
Medicare Part A Premium Cost Trend Rate*	5.00%
Medicare Part B Premium Cost Trend Rate*	6.50%
Mortality Rate Table*	Derived Using CalSTRS' Membership Data

*The assumed increases in the Medicare Part A and Part B cost trend rates vary by year; however, the increases are approximately equivalent to a 5.0% and 6.5% increase each year for Medicare Part A and Part B premiums,

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population of 132,333.

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, 2024, 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.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Medicare Premium Payment (MPP) Program, continued

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2024, is 3.93%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.93%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, was applied to all periods of projected benefit payments to measure the net OPEB liability.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability/(asset) - MPP Program	$ 768,317	$ 712,080	$ 662,630

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Medicare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using Medicare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.00% Part A and 5.50% Part B)	Healthcare Cost Trend Rate (5.00% Part A and 6.50% Part B)	1% Increase (6.00% Part A and 7.50% Part B)
Net OPEB Liability/(asset) - MPP Program	$ 659,665	$ 712,080	$ 770,598

NOTE 11 – 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, 2025, 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	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 122,994,696	$ 60,913,814	$ 21,454,395	$ 18,698,275
CalPERS	112,188,756	33,604,511	2,866,962	19,133,818
Total	$ 235,183,452	$ 94,518,325	$ 24,321,357	$ 37,832,093

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 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, 2023, 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.

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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 percent 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 non-employer contributing entity to the STRP.

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

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

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 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were $23,201,695.

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 122,994,696
State's proportionate share of the net pension liability associated with the District	56,431,256
Total	$ 179,425,952

The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, respectively was 0.183 percent and 0.174 percent, resulting in a increase of 0.010 percent in the proportionate share.

For the year ended June 30, 2025, the District recognized pension expense of $18,698,275. In addition, the District recognized pension expense and revenue of $5,150,131 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ -	$ 502,503
Differences between expected and actual experience	13,913,855	5,381,889
Changes in assumptions	538,398	8,399,328
Net changes in proportionate share of net pension liability	23,259,866	7,170,675
District contributions subsequent to the measurement date	23,201,695	-
Total	$ 60,913,814	$ 21,454,395

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ (1,344,958)
2027	17,316,689
2028	(1,323,476)
2029	989,186
2030	1,223,561
Thereafter	(603,278)
Total	$ 16,257,724

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

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

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 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. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of Return**
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
	100%		

**20 to 30 year geometric average.*

***Real rates of return are net of assumed 2.75% inflation.*

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from prior fiscal year. 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 percent and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 218,767,318	$ 122,994,696	$ 43,020,583

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the 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, 2023 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.

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

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 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 55 (or 62 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, 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%	7.00%
Required employer contribution rate	27.05%	27.05%

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 the 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, 2025, are presented above and the total District contributions were $16,678,594.

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $112,188,756. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, respectively was 0.314 percent and 0.318 percent, resulting in a net decrease in the proportionate share of 0.004 percent.

For the year ended June 30, 2025, the District recognized pension expense of $19,133,818. At June 30, 2025, 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
Difference between projected and actual earnings on plan investments	$ 4,357,885	$ -
Differences between expected and actual experience	9,405,386	802,931
Changes in assumptions	2,479,750	-
Net changes in proportionate share of net pension liability	682,896	2,064,031
District contributions subsequent to the measurement date	16,678,594	-
Total	$ 33,604,511	$ 2,866,962

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 5,164,467
2027	10,007,012
2028	495,495
2029	(1,608,019)
Total	$ 14,058,955

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

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, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table 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	Real Return Years 1 - 10**
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%
	100%	

**An expected inflation of 2.30% used for this period.*
***Figures are based on the 2021-22 Asset Liability Management study.*

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. 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. 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 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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 166,657,336	$ 112,188,756	$ 67,193,377

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $11,394,483. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

NOTE 12 – 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, 2025.

NOTE 12 – COMMITMENTS AND CONTINGENCIES, continued

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of $6,638,794.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in two joint ventures under joint powers authorities (JPAs), the San Diego County School Risk Management JPA and the San Diego County Educational Facilities Authority No. 1. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs provide property and liability insurance, and workers' compensation insurance coverage for their member school districts. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs. Financial information for the most recently audited period is available directly from the JPA.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2025, the amount of deferred loss on debt refunding was $18,941,260.

Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was $94,518,325 and total deferred inflows related to pensions was $24,321,357.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, continued

Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was $7,778,666 and total deferred inflows related to other postemployment benefits was $12,583,357.

Leases

Pursuant to GASB Statement No. 87, *Leases*, the District recognized deferred inflows of resources related to leases in the District-wide financial statements. Further information regarding the deferred inflows of resources can be found at Note 3. At June 30, 2025, total deferred inflows related to leases was $2,317,386.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

	Governmental Activities
Beginning Net Position reported at June 30, 2024	191,661,500
Change in accounting principle (GASB 101)	(18,494,908)
Beginning Net Position - as restated at June 30, 2024	$ 173,166,592

NOTE 16 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2025 through December 4, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

GROSSMONT UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 234,365,899	$ 233,709,707	$ 233,821,478	$ 111,771
Federal sources	32,994,662	15,766,333	14,678,615	(1,087,718)
Other state sources	26,757,629	30,800,817	30,770,420	(30,397)
Other local sources	34,870,431	36,942,620	41,150,824	4,208,204
Total Revenues	328,988,621	317,219,477	320,421,337	3,201,860
EXPENDITURES				
Certificated salaries	130,173,901	126,368,134	126,314,058	54,076
Classified salaries	53,929,061	53,877,192	53,880,763	(3,571)
Employee benefits	87,600,553	88,708,131	87,093,350	1,614,781
Books and supplies	15,210,789	16,435,170	9,641,354	6,793,816
Services and other operating expenditures	43,739,185	49,169,546	48,920,414	249,132
Capital outlay	7,944,753	2,872,565	8,589,890	(5,717,325)
Other outgo				
Excluding transfers of indirect costs	1,079,841	987,596	2,474,161	(1,486,565)
Transfers of indirect costs	(958,388)	(1,027,033)	(1,019,159)	(7,874)
Total Expenditures	338,719,695	337,391,301	335,894,831	1,496,470
Excess/(Deficiency) of Revenues Over Expenditures	(9,731,074)	(20,171,824)	(15,473,494)	4,698,330
OTHER FINANCING SOURCES/(USES)				
Transfers in	391,538	20,000	2,133	(17,867)
Other sources	-	-	4,218,385	4,218,385
Transfers out	-	(725,150)	(739,402)	(14,252)
Other Financing Sources/(Uses), Net	391,538	(705,150)	3,481,116	4,186,266
NET CHANGE IN FUND BALANCES	(9,339,536)	(20,876,974)	(11,992,378)	8,884,596
FUND BALANCES - BEGINNING	105,732,337	105,732,337	105,732,337	-
FUND BALANCES - ENDING	$ 96,392,801	$ 84,855,363	$ 93,739,959	$ 8,884,596

See notes to required supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS – DISTRICT PLAN
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 2,471,053	$ 2,270,950	$ 2,299,251	$ 3,246,108
Interest	2,803,556	2,724,792	2,591,324	1,842,906
Difference between expected and actual experience	505,486	(3,371,284)	160,309	654,220
Changes of assumptions	1,307,094	780,162	(845,402)	(12,388,803)
Benefit payments	(3,544,620)	(3,625,684)	(3,726,738)	(3,645,672)
Net change in total OPEB liability	3,542,569	(1,221,064)	478,744	(10,291,241)
Total OPEB liability, beginning of year	52,883,590	54,104,654	53,625,910	63,917,151
Total OPEB liability, end of year (a)	$ 56,426,159	$ 52,883,590	$ 54,104,654	$ 53,625,910
Plan fiduciary net position				
Employer contributions	$ 3,544,620	$ 5,625,684	$ (3,726,738)	5,645,672
Net investment income	590,803	362,893	(1,010,671)	1,080,347
Investment gains/(losses)	83,616	-	-	-
Administrative expense	(3,430)	(2,810)	(2,385)	(2,701)
Benefit payments	(3,544,620)	(3,625,684)	3,726,738	(3,645,672)
Change in plan fiduciary net position	670,989	2,360,083	(1,013,056)	3,077,646
Fiduciary trust net position, beginning of year	10,743,582	8,383,499	9,396,555	6,318,909
Fiduciary trust net position, end of year (b)	$ 11,414,571	$ 10,743,582	$ 8,383,499	$ 9,396,555
Net OPEB liability/(asset), ending (a) - (b)	$ 45,011,588	$ 42,140,008	$ 45,721,155	$ 44,229,355
Covered payroll	$ 142,216,028	$ 138,409,760	$ 151,547,230	$ 139,671,900
Plan fiduciary net position as a percentage of the total OPEB liability	20.23%	20.32%	15.49%	17.52%
Net OPEB liability/asset as a percentage of covered payroll	31.65%	30.45%	30.17%	31.67%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See notes to required supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS – DISTRICT PLAN
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 2,599,924	$ 3,323,919	$ 3,266,643	$ 3,159,229
Interest	2,059,303	2,237,494	2,112,126	2,039,395
Difference between expected and actual experience	(272,386)	(4,502,770)	-	-
Changes of assumptions	2,378,054	146,229	(482,832)	-
Benefit payments	(3,048,040)	(3,218,131)	(3,074,183)	(3,259,615)
Net change in total OPEB liability	3,716,855	(2,013,259)	1,821,754	1,939,009
Total OPEB liability, beginning of year	60,200,296	62,213,555	60,391,801	58,452,792
Total OPEB liability, end of year (a)	$ 63,917,151	$ 60,200,296	$ 62,213,555	$ 60,391,801
Plan fiduciary net position				
Employer contributions	$ 3,048,040	$ 5,218,131	$ 3,074,183	$ 3,259,615
Net investment income	373,976	431,723	158,159	133,611
Investment gains/(losses)	-	-	-	-
Administrative expense	(2,949)	(2,450)	(6,203)	(1,679)
Benefit payments	(3,048,040)	(3,218,131)	(3,074,183)	(3,259,615)
Change in plan fiduciary net position	371,027	2,429,273	151,956	131,932
Fiduciary trust net position, beginning of year	5,947,882	3,518,609	3,366,653	3,234,721
Fiduciary trust net position, end of year (b)	$ 6,318,909	$ 5,947,882	$ 3,518,609	$ 3,366,653
Net OPEB liability/(asset), ending (a) - (b)	$ 57,598,242	$ 54,252,414	$ 58,694,946	$ 57,025,148
Covered payroll	$ 128,923,000	$ 122,552,000	$ 138,484,996	$ 128,923,000
Plan fiduciary net position as a percentage of the total OPEB liability	9.89%	9.88%	5.66%	5.57%
Net OPEB liability/asset as a percentage of covered payroll	44.68%	44.27%	42.38%	44.23%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See notes to required supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS – MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
District's proportion of the net OPEB liability/(asset)	0.267%	0.257%	0.188%	0.255%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ 712,080	$ 778,797	$ 619,472	$ 1,018,482
District's Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	-1.02%	-0.96%	-0.94%	-0.80%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability/(asset)	0.241%	0.248%	0.249%	0.262%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ 1,021,297	$ 924,073	$ 952,311	$ 1,101,117
District's Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	N/A*	N/A*	N/A*	N/A*
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	-0.71%	-0.81%	-0.40%	-0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

*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.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.183%	0.174%	0.188%	0.170%	0.159%
District's proportionate share of the net pension liability	$ 122,994,696	$ 132,154,740	$ 130,671,450	$ 77,305,576	$ 154,104,298
State's proportionate share of the net pension liability associated with the District	56,431,256	63,320,195	65,440,645	38,897,977	79,440,141
Total	$ 179,425,952	$ 195,474,935	$ 196,112,095	$ 116,203,553	$ 233,544,439
District's covered - employee payroll	$ 124,568,764	$ 115,191,771	$ 107,501,674	$ 93,321,778	$ 90,453,743
District's proportionate share of the net pension liability as percentage of covered-employee payroll	99%	115%	122%	83%	170%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
District's proportion of the net pension liability	0.314%	0.318%	0.326%	0.321%	0.323%
District's proportionate share of the net pension liability	$ 112,188,756	$ 115,281,999	$ 112,083,869	$ 65,326,356	$ 99,230,871
District's covered - employee payroll	$ 62,726,687	$ 56,937,905	$ 51,517,473	$ 46,442,130	$ 47,234,476
District's proportionate share of the net pension liability as percentage of covered-employee payroll	179%	202%	218%	141%	210%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

See notes to required supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.161%	0.158%	0.164%	0.168%	0.177%
District's proportionate share of the net pension liability	$ 145,003,235	$ 145,407,559	$ 152,078,945	$ 135,880,080	$ 119,163,480
State's proportionate share of the net pension liability associated with the District	79,109,584	83,253,035	35,516,307	77,365,494	63,024,176
Total	$ 224,112,819	$ 228,660,594	$ 187,595,252	$ 213,245,574	$ 182,187,656
District's covered - employee payroll	$ 87,201,153	$ 86,433,389	$ 88,481,463	$ 85,504,958	$ 81,779,313
District's proportionate share of the net pension liability as percentage of covered-employee payroll	166%	168%	172%	159%	146%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.319%	0.328%	0.348%	0.364%	0.372%
District's proportionate share of the net pension liability	$ 92,960,239	$ 87,529,686	$ 83,089,352	$ 71,890,225	$ 54,788,946
District's covered - employee payroll	$ 44,812,570	$ 44,114,661	$ 44,354,443	$ 43,585,667	$ 41,247,524
District's proportionate share of the net pension liability as percentage of covered-employee payroll	207%	198%	187%	165%	133%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

See notes to required supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year				
CalSTRS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 23,201,695	$ 23,792,634	$ 20,805,697	$ 18,748,506	$ 15,710,107
District's contributions in relation to the statutorily required contribution	23,201,695	23,792,634	20,805,697	18,748,506	15,710,107
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 121,474,843	$ 124,568,764	$ 115,191,771	$ 107,501,674	$ 93,321,778
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	18.06%	17.44%	16.83%

	Reporting Fiscal Year				
CalPERS	2025	2024	2023	2022	2021
Statutorily required contribution	$ 16,678,594	$ 16,735,480	$ 14,195,390	$ 11,657,196	$ 10,029,896
District's contributions in relation to the statutorily required contribution	16,678,594	16,735,480	14,195,390	11,657,196	10,029,896
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 61,658,388	$ 62,726,687	$ 56,937,905	$ 51,517,473	$ 46,442,130
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	24.93%	22.63%	21.60%

	Reporting Fiscal Year				
CalSTRS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 15,542,832	$ 14,355,807	$ 12,472,338	$ 11,130,968	$ 9,174,682
District's contributions in relation to the statutorily required contribution	15,542,832	14,355,807	12,472,338	11,130,968	9,174,682
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 90,453,743	$ 87,201,153	$ 86,433,389	$ 88,481,463	$ 85,504,958
District's contributions as a percentage of covered-employee payroll	17.18%	16.46%	14.43%	12.58%	10.73%

	Reporting Fiscal Year				
CalPERS	2020	2019	2018	2017	2016
Statutorily required contribution	$ 9,267,548	$ 8,101,412	$ 6,851,448	$ 6,159,945	$ 5,163,594
District's contributions in relation to the statutorily required contribution	9,267,548	8,101,412	6,851,448	6,159,945	5,163,594
District's contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 47,234,476	$ 44,812,570	$ 44,114,661	$ 44,354,443	$ 43,585,667
District's contributions as a percentage of covered-employee payroll	19.62%	18.08%	15.53%	13.89%	11.85%

See notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios – District Plan

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability/(asset), and the components of the net OPEB liability/(asset) and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability/(asset), and the net OPEB liability/(asset) as a percentage of covered-employee payroll.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations.
- *Changes of Assumptions* – The discount rate has decreased since the prior measurement date from 5.33% to 5.02%.

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios – MPP Program

The schedule presents the sources of change in the net OPEB liability/(asset), and the components of the net OPEB liability/(asset) and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability/(asset).

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations.
- *Changes in Assumptions* – The discount rate has increased since the prior measurement date from 3.65% to 3.93%. The Medicare Part A Premium cost trend rate has increased from 4.50% to 5.00%, while Medicare Part B Premium has decreased from 5.40% to 6.50%, from prior measurement date.

Schedule of the District Contributions for OPEB

This 10-year schedule is not required to be presented as there was no actuarially determined contribution, nor any contribution requirement established by statute or contract.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of the Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

- *Changes in Assumptions* – There were no changes in assumptions since the previous valuations for CalSTRS and CalPERS.

Schedule of Contributions – Pensions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the District incurred an excess of expenditures over appropriations in General Fund presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Classified salaries	$ 53,877,192	$ 53,880,763	$ 3,571
Capital outlay	$ 2,872,565	$ 8,589,890	$ 5,717,325
Other outgo	$ (39,437)	$ 1,455,002	$ 1,494,439
Transfers out	$ 725,150	$ 739,402	$ 14,252

SUPPLEMENTARY INFORMATION

GROSSMONT UNION HIGH SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025

ORGANIZATION

The District is located in the eastern portion of San Diego County and encompasses a territory of about 465 square miles, including all of the Cities of El Cajon, Santee, and Lemon Grove, nearly all of the city of La Mesa, a very small portion of the city of San Diego, and the unincorporated communities of Alpine, Dulzura, Lakeside, Jamul and Spring Valley. The District is a high school district providing public education for students in grades 9-12. The District was formed in 1920. The District is currently operating nine high schools, one continuation school, two alternative education sites, four special education facilities, a middle college high school program, a Career Technical Education (CTE) program, and an adult education program. Three charter schools also operate under the sponsorship of the District. There were no changes to district boundaries during the 2024-25 fiscal year.

GOVERNING BOARD

Name	Office	Term Expires
Dr. Gary Woods	President	2026
Robert Shield	Vice President	2026
Jim Kelly	Member	2026
Chris Fite	Member	2028
Scott Eckert	Member	2028

ADMINISTRATION

Sandra Huezo (Effective January 17th, 2025-June 30th, 2025)
Acting Superintendent

Mike Fowler (Effective July 1st, 2024-December 3rd, 2024)
Superintendent

Pearl Iizuka (Effective January 6th, 2025-May 30th, 2025)
Interim Deputy Superintendent Business Services

Amy Shackelfor (Effective July 1st, 2024-November 30th, 2025)
Deputy Superintendent of Business Services

Paul Dautremont, Ed.D
Assistant Superintendent, Educational Services

Dr. Bobbi Burkett (Effective August 12th, 2024)
Assistant Superintendent, Human Resources

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed Through California Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13523	$ 4,991,279
School Breakfast Program	10.553	13525	442,760
School Breakfast Needy	10.553	13526	1,833,017
Total Child Nutrition Cluster			7,267,056
Passed Through California Department of Social Services			
Child Nutrition: CACFP Claims - Centers and Family Day Care	10.558	13393	1,052,897
Total U.S. Department of Agriculture			8,319,953
U.S. Department of Education:			
Passed Through East County Special Education Local Plan Area			
Special Education IDEA Cluster:			
IDEA Local Assistance - Private Schools	84.027	10115	2,571
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	4,621,175
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	244,545
Total Special Education IDEA Cluster			4,868,291
Passed Through California Department of Education			
Education Stabilization Funds:			
ASES Rate Increase: ESSER III State Reserve Summer Learning Programs	84.425	15652	181,168
Total Education Stabilization Funds			181,168
Title I Cluster:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	6,342,238
ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	45,178
Total Title I Cluster			6,387,416
Adult Education Cluster:			
Adult Basic Education & ELA	84.002A	14508	691,830
Adult Secondary Education	84.002	13978	203,363
Integrated English Literacy and Civics Education	84.002A	14109	166,036
Adult Education: Institutionalized Adults	84.002	13971	96,012
Total Adult Education Cluster			1,157,241
Career and Technical Education Cluster:			
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	733,724
Carl D. Perkins Career and Technical Education: Adult, Section 132	84.048	14893	73,670
Total Career and Technical Education Cluster			807,394
English Language Acquisition Cluster:			
Title III, Immigrant Student Program	84.365	15146	688
Title III, English Learner Student Program	84.365	14346	46,207
Total English Language Acquisition Cluster			46,895
Workability II, Transitions Partnership Program	84.126	10006	429,773
Title II, Part A, Supporting Effective Instruction	84.367	14341	836,474
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	784,334
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	410,540
Total U.S. Department of Education			15,909,526
Total Federal Financial Assistance			$ 24,229,479

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report Certification No. 3AFC5EC1	Annual Report Certification No. DE08A048
Regular ADA		
Ninth through Twelfth	14,830.66	14,737.69
Total Regular ADA	14,830.66	14,737.69
Extended Year Special Education		
Ninth through Twelfth	19.43	19.43
Total Extended Year Special Education	19.43	19.43
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through Twelfth	67.37	-
Total Special Education, Nonpublic, Nonsectarian Schools	67.37	-
Extended Year Special Education - Nonpublic		
Ninth through Twelfth	16.81	16.81
Total Extended Year Special Education - Nonpublic	16.81	16.81
ADA Totals	14,934.27	14,773.93

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

				Number of Days		
				Traditional Calendar		
Grade Level	Minutes Requirement	Actual Minutes	Adjusted Minutes	Actual Day Offered	Multitrack Calendar	Status
Grade 9	64,800	64,923	64,923	180	N/A	Complied
Grade 10	64,800	64,923	64,923	180	N/A	Complied
Grade 11	64,800	64,923	64,923	180	N/A	Complied
Grade 12	64,800	64,923	64,923	180	N/A	Complied

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	$ 311,723,334	$ 324,641,855	$ 336,980,776	$ 343,938,324
Expenditures and Other Financing Uses	321,035,191	336,634,233	339,921,461	304,240,769
Net Change in Fund Balances	(9,311,857)	(11,992,378)	(2,940,685)	39,697,555
Ending Fund Balances	$ 84,428,102	$ 93,739,959	$ 105,732,337	$ 108,673,022
Available Reserves**	$ 14,446,584	$ 15,148,545	$ 15,296,465	$ 13,690,835
Available Reserves as a Percentage of Outgo	4.5%	4.5%	4.5%	4.5%
Long-term Debt	$ 1,059,718,411	$ 1,122,140,578	$ 1,123,534,599	$ 1,136,660,940
Average Daily District Attendance at P-2	14,659	14,939	14,950	15,079

The General Fund balance has decreased by $14,933,063 over the past two years. The fiscal year 2025-26 budget projects an decrease of $9,311,857, or 9.93%. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo). However, the District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 4.5 percent of General Fund expenditures and other financing uses.

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2025-26 fiscal year. Total long-term liabilities have decreased by $14,520,362 over the past two years.

Average daily attendance has decreased by 140 over the past two years. Additional decline of 280 ADA is anticipated during fiscal year 2025-26.

** Available reserves are the unrestricted amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects.

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

There were no adjustments to the Unaudited Actual Financial Report which require reconciliation to the audited financial statements for the year ended June 30, 2025.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025

Charter School	Number	Included in Audit Report
Helix Charter High School	0150	No
Steele Canyon Charter High School	0893	No
The Learning Choice Academy - East County	2039	No

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds		
	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total Non-Major Governmental Funds
ASSETS						
Cash and equivalents	$ 4,043,975	$ 4,722,666	$ 7,367,084	$ 4,051,649	$ 12,749,081	$ 32,934,455
Accounts receivable	-	2,448,838	3,120,380	68,760	184,238	5,822,216
Due from other funds	-	1,469	54,941	-	781,605	838,015
Inventory	-	-	248,339	-	-	248,339
Prepaid expenses	-	164,068	-	-	-	164,068
Lease receivable	-	-	-	-	1,023,407	1,023,407
Total Assets	$ 4,043,975	$ 7,337,041	$ 10,790,744	$ 4,120,409	$ 14,738,331	$ 41,030,500
LIABILITIES						
Accrued liabilities	$ 81,373	$ 714,882	$ 289,656	$ 62,414	$ 69,267	$ 1,217,592
Due to other funds	-	500,298	389,609	19,086	97,010	1,006,003
Unearned revenue	-	65,471	47,121	-	-	112,592
Total Liabilities	81,373	1,280,651	726,386	81,500	166,277	2,336,187
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to lease receivable	-	-	-	-	994,323	994,323
Total Deferred Inflows of Resources	-	-	-	-	994,323	994,323
FUND BALANCES						
Nonspendable	7,883	164,568	248,339	-	-	420,790
Restricted	3,954,719	537,158	9,816,019	4,038,909	11,253,302	29,600,107
Assigned	-	5,354,664	-	-	2,324,429	7,679,093
Total Fund Balances	3,962,602	6,056,390	10,064,358	4,038,909	13,577,731	37,699,990
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,043,975	$ 7,337,041	$ 10,790,744	$ 4,120,409	$ 14,738,331	$ 41,030,500

See note to supplementary information.

GROSSMONT UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds		
	Student Activity Special Revenue Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total Non-Major Governmental Funds
REVENUES						
Federal sources	$ -	$ 1,230,911	$ 7,913,198	$ -	$ -	$ 9,144,109
Other state sources	-	15,632,387	6,118,304	-	-	21,750,691
Other local sources	7,053,745	3,537,080	948,844	1,317,533	4,727,899	17,585,101
Total Revenues	7,053,745	20,400,378	14,980,346	1,317,533	4,727,899	48,479,901
EXPENDITURES						
Current						
Instruction	-	7,287,097	-	-	-	7,287,097
Instruction-related services						
Instructional supervision and administration	-	532,415	-	-	-	532,415
School site administration	-	9,820,012	-	-	-	9,820,012
Pupil services						
Food services	-	-	13,536,679	-	-	13,536,679
All other pupil services	-	98,936	-	-	-	98,936
General administration						
All other general administration	-	490,149	529,010	39,526	-	1,058,685
Plant services	-	1,156,890	952,834	2,714	530,127	2,642,565
Facilities acquisition and maintenance	-	580,884	676,628	654,359	1,002,665	2,914,536
Ancillary services	6,944,204	-	-	-	-	6,944,204
Debt service						
Principal	-	-	78,917	-	980,000	1,058,917
Interest and other	-	-	1,052	-	1,204,997	1,206,049
Total Expenditures	6,944,204	19,966,383	15,775,120	696,599	3,717,789	47,100,095
Excess/(Deficiency) of Revenues Over Expenditures	109,541	433,995	(794,774)	620,934	1,010,110	1,379,806
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	739,402	739,402
Transfers out	-	-	-	-	(2,133)	(2,133)
Other Financing Sources/(Uses), Net	-	-	-	-	737,269	737,269
NET CHANGE IN FUND BALANCES	109,541	433,995	(794,774)	620,934	1,747,379	2,117,075
FUND BALANCES - BEGINNING	3,853,061	5,622,395	10,859,132	3,417,975	11,830,352	35,582,915
FUND BALANCES - ENDING	$ 3,962,602	$ 6,056,390	$ 10,064,358	$ 4,038,909	$ 13,577,731	$ 37,699,990

See note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. 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.

Indirect Cost Rate
The District has not elected to use the 10% de minimis cost rate.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code Section* 43504.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

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

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

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is 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 INDEPENDENT AUDITORS' REPORTS

CWDL

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

Governing Board
Grossmont Union High School District
El Cajon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grossmont Union High School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2025.

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

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

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

San Diego, California
December 4, 2025

CWDL

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

Governing Board
Grossmont Union High School District
El Cajon, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grossmont Union High School District's (the "District") compliance with the types of compliance requirements described 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, 2025. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 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 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 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 Auditors' 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 or significant deficiencies, 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.

CWDL, Certified Public Accountants

San Diego, California
December 4, 2025

CWDL

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Governing Board
Grossmont Union High School District
El Cajon, California

Report on Compliance

Opinion on State Compliance

We have audited Grossmont Union High School District's (the "District") compliance with the types of compliance requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of the District's state programs for the fiscal year ended June 30, 2025, as identified below.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following programs:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. RESERVED	Not Applicable
D. Independent Study	Yes
E. Continuation Education	Not Applicable
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools - *continued*:	
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Not Applicable
P. RESERVED	Not Applicable
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not Applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable
Z. Immunizations	Not Applicable
AZ. Educator Effectiveness	Not Applicable
BZ. Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Not Applicable
EZ. Transitional Kindergarten	Not Applicable
FZ. Kindergarten Continuance	Not Applicable
Charter Schools:	
AA. Attendance	Not Applicable
BB. Mode of Instruction	Not Applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not Applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
EE. Annual Instructional Minutes - Classroom Based	Not Applicable
FF. Charter School Facility Grant Program	Not Applicable

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

We did not perform testing for continuation education because total reported ADA was not material.

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 or material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 or significant deficiencies, 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

San Diego, California
December 4, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GROSSMONT UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2025

FINANCIAL STATEMENTS	
Type of auditors' report issued:	Unmodified
Is going concern emphasis-of-matter paragraph included in the auditor's report?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	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:	

Assistance Listing Number(s)	Name of Federal Program of Cluster
10.555, 10.553	Child Nutrition Cluster
10.558	Child Nutrition: CACFP Claims - Centers and Family Day Care
84.002A, 84.002	Adult Education Cluster
84.048	Career and Technical Education Cluster
84.367	Title II, Part A, Supporting Effective Instruction
84.287	Title IV, Part B, 21st Century Community Learning Centers Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

GROSSMONT UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025

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

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2025.

GROSSMONT UNION HIGH SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section presents significant deficiencies, material weaknesses, and instances of noncompliance identified during the audit of the financial statements. These matters are reported in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

GROSSMONT UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

GROSSMONT UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no prior audit findings or questioned costs for the year ended June 30, 2024.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Governing Board
Grossmont Union High School District
El Cajon, California

Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2004), Series 2026A

Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2008), Series 2026B

Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2016), Series 2026C

(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Grossmont Union High School District (the "District"), which is located in the County of San Diego, California (the "County"), in connection with the issuance by the District of $_____ aggregate principal amount of bonds designated as "Grossmont Union High School District General Obligation Refunding Bonds (Election of 2004), Series 2026A" (the "Series 2026A Bonds"), $_____ aggregate principal amount of bonds designated as "Grossmont Union High School District General Obligation Refunding Bonds (Election of 2008), Series 2026B" (the "Series 2026B Bonds") and $_____ aggregate principal amount of bonds designated as "Grossmont Union High School District General Obligation Refunding Bonds (Election of 2016), Series 2026C" (the "Series 2026C Bonds" and, together with the Series 2026A Bonds and the Series 2026B Bonds, the "Bonds"). The Bonds are authorized and issued pursuant to a resolution of the Governing Board of the District adopted on July 23, 2026 (the "District Resolution") and delivered pursuant to Paying Agent Agreements, each dated as of August 1, 2026 (the "Paying Agent Agreements"), each by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent") and acknowledged by the Treasurer-Tax Collector of the County. The Board of Supervisors of the County authorized the District to issue the Bonds on its own behalf by a resolution adopted on June 8, 2021. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the District Resolution or the Paying Agent Agreements.

In such connection, we have reviewed the District Resolution, the Paying Agent Agreements, the tax certificate of the District, dated the date hereof (the "Tax Certificate"), certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the District Resolution, the Paying Agent Agreements and the Tax

Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the District Resolution, the Paying Agent Agreements and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the District or the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the District Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the District.

2. The District Resolution has been duly and legally adopted and constitutes the valid and binding obligation of the District.

3. The Paying Agent Agreements have been duly executed and delivered by, and constitute the valid and binding agreements of, the District.

4. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

$31,335,000*
Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2004), Series 2026A

$26,065,000*
Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2008), Series 2026B

$32,370,000*
Grossmont Union High School District
(San Diego County, California)
General Obligation Refunding Bonds
(Election of 2016), Series 2026C

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated _____, 2026, is executed and delivered by the Grossmont Union High School District (the "District") in connection with the issuance of the above-named bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution"), adopted by the Governing Board of the District on July 23, 2026, and in accordance with the terms of Paying Agent Agreements, each dated as of August 1, 2026 (collectively, the "Paying Agent Agreements"), each by and between the District and U.S. Bank Trust Company, National Association (the "Paying Agent"), and agreed to and acknowledged by the Treasurer-Tax Collector of the County of San Diego. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

* Preliminary, subject to change.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the S.E.C., filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Official Statement" shall mean the final official statement dated _____, 2026 relating to the Bonds.

"Participating Underwriter" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (currently ending June 30), commencing with the report for the fiscal year of the District ending June 30, 2026 (which is due not later than April 1, 2027), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than 15 business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB in substantially the form attached as Exhibit A.

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

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

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

* The District's approved annual budget for the then-current fiscal year;

* Assessed value of taxable property in the District as shown on the most recent equalized assessment role;

* District outstanding debt;

* If the County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year; and

* Top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if material.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the District; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

Note: for the purposes of the event identified in Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving 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;

7. Appointment of a successor or additional paying agent or the change of name of a paying agent; or

8. Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) Upon the occurrence of a Listed Event described in Section 5(a) or Section 5(b) (if material), the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(f) The District intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Continuing Disclosure Certificate on the date as first written above.

GROSSMONT UNION HIGH SCHOOL DISTRICT

By:_____
Emily Mayer
Executive Director, Fiscal Services

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of District:	GROSSMONT UNION HIGH SCHOOL DISTRICT
Name of Bond Issue:	GROSSMONT UNION HIGH SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS (ELECTION OF 2004), SERIES 2026A GROSSMONT UNION HIGH SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS (ELECTION OF 2008), SERIES 2026B GROSSMONT UNION HIGH SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS (ELECTION OF 2016), SERIES 2026C
Date of Issuance:	_____, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____.]

Dated:_____

GROSSMONT UNION HIGH SCHOOL DISTRICT

By _____[to be signed only if filed]_____

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APPENDIX E

SAN DIEGO COUNTY INVESTMENT POOL

The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the County Treasurer and has not been confirmed or verified by the District or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

In accordance with Section 53600 *et seq*. of the Government Code of the State of California (the "Government Code"), the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with Section 53635 *et seq*. of the Government Code. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the Treasurer's investment portfolio conform to the statutory requirements of Section 53635 *et seq*. of the Government Code, authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

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SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND INVESTMENT POLICY

January 1, 2026

The Investment Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686. Section 53635 shall apply to a local agency that is a county or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

The practices of this office will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this policy statement. All matters contained in this policy are to be read and applied pursuant to and consistent with state law. Where this Investment Policy specifies a percentage limitation, compliance will be measured as of the date of purchase. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Pooled Money Fund (the "Fund") the objectives of this office shall be as follows.

1. **The primary objective shall be to safeguard the principal of the funds under the County Treasurer's control.**

2. **The secondary objective shall be to meet the liquidity needs of the participants.**

3. **The third objective shall be to achieve an investment return on the funds under control of the County Treasurer within the parameters of prudent risk management.**

The Fund is an actively managed portfolio. By this, it is meant that the County Treasurer and staff will observe, review, and adjust to changing conditions that affect the Fund. This shall be viewed as a full-time responsibility by the County Treasurer and staff. The authority to execute investment transactions that will affect the Fund will be limited to:

County Treasurer-Tax Collector
Assistant Treasurer-Tax Collector
Chief Deputy Treasurer
Chief Investment Officer
Investment Officers

The County Treasurer-Tax Collector (the "County Treasurer") and the above staff will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund.

Government Code Sections 27000.3 and Section 53600.3 provide that the "prudent investor" standard is to be used by the County Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the County Treasurer and their staff shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this policy and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law. The County Treasurer and their staff shall act in accordance with written procedures and the Investment Policy, exercise due diligence, report in a timely fashion, and implement appropriate controls to mitigate adverse developments.

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2026 SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND INVESTMENT POLICY

The purpose of the County Treasurer's Investment Policy is to implement the legislated parameters of the investment authority of the Fund. As an elected official of the County of San Diego, the County Treasurer must manage public monies in a way that is consistent with its objectives, investment oversight, and sound investment practices and not solely to maximize returns. The basic concept of investment return is based on a risk/reward relationship: the higher the risk, the higher the expected return. Risk management must be an integral part of any investment policy. Risk management must include adequate internal controls so that Fund depositors and the public have confidence that public monies are secure. The policy stated below will concern itself with risk management.

1. **SECURITY OF PRINCIPAL POLICY** - The policy issues directed to protecting the principal entrusted to this office are:

   A. Limiting the Fund's exposure to each type of security.

   B. Limiting the Fund's exposure to each issuer of debt.

   C. Determining the minimum credit requirement for each type of security.

2. **LIQUIDITY POLICY** - The policy issues directed to provide the necessary liquidity to the participants are:

   A. Limiting the length of maturity for securities in the Fund.

   B. Limiting the Fund's exposure to Moderately Liquid and Illiquid securities.

3. **RETURN POLICY** - The policy issues directed to achieving a return are:

   A. Attaining a market rate of return, while considering the investment risk constraints and liquidity needs.

   B. Limiting most of the investments to low-risk securities in anticipation of earning a fair return relative to the risk being taken.

4. **MATURITY POLICY**

   A. The maximum maturity allowed by the California Government Code is 5 years, with shorter limitations specified for certain types of securities. The guidelines for maturities of investments and duration of the Fund, as established under this Policy, shall be:
   - At least 35% of the Fund maturing within 1 year
   - At least 15% of the Fund maturing within 90 days, and
   - A maximum effective duration of 2.0 years

B. The Fund will be considered in compliance with the maturity policy if it meets the maturity targets above. If the Fund distribution does not comply with the table above, until such time as the Fund is within maturity targets, all securities purchased shall be of a maturity or duration that will lower the maturity and or duration of the Fund. In the event a compliance violation has occurred, a variance report shall be made to the County Treasury Oversight Committee as part of the normal public monthly reporting.

5. GENERAL STRATEGY

The County Treasurer will generally use a buy and hold investment strategy, where securities are purchased with the intent of holding them to maturity. The investment staff will update the County Treasury Oversight Committee on its asset allocation and investment strategy at its regularly scheduled public meetings. Securities may be sold prior to maturity when deemed prudent. Reasons for selling include, but are not limited to:

- Disposing of a security with declining credit quality
- A financially advantageous sale and replacement of a security that improves the quality, yield, or target duration of the portfolio
- Meeting the liquidity needs of the portfolio
- Portfolio rebalancing to bring the portfolio back into compliance

6. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms their commitment to the consideration of ESG criteria in evaluating securities. Investments in entities that promote environmental stewardship by considering climate change, carbon emissions, pollution, biodiversity, deforestation, and food and water waste are encouraged. The County Treasurer also advocates investments in entities that support labor fairness and equality while opposing discrimination related to sex, race, age, disability, sexual orientation, color, religion, veteran status, genetic information, and other protected classes. Additionally, the County shall not purchase any investments issued directly by a corporation, classified under the Standard Industrial Classification (SIC) codes listed in Appendix C, that engages in the exploration, production, drilling, or refining of coal, petroleum, or natural gas.

7. PROHIBITED SECURITIES

The California Government Code prohibits a local agency from investing in any of the following derivative notes:

- Inverse Floaters
- Range Notes
- Interest-only strips derived from a pool of mortgages
  Any security that could result in zero interest accrual, except for securities issued by, or backed by, the United States government that could result in zero or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

8. **CREDIT RATING POLICY**

A. This Investment Policy sets forth minimum credit ratings for each type of security. These credit limits apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits.

B. Minimum credit ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one nationally recognized statistical rating organization (the "NRSRO").
b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, the County Treasurer and staff will analyze and evaluate the credit to determine whether to hold or sell the security.

2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit requirement, the County Treasurer will report the rating change to the County Treasury Oversight Committee in the monthly public report. In the same manner, the County Treasury Oversight Committee will be informed on the decision to hold or sell a downgraded security.

3. The Investment Group shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

9. INTERNAL CONTROLS

A. The Chief Deputy Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived; and

2. The valuation of costs and benefits requires estimates and judgments by management.

B. Accordingly, the Chief Deputy Treasurer shall establish and maintain internal controls that shall address the following points:

1. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.

2. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

3. Delivery-Versus-Payment (DVP) - All investment transactions shall be conducted on a delivery-versus-payment basis.

4. Safekeeping and Custody - Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the County's portfolio shall be held in safekeeping in the County's name by a third-party custodian, acting as agent for the County under the terms of a custody agreement executed by the bank and the County. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the County from the custodian listing all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, (iii) Local Agency Investment Fund, and (iv) mutual funds and money market mutual funds, since these securities are not deliverable.

5. Avoidance of Physical Delivered Bearer Securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.

6. Written Confirmation of Telephone Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person.

7. Development of a Wire Transfer Agreement with the Lead Bank or Third-Party Custodian - This agreement should outline the various controls, security provisions, and responsibilities of each party making and receiving wire transfers.

8. A treasury operations manual, as overseen by the Chief Deputy Treasurer, will be reviewed and updated by the treasury staff every two years or on an as needed basis.

10. **ANNUAL AUDIT** - The County Treasury Oversight Committee shall cause an independent audit to be conducted annually on a fiscal year basis by an external auditor to determine if the County Treasury is in compliance with the Investment Policy, other internal policies and procedures, and the California Government Code.

11. **PERMISSIBLE INVESTMENTS** - Government Codes 53601, 53601.1, 53601.2, 53601.8, 53635, 53635.8, 53637, 53638, 53651, 53652, and 53653 address permissible investments. These investment categories are addressed individually in sections 12-29 below.

12. **GOVERNMENT OBLIGATIONS** - The Fund invests in two categories of Government Obligations: U.S. Treasury and Agency obligations. Both are issued at the Federal level. U.S. Treasury obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government. Agency obligations are notes and bonds of federal agencies and government sponsored enterprises, including:

Federal Agricultural Mortgage Corporation (Farmer Mac)
Federal National Mortgage Association (FNMA, or Fannie Mae)
Federal Home Loan Bank (FHLB)
Federal Farm Credit Bank (FFCB)
Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac)
Government National Mortgage Corporation (GNMA, or Ginnie Mae)
Tennessee Valley Authority (TVA)

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category is unlimited.

C. Maximum Exposure Per Issuer - The maximum exposure to the Fund for an individual issuer shall be:

1. Treasury - Unlimited

2. Agency - No more than 35% of the Fund value shall be invested in any single issuer.

D. Minimum Credit Requirement - None

E. Liquidity Category - Liquid

13. **LOCAL AGENCY AND STATE OBLIGATIONS** -These include registered state warrants or treasury notes or bonds of the state of California and registered bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state and bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

D. Minimum Credit Requirement - Issuers must be at or above the following ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category – Moderately Liquid

14. **BANKER'S ACCEPTANCES** - This is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the Banker's Acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed. Since their inception in 1914, there has been no known loss of principal to investors holding Banker's Acceptances.

A. Maximum Maturity - The maximum maturity of a security shall be 180 days from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

D. Minimum Credit Requirement – The rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

E. Liquidity Category – Liquid

15. **COMMERCIAL PAPER** - These are short-term, unsecured or secured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, some other support agreement, or collateralized by other financial assets.

A. Maximum Maturity - The maximum maturity of a security shall be 397 days from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-CP investments with said issuer.

D. Minimum Credit Requirements - The Rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

E. Liquidity Category - Liquid

16. **MEDIUM-TERM NOTES ("MTN")** - These are corporate notes**,** deposit notes**,** and bank notes sold by an agent in the open market on a continually offered basis. Issuers include well-recognized banks and bank holding companies, thrifts, finance companies, insurance companies, and industrial corporations. These medium-term notes are generally unsecured debt obligations, although some issues come to market on a collateralized or secured basis.

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-MTN investments with said issuer.

D. Minimum Credit Requirements - Issuers must be at or above the following ratings**:**

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.

b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

17. **NEGOTIABLE CERTIFICATES OF DEPOSIT** - These are issued by commercial banks and thrift institutions against funds deposited for specified periods of time, and they earn specified or variable rates of interest. Negotiable certificates of deposit ("NCD") differ from other certificates of deposit by their liquidity. NCD's are traded actively in secondary markets.

A. Maximum Maturity

1. The maximum maturity of an NCD security shall be 5 years from the settlement date.
2. The maximum maturity of any FDIC insured CDs, whether directly placed or placed through a private sector entity, shall be 13 months.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-NCD investments with said issuer

D. Minimum Credit Requirement – Issuers must be at or above the following ratings:

a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

18. **REPURCHASE AGREEMENTS** - A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (the Fund); the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed-upon future date.

A. Maximum Maturity - The maximum maturity of repurchase agreements shall be one year.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.

C. Maximum Exposure Per Broker/Dealer - The maximum exposure to a single broker/dealer shall be 10% of the Fund when the dollar-weighted average maturity is greater than 5 days or 15% of the Fund when the dollar-weighted average maturity is 5 days or less.

D. Eligible Broker/Dealers - Broker/Dealers shall sign a PSA Master Repurchase Agreement or a Tri-Party Repurchase Agreement. The Agreement must specify a minimum margin percentage of 102% and also provide for daily mark-to-market of the collateral by the custodian bank.

E. Eligible Collateral - The securities eligible for repurchase agreement transactions shall be securities authorized in Section 53601 of the California Government Code. Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency obligations.

F. Delivery of Collateral - Broker/Dealers shall deliver the underlying securities to the County's safekeeping bank, a mutually agreed-upon third party custodian bank, or a counterparty bank's customer book-entry account. When a third-party custodian is used, it will be the custodian's responsibility to transfer funds and securities between the broker/dealer and the Fund in accordance with the terms of the repurchase agreement.

G. Liquidity Category - Liquid

19. **REVERSE REPURCHASE AGREEMENTS** - Reverse repurchase agreements (RRPs) are essentially the mirror image of RPs. In this instance, the Fund is the seller of securities, and the broker or bank is the investor.

Due to the nature of RRPs, the policy regarding this instrument is different from the above RP policy.

A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRP.

B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to RRPs and/or securities lending at any one time.

C. Maximum Exposure Per Broker/Dealer – No more than 10% of the Fund shall be invested in RRPs with any one broker/dealer at any one time.

D. Purpose of RRPs - The uses of RRPs shall be to invest the proceeds from the agreement into permissible securities that are in the highest short-term rating category; to supplement the yield on securities owned; or to provide funds for the immediate payment of an obligation. The maturity of the RRP and the maturity of the security purchased shall be the same.

E. Eligible Securities - A RRP may only be entered into with a security authorized in California Government Code 53601 which has been owned and paid for 30 days prior to the settlement of the RRP.

F. Eligible Broker/Dealer - Broker/Dealers shall be primary broker/dealers of the Federal Reserve Bank of New York.

G. Liquidity Category - Liquid

20. **SECURITIES LENDING** - This is a program conducted by an agent authorized to execute securities lending under the guidelines listed under RRPs and as detailed in the "Services for Securities Lending Agreement." A securities lending transaction is when the Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future. The loans must be secured continuously by cash collateral or securities and maintained at a value of at least equal to 102 % of the market value of the securities loaned. During the term of the loan, the Fund will continue to receive the equivalent of the interest paid by the issuer of the securities loaned. The Fund will have the right to call the loan and receive the securities loaned at any time with one day's notice.

A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days.

B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to securities lending and/or RRPs at any one time.

C. Maximum Exposure Per Counterparty - No more than 10% of the Fund shall be on loan with any single counterparty at any one time.

D. Proceeds shall be invested in securities authorized by California Government Code and this Investment Policy.

21. **COLLATERALIZED CERTIFICATES OF DEPOSIT** - This is the deposit of funds in state or national banks, state or federal savings and loan associations, federal credit unions, or FDIC-insured industrial loan companies in California per California Government Code Section 53652. The deposit of the funds will be made under the following conditions:

A. The deposit may not exceed the total of the paid-in capital and surplus of a depository.

B. The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits. These securities will be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed-upon third party custodian bank.

C. The County Treasurer may waive the first $250,000 of collateral for each depository, so long as that amount is insured by an agency of the Federal Government. The documents listed below in D will not be required for deposits of $250,000 or less.

D. Each institution that receives Fund deposits must provide the County Treasurer with an up-to-date Contract, Annual Report, Affirmative Action Policy, Community Reinvestment Act Statement, and EEO-1 Form.

E. Maximum Maturity – The maximum maturity of a collateralized CD shall be 13 months.

F. Maximum Exposure of Fund – The maximum exposure to the Fund for this category shall be 5%.

G. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

H. Institutions at or above the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

I. Liquidity Category - Illiquid

22. **FDIC & NCUA INSURED DEPOSIT ACCOUNTS –** This is the deposit of funds in a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state per California Government Code Section 53635.8. The deposit of funds will be made under the following conditions:

A. The deposit of funds may be placed directly with a selected depository institution, not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

B. A selected depository may use a private sector entity to help place deposits with one or more commercial bank, savings bank, savings and loan association, or credit union located in the United States.

C. The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

D. Maximum Maturity - The maximum maturity of an FDIC or NCUA Insured Deposit Account shall be 13 months.

E. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 5%.

F. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.

G. Minimum Credit Requirement - There is no minimum credit requirement for FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity.

H. Liquidity Category - Illiquid

23. **COVERED CALL OPTION/PUT OPTION** - An option is the right to buy or sell a specific security within a specific time period at a specific price.

A. A covered call is when the County Treasurer sells the option to another party giving them the right to buy an existing security in the Fund at a specific price within a specific time period.

B. A put option is when the County Treasurer sells the option to another party giving them the right to sell to the County Treasurer a security at a specific price within a specific time period.

C. The seller of a covered call option/put option is paid at the time of the sale of the option. At the end of the option period, if the option is not exercised, the right to buy or sell the security is canceled.

D. The County Treasurer will act only as a seller of covered call and put options with the following exception: County Treasurer may buy an option to offset an existing open option position.

E. Securities subject to covered calls shall not be used for Reverse Repurchase Agreements.

F. Cash sufficient to pay for outstanding puts shall be invested in securities maturing on or before the expiration date of the options.

G. Maximum Maturity - The maximum maturity of a covered call option/put option shall be 90 days.

H. Maximum Exposure of Fund - No more than 10% of the Fund may have options written against it at any given time.

I. Counterparty Risk - Options shall only be written with primary broker/dealers of the Federal Reserve Bank of New York.

J. Liquidity Category - Liquid

24. **MONEY MARKET MUTUAL FUND** – These investments consist of shares of beneficial interest issued by management companies. Such shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value. The Government Code allows for purchases of many types of mutual funds, but the Fund will limit use to money market mutual funds managed to maintain a stable NAV.

A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.

B. Maximum Exposure Per Fund - The maximum exposure to a single mutual fund shall be 10% of the Fund value.

C. Purchase Price - The purchase price of the mutual fund shall not include any commission.

D. Minimum Credit Requirement - Mutual fund ratings must be in the highest rating category by at least two NRSROs or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience in managing money market mutual funds and with assets under management in excess of five hundred million dollars.

E. Liquidity Category – Liquid

25. **LOCAL GOVERNMENT INVESTMENT POOLS (LGIPs)** – These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The Fund shall only invest in LGIPs that comply with the California Government Code and all relevant sections of this Investment Policy and are managed to maintain a stable NAV.

A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.

B. Minimum Credit Requirement – LGIP ratings must be in the highest rating category by at least one NRSRO.

C. Liquidity Category – Liquid

26. **LOCAL AGENCY INVESTMENT FUND (LAIF)** – This fund was established by Government Code Section 16429.1 for use by local agencies in California and operates similarly to a LGIP. It is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.

A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.

B. Minimum Credit Requirement – LAIF is an unrated fund.

C. Liquidity Category – Liquid

27. **PASS-THROUGH SECURITIES** - These will be limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds.

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

D. Minimum Credit Requirement - The security must be rated "AA" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

28. **WHEN-ISSUED SECURITIES** - The Fund may invest in new issues of Government Obligations offered on a when-issued basis; that is, delivery and payment take place after the date of the commitment to purchase, normally within 15 days. Both price and interest rate are fixed at the time of commitment. This allows the Fund to lock in an interest rate that may not be available on the issue date. The Fund does not earn interest on the securities until settlement, and the market value of the securities may fluctuate between purchase and settlement. Such securities can be sold before settlement.

29. **SUPRANATIONALS** – The fund may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by multi-national organizations, including:

- Inter-American Development Bank (IADB)
- International Bank for Reconstruction and Development (IBRD)
- International Finance Corporation (IFC)

A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.

B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.

C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.

D. Minimum Credit Requirement - The issuer must be rated "AA" or higher by at least one NRSRO.

E. Liquidity Category - Liquid

30. **QUALIFIED BROKERS AND DEALERS** - In order to minimize risk in executing security transactions under this Investment Policy, all transactions will be made only through qualified dealers.

A. A qualified dealer must be a bank, savings and loan association, or an investment securities dealer. Commercial Paper and Certificate of Deposit issuers may be considered qualified dealers for direct issuance of their paper.

B. Any dealer entering into a new business relationship to conduct security transactions with the County Treasurer is required to make application to the County Treasurer.

C. The dealer must ensure that its staff is aware of the County Treasurer's Investment Policy and the California Government Code Sections 53601 and 53635.

D. Investment securities dealers for Reverse Repurchase Agreements must be primary dealers regularly reporting to the Federal Reserve Bank.

E. The dealer is required to have net capital in excess of $10 million with liquidity lines of $50 million or more.

F. The dealer is required to maintain an active secondary market for securities sold to the County and must be competitive in price for bids and offers.

G. The dealer will be monitored by the Chief Investment Officer and staff to ensure the services the County requires are delivered in a timely and efficient manner.

H. The primary account representative must be in the institutional or middle market fixed income division with 5 years or more experience covering large municipalities.

I. A qualified dealer must not have made any political contributions to the County Treasurer, any member of the Board of Supervisors, or any candidate for these offices within any consecutive 48-month period following January 1996. The exception is if the broker/dealer is entitled to vote for any of these offices, in which case the contributions shall not be in excess of $250 to each official per election.

J. Each dealer, at minimum every three years, or more frequently if requested, will be required to respond to the County's Request for Information (RFI) providing the County with up-to-date financial and investment experience information in order to continue in its role.

31. **DELEGATION OF INVESTMENT AUTHORITY TO THE COUNTY TREASURER** - The State of California gives the Board of Supervisors the ability to delegate investment authority to the County Treasurer for a one-year period in accordance with Section 53607 of the California Government Code. The delegation will require renewal each year.

32. **SAFEKEEPING AUTHORITY**

A. The State of California gives the Board of Supervisors the ability to delegate the deposit for safekeeping authority to the County Treasurer in accordance with Section 53608 of the California Government Code. Board Resolution 109 adopted September 29, 1959 delegated this authority to the County Treasurer.

B. In exercising this safekeeping function, the County Treasurer will require depositories to provide evidence that they are taking reasonable measures to prevent unauthorized access to the depository's electronic data files.

C. The County Treasurer's Continuity of Operations Plan (COOP) addresses contingency plans in the event that a disaster, natural or otherwise, disrupts normal operations. Contingency plans vary depending upon the severity and expected longevity of the disruption.

33. **EXTERNAL OVERSIGHT** - The County Treasurer shall retain an independent third-party investment advisor to provide oversight and compliance monitoring.

The County Treasurer will also retain an NRSRO to provide a rating for the Fund and will have in place an internal system to provide credit and compliance monitoring.

34. **COUNTY TREASURY OVERSIGHT COMMITTEE** - The Board of Supervisors has established a County Treasury Oversight Committee pursuant to Sections 27130-27137 of the California Government Code. The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the County Treasury Oversight Committee and shall be reviewed and approved at a public hearing by the Board of Supervisors.

35. **RULES GOVERNING THE ACCEPTANCE OF HONORARIA, GIFTS, AND GRATUITIES:**

A. The County Treasury Oversight Committee:

1. Gifts and Gratuity Limits: - Members may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the County Treasurer conducts business.

2. Honorarium Limits - Members may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business.

3. Employment - A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of the County Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or during the period the employee is a member of the County Treasury Oversight Committee. A member may not secure employment with bond underwriters, bond counsel, security brokers or dealers, or financial services firms during the period that the person is a member of the Committee or for one year after leaving the County Treasury Oversight Committee.

4. Contributions - A member may not directly or indirectly raise money for a candidate for County Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the County Treasury Oversight Committee.

B. The County Treasurer and Designated Employees:

1. Gifts and Gratuity Limits - The County Treasurer and designated employees may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office.

2. Honorarium Limits - The County Treasurer and designated employees may not accept any honorarium.

3. Form 700 "Statement of Economic Interests" - The County Treasurer and designated employees are required to file a Form 700 annually.

36. **REPORTING** - The County Treasurer shall prepare an investment report monthly to be posted on the County Treasurer Tax-Collector's public website.

A. The report will be available to the following officials:

1. Board of Supervisors
2. County Treasury Oversight Committee
3. Chief Administrative Officer
4. Auditor & Controller
5. Pool Participants

B. The report will include the following:

1. A summary of Fund statistics

2. The type of investment, issuer, maturity date, par value, and dollar amount invested for all securities, investments, and monies held by the Fund

3. A description of any of the Fund's investments or programs that are under management of contracted parties, including the securities lending program

4. Current market value and the source of the valuation as of the date of the report for all securities held by the Fund

5. Securities lending portfolio, if applicable

6. Pool purchases, sales, and maturities

7. Statement denoting the Fund's ability to meet expenditure requirements for the next six months

8. Statement of compliance with the Investment Policy

37. **COSTS AND EARNINGS APPORTIONMENT**

A. Prior to quarterly interest apportionment, investment costs incurred by the County Treasurer will be deducted from the interest earnings of the pool and Dedicated Portfolios based on an equitable distribution formula. The costs, which are authorized by Government Code Section 27013, are made up of direct costs (salaries, banking services, computer services, and supplies) and indirect costs (department overhead and external overhead).

B. The Pool earnings distributed to each participant are proportionate to the average daily balance of the amounts on deposit by the participant. The County Auditor & Controller conducts the apportionment process based on the net earnings of the Fund each quarter.

C. In the event there is a negative balance in a participant's fund at any time, it shall reduce the average daily balance for the fund. If at month-end there is a negative average daily balance in a participant's fund, that fund will be charged the higher of the pool's earning rate for the month or a proxy TRANs cost.

D. The apportionment rate is set approximately ten business days after each calendar quarter end. Apportionments are not paid out by warrants; all earnings are credited to the participant's fund balance.

38. **TERMS AND CONDITIONS FOR DEPOSITING FUNDS BY VOLUNTARY PARTICIPANTS** - California Government Code Section 53684 allows local agencies, upon adoption of a resolution by the governing body of the agency, the option of depositing excess funds in the County Treasury for the purpose of investment by the County Treasurer.

A. The County, in its regional role to assist and aid other local agencies, adopted Board Resolution 11 on March 24, 1987, to allow agencies to deposit excess funds with the County Treasurer for investment. The limitation on acceptance of voluntary deposits and this Investment Policy are structured to help to ensure that, pursuant to Section 27133 of the California Government Code, the County Treasurer shall be able to find that all proposed deposits/withdrawals will not adversely affect the interests of the other depositors in the Fund.

B. The policy for the acceptance of local agency deposits is:

1. The local agency must sign an Investment Management Agreement.

2. The local agency may be asked to provide cash flows on a quarterly basis indicating projected withdrawals from the Fund.

C. Before any deposits for new accounts from Voluntary Participants can be accepted by the County Treasurer, the local agency must perform the following:

1. Provide a resolution adopted by the Board or governing body that authorizes the local agency to deposit excess funds in the County Treasury for the purpose of investment by the County Treasurer. The resolution must:

   a. be signed by an authorized official,

   b. indicate the resolution number and date passed by the Board or governing body,

   c. indicate the persons authorized to initiate deposits to and instruct withdrawals from the Fund and,

   d. bear the seal of the local agency, if the local agency has a seal.

2. Provide wire/ACH transfer instructions for withdrawals from the Fund. All withdrawals will be paid by electronic funds transfer.

3. Establish a trust account through the County Auditor & Controller's General Accounting Division.

39. CRITERIA FOR WITHDRAWAL OF MONIES FROM THE FUND BY VOLUNTARY PARTICIPANTS

A. Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.

B. When monies are requested for withdrawal, the County Treasurer's Office must find that the withdrawal will not adversely affect the interests of all other depositors in the Fund.

40. GRANDFATHERED AGENCIES

A. Grandfathered agencies that use the services of the County to keep their records and/or issue warrants/wires for the agency can continue to function in this manner and will be treated as a mandatory participant (assuming the agency continues to make deposits into the Fund).

B. These agencies can also opt to be treated as Voluntary Participants and elect to withdraw funds in the same fashion as the other Voluntary Participants. However, any agency so opting shall be subject to all restrictions placed upon the other Voluntary Participants.

GLOSSARY OF TERMS

BID - The price offered by a buyer of securities.

CREDIT RATING - The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations for a particular investment or issuing entity.

DEDICATED PORTFOLIO - Any assets, besides those held in the Fund, invested by the County Treasurer on behalf of any San Diego County agency.

DOLLAR-WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - The quarterly interest distribution to the Pool Participants after the actual investment costs incurred by the County Treasurer are deducted from the interest earnings of the Fund.

EFFECTIVE DURATION OR OPTION-ADJUSTED DURATION - The approximate percentage price change of a bond for a 100 basis point parallel shift in the yield curve, allowing for the cash flow to change as a result of the change in yield.

GRANDFATHERED AGENCIES- Some fire districts and other agencies that use the County's banking and accounting services.

ILLIQUID – Investments for which 1) the secondary market is non-existent or thinly traded, 2) it is not possible to access funds prior to maturity, or 3) One cannot liquidate at the cost of principal.

ISSUER - The entity identified as the counterparty or obligator related to a security trade.

INVESTMENT GROUP - Group consisting of the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, and Investment Officers.

INVESTMENT MANAGEMENT AGREEMENT - An agreement between a voluntary participant and the San Diego County Treasurer-Tax Collector. The agreement addresses the terms and conditions of local agencies' deposits of funds for investment into the Fund.

LIQUID – Term for securities that can be converted to cash quickly.

MODERATELY LIQUID - Securities that can be converted to cash quickly with the potential for minimum loss of principal.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER - The price at which a holder of a security would be willing to sell the security.

PORTFOLIO VALUE - The total book value of all the securities held in the Fund.

PRUDENT RISK - An investment system in which the investor will invest conservatively to receive a stable income with little risk.

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SELECTED DEPOSITORY INSTITUTION - A nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in the state of California.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization, with the investor receiving the certificate/security only after the final approval is granted.

APPENDIX B - POLICY GUIDELINES

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum % With One Issuer	Minimum Rating
US Treasury Obligations	5 years	No Limit	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%	No Limit
Local Agency Obligations	5 years	30%	10%	A
Banker's Acceptances	180 days	40%	5%	A-1
Commercial Paper (1)	397 days	40%	10% (2)	A-1
Medium Term Notes	5 years	30%	10% (2)	A
Negotiable Certificate of Deposits	5 years	30%	10% (2)	A-1/A
Repurchase Agreements	1 year	40%	Note (3)	No Limit
Reverse Repurchase Agreements	92 days	20%	10%	No Limit
Collateralized Certificates of Deposit	13 months	5%	5%	No Limit
FDIC & NCUA Insured Deposit Accounts	13 months	5%	5%	No Limit
Money Market Funds	N/A	20%	10%	AAAm
Local Government Investment Pools (LGIPs)	N/A	5%	5%	AAAm
Local Agency Investment Fund (LAIF)	N/A	5%	N/A	N/A
Pass-Through Securities	5 years	20%	10%	AA
Supranationals	5 years	30%	10%	AA

(1) Government Code Section 53635(a) (1-2) specifies percentage limitations for this security type for county investment pools.

(2) *10% issuer limit includes CP, MTN, and NCD exposure combined, if applicable.*

(3) Maximum exposure per issue – The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days and 15% of the portfolio for RPs maturing in 5 days or less. The maximum exposure to a single broker/dealer of RPs shall be 10% of the portfolio value for maturities greater than 5 days and 15% of the portfolio value for maturities of 5 days or less.

APPENDIX C – STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

CATEGORIES

GENERAL → SPECIFIC

3-DIGITS	4-DIGITS
131 - Crude Petroleum and Natural Gas	1311 - Crude Petroleum and Natural Gas
132 - Natural Gas Liquids	1321 - Natural Gas Liquids
138 - Oil and Gas Field Services	1381 - Drilling Oil and Gas Wells
	1382 - Oil and Gas Field Exploration Services
	1389 - Oil and Gas Field Services, Not Elsewhere Classified
122 - Bituminous Coal and Lignite Mining	1221 - Bituminous Coal and Lignite Surface Mining
	1222 - Bituminous Coal Underground Mining
123 - Anthracite Mining	1231 - Anthracite Mining
124 - Coal Mining Services	1241 - Coal Mining Services
291 - Petroleum Refining	2911 - Petroleum Refining
295 - Asphalt Paving and Roofing Materials	2951 - Asphalt Paving Mixtures and Blocks
	2952 - Asphalt Felts and Coatings
299 - Miscellaneous Products of Petroleum and Coal	2992 - Lubricating Oils and Greases
	2999 - Products of Petroleum and Coal, Not Elsewhere Classified
492 - Gas Production and Distribution	4922 - Natural Gas Transmission
	4923 - Natural Gas Transmission and Distribution
	4924 - Natural Gas Distribution
	4925 - Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution

COUNTY OF SAN DIEGO INVESTMENT POOL

TREASURY INVESTMENT RESULTS

June 2026

County of San Diego Treasurer-Tax Collector | 1600 Pacific Hwy, San Diego, CA 92101 | www.sdttc.com

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Note: The Information provided, including all charts, tables, graphs and numerical representations, are provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions.

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of June 30, 2026

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	371,353,417	371,322,624	372,779,324	2.24%	100.38	905	5.00%	761,174	1,456,700
Agency	2,094,840,000	2,093,513,044	2,085,164,053	12.54%	99.54	611	3.58%	16,719,537	(8,348,991)
Bank Deposit	521,902,221	521,902,221	521,902,221	3.14%	100.00	0	3.18%	-	-
Commercial Paper	3,369,000,000	3,335,216,221	3,334,457,943	20.05%	98.97	91	3.95%	-	(758,278)
Corporate	125,000,000	124,611,993	124,191,355	0.75%	99.35	631	4.28%	1,083,125	(420,638)
Local Gov Investment Pool	386,479,082	386,479,082	386,479,082	2.32%	100.00	0	3.78%	-	-
Money Market Fund FI	209,000,000	209,000,000	209,000,000	1.26%	100.00	0	3.57%	-	-
Municipal Bonds	390,645,000	393,082,507	393,012,883	2.36%	100.61	708	4.38%	5,349,021	(69,625)
Negotiable CD	3,902,000,000	3,902,000,000	3,901,289,695	23.46%	99.98	102	3.94%	48,831,025	(710,305)
Supranationals	2,062,080,000	2,051,587,591	2,048,063,024	12.31%	99.32	923	4.39%	22,908,436	(3,524,567)
US Treasury	3,275,000,000	3,275,754,090	3,255,396,170	19.57%	99.40	971	3.82%	29,614,912	(20,357,920)
Trade Payables/Receivables	260,667	260,667	260,667	0.00%	0.00	0	0.00%	-	-
Total for June 2026	16,707,560,387	16,664,730,040	16,631,996,416	100%	99.55	464	3.93%	125,267,229	(32,733,624)
Total for May 2026	17,389,873,485	17,348,262,715	17,332,250,838	100%	99.67	467	3.91%	139,788,445	(16,011,877)
Change from Prior Month	(682,313,098)	(683,532,675)	(700,254,422)		(0.12)	(3)	0.02%	(14,521,216)	(16,721,747)
Portfolio Effective Duration	1.04								

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.32%	3.96%	3.86%	3.86%	1.92%	3.91%

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

All Investments held during the month of June 2026 were in compliance with the Investment Policy dated January 1, 2026. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures. Bank Deposit may include restricted funds held in trust at US Bank for school district debt service payments.

Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 16.89 as of 06/30/26, placing it in the “Low Risk” category. Sustainalytics’ ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

PARTICIPANT CASH BALANCES

County of San Diego Pooled Money Fund

As of June 30, 2026

($000)

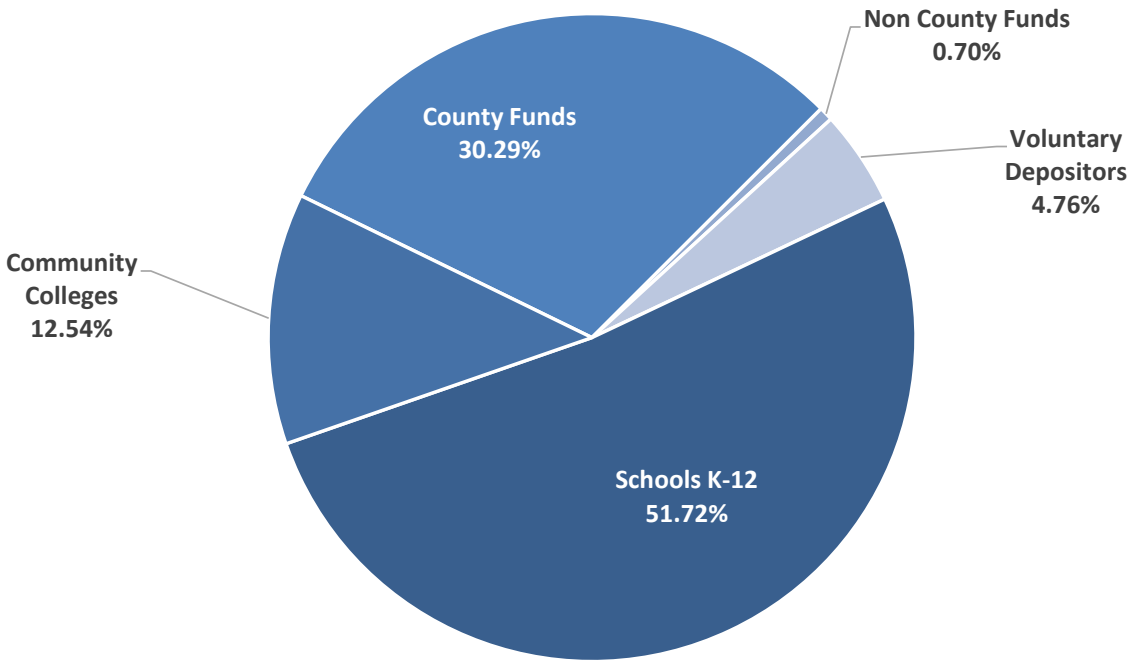
PARTICIPANT	FMV 04/30/26	FMV 05/31/26	FMV 06/30/26	% of Total
COUNTY	2,189,920	2,025,584	1,477,985	9.13%
COUNTY - SPECIAL TRUST FUNDS	3,476,638	3,263,070	3,424,460	21.16%
NON-COUNTY INVESTMENT FUNDS	135,197	134,380	112,588	0.70%
SCHOOLS - (K THRU 12)	9,425,821	9,073,529	8,371,415	51.72%
COMMUNITY COLLEGES				
Grossmont-Cuyamaca	278,380	267,783	268,739	1.66%
MiraCosta	196,350	203,781	190,111	1.17%
Palomar	250,424	234,112	245,247	1.52%
San Diego	1,101,207	1,080,372	1,054,043	6.52%
Southwestern	273,599	264,396	271,900	1.68%
Total Community Colleges	**2,099,960**	**2,050,443**	**2,030,039**	**12.54%**
FIRST 5 COMMISSION	19,206	19,882	24,648	0.15%
SDCERA	1,182	9,238	1,203	0.01%
CITIES				
Chula Vista	5,968	5,983	5,978	0.04%
Coronado	26,515	26,542	27,923	0.17%
Del Mar	118	118	118	0.00%
Encinitas	1,395	1,398	1,397	0.01%
National City	41,604	41,704	41,669	0.26%
Oceanside[1]	0	0	0	0.00%
Solana Beach[1]	0	0	0	0.00%
Vista	1	1	1	0.00%
INDEPENDENT AGENCIES				
Air Pollution Control District	120,166	120,453	120,222	0.74%
Alpine FPD	459	621	577	0.00%
Bonita-Sunnyside FPD	4,452	3,753	3,886	0.02%
Borrego Springs FPD	15	15	15	0.00%
Canebrake County Water District[1]	0	0	0	0.00%
Deer Springs FPD	13,900	14,129	13,028	0.08%
Grossmont Healthcare District	2	2	2	0.00%
Julian-Cuyamaca FPD[1]	0	0	0	0.00%
Lake Cuyamaca Rec & Park District	23	23	23	0.00%

PARTICIPANT	FMV 04/30/26	FMV 05/31/26	FMV 06/30/26	% of Total
Lakeside FPD	3,227	1,778	2,466	0.02%
Leucadia Wastewater District[1]	0	0	0	0.00%
Lower Sweetwater FPD	819	753	768	0.00%
Metropolitan Transit System	310,996	301,710	292,399	1.81%
Mission Resource Conservation District	53	37	39	0.00%
North County Transit District	40,762	40,860	40,826	0.25%
North County Cemetery District	11,890	12,196	11,782	0.07%
North County Dispatch	8,456	8,988	8,639	0.05%
North County FPD	4,823	3,775	2,648	0.02%
Otay Water District	15,937	15,967	15,953	0.10%
Palomar Health[1]	0	0	0	0.00%
Pomerado Cemetery District	2,998	2,998	3,157	0.02%
Public Agencies Self-Insurance System[1]	0	0	0	0.00%
Ramona Cemetery District	1,857	1,847	1,869	0.01%
Rancho Santa Fe FPD	15,413	14,613	14,237	0.09%
Resource Conservation District of Greater SD[1]	0	0	0	0.00%
Rincon del Diablo Municipal Water District	2,165	2,169	2,168	0.01%
SANDAG	11,167	11,197	11,187	0.07%
SD County Regional Airport Authority	70,370	72,149	72,087	0.45%
San Diego Housing Commission	8,937	8,958	8,950	0.06%
San Diego Geographic Information Source	973	882	1,119	0.01%
San Diego Law Library	9,804	9,934	10,091	0.06%
San Diego Local Agency Formation Comm	1,788	1,553	1,370	0.01%
San Diego Regional Training Center	1,414	1,553	1,674	0.01%
San Dieguito River Park	1,636	1,562	1,407	0.01%
San Marcos FPD	1	1	1	0.00%
San Miguel Consolidated FPD	21,286	16,681	15,580	0.10%
Santa Fe Irrigation District	112	112	112	0.00%
Upper San Luis Rey Resource Conserv Dist	40	40	40	0.00%
Vallecitos Water District	1,056	1,059	1,058	0.01%
Valley Center FPD	4,056	3,674	3,466	0.02%
Valley Center Cemetery District	608	611	612	0.00%
Valley Center Water District	2,815	2,821	2,819	0.02%
Vista FPD	2,134	903	913	0.01%
Whispering Palms Community Services District[1]	0	0	0	0.00%
Total Voluntary Participants	**792,596**	**785,245**	**770,126**	**4.76%**
Pooled Money Fund Total [2]	**$ 18,120,132**	**$ 17,332,251**	**$ 16,186,613**	**100.00%**

1. For these Pool participants, ending balances are less than $500. Due to rounding, the FMV may display as zero, even though a balance exists.
2. Excludes any restricted funds held in trust at U.S. Bank for school district debt service payments.

INVESTMENT FUND PARTICIPANTS

County of San Diego Pooled Money Fund
As of June 30, 2026

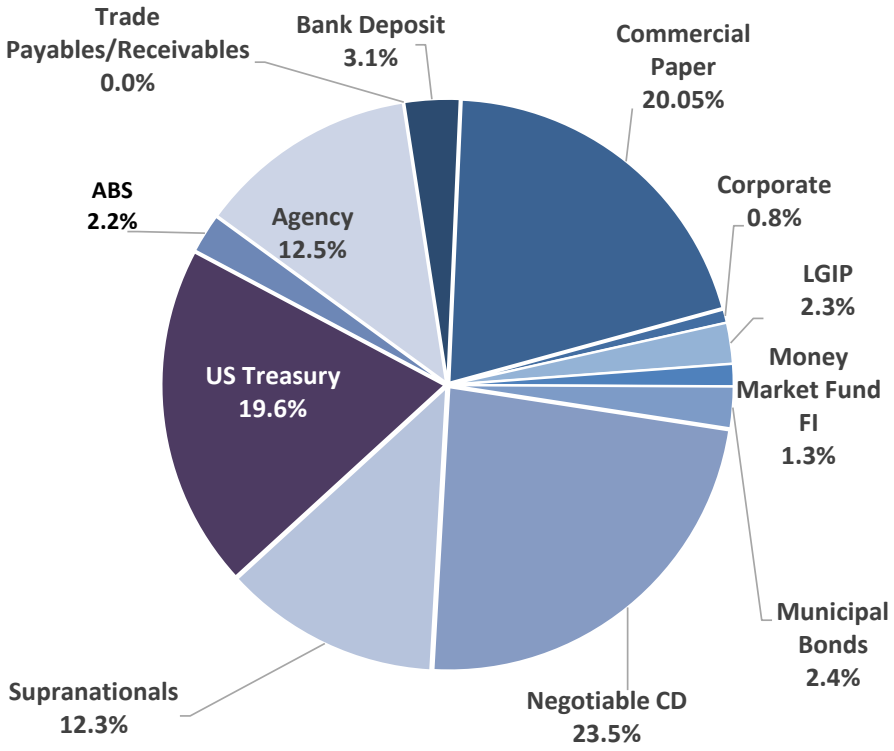


*Totals may not add to 100% due to rounding

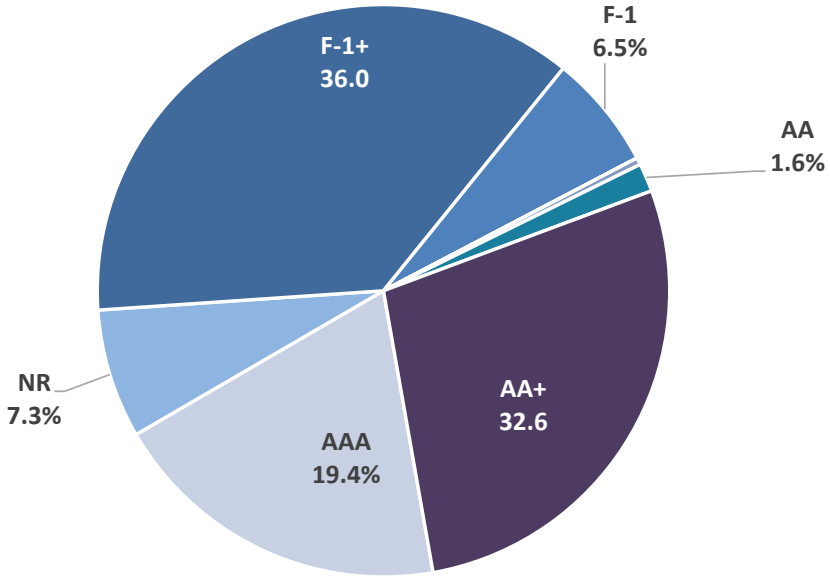
INVESTMENT FUND OVERVIEW

County of San Diego Pooled Money Fund
As of June 30, 2026

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

**If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.

TREASURER-TAX COLLECTOR
COUNTY OF SAN DIEGO
APPENDIX

INVESTMENT POLICY COMPLIANCE REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Issued at the Federal level; Obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government	*Complies*
Federal Agencies	35% max per Agency issuer; Issued at the Federal level; Agency obligations are notes and bonds of the federal agencies and government sponsored enterprise, including: FNMA, FHLB, FFCB, FHLMC, GNMA, TVA	*Complies*
Supranational Obligations	30% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	*Complies*
Municipal Securities (Local Agency & State Obligations)	30% max; 10% max per issuer; Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO	*Complies*
Corporate Medium Term Notes	30% max; 10% max per issuer (inclusive of any other non-MTN investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	*Complies*
Pass-Through Securities	20% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; Limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds	*Complies*
Negotiable Certificates of Deposit (NCD)	30% max; 10% max per issuer (inclusive of any other non-NCD investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO; 5 years max maturity of an NCD Security; 13 months max maturity of any FDIC insured CDs	*Complies*
FDIC & NCUA Insured Deposits	5% max; 5 max per issuer; 13 months max maturity; There is no minimum credit requirement of FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity; The full amount of deposit and the interest that may accrue on each deposit shall at all times be insured by the FDIC or NCUA	*Complies*
Collateralized Certificates of Deposit	5% max; 5 max per issuer; 13 months max maturity; Deposit may not exceed the total of the paid-in capital and surplus of a depository; The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits; The County Treasurer may waive the first $250,000 of collateral for each depository, so long as the amount is insured by an agency of the Federal Government; Institutions at or above the highest short-term rating category by at least one NRSRO may pledge mortgage-based collateral for County deposits	*Complies*
Banker's Acceptances	40% max; 5% max per issuer; 180 days max maturity; Highest short-term rating category by at least one NRSRO	*Complies*
Commercial Paper	40% max; 10% max per issuer (inclusive of any other non-CP investments with said issuer); 270 days max maturity; Highest short-term rating category by at least one NRSRO	*Complies*
Money Market Mutual Funds	20% max; 10% max per fund; Highest rating category by at least two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >$500 million; The purchase price of the mutual fund shall not include any commission	*Complies*
Local Government Investment Pool (LGIP)	5% max; Highest rating category by at least one NRSRO; Investments consist of (i) shares of beneficial interest issued by a joint powers authority (JPA) or (ii) the Local Agency investment Fund (LAIF); Invest in LGIPs that comply with California Government Code and all relevant sections of the Investment Policy and are managed to maintain a stable NAV.	*Complies*
Repurchase Agreements	40% max; 10% max exposure per broker-dealer when the dollar-weighted average maturity is >5 days or 15% of the fund when the dollar-weighted average maturity is 5 days or less; 1 year max maturity; Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency Obligations	*Complies*
Reverse Repurchase Agreements	20% max; 10% max per broker/dealer; 92 days max maturity if a securities lending loan, unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRA	*Complies*
Securities Lending	20% max exposed to securities lending and/or Reverse Repurchase Agreements; 10% max per loan with a single counterparty at any one time; 92 days max maturity; Loans must be secured by cash collateral or securities and maintained at a value of at least equal to 102% of the market value of the securities loan	*Complies*
Covered Call Option/Put Option	10% max; 90 days max maturity	*Complies*
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from pool of mortgages; Any security that could result in zero interest accrual	*Complies*
Credit Rating Policy	For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	*Complies*
Duration	2 years maximum effective duration	*Complies*
Maturity	5 years maximum maturity with shorter limitations specified for certain types of securities; At least 35% of the Fund maturing within 1 year; At least 15% of the Fund maturing within 90 days	*Complies*

*Complied at time of purchase

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
65480JAC4	NAROT 2022-B A3 4.46 05/17/2027	52,473.83	09/28/2022 4.51%	52,462.97 52,471.83	100.02 3.95%	52,484.84 104.01	0.00% 13.02	Aaa/AAA NA	0.88 0.04
89239HAD0	TAOT 2022-D A3 5.3 09/15/2027	5,045,674.68	11/01/2022 5.36%	5,045,176.67 5,045,553.11	100.18 3.96%	5,054,968.81 11,885.37	0.03% 9,415.70	Aaa/NA AAA	1.21 0.13
437927AC0	HAROT 2023-2 A3 4.93 11/15/2027	2,726,361.48	05/23/2023 3.45%	2,725,919.81 2,726,225.45	100.16 4.21%	2,730,794.54 5,973.76	0.02% 4,569.09	Aaa/AAA NA	1.38 0.21
362583AD8	GMCAR 2023-2 A3 4.47 02/16/2028	2,140,708.36	04/04/2023 4.51%	2,140,649.49 2,140,688.58	100.07 4.12%	2,142,266.80 3,987.07	0.01% 1,578.21	Aaa/AAA NA	1.63 0.18
43815QAC1	HAROT 2023-3 A3 5.41 02/18/2028	4,759,369.55	08/15/2023 5.48%	4,758,388.17 4,759,012.52	100.42 3.94%	4,779,496.92 9,297.96	0.03% 20,484.40	NA/AAA AAA	1.64 0.27
477920AC6	JDOT 2023-B A3 5.18 03/15/2028	2,856,895.61	06/21/2023 5.51%	2,856,419.08 2,856,723.21	100.36 4.19%	2,867,083.30 6,577.21	0.02% 10,360.09	Aaa/NA AAA	1.71 0.34
44933XAD9	HART 2023-B A3 5.48 04/17/2028	1,716,476.25	07/11/2023 5.77%	1,716,401.75 1,716,448.06	100.34 4.20%	1,722,322.56 4,180.57	0.01% 5,874.50	NA/AAA AAA	1.80 0.25
90291VAC4	USAOT 2023-A A3 5.58 05/15/2028	4,010,664.86	09/07/2023 5.58%	4,009,962.99 4,010,383.12	100.32 3.97%	4,023,639.36 9,946.45	0.02% 13,256.24	Aaa/AAA NA	1.88 0.19
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	2,266,776.99	11/01/2023 5.74%	2,266,377.81 2,266,606.39	100.62 4.34%	2,280,717.67 3,570.17	0.01% 14,111.28	Aaa/NA AAA	1.98 0.42
437918AC9	HAROT 2024-1 A3 5.21 08/15/2028	16,061,492.19	02/13/2024 5.27%	16,060,793.51 16,061,160.99	100.47 4.26%	16,137,077.57 37,191.28	0.10% 75,916.58	Aaa/AAA NA	2.13 0.46
379930AD2	GMCAR 2023-4 A3 5.78 08/16/2028	5,020,458.23	10/03/2023 5.86%	5,019,427.03 5,020,005.80	100.63 4.27%	5,052,077.08 12,090.94	0.03% 32,071.27	Aaa/AAA NA	2.13 0.40
44918CAD4	HART 2023-C A3 5.54 10/16/2028	3,182,154.48	11/03/2023 5.61%	3,181,736.02 3,181,959.56	100.56 4.24%	3,200,009.55 7,835.17	0.02% 18,049.99	NA/AAA AAA	2.30 0.41
89238DAD0	TAOT 2024-A A3 4.83 10/16/2028	12,706,789.06	01/23/2024 4.89%	12,704,246.43 12,705,550.99	100.30 4.30%	12,744,845.90 27,277.24	0.08% 39,294.91	Aaa/AAA NA	2.30 0.51
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	4,837,433.30	03/11/2024 5.12%	4,837,162.40 4,837,295.14	100.37 4.44%	4,855,462.41 10,663.85	0.03% 18,167.27	Aaa/NA AAA	2.38 0.65
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	24,825,667.90	05/14/2024 5.27%	24,822,651.58 24,824,066.17	100.54 4.37%	24,960,297.50 47,244.63	0.15% 136,231.33	NA/AAA AAA	2.39 0.56
47787DAB7	JDOT 2026 A2A 3.85 12/15/2028	5,000,000.00	03/10/2026 3.88%	4,999,837.00 4,999,854.06	99.64 4.22%	4,982,075.00 8,555.56	0.03% (17,779.06)	Aaa/NA AAA	2.46 1.05
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	2,985,068.22	01/09/2024 4.91%	2,984,467.92 2,984,767.23	100.28 4.28%	2,993,321.93 6,032.33	0.02% 8,554.70	Aaa/NA AAA	2.47 0.45

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89237NAD9	TAOT 2024-B A3 5.33 01/16/2029	22,771,336.83	04/23/2024 5.33%	22,768,089.64 22,769,583.12	100.64 4.35%	22,917,665.44 53,942.77	0.14% 148,082.32	Aaa/AAA NA	2.55 0.62
161571HV9	CHAIT 241 A 4.6 01/16/2029	43,000,000.00	01/24/2024 4.61%	42,993,451.10 42,996,638.81	100.22 4.22%	43,094,643.00 87,911.11	0.26% 98,004.19	NA/AAA AAA	2.55 0.52
448973AD9	HART 2024-A A3 4.99 02/15/2029	6,728,373.24	03/11/2024 5.05%	6,726,889.64 6,727,578.90	100.34 4.37%	6,751,451.56 14,922.04	0.04% 23,872.67	NA/AAA AAA	2.63 0.51
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	11,020,195.52	06/04/2024 5.18%	11,018,521.54 11,019,251.05	100.51 4.33%	11,075,979.75 9,514.10	0.07% 56,728.70	Aaa/AAA NA	2.66 0.56
47786WAD2	JDOT 2024-B A3 5.2 03/15/2029	20,173,139.78	06/11/2024 5.81%	20,169,195.93 20,170,888.75	100.64 4.40%	20,302,066.31 46,622.37	0.12% 131,177.56	Aaa/NA AAA	2.71 0.74
44934QAD3	HART 2024-B A3 4.84 03/15/2029	15,671,888.30	07/16/2024 5.45%	15,669,523.41 15,670,509.83	100.30 4.40%	15,719,170.39 33,711.97	0.09% 48,660.56	NA/AAA AAA	2.71 0.61
379931AD0	GMCAR 2024-2 A3 5.1 03/16/2029	8,875,274.42	04/04/2024 5.10%	8,873,557.05 8,874,331.34	100.43 4.26%	8,913,322.72 18,859.96	0.05% 38,991.37	Aaa/AAA AAA	2.71 0.48
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	18,637,219.44	08/09/2024 4.66%	18,634,291.73 18,635,479.96	100.20 4.31%	18,674,158.41 23,658.91	0.11% 38,678.44	Aaa/NA AAA	2.72 0.64
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	45,000,000.00	04/16/2024 5.30%	44,990,775.00 44,994,827.10	100.82 4.20%	45,370,260.00 104,600.00	0.27% 375,432.90	NA/AAA AAA	2.79 0.76
38013KAD2	GMCAR 2024-3 A3 5.13 04/16/2029	13,866,489.65	07/02/2024 5.13%	13,864,355.60 13,865,239.38	100.45 4.33%	13,929,180.05 29,639.62	0.08% 63,940.68	Aaa/AAA NA	2.79 0.53
448976AD2	HART 2024-C A3 4.41 05/15/2029	16,000,000.00	10/08/2024 4.46%	15,998,828.80 15,999,265.20	100.09 4.33%	16,014,560.00 31,360.00	0.10% 15,294.80	NA/AAA AAA	2.87 0.73
477911AD3	JDOT 2024-C A3 4.06 06/15/2029	30,915,035.01	09/10/2024 4.10%	30,907,844.17 30,910,551.11	99.80 4.30%	30,853,915.98 55,784.46	0.19% (56,635.13)	Aaa/NA AAA	2.96 0.98
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	18,500,000.00	07/16/2024 4.70%	18,499,160.10 18,499,707.16	100.45 4.24%	18,584,008.50 38,233.33	0.11% 84,301.34	NA/AAA AAA	1.04 0.99
Total ABS		**371,353,417.15**	**5.00%**	**371,296,564.34** **371,322,623.94**	**100.38** **4.28%**	**372,779,323.85** **761,174.21**	**2.24%** **1,456,699.91**		**2.48** **0.63**
AGENCY									
313385YZ3	FEDERAL HOME LOAN BANKS 07/06/2026	50,000,000.00	04/08/2026 3.63%	49,555,618.06 49,975,034.72	99.94 4.40%	49,969,900.00 0.00	0.30% (5,134.72)	P-1/A-1+ F1+	0.02 0.01
313385ZH2	FEDERAL HOME LOAN BANKS 07/14/2026	50,000,000.00	04/08/2026 3.63%	49,515,673.61 49,935,090.28	99.86 3.95%	49,929,800.00 0.00	0.30% (5,290.28)	P-1/A-1+ F1+	0.04 0.04
313385ZP4	FEDERAL HOME LOAN BANKS 07/20/2026	50,000,000.00	04/08/2026 3.63%	49,485,715.28 49,905,131.94	99.80 3.86%	49,899,700.00 0.00	0.30% (5,431.94)	P-1/A-1+ F1+	0.05 0.05

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3130AN4U1	FEDERAL HOME LOAN BANKS 1.0 07/22/2026	25,000,000.00	07/22/2021 1.00%	25,000,000.00 25,000,000.00	99.83 3.82%	24,958,700.00 110,416.67	0.15% (41,300.00)	Aa1/AA+ AA+	0.06 0.06
3130ANCM0	FEDERAL HOME LOAN BANKS 0.95 07/29/2026	25,000,000.00	07/14/2021 0.95%	25,000,000.00 25,000,000.00	99.78 3.82%	24,944,025.00 100,277.78	0.15% (55,975.00)	Aa1/AA+ AA+	0.08 0.08
313385A22	FEDERAL HOME LOAN BANKS 07/31/2026	100,000,000.00	04/08/2026 3.64%	98,861,583.32 99,700,416.66	99.69 3.79%	99,689,100.00 0.00	0.60% (11,316.66)	P-1/A-1+ F1+	0.08 0.08
313385B62	FEDERAL HOME LOAN BANKS 08/12/2026	50,000,000.00	04/09/2026 3.64%	49,375,868.06 49,790,291.67	99.56 3.82%	49,781,400.00 0.00	0.30% (8,891.67)	P-1/A-1+ F1+	0.12 0.11
3130ANLZ1	FEDERAL HOME LOAN BANKS 0.9 08/26/2026	25,000,000.00	08/26/2021 0.90%	25,000,000.00 25,000,000.00	99.54 3.89%	24,885,975.00 78,125.00	0.15% (114,025.00)	Aa1/AA+ AA+	0.16 0.15
3130ANV64	FEDERAL HOME LOAN BANKS 0.96 09/16/2026	25,000,000.00	09/16/2021 0.96%	25,000,000.00 25,000,000.00	99.39 3.92%	24,846,325.00 70,000.00	0.15% (153,675.00)	Aa1/AA+ AA+	0.21 0.21
3133EM6E7	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.94 09/28/2026	50,000,000.00	09/28/2021 0.94%	50,000,000.00 50,000,000.00	99.29 3.91%	49,643,400.00 121,416.67	0.30% (356,600.00)	Aa1/AA+ AA+	0.25 0.24
3130APM28	FEDERAL HOME LOAN BANKS 1.32 10/28/2026	25,000,000.00	10/28/2021 1.32%	25,000,000.00 25,000,000.00	99.14 4.01%	24,783,850.00 57,750.00	0.15% (216,150.00)	Aa1/AA+ AA+	0.33 0.32
3133ENCQ1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.27 11/02/2026	25,000,000.00	11/02/2021 1.27%	25,000,000.00 25,000,000.00	99.10 3.98%	24,774,325.00 52,034.72	0.15% (225,675.00)	Aa1/AA+ AA+	0.34 0.33
3130APN92	FEDERAL HOME LOAN BANKS 1.34 11/09/2026	25,000,000.00	11/09/2021 1.34%	25,000,000.00 25,000,000.00	99.04 4.07%	24,760,150.00 48,388.89	0.15% (239,850.00)	Aa1/AA+ AA+	0.36 0.35
3133ENEM8	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.43 11/23/2026	25,000,000.00	11/23/2021 1.43%	25,000,000.00 25,000,000.00	98.99 4.02%	24,747,675.00 37,736.11	0.15% (252,325.00)	Aa1/AA+ AA+	0.40 0.39
3133ENHA1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.5 12/14/2026	25,000,000.00	12/14/2021 1.50%	25,000,000.00 25,000,000.00	98.88 4.02%	24,719,475.00 17,708.33	0.15% (280,525.00)	Aa1/AA+ AA+	0.46 0.44
3130AQUT8	FEDERAL HOME LOAN BANKS 2.01 02/17/2027	39,580,000.00	12/28/2023 4.23%	37,023,923.60 39,064,769.94	98.73 4.08%	39,077,650.64 296,124.37	0.23% 12,880.70	Aa1/AA+ AA+	0.64 0.61
3130AL5A8	FEDERAL HOME LOAN BANKS 0.9 02/26/2027	25,000,000.00	06/24/2022 3.38%	22,312,675.00 24,622,389.93	97.99 4.06%	24,496,375.00 78,125.00	0.15% (126,014.93)	Aa1/AA+ AA+	0.66 0.64
3133ENQD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.17 03/01/2027	25,000,000.00	03/01/2022 2.17%	25,000,000.00 25,000,000.00	98.73 4.11%	24,682,900.00 180,833.33	0.15% (317,100.00)	Aa1/AA+ AA+	0.67 0.65
3130ARGC9	FEDERAL HOME LOAN BANKS 2.55 03/25/2027	25,000,000.00	03/25/2022 2.55%	25,000,000.00 25,000,000.00	98.89 4.09%	24,723,425.00 170,000.00	0.15% (276,575.00)	Aa1/AA+ AA+	0.73 0.71
3130ARJZ5	FEDERAL HOME LOAN BANKS 2.95 04/19/2027	25,000,000.00	04/19/2022 2.95%	25,000,000.00 25,000,000.00	99.10 4.10%	24,775,800.00 147,500.00	0.15% (224,200.00)	Aa1/AA+ AA+	0.80 0.78
3130ARQV6	FEDERAL HOME LOAN BANKS 3.15 04/26/2027	25,000,000.00	04/26/2022 3.15%	25,000,000.00 25,000,000.00	99.25 4.09%	24,811,650.00 142,187.50	0.15% (188,350.00)	Aa1/AA+ AA+	0.82 0.80

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3133ENXL9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.53 05/24/2027	25,000,000.00	05/24/2022 3.53%	25,000,000.00 25,000,000.00	99.63 3.96%	24,906,250.00 90,701.39	0.15% (93,750.00)	Aa1/AA+ AA+	0.90 0.87
3130ASER6	FEDERAL HOME LOAN BANKS 3.64 06/16/2027	40,000,000.00	06/16/2022 3.64%	40,000,000.00 40,000,000.00	99.42 4.27%	39,766,880.00 60,666.67	0.24% (233,120.00)	Aa1/AA+ AA+	0.96 0.93
3130ASES4	FEDERAL HOME LOAN BANKS 3.39 06/28/2027	45,000,000.00	06/28/2022 3.39%	45,000,000.00 45,000,000.00	99.34 4.08%	44,700,795.00 12,712.50	0.27% (299,205.00)	Aa1/AA+ AA+	0.99 0.96
3133EPES0	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.65 06/30/2027	50,000,000.00	03/24/2023 3.68%	49,943,500.00 49,986,757.24	99.59 4.07%	49,795,050.00 5,069.44	0.30% (191,707.24)	Aa1/AA+ AA+	1.00 0.97
31422XV90	FEDERAL AGRICULTURAL MORTGAGE CORP 3.77 07/30/2027	100,000,000.00	01/25/2023 3.77%	100,000,000.00 100,000,000.00	99.66 4.09%	99,664,000.00 1,560,361.11	0.60% (336,000.00)	NA/NA NA	1.08 1.03
31422X2T8	FEDERAL AGRICULTURAL MORTGAGE CORP 3.865 07/30/2027	25,000,000.00	04/21/2023 3.87%	25,000,000.00 25,000,000.00	99.77 4.09%	24,941,700.00 161,041.67	0.15% (58,300.00)	NA/NA NA	1.08 1.04
3133ERN31	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.34 12/23/2027	25,000,000.00	12/20/2024 4.42%	24,943,750.00 24,972,260.27	99.95 4.38%	24,987,225.00 24,111.11	0.15% 14,964.73	Aa1/AA+ AA+	1.48 1.42
31424WTB8	FEDERAL AGRICULTURAL MORTGAGE CORP 4.28 01/07/2028	13,681,000.00	01/31/2025 4.28%	13,681,000.00 13,681,000.00	100.13 4.19%	13,699,414.63 283,014.29	0.08% 18,414.63	NA/NA NA	1.52 1.42
3133ETCQ8	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 01/10/2028	48,500,000.00	04/07/2025 3.81%	48,426,765.00 48,459,338.18	99.27 4.25%	48,144,543.50 863,906.25	0.29% (314,794.68)	Aa1/AA+ AA+	1.53 1.44
3133EPGF6	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.64 01/28/2028	50,000,000.00	04/13/2023 3.64%	50,000,000.00 50,000,000.00	99.15 4.20%	49,575,650.00 773,500.00	0.30% (424,350.00)	Aa1/AA+ AA+	1.58 1.49
31422XZ88	FEDERAL AGRICULTURAL MORTGAGE CORP 3.87 01/28/2028	50,000,000.00	03/28/2023 3.87%	50,000,000.00 50,000,000.00	99.50 4.20%	49,749,150.00 822,375.00	0.30% (250,850.00)	NA/NA NA	1.58 1.49
880591EZ1	TENNESSEE VALLEY AUTHORITY 3.875 03/15/2028	25,000,000.00	03/27/2023 4.06%	24,796,750.00 24,930,118.79	99.60 4.12%	24,900,000.00 285,243.06	0.15% (30,118.79)	Aa1/AA+ AA+	1.71 1.62
31424WXE7	FEDERAL AGRICULTURAL MORTGAGE CORP 3.96 03/27/2028	25,000,000.00	03/20/2025 3.96%	25,000,000.00 25,000,000.00	99.57 4.22%	24,892,325.00 258,500.00	0.15% (107,675.00)	NA/NA NA	1.74 1.65
31422X3J9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.04 05/26/2028	25,000,000.00	05/25/2023 4.04%	25,000,000.00 25,000,000.00	99.64 4.24%	24,908,975.00 98,194.44	0.15% (91,025.00)	NA/NA NA	1.91 1.81
3133EPLD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 05/30/2028	25,000,000.00	05/23/2023 3.94%	24,932,500.00 24,974,174.88	99.49 4.16%	24,871,300.00 83,420.14	0.15% (102,874.88)	Aa1/AA+ AA+	1.92 1.82

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31422X4T6	FEDERAL AGRICULTURAL MORTGAGE CORP 4.34 06/30/2028	25,000,000.00	07/05/2023 4.34%	25,000,000.00 25,000,000.00	100.16 4.25%	25,040,275.00 3,013.89	0.15% 40,275.00	NA/NA NA	2.00 1.89
31422X6E7	FEDERAL AGRICULTURAL MORTGAGE CORP 4.475 07/28/2028	50,000,000.00	08/15/2023 4.48%	50,000,000.00 50,000,000.00	100.43 4.25%	50,216,600.00 950,937.50	0.30% 216,600.00	NA/NA NA	2.08 1.93
31422X5V0	FEDERAL AGRICULTURAL MORTGAGE CORP 4.43 08/07/2028	25,000,000.00	08/03/2023 4.43%	25,000,000.00 25,000,000.00	100.34 4.26%	25,084,375.00 443,000.00	0.15% 84,375.00	NA/NA NA	2.10 1.95
3130B0LA5	FEDERAL HOME LOAN BANKS 4.0 09/22/2028	25,000,000.00	03/19/2024 4.57%	24,430,000.00 24,717,945.29	99.23 4.37%	24,806,450.00 275,000.00	0.15% 88,504.71	Aa1/AA+ AA+	2.23 2.08
31424W3N0	FEDERAL AGRICULTURAL MORTGAGE CORP 3.88 11/24/2028	18,950,000.00	12/03/2025 3.91%	18,935,787.50 18,938,522.69	98.86 4.38%	18,734,216.35 75,568.39	0.11% (204,306.34)	NA/NA NA	2.40 2.25
3130AYF43	FEDERAL HOME LOAN BANKS 4.48 01/09/2029	25,000,000.00	01/09/2024 4.48%	25,000,000.00 25,000,000.00	100.01 4.47%	25,003,400.00 535,111.11	0.15% 3,400.00	Aa1/AA+ AA+	2.53 0.02
3130AYHF6	FEDERAL HOME LOAN BANKS 4.3 01/12/2029	25,000,000.00	01/11/2024 4.30%	25,000,000.00 25,000,000.00	99.54 4.49%	24,885,100.00 504,652.78	0.15% (114,900.00)	Aa1/AA+ AA+	2.54 2.32
3130ARBZ3	FEDERAL HOME LOAN BANKS 2.7 03/28/2029	22,500,000.00	06/24/2024 4.42%	20,856,082.50 21,552,641.67	95.95 4.28%	21,589,740.00 156,937.50	0.13% 37,098.33	Aa1/AA+ AA+	2.74 2.59
3130B0YH6	FEDERAL HOME LOAN BANKS 5.01 04/19/2029	25,000,000.00	04/16/2024 5.01%	25,000,000.00 25,000,000.00	100.26 4.91%	25,065,700.00 250,500.00	0.15% 65,700.00	Aa1/AA+ AA+	2.80 0.77
3136GA4H9	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.7 07/02/2029	25,000,000.00	12/20/2024 4.70%	25,000,000.00 25,000,000.00	100.00 3.82%	25,000,550.00 584,236.11	0.15% 550.00	Aa1/AA+ AA+	3.01 0.00
3136GAEP0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.35 07/02/2029	25,000,000.00	03/28/2025 4.35%	25,000,000.00 25,000,000.00	100.00 3.84%	25,000,300.00 540,729.17	0.15% 300.00	Aa1/AA+ AA+	3.01 0.00
31424WLQ3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.16 07/09/2029	15,000,000.00	07/17/2024 4.16%	15,000,000.00 15,000,000.00	99.72 4.26%	14,957,865.00 298,133.33	0.09% (42,135.00)	NA/NA NA	3.02 2.76
31424WMH2	FEDERAL AGRICULTURAL MORTGAGE CORP 3.84 07/27/2029	50,000,000.00	08/07/2024 3.84%	50,000,000.00 50,000,000.00	98.80 4.26%	49,398,350.00 821,333.33	0.30% (601,650.00)	NA/NA NA	3.07 2.82
31424WUJ9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.58 01/28/2030	50,000,000.00	01/24/2025 4.58%	50,000,000.00 50,000,000.00	99.82 4.63%	49,910,650.00 973,250.00	0.30% (89,350.00)	NA/NA NA	3.58 3.20
3136GAC98	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.625 02/26/2030	50,000,000.00	02/21/2025 4.62%	50,000,000.00 50,000,000.00	99.77 4.69%	49,883,600.00 802,951.39	0.30% (116,400.00)	Aa1/AA+ AA+	3.66 3.27

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3130B5FY9	FEDERAL HOME LOAN BANKS 4.225 02/28/2030	25,000,000.00	03/03/2025 4.21%	25,000,000.00 25,000,000.00	99.11 4.49%	24,778,675.00 360,885.42	0.15% (221,325.00)	Aa1/AA+ AA+	3.67 3.30
3133ETEY9	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.36 04/29/2030	50,000,000.00	04/29/2025 4.36%	50,000,000.00 50,000,000.00	99.27 4.57%	49,633,200.00 375,444.44	0.30% (366,800.00)	Aa1/AA+ AA+	3.83 3.46
880591DM1	TENNESSEE VALLEY AUTHORITY 7.125 05/01/2030	38,329,000.00	05/02/2025 4.01%	43,675,895.50 42,437,481.72	110.11 4.24%	42,202,988.69 455,156.88	0.25% (234,493.04)	Aa1/AA+ AA+	3.84 3.34
3133ETKB2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.4 06/03/2030	15,770,000.00	06/04/2025 4.40%	15,770,000.00 15,770,000.00	98.88 4.72%	15,592,871.36 53,968.44	0.09% (177,128.64)	Aa1/AA+ AA+	3.93 3.55
880591FE7	TENNESSEE VALLEY AUTHORITY 3.875 08/01/2030	12,000,000.00	08/05/2025 3.97%	11,951,160.00 11,959,939.92	98.76 4.21%	11,851,320.00 193,750.00	0.07% (108,619.92)	Aa1/AA+ AA+	4.09 3.68
3136GARJ0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 3.88 09/09/2030	25,000,000.00	09/04/2025 3.88%	25,000,000.00 25,000,000.00	98.58 4.25%	24,644,300.00 301,777.78	0.15% (355,700.00)	Aa1/AA+ AA+	4.19 3.78
31428JHH3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.25 05/08/2031	50,000,000.00	05/01/2026 4.25%	50,000,000.00 50,000,000.00	98.89 4.51%	49,447,100.00 312,847.22	0.30% (552,900.00)	NA/NA NA	4.85 4.31
3136GDCW1	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.46 05/19/2031	25,000,000.00	05/15/2026 4.46%	25,000,000.00 25,000,000.00	99.66 4.54%	24,914,700.00 130,083.33	0.15% (85,300.00)	Aa1/AA+ AA+	4.88 4.32
3134HCY37	FHLMC 4 1/2 05/22/31	25,000,000.00	05/20/2026 4.50%	25,000,000.00 25,000,000.00	100.16 4.46%	25,039,800.00 121,875.00	0.15% 39,800.00	Aa1/AA+ AA+	4.89 1.79
Total Agency		**2,034,310,000.00**	**3.56%**	**2,028,474,247.43** **2,035,373,305.80**	**99.67** **4.18%**	**2,027,086,985.16** **16,612,584.45**	**12.19%** **(8,286,320.64)**		**1.67** **1.38**
AGENCY CMBS									
3137H14B9	FHMS K-743 A2 1.77 05/25/2028	50,355,000.00	06/26/2026 4.31%	48,065,421.09 48,068,833.28	95.35 4.37%	48,013,341.44 74,273.63	0.29% (55,491.84)	Aa1/AA+ AAA	1.90 1.78
3137FGR31	FHMS K-078 A2 3.854 06/25/2028	10,175,000.00	06/09/2026 4.33%	10,068,083.01 10,070,904.43	98.91 4.37%	10,063,726.20 32,678.71	0.06% (7,178.23)	Aa1/AA+ AAA	1.99 1.75
Total Agency CMBS		**60,530,000.00**	**4.31%**	**58,133,504.10** **58,139,737.71**	**95.97** **4.37%**	**58,077,067.64** **106,952.33**	**0.35%** **(62,670.07)**		**1.92** **1.77**
CASH									
90JPMC$03	JP Morgan Chase Bank Deposit	76,518,997.80	-- 2.65%	76,518,997.80 76,518,997.80	1.00 2.65%	76,518,997.80 0.00	0.46% 0.00	NA/NA NA	0.00 0.00
90USB$000	US Bank	445,383,222.98	-- 3.27%	445,383,222.98 445,383,222.98	1.00 3.27%	445,383,222.98 0.00	2.68% 0.00	NA/NA NA	0.00 0.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CCYUSD	Receivable	260,667.12	--	260,667.12 260,667.12	1.00	260,667.12 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**522,162,887.90**	**3.18%**	**522,162,887.90** **522,162,887.90**	**1.00** **3.18%**	**522,162,887.90** **0.00**	**3.14%** **0.00**		**0.00** **0.00**
COMMERCIAL PAPER									
09659CG10	BNP Paribas New York Branch 07/01/2026	25,000,000.00	03/05/2026 3.79%	24,693,527.78 25,000,000.00	99.99 3.64%	24,997,475.00 0.00	0.15% (2,525.00)	P-1/A-1 F1+	0.00 0.00
78015DG12	Royal Bank of Canada New York Branch 07/01/2026	200,000,000.00	12/09/2025 3.84%	195,738,666.67 200,000,000.00	99.99 3.64%	199,979,800.00 0.00	1.20% (20,200.00)	P-1/A-1+ F1+	0.00 0.00
89116FG12	Toronto Dominion Holdings (U.S.A.), Inc. 07/01/2026	250,000,000.00	12/09/2025 3.88%	244,616,666.65 250,000,000.00	99.99 3.67%	249,974,500.00 0.00	1.50% (25,500.00)	P-1/A-1 NA	0.00 0.00
78015DG20	Royal Bank of Canada New York Branch 07/02/2026	275,000,000.00	12/09/2025 3.84%	269,111,944.44 274,971,277.78	99.98 3.62%	274,944,725.00 0.00	1.65% (26,552.78)	P-1/A-1+ F1+	0.01 0.00
09659CG28	BNP Paribas New York Branch 07/02/2026	75,000,000.00	11/24/2025 3.95%	73,230,833.33 74,991,958.33	99.98 3.64%	74,984,850.00 0.00	0.45% (7,108.33)	P-1/A-1 F1+	0.01 0.00
09659CG85	BNP Paribas New York Branch 07/08/2026	40,000,000.00	03/05/2026 3.79%	39,480,555.56 39,970,911.11	99.92 3.65%	39,967,560.00 0.00	0.24% (3,351.11)	P-1/A-1 F1+	0.02 0.02
89233HG81	Toyota Motor Credit Corporation 07/08/2026	50,000,000.00	12/09/2025 3.89%	48,886,388.89 49,963,055.56	99.92 3.68%	49,959,100.00 0.00	0.30% (3,955.56)	P-1/A-1+ F1	0.02 0.02
09659CGA0	BNP Paribas New York Branch 07/10/2026	25,000,000.00	12/10/2025 3.92%	24,436,138.89 24,976,062.50	99.90 3.65%	24,974,650.00 0.00	0.15% (1,412.50)	P-1/A-1 F1+	0.03 0.02
09659CGH5	BNP Paribas New York Branch 07/17/2026	35,000,000.00	03/05/2026 3.79%	34,512,761.11 34,941,822.22	99.83 3.67%	34,939,485.00 0.00	0.21% (2,337.22)	P-1/A-1 F1+	0.05 0.04
22533UGX5	Credit Agricole Corporate And Investment Bank, New 07/31/2026	100,000,000.00	11/03/2025 3.98%	97,105,000.00 99,678,333.33	99.69 3.74%	99,689,000.00 0.00	0.60% 10,666.67	P-1/A-1 F1+	0.08 0.08
78015DH37	Royal Bank of Canada New York Branch 08/03/2026	25,000,000.00	12/12/2025 3.81%	24,395,500.00 24,914,750.00	99.65 3.87%	24,911,625.00 0.00	0.15% (3,125.00)	P-1/A-1+ F1+	0.09 0.08
06054PH74	BofA Securities, Inc. 08/07/2026	100,000,000.00	01/02/2026 3.81%	97,757,666.68 99,617,666.67	99.60 3.89%	99,601,500.00 0.00	0.60% (16,166.67)	P-1/A-1 F1+	0.10 0.10
06366HHC4	Bank of Montreal - Chicago Branch 08/12/2026	50,000,000.00	01/16/2026 3.77%	48,934,000.00 49,784,750.00	99.55 3.85%	49,776,550.00 0.00	0.30% (8,200.00)	P-1/A-1 F1+	0.12 0.11
21687BHU8	Coöperatieve Rabobank U.A., New York Branch 08/28/2026	70,000,000.00	03/24/2026 3.95%	68,815,522.22 69,562,422.22	99.37 3.95%	69,557,180.00 0.00	0.42% (5,242.22)	P-1/A-1 F1+	0.16 0.16

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06366HHX8	Bank of Montreal - Chicago Branch 08/31/2026	100,000,000.00	03/03/2026 3.81%	98,119,611.11 99,366,277.78	99.35 3.86%	99,350,000.00 0.00	0.60% (16,277.78)	P-1/A-1 F1+	0.17 0.17
89233HJ13	Toyota Motor Credit Corporation 09/01/2026	74,000,000.00	02/25/2026 3.80%	72,558,562.22 73,524,632.22	99.34 3.92%	73,511,674.00 0.00	0.44% (12,958.22)	P-1/A-1+ F1	0.17 0.14
09659CJ25	BNP Paribas New York Branch 09/02/2026	50,000,000.00	03/27/2026 3.98%	49,136,541.67 49,657,875.00	99.33 3.86%	49,664,550.00 0.00	0.30% 6,675.00	P-1/A-1 F1+	0.18 0.17
89116FJ35	Toronto Dominion Holdings (U.S.A.), Inc. 09/03/2026	25,000,000.00	04/09/2026 3.89%	24,609,020.83 24,829,777.78	99.30 3.97%	24,824,975.00 0.00	0.15% (4,802.78)	P-1/A-1 NA	0.18 0.17
89116FJ43	Toronto Dominion Holdings (U.S.A.), Inc. 09/04/2026	25,000,000.00	04/09/2026 3.89%	24,606,361.11 24,827,118.06	99.29 3.97%	24,822,250.00 0.00	0.15% (4,868.06)	P-1/A-1 NA	0.18 0.18
89233HJW5	Toyota Motor Credit Corporation 09/30/2026	100,000,000.00	-- 3.96%	97,890,763.89 99,020,486.11	99.03 3.86%	99,033,000.00 0.00	0.60% 12,513.89	P-1/A-1+ F1	0.25 0.25
89233HK52	Toyota Motor Credit Corporation 10/05/2026	50,000,000.00	04/21/2026 3.90%	49,111,652.78 49,489,333.33	98.98 3.91%	49,488,850.00 0.00	0.30% (483.33)	P-1/A-1+ F1	0.27 0.19
06366HK63	Bank of Montreal - Chicago Branch 10/06/2026	40,000,000.00	03/30/2026 4.00%	39,172,444.44 39,577,511.11	98.95 3.92%	39,581,800.00 0.00	0.24% 4,288.89	P-1/A-1 F1+	0.27 0.26
06366HK71	Bank of Montreal - Chicago Branch 10/07/2026	70,000,000.00	03/30/2026 4.00%	68,544,155.56 69,253,022.22	98.94 3.92%	69,260,450.00 0.00	0.42% 7,427.78	P-1/A-1 F1+	0.27 0.27
06054PKD7	BofA Securities, Inc. 10/13/2026	70,000,000.00	04/06/2026 4.02%	68,544,388.89 69,203,244.45	98.86 3.99%	69,202,700.00 0.00	0.42% (544.45)	P-1/A-1 F1+	0.29 0.28
06366HKG1	Bank of Montreal - Chicago Branch 10/16/2026	50,000,000.00	04/02/2026 4.00%	48,930,180.56 49,418,930.56	98.84 3.97%	49,421,900.00 0.00	0.30% 2,969.44	P-1/A-1 F1+	0.30 0.21
06054PKW5	BofA Securities, Inc. 10/30/2026	100,000,000.00	04/06/2026 4.03%	97,734,500.00 98,675,722.22	98.66 4.03%	98,664,100.00 0.00	0.59% (11,622.22)	P-1/A-1 F1+	0.33 0.33
06366HKW6	Bank of Montreal - Chicago Branch 10/30/2026	50,000,000.00	04/06/2026 4.00%	48,875,875.00 49,342,902.78	98.69 3.96%	49,343,450.00 0.00	0.30% 547.22	P-1/A-1 F1+	0.33 0.33
06054PL20	BofA Securities, Inc. 11/02/2026	100,000,000.00	04/01/2026 3.99%	97,670,833.34 98,656,666.67	98.63 4.10%	98,630,200.00 0.00	0.59% (26,466.67)	P-1/A-1 F1+	0.34 0.22
21687BL66	Coöperatieve Rabobank U.A., New York Branch 11/06/2026	70,000,000.00	04/07/2026 3.98%	68,388,891.67 69,031,822.22	98.61 4.03%	69,026,370.00 0.00	0.42% (5,452.22)	P-1/A-1 F1+	0.35 0.23
09659CLA4	BNP Paribas New York Branch 11/10/2026	50,000,000.00	04/15/2026 3.97%	48,873,722.22 49,288,666.67	98.56 3.99%	49,279,100.00 0.00	0.30% (9,566.67)	P-1/A-1 F1+	0.36 0.36
06054PLA2	BofA Securities, Inc. 11/10/2026	50,000,000.00	04/09/2026 4.05%	48,820,486.11 49,275,833.33	98.54 4.04%	49,269,800.00 0.00	0.30% (6,033.33)	P-1/A-1 F1+	0.36 0.36
13607FMJ2	Canadian Imperial Holdings, Inc. 12/18/2026	200,000,000.00	04/10/2026 4.00%	194,554,000.00 196,326,111.11	98.10 4.11%	196,194,800.00 0.00	1.18% (131,311.11)	P-1/A-1 F1+	0.47 0.46

INVESTMENT INVENTORY – MARKET VALUE

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
21687BMJ7	Coöperatieve Rabobank U.A., New York Branch 12/18/2026	100,000,000.00	04/09/2026 4.01%	97,259,166.67 98,158,333.34	98.11 4.13%	98,106,900.00 0.00	0.59% (51,433.34)	P-1/A-1 F1+	0.47 0.25
06054PMX1	BofA Securities, Inc. 12/31/2026	100,000,000.00	04/10/2026 4.05%	97,107,083.34 98,002,250.00	97.94 4.13%	97,943,100.00 0.00	0.59% (59,150.00)	P-1/A-1 F1+	0.50 0.49
06054PN44	BofA Securities, Inc. 01/04/2027	125,000,000.00	-- 4.03%	121,418,083.35 122,459,916.68	97.90 4.14%	122,370,000.00 0.00	0.74% (89,916.68)	P-1/A-1 F1+	0.51 0.50
06366HNM5	Bank of Montreal - Chicago Branch 01/21/2027	50,000,000.00	06/16/2026 4.04%	48,801,583.33 48,883,666.66	97.69 4.16%	48,847,350.00 0.00	0.29% (36,316.66)	P-1/A-1 F1+	0.56 0.55
78015DNM8	ROYAL BANK OF CANADA 01/21/2027	50,000,000.00	06/26/2026 4.08%	48,841,791.67 48,869,500.00	97.70 4.15%	48,851,300.00 0.00	0.29% (18,200.00)	P-1/A-1+ F1+	0.56 0.55
46590ENV6	J.P. Morgan Securities LLC 01/29/2027	125,000,000.00	-- 4.17%	121,877,687.51 122,009,916.68	97.59 4.26%	121,985,000.00 0.00	0.73% (24,916.68)	P-1/NA F1+	0.58 0.32
06054PNV4	BofA Securities, Inc. 01/29/2027	75,000,000.00	06/01/2026 4.04%	73,018,625.00 73,264,250.00	97.60 4.18%	73,199,850.00 0.00	0.44% (64,400.00)	P-1/A-1 F1+	0.58 0.57
06366HNV5	Bank of Montreal - Chicago Branch 01/29/2027	50,000,000.00	06/02/2026 4.00%	48,694,583.33 48,851,666.66	97.60 4.17%	48,801,600.00 0.00	0.29% (50,066.66)	P-1/A-1 F1+	0.58 0.57
78015DP20	Royal Bank of Canada New York Branch 02/02/2027	50,000,000.00	06/26/2026 4.10%	48,772,222.22 48,800,000.00	97.56 4.17%	48,779,750.00 0.00	0.29% (20,250.00)	P-1/A-1+ F1+	0.59 0.58
78015DP46	Royal Bank of Canada New York Branch 02/04/2027	30,000,000.00	06/26/2026 4.10%	29,256,666.67 29,273,333.34	97.54 4.17%	29,260,830.00 0.00	0.18% (12,503.34)	P-1/A-1+ F1+	0.60 0.59
78015DP95	Royal Bank of Canada New York Branch 02/09/2027	20,000,000.00	06/26/2026 4.10%	19,493,333.33 19,504,444.44	97.42 4.27%	19,484,294.00 0.00	0.12% (20,150.44)	P-1/A-1+ F1+	0.61 0.60
Total Commercial Paper		**3,369,000,000.00**	**3.95%**	**3,292,397,990.04** **3,335,216,221.14**	**98.98** **3.91%**	**3,334,457,943.00** **0.00**	**20.05%** **(758,278.14)**		**0.25** **0.22**
CORPORATE									
037833DN7	APPLE INC 2.05 09/11/2026	25,000,000.00	04/18/2024 5.08%	23,315,000.00 24,860,871.56	99.62 3.98%	24,905,725.00 156,597.22	0.15% 44,853.44	Aaa/AA+ NA	0.20 0.19
023135DB9	AMAZON.COM INC 3.85 03/13/2028	25,000,000.00	-- 3.89%	24,979,750.00 24,982,797.20	99.30 4.28%	24,825,750.00 288,750.00	0.15% (157,047.20)	A1/AA AA-	1.70 1.61
037833EY2	APPLE INC 4.0 05/12/2028	40,000,000.00	05/05/2025 4.07%	39,921,600.00 39,951,286.13	99.58 4.23%	39,833,960.00 217,777.78	0.24% (117,326.13)	Aaa/AA+ NA	1.87 1.77
023135DC7	AMAZON.COM INC 4.0 03/13/2029	35,000,000.00	-- 4.21%	34,806,250.00 34,817,038.53	98.93 4.42%	34,625,920.00 420,000.00	0.21% (191,118.53)	A1/AA AA-	2.70 2.50
Total Corporate		**125,000,000.00**	**4.28%**	**123,022,600.00** **124,611,993.42**	**99.35** **4.24%**	**124,191,355.00** **1,083,125.00**	**0.75%** **(420,638.42)**		**1.73** **1.62**

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	75,000,000.00	-- 3.82%	75,000,000.00 75,000,000.00	1.00 3.82%	75,000,000.00 0.00	0.45% 0.00	NA/NA NA	0.00 0.00
Total LAIF		**75,000,000.00**	**3.82%**	**75,000,000.00** **75,000,000.00**	**1.00** **3.82%**	**75,000,000.00** **0.00**	**0.45%** **0.00**		**0.00** **0.00**
LOCAL GOV INVESTMENT POOL									
90CAMP$00	CAMP	209,352,168.20	-- 3.77%	209,352,168.20 209,352,168.20	1.00 3.77%	209,352,168.20 0.00	1.26% 0.00	NA/AAAm NA	0.00 0.00
90CALFT$0	CalFIT	102,126,913.82	-- 3.78%	102,126,913.82 102,126,913.82	1.00 3.78%	102,126,913.82 0.00	0.61% 0.00	NA/NA NA	0.00 0.00
Total Local Gov Investment Pool		**311,479,082.02**	**3.77%**	**311,479,082.02** **311,479,082.02**	**1.00** **3.77%**	**311,479,082.02** **0.00**	**1.87%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
09248U700	BLKRK LQ:FEDFUND INSTL	35,500,000.00	-- 3.53%	35,500,000.00 35,500,000.00	1.00 3.53%	35,500,000.00 0.00	0.21% 0.00	Aaa/ AAAm AAA	0.00 0.00
31607A703	FIDELITY IMM:GOVT INSTL	106,000,000.00	-- 3.58%	106,000,000.00 106,000,000.00	1.00 3.58%	106,000,000.00 0.00	0.64% 0.00	Aaa/ AAAm AAA	0.00 0.00
61747C707	MORG STAN I LQ:GV I	67,500,000.00	-- 3.56%	67,500,000.00 67,500,000.00	1.00 3.56%	67,500,000.00 0.00	0.41% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		**209,000,000.00**	**3.57%**	**209,000,000.00** **209,000,000.00**	**1.00** **3.57%**	**209,000,000.00** **0.00**	**1.26%** **0.00**		**0.00** **0.00**
MUNICIPAL BONDS									
25477GUX1	DISTRICT COLUMBIA INCOME TAX REV 3.419 07/01/2026	4,500,000.00	07/27/2022 3.42%	4,500,000.00 4,500,000.00	100.00 3.42%	4,500,000.00 76,927.50	0.03% 0.00	Aa1/AAA AA+	0.00 0.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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419792G26	HAWAII ST 1.283 08/01/2026	7,500,000.00	10/12/2021 1.28%	7,500,000.00 7,500,000.00	99.76 4.21%	7,481,640.00 40,093.75	0.04% (18,360.00)	Aa2/AA+ AA	0.09 0.08
13063EBN5	CALIFORNIA STATE 5.5 09/01/2026	45,955,000.00	04/12/2024 5.10%	46,367,216.35 45,984,512.03	100.21 4.15%	46,052,011.01 842,508.33	0.28% 67,498.98	Aa2/AA- AA	0.17 0.17
798135E96	SAN JOSE CALIF 2.5 09/01/2026	10,000,000.00	04/28/2022 3.16%	9,730,500.00 9,989,471.33	99.75 3.99%	9,974,800.00 83,333.33	0.06% (14,671.33)	Aa1/AA+ AAA	0.17 0.17
798189TL0	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.796 09/01/2026	2,500,000.00	03/01/2023 4.80%	2,500,000.00 2,500,000.00	100.09 4.17%	2,502,320.00 39,966.67	0.02% 2,320.00	Aaa/AA+ NA	0.17 0.17
419792J56	HAWAII ST 4.818 10/01/2026	8,450,000.00	10/20/2022 4.82%	8,450,000.00 8,450,000.00	100.15 4.15%	8,462,945.40 101,780.25	0.05% 12,945.40	Aa2/AA+ NA	0.25 0.25
880558QT1	TENNESSEE ST SCH BD AUTH 4.73 11/01/2026	3,650,000.00	10/26/2022 4.71%	3,652,774.00 3,650,235.80	100.20 4.09%	3,657,321.90 28,774.17	0.02% 7,086.10	Aa1/AA+ AA+	0.34 0.33
57582RK96	MASSACHUSETTS COMMONWEALTH 0.986 11/01/2026	6,710,000.00	10/27/2022 4.62%	5,823,541.90 6,635,421.10	98.98 4.09%	6,641,403.67 11,026.77	0.04% 5,982.57	Aa1/AA+ AA+	0.34 0.33
13063D3N6	CALIFORNIA STATE 4.846 03/01/2027	18,500,000.00	03/09/2023 4.85%	18,500,000.00 18,500,000.00	100.44 4.17%	18,580,512.00 298,836.67	0.11% 80,512.00	Aa2/AA- AA	0.67 0.64
68609T7G7	OREGON ST 3.315 05/01/2027	1,000,000.00	05/17/2022 3.32%	1,000,000.00 1,000,000.00	99.42 4.03%	994,179.00 5,525.00	0.01% (5,821.00)	Aa1/AA+ AA+	0.84 0.81
68609UBF1	OREGON ST 4.112 05/01/2027	5,625,000.00	03/16/2023 4.11%	5,625,000.00 5,625,000.00	100.03 4.07%	5,626,755.00 38,550.00	0.03% 1,755.00	Aa1/AA+ AA+	0.84 0.81
20772KTJ8	CONNECTICUT ST 5.05 05/15/2027	8,670,000.00	06/01/2023 4.51%	8,836,464.00 8,707,199.97	100.73 4.18%	8,733,681.15 55,945.58	0.05% 26,481.18	Aa2/AA- AA	0.87 0.84
20772KQK8	CONNECTICUT ST 3.631 06/15/2027	5,000,000.00	06/22/2022 3.63%	5,000,000.00 5,000,000.00	99.49 4.18%	4,974,560.00 8,068.89	0.03% (25,440.00)	Aa2/AA- AA	0.96 0.93
25477GUY9	DISTRICT COLUMBIA INCOME TAX REV 3.499 07/01/2027	5,000,000.00	07/27/2022 3.50%	5,000,000.00 5,000,000.00	99.46 4.06%	4,972,865.00 87,475.00	0.03% (27,135.00)	Aa1/AAA AA+	1.00 0.97
373385KW2	GEORGIA ST 3.43 07/01/2027	8,210,000.00	07/07/2022 3.43%	8,210,000.00 8,210,000.00	99.46 3.99%	8,165,493.59 140,801.50	0.05% (44,506.41)	Aaa/AAA AAA	1.00 0.97
576004HD0	MASSACHUSETTS (COMMONWEALTH OF) 3.68 07/15/2027	5,000,000.00	08/30/2022 3.68%	5,000,000.00 5,000,000.00	99.51 4.17%	4,975,510.00 84,844.44	0.03% (24,490.00)	Aa1/NA AAA	1.04 0.99
46247SEC4	IOWA FIN AUTH REV 4.34 08/01/2027	2,000,000.00	06/02/2023 4.34%	2,000,000.00 2,000,000.00	100.27 4.08%	2,005,360.00 36,166.67	0.01% 5,360.00	Aaa/NA AAA	1.09 1.03

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
798189TM8	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.718 09/01/2027	2,000,000.00	03/01/2023 4.72%	2,000,000.00 2,000,000.00	100.58 4.20%	2,011,608.00 31,453.33	0.01% 11,608.00	Aaa/AA+ NA	1.17 1.11
57582R4H6	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2027	20,000,000.00	10/17/2023 5.20%	20,210,000.00 20,066,784.97	101.68 4.10%	20,336,040.00 275,000.00	0.12% 269,255.03	Aa1/AA+ AA+	1.25 1.19
882724T64	TEXAS ST 4.528 10/01/2027	5,000,000.00	08/10/2023 4.53%	5,000,000.00 5,000,000.00	100.59 4.03%	5,029,695.00 56,600.00	0.03% 29,695.00	NA/AAA AAA	1.25 1.19
419792M29	HAWAII ST 5.0 10/01/2027	5,000,000.00	12/07/2023 4.51%	5,084,150.00 5,027,826.74	100.97 4.19%	5,048,345.00 62,500.00	0.03% 20,518.26	Aa2/AA+ AA	1.25 1.19
419792J64	HAWAII ST 4.838 10/01/2027	6,750,000.00	10/20/2022 4.84%	6,750,000.00 6,750,000.00	100.77 4.19%	6,802,096.50 81,641.25	0.04% 52,096.50	Aa2/AA+ NA	1.25 1.19
20772KTK5	CONNECTICUT ST 4.506 05/15/2028	5,000,000.00	06/01/2023 4.51%	5,000,000.00 5,000,000.00	100.31 4.33%	5,015,485.00 28,788.33	0.03% 15,485.00	Aa2/AA- AA	1.88 1.77
57582TDY5	MASSACHUSETTS COMMONWEALTH 4.15 06/01/2028	10,000,000.00	06/10/2025 4.13%	10,005,300.00 10,003,443.28	99.88 4.22%	9,987,510.00 34,583.33	0.06% (15,933.28)	Aa1/AA+ AA+	1.92 1.82
20772KD30	CONNECTICUT ST 4.25 08/15/2028	7,000,000.00	09/25/2025 3.75%	7,092,190.00 7,069,120.23	99.78 4.36%	6,984,768.00 112,388.89	0.04% (84,352.23)	Aa2/AA- AA	2.13 1.98
57582R4J2	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2028	14,000,000.00	10/17/2023 5.25%	14,149,800.00 14,068,377.93	102.67 4.24%	14,373,198.00 192,500.00	0.09% 304,820.07	Aa1/AA+ AA+	2.25 2.08
13063D7D4	CALIFORNIA STATE 5.5 10/01/2028	25,000,000.00	10/04/2023 5.17%	25,357,000.00 25,161,701.16	102.40 4.36%	25,601,125.00 343,750.00	0.15% 439,423.84	Aa2/AA- AA	2.25 2.08
57582TDZ2	MASSACHUSETTS COMMONWEALTH 4.25 06/01/2029	10,000,000.00	06/10/2025 4.22%	10,010,600.00 10,007,825.21	99.94 4.27%	9,993,960.00 35,416.67	0.06% (13,865.21)	Aa1/AA+ AA+	2.92 2.71
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	50,000,000.00	10/30/2024 4.37%	50,272,000.00 50,177,193.06	100.46 4.34%	50,229,600.00 937,500.00	0.30% 52,406.94	Aa2/AA- AA	3.09 2.80
20772KD48	CONNECTICUT ST 3.865 08/15/2029	5,375,000.00	09/25/2025 3.86%	5,375,000.00 5,375,000.00	98.46 4.40%	5,292,015.38 78,480.97	0.03% (82,984.63)	Aa2/AA- AA	3.13 2.86
419792P75	HAWAII ST 4.287 10/01/2029	15,000,000.00	12/05/2024 4.29%	15,000,000.00 15,000,000.00	99.74 4.37%	14,960,475.00 160,762.50	0.09% (39,525.00)	Aa2/AA+ AA	3.25 2.97
57582TEA6	MASSACHUSETTS COMMONWEALTH 4.35 06/01/2030	5,000,000.00	06/10/2025 4.32%	5,006,500.00 5,005,141.79	100.17 4.30%	5,008,570.00 18,125.00	0.03% 3,428.21	Aa1/AA+ AA+	3.92 3.55

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
20772KD55	CONNECTICUT ST 3.885 08/15/2030	7,250,000.00	09/25/2025 3.88%	7,250,000.00 7,250,000.00	97.99 4.42%	7,103,934.25 106,405.83	0.04% (146,065.75)	Aa2/AA- AA	4.13 3.71
13063EHU3	CALIFORNIA STATE 4.875 09/01/2030	50,000,000.00	09/24/2025 3.88%	52,210,500.00 51,868,252.77	101.87 4.38%	50,933,100.00 812,500.00	0.31% (935,152.77)	Aa2/AA- AA	4.17 3.69
Total Municipal Bonds		**390,645,000.00**	**4.38%**	**393,468,536.25** **393,082,507.36**	**100.62** **4.23%**	**393,012,882.84** **5,349,020.63**	**2.36%** **(69,624.52)**		**1.94** **1.77**
NEGOTIABLE CD									
05593DKB8	BNP Paribas New York Branch 4.12 07/01/2026	50,000,000.00	09/02/2025 4.12%	50,000,000.00 50,000,000.00	99.99 4.23%	49,994,120.00 1,728,111.11	0.30% (5,880.00)	P-1/A-1 F1+	0.00 0.00
05593DK69	BNP Paribas New York Branch 4.15 07/01/2026	100,000,000.00	08/27/2025 4.15%	100,000,000.00 100,000,000.00	99.99 3.83%	99,989,360.00 3,550,555.56	0.60% (10,640.00)	P-1/A-1 F1+	0.00 0.00
87019WZ24	Swedbank AB (publ) 3.74 07/02/2026	150,000,000.00	12/18/2025 3.74%	150,000,000.00 150,000,000.00	100.00 3.60%	150,000,300.00 3,038,750.00	0.90% 300.00	P-1/A-1+ F1+	0.01 0.00
87019WY82	Swedbank AB (publ) 3.75 07/02/2026	50,000,000.00	12/17/2025 3.75%	50,000,000.00 50,000,000.00	100.00 3.57%	50,000,150.00 1,020,833.33	0.30% 150.00	P-1/A-1+ F1+	0.01 0.00
87019WY58	Swedbank AB (publ) 3.78 07/06/2026	40,000,000.00	12/09/2025 3.78%	40,000,000.00 40,000,000.00	100.00 3.60%	40,000,560.00 856,800.00	0.24% 560.00	P-1/A-1+ F1+	0.02 0.01
06418NLM2	Bank of Nova Scotia, Houston Branch 3.87 07/07/2026	140,000,000.00	12/09/2025 3.87%	140,000,000.00 140,000,000.00	100.00 3.63%	140,003,780.00 3,070,200.00	0.84% 3,780.00	P-1/A-1 F1+	0.02 0.02
06418NLN0	Bank of Nova Scotia, Houston Branch 3.87 07/08/2026	60,000,000.00	12/09/2025 3.87%	60,000,000.00 60,000,000.00	100.00 3.64%	60,001,800.00 1,315,800.00	0.36% 1,800.00	P-1/A-1 F1+	0.02 0.02
22536J3R4	Credit Agricole Corporate And Investment Bank, New 3.93 07/10/2026	25,000,000.00	12/10/2025 3.93%	25,000,000.00 25,000,000.00	100.01 3.61%	25,001,525.00 554,020.83	0.15% 1,525.00	P-1/A-1 NA	0.03 0.03
21684X5X0	Coöperatieve Rabobank U.A., New York Branch 3.87 07/13/2026	50,000,000.00	12/10/2025 3.87%	50,000,000.00 50,000,000.00	100.00 3.65%	50,002,300.00 1,091,125.00	0.30% 2,300.00	P-1/A-1 F1+	0.04 0.03
87019W2B0	Swedbank AB (publ) 3.73 07/16/2026	30,000,000.00	01/02/2026 3.73%	30,000,000.00 30,000,000.00	100.00 3.65%	30,000,210.00 559,500.00	0.18% 210.00	P-1/A-1+ F1+	0.04 0.04
87019W2A2	Swedbank AB (publ) 3.73 07/17/2026	60,000,000.00	01/02/2026 3.73%	60,000,000.00 60,000,000.00	100.00 3.65%	60,000,360.00 1,119,000.00	0.36% 360.00	P-1/A-1+ F1+	0.05 0.04
65558WRZ3	Nordea ABP - New York Branch 3.7 07/20/2026	30,000,000.00	01/02/2026 3.70%	30,000,000.00 30,000,000.00	100.00 3.69%	29,999,160.00 555,000.00	0.18% (840.00)	P-1/A-1+ F1+	0.05 0.05

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
22536J5C5	Credit Agricole Corporate And Investment Bank, New 3.78 07/21/2026	40,000,000.00	01/02/2026 3.78%	40,000,000.00 40,000,000.00	100.01 3.62%	40,002,040.00 756,000.00	0.24% 2,040.00	P-1/A-1 NA	0.06 0.06
87019W2D6	Swedbank AB (publ) 3.69 07/31/2026	100,000,000.00	01/05/2026 3.69%	100,000,000.00 100,000,000.00	99.99 3.70%	99,993,800.00 1,804,000.00	0.60% (6,200.00)	P-1/A-1+ F1+	0.08 0.08
06418NMY5	Bank of Nova Scotia, Houston Branch 3.73 07/31/2026	60,000,000.00	02/18/2026 3.73%	60,000,000.00 60,000,000.00	99.99 3.78%	59,995,080.00 826,816.67	0.36% (4,920.00)	P-1/A-1 F1+	0.08 0.08
06367DUB9	Bank of Montreal - Chicago Branch 3.77 07/31/2026	50,000,000.00	02/18/2026 3.77%	50,000,000.00 50,000,000.00	100.00 3.76%	49,998,150.00 691,166.67	0.30% (1,850.00)	P-1/A-1 F1+	0.08 0.08
05593DJL8	BNP Paribas New York Branch 4.11 07/31/2026	45,000,000.00	08/13/2025 4.11%	45,000,000.00 45,000,000.00	100.02 3.68%	45,010,890.00 1,654,275.00	0.27% 10,890.00	P-1/A-1 F1+	0.08 0.08
05593DJP9	BNP Paribas New York Branch 4.14 07/31/2026	50,000,000.00	08/14/2025 4.14%	50,000,000.00 50,000,000.00	100.03 3.68%	50,013,350.00 1,845,750.00	0.30% 13,350.00	P-1/A-1 F1+	0.08 0.08
65558WSB5	Nordea ABP - New York Branch 3.7 07/31/2026	50,000,000.00	01/06/2026 3.70%	50,000,000.00 50,000,000.00	99.99 3.75%	49,995,250.00 904,444.44	0.30% (4,750.00)	P-1/A-1+ F1+	0.08 0.08
05593DJQ7	BNP Paribas New York Branch 4.15 07/31/2026	62,000,000.00	08/15/2025 4.15%	62,000,000.00 62,000,000.00	100.03 3.82%	62,017,050.00 2,287,111.11	0.37% 17,050.00	P-1/A-1 F1+	0.08 0.08
22536XDG6	Credit Agricole Corporate And Investment Bank, New 3.94 08/03/2026	100,000,000.00	03/19/2026 3.94%	100,000,000.00 100,000,000.00	100.03 3.62%	100,025,300.00 1,138,222.22	0.60% 25,300.00	P-1/A-1 NA	0.09 0.09
21684X7A8	Coöperatieve Rabobank U.A., New York Branch 3.9 08/04/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.01 3.50%	50,005,000.00 536,250.00	0.30% 5,000.00	P-1/A-1 F1+	0.10 0.03
21684X7B6	Coöperatieve Rabobank U.A., New York Branch 3.9 08/05/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.01 3.76%	50,004,900.00 536,250.00	0.30% 4,900.00	P-1/A-1 F1+	0.10 0.10
89115DY59	Toronto-Dominion Bank - New York Branch 3.86 08/10/2026	50,000,000.00	04/08/2026 3.86%	50,000,000.00 50,000,000.00	100.01 3.77%	50,003,000.00 450,333.33	0.30% 3,000.00	P-1/NA F1+	0.11 0.11
21684X7C4	Coöperatieve Rabobank U.A., New York Branch 3.92 08/11/2026	50,000,000.00	03/24/2026 3.92%	50,000,000.00 50,000,000.00	100.01 3.79%	50,004,950.00 539,000.00	0.30% 4,950.00	P-1/A-1 F1+	0.11 0.11
89115DY91	Toronto-Dominion Bank - New York Branch 3.87 08/14/2026	50,000,000.00	04/08/2026 3.87%	50,000,000.00 50,000,000.00	100.00 3.80%	50,002,250.00 451,500.00	0.30% 2,250.00	P-1/NA F1+	0.12 0.12
89115DYD2	Toronto-Dominion Bank - New York Branch 3.88 08/18/2026	50,000,000.00	04/08/2026 3.63%	50,000,000.00 50,000,000.00	100.00 3.83%	50,001,300.00 452,666.67	0.30% 1,300.00	P-1/NA F1+	0.13 0.13
22536XBR4	Credit Agricole Corporate And Investment Bank, New 3.8 08/31/2026	50,000,000.00	02/25/2026 3.80%	50,000,000.00 50,000,000.00	100.01 3.71%	50,003,650.00 665,000.00	0.30% 3,650.00	P-1/A-1 NA	0.17 0.17

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06418NPU0	Bank of Nova Scotia, Houston Branch 3.93 09/08/2026	50,000,000.00	03/27/2026 3.93%	50,000,000.00 50,000,000.00	100.00 3.91%	49,997,700.00 524,000.00	0.30% (2,300.00)	P-1/A-1 F1+	0.19 0.19
65558WUR7	Nordea ABP - New York Branch 3.88 09/08/2026	70,000,000.00	04/08/2026 3.88%	70,000,000.00 70,000,000.00	100.00 3.82%	70,003,010.00 633,733.33	0.42% 3,010.00	P-1/A-1+ F1+	0.19 0.19
22536XEA8	Credit Agricole Corporate And Investment Bank, New 3.9 09/09/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.02 3.75%	30,006,930.00 279,500.00	0.18% 6,930.00	P-1/A-1 NA	0.19 0.19
22536XDZ4	Credit Agricole Corporate And Investment Bank, New 3.9 09/10/2026	30,000,000.00	04/06/2026 3.90%	30,000,000.00 30,000,000.00	100.02 3.75%	30,006,750.00 279,500.00	0.18% 6,750.00	P-1/A-1 NA	0.20 0.20
65558WUS5	Nordea ABP - New York Branch 3.88 09/11/2026	110,000,000.00	04/08/2026 3.88%	110,000,000.00 110,000,000.00	100.01 3.82%	110,006,050.00 995,866.67	0.66% 6,050.00	P-1/A-1+ F1+	0.20 0.20
89115M5P7	Toronto-Dominion Bank - New York Branch 3.93 09/14/2026	70,000,000.00	04/06/2026 3.93%	70,000,000.00 70,000,000.00	100.00 3.92%	69,996,710.00 657,183.33	0.42% (3,290.00)	P-1/A-1 F1+	0.21 0.21
89115MAN6	Toronto-Dominion Bank - New York Branch 4.03 09/18/2026	50,000,000.00	03/25/2026 4.03%	50,000,000.00 50,000,000.00	100.01 3.92%	50,007,450.00 548,527.78	0.30% 7,450.00	P-1/A-1 F1+	0.22 0.22
89115MB70	Toronto-Dominion Bank - New York Branch 4.03 10/01/2026	90,000,000.00	03/26/2026 4.03%	90,000,000.00 90,000,000.00	100.01 3.93%	90,012,150.00 977,275.00	0.54% 12,150.00	P-1/A-1 F1+	0.25 0.25
86959TUR5	Svenska Handelsbanken AB (publ) 3.94 10/07/2026	50,000,000.00	03/18/2026 3.94%	50,000,000.00 50,000,000.00	100.02 3.84%	50,007,650.00 574,583.33	0.30% 7,650.00	P-1/A-1+ F1+	0.27 0.27
89115MB88	Toronto-Dominion Bank - New York Branch 4.03 10/09/2026	70,000,000.00	03/26/2026 4.03%	70,000,000.00 70,000,000.00	100.01 3.95%	70,007,630.00 760,102.78	0.42% 7,630.00	P-1/A-1 F1+	0.28 0.27
06418NPZ9	Bank of Nova Scotia, Houston Branch 3.98 11/06/2026	100,000,000.00	04/08/2026 3.98%	100,000,000.00 100,000,000.00	100.02 3.88%	100,021,300.00 928,666.67	0.60% 21,300.00	P-1/A-1 F1+	0.35 0.35
06418NQA3	Bank of Nova Scotia, Houston Branch 3.92 11/10/2026	50,000,000.00	04/09/2026 3.92%	50,000,000.00 50,000,000.00	100.00 3.89%	49,998,300.00 451,888.89	0.30% (1,700.00)	P-1/A-1 F1+	0.36 0.36
13606DUX8	Canadian Imperial Bank Of Commerce, New York Branc 3.985 11/25/2026	100,000,000.00	04/10/2026 3.99%	100,000,000.00 100,000,000.00	99.98 3.99%	99,981,600.00 907,694.44	0.60% (18,400.00)	P-1/A-1 F1+	0.41 0.40
65558WVJ4	Nordea ABP - New York Branch 3.91 11/25/2026	100,000,000.00	04/20/2026 3.91%	100,000,000.00 100,000,000.00	99.94 4.02%	99,942,400.00 782,000.00	0.60% (57,600.00)	P-1/A-1+ F1+	0.41 0.40
22536XEN0	Credit Agricole Corporate And Investment Bank, New 3.99 12/18/2026	100,000,000.00	04/14/2026 3.99%	100,000,000.00 100,000,000.00	99.95 4.06%	99,952,600.00 864,500.00	0.60% (47,400.00)	P-1/A-1 NA	0.47 0.46
87019W4M4	Swedbank AB (publ) 3.99 12/18/2026	100,000,000.00	04/13/2026 3.99%	100,000,000.00 100,000,000.00	99.96 4.05%	99,957,600.00 875,583.33	0.60% (42,400.00)	P-1/A-1+ F1+	0.47 0.46

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
13606DVK5	Canadian Imperial Bank Of Commerce, New York Branc 3.92 01/08/2027	100,000,000.00	05/01/2026 3.92%	100,000,000.00 100,000,000.00	99.88 4.13%	99,876,700.00 664,222.22	0.60% (123,300.00)	P-1/A-1 F1+	0.53 0.52
13606DVM1	Canadian Imperial Bank Of Commerce, New York Branc 3.94 01/13/2027	25,000,000.00	05/05/2026 3.94%	25,000,000.00 25,000,000.00	99.88 4.13%	24,970,775.00 155,958.33	0.15% (29,225.00)	P-1/A-1 F1+	0.54 0.53
21684MAZ3	Coöperatieve Rabobank U.A., New York Branch 4.17 01/21/2027	100,000,000.00	06/24/2026 4.17%	100,000,000.00 100,000,000.00	100.02 4.13%	100,019,700.00 81,083.33	0.60% 19,700.00	P-1/A-1 F1+	0.56 0.55
06367DVF9	Bank of Montreal - Chicago Branch 3.98 01/21/2027	50,000,000.00	05/20/2026 3.98%	50,000,000.00 50,000,000.00	99.91 4.13%	49,953,700.00 232,166.67	0.30% (46,300.00)	P-1/A-1 F1+	0.56 0.55
86959TWG7	Svenska Handelsbanken AB (publ) 4.005 01/21/2027	50,000,000.00	06/08/2026 4.01%	50,000,000.00 50,000,000.00	99.94 4.10%	49,971,250.00 127,937.50	0.30% (28,750.00)	P-1/NA F1+	0.56 0.55
13606DVJ8	Canadian Imperial Bank Of Commerce, New York Branc 3.93 01/21/2027	100,000,000.00	05/01/2026 3.93%	100,000,000.00 100,000,000.00	99.87 4.14%	99,868,400.00 665,916.67	0.60% (131,600.00)	P-1/A-1 F1+	0.56 0.55
06418NQX3	Bank of Nova Scotia, Houston Branch 3.99 01/29/2027	100,000,000.00	05/26/2026 3.99%	100,000,000.00 100,000,000.00	99.93 4.09%	99,931,300.00 399,000.00	0.60% (68,700.00)	P-1/NA F1+	0.58 0.58
06418NRA2	Bank of Nova Scotia, Houston Branch 3.97 01/29/2027	50,000,000.00	05/27/2026 3.97%	50,000,000.00 50,000,000.00	99.92 4.09%	49,960,050.00 192,986.11	0.30% (39,950.00)	P-1/NA F1+	0.58 0.58
86959TWM4	Svenska Handelsbanken AB (publ) 3.98 01/29/2027	50,000,000.00	06/15/2026 3.98%	50,000,000.00 50,000,000.00	99.92 4.12%	49,958,450.00 88,444.44	0.30% (41,550.00)	P-1/NA F1+	0.58 0.57
65558WYB8	Nordea ABP - New York Branch 4.15 02/01/2027	100,000,000.00	06/24/2026 4.15%	100,000,000.00 100,000,000.00	100.02 4.11%	100,021,800.00 80,694.44	0.60% 21,800.00	P-1/A-1+ F1+	0.59 0.58
05593DPC1	BNP Paribas New York Branch 3.98 02/01/2027	25,000,000.00	05/06/2026 3.98%	25,000,000.00 25,000,000.00	99.84 4.24%	24,958,800.00 154,777.78	0.15% (41,200.00)	P-1/A-1 F1+	0.59 0.58
22536XFW9	Credit Agricole Corporate And Investment Bank, New 4.0 02/05/2027	100,000,000.00	05/04/2026 4.00%	100,000,000.00 100,000,000.00	99.89 4.15%	99,893,600.00 644,444.44	0.60% (106,400.00)	P-1/A-1 NA	0.60 0.59
22536XGL2	Credit Agricole Corporate And Investment Bank, New 4.03 02/08/2027	40,000,000.00	05/12/2026 4.03%	40,000,000.00 40,000,000.00	99.91 4.18%	39,963,840.00 223,888.89	0.24% (36,160.00)	P-1/A-1 NA	0.61 0.61
65558WYF9	Nordea ABP - New York Branch 4.12 02/18/2027	100,000,000.00	06/25/2026 4.12%	100,000,000.00 100,000,000.00	99.99 4.13%	99,992,910.00 68,666.67	0.60% (7,090.00)	P-1/A-1+ F1+	0.64 0.64
21684MBF6	Coöperatieve Rabobank U.A., New York Branch 4.23 04/30/2027	50,000,000.00	06/29/2026 4.23%	50,000,000.00 50,000,000.00	99.95 4.29%	49,973,005.00 11,750.00	0.30% (26,995.00)	P-1/A-1 F1+	0.83 0.83

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Negotiable CD		**3,902,000,000.00**	**3.94%**	**3,902,000,000.00 3,902,000,000.00**	**99.98 3.89%**	**3,901,289,695.00 48,831,025.00**	**23.46% (710,305.00)**		**0.28 0.27**
SUPRANATIONAL									
459058LK7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.0 08/27/2026	25,000,000.00	08/20/2024 4.06%	24,971,000.00 24,997,735.62	100.00 3.96%	24,999,300.00 344,444.44	0.15% 1,564.38	Aaa/AAA NA	0.16 0.15
4581X0EM6	INTER-AMERICAN DEVELOPMENT BANK 4.375 02/01/2027	50,000,000.00	04/16/2024 4.92%	49,289,000.00 49,849,985.28	100.18 4.06%	50,088,500.00 911,458.33	0.30% 238,514.72	Aaa/AAA NA	0.59 0.56
45950VRW8	INTERNATIONAL FINANCE CORP 3.81 06/30/2027	25,000,000.00	02/07/2023 3.81%	25,000,000.00 25,000,000.00	99.15 4.69%	24,787,850.00 2,645.83	0.15% (212,150.00)	Aaa/AAA NA	1.00 0.97
45818WEH5	INTER-AMERICAN DEVELOPMENT BANK 3.96 06/30/2027	50,000,000.00	02/07/2023 3.96%	50,000,000.00 50,000,000.00	99.30 4.69%	49,649,850.00 5,424.66	0.30% (350,150.00)	Aaa/AAA NA	1.00 0.96
45950KDM9	INTERNATIONAL FINANCE CORP 3.8978 07/30/2027	100,000,000.00	04/11/2025 4.63%	100,000,000.00 100,000,000.00	100.10 3.80%	100,096,000.00 670,469.72	0.60% 96,000.00	Aaa/AAA NA	1.08 0.00
45950VTR7	INTERNATIONAL FINANCE CORP 3.58 09/07/2027	50,000,000.00	09/11/2024 3.58%	50,000,000.00 50,000,000.00	98.72 4.70%	49,361,000.00 566,833.33	0.30% (639,000.00)	Aaa/AAA NA	1.19 1.13
459058LS0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.89732 06/30/2028	50,000,000.00	03/27/2025 4.24%	50,000,000.00 50,000,000.00	100.00 3.88%	49,999,200.00 5,388.89	0.30% (800.00)	Aaa/NA NA	2.00 0.00
45818WFB7	INTER-AMERICAN DEVELOPMENT BANK 4.16 06/30/2028	50,000,000.00	01/19/2024 4.16%	50,000,000.00 50,000,000.00	99.09 4.64%	49,547,450.00 5,777.78	0.30% (452,550.00)	Aaa/AAA NA	2.00 1.89
45950VUH7	INTERNATIONAL FINANCE CORP 4.3 06/30/2028	50,000,000.00	01/30/2025 4.32%	49,964,000.00 49,978,789.35	99.31 4.66%	49,656,000.00 5,972.22	0.30% (322,789.35)	Aaa/AAA NA	2.00 1.89
45818WFM3	INTER-AMERICAN DEVELOPMENT BANK 4.76 07/03/2028	50,000,000.00	04/11/2024 4.76%	50,000,000.00 50,000,000.00	100.23 4.64%	50,113,850.00 1,176,777.78	0.30% 113,850.00	Aaa/AAA NA	2.01 1.85
45818WFP6	INTER-AMERICAN DEVELOPMENT BANK 4.82 07/05/2028	50,000,000.00	05/03/2024 4.82%	50,000,000.00 50,000,000.00	100.34 4.64%	50,170,800.00 1,178,222.22	0.30% 170,800.00	Aaa/AAA NA	2.01 1.85
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	50,835,000.00	-- 4.10%	49,596,943.80 50,276,392.49	98.71 4.17%	50,178,313.47 835,247.29	0.30% (98,079.02)	Aaa/AAA NA	2.03 1.91

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
4581X0DX3	INTER-AMERICAN DEVELOPMENT BANK 1.125 07/20/2028	50,801,000.00	01/22/2024 4.17%	44,531,140.58 47,931,936.81	94.07 4.17%	47,786,316.26 255,592.53	0.29% (145,620.56)	Aaa/AAA AAA	2.05 1.98
45950VST4	INTERNATIONAL FINANCE CORP 4.07 07/31/2028	50,000,000.00	01/08/2024 4.07%	50,000,000.00 50,000,000.00	98.83 4.67%	49,415,000.00 853,569.44	0.30% (585,000.00)	Aaa/AAA NA	2.08 1.94
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.625 08/01/2028	75,000,000.00	-- 4.46%	75,490,750.00 75,238,898.22	100.89 4.17%	75,671,175.00 1,445,312.50	0.45% 432,276.78	Aaa/AAA NA	2.09 1.93
459058JZ7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 1.125 09/13/2028	35,000,000.00	12/28/2023 3.95%	30,794,750.00 33,031,845.20	93.65 4.18%	32,776,100.00 118,125.00	0.20% (255,745.20)	Aaa/AAA NA	2.21 2.13
45818WEY8	INTER-AMERICAN DEVELOPMENT BANK 4.05 09/29/2028	50,000,000.00	01/10/2024 4.05%	50,000,000.00 50,000,000.00	98.76 4.64%	49,380,650.00 911,250.00	0.30% (619,350.00)	Aaa/AAA NA	2.25 2.08
45818WFQ4	INTER-AMERICAN DEVELOPMENT BANK 4.815 11/07/2028	50,000,000.00	04/30/2024 4.82%	50,000,000.00 50,000,000.00	100.37 4.64%	50,186,200.00 361,125.00	0.30% 186,200.00	Aaa/AAA NA	2.36 2.18
459058KH5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.93093 01/24/2029	50,000,000.00	04/08/2025 4.66%	49,965,000.00 49,976,313.13	100.16 3.86%	50,079,900.00 370,715.22	0.30% 103,586.87	Aaa/AAA NA	2.57 0.00
45818WEZ5	INTER-AMERICAN DEVELOPMENT BANK 4.125 01/29/2029	28,405,000.00	02/13/2024 4.39%	28,075,786.05 28,233,481.35	98.79 4.63%	28,061,157.48 494,720.42	0.17% (172,323.88)	Aaa/AAA NA	2.58 2.37
45818WFJ0	INTER-AMERICAN DEVELOPMENT BANK 4.46 01/31/2029	50,000,000.00	04/05/2024 4.47%	49,987,500.00 49,993,269.23	99.56 4.64%	49,781,000.00 935,361.11	0.30% (212,269.23)	Aaa/AAA NA	2.59 2.37
45818WFH4	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/01/2029	50,000,000.00	04/03/2024 4.50%	50,000,000.00 50,000,000.00	99.66 4.64%	49,828,600.00 937,500.00	0.30% (171,400.00)	Aaa/AAA NA	2.59 2.37
45818WFC5	INTER-AMERICAN DEVELOPMENT BANK 4.22 02/07/2029	25,000,000.00	02/05/2024 4.22%	25,000,000.00 25,000,000.00	98.96 4.65%	24,740,425.00 422,000.00	0.15% (259,575.00)	Aaa/NA NA	2.61 2.39
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	50,000,000.00	-- 4.44%	49,307,250.00 49,629,189.77	99.86 4.18%	49,929,150.00 779,166.67	0.30% 299,960.23	Aaa/AAA NA	2.63 2.42

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45818WFF8	INTER-AMERICAN DEVELOPMENT BANK 4.328 03/29/2029	25,000,000.00	03/22/2024 4.33%	25,000,000.00 25,000,000.00	99.29 4.60%	24,822,850.00 276,511.11	0.15% (177,150.00)	Aaa/AAA NA	2.74 2.53
45950VTF3	INTERNATIONAL FINANCE CORP 4.47 03/29/2029	25,000,000.00	04/05/2024 4.47%	25,000,000.00 25,000,000.00	99.62 4.62%	24,905,100.00 245,229.17	0.15% (94,900.00)	Aaa/AAA NA	2.74 2.53
45818WFS0	INTER-AMERICAN DEVELOPMENT BANK 4.33 05/30/2029	25,000,000.00	06/13/2024 4.34%	24,990,675.00 24,994,500.11	100.46 4.16%	25,114,725.00 93,215.28	0.15% 120,224.89	Aaa/AAA NA	2.91 2.70
45818WFR2	INTER-AMERICAN DEVELOPMENT BANK 4.6 06/07/2029	25,000,000.00	06/04/2024 4.44%	25,174,250.00 25,102,297.92	100.00 4.60%	24,998,950.00 76,666.67	0.15% (103,347.92)	Aaa/AAA NA	2.94 2.71
4581X0DG0	INTER-AMERICAN DEVELOPMENT BANK 2.25 06/18/2029	56,440,000.00	-- 4.28%	51,382,442.48 53,414,996.36	94.65 4.19%	53,418,258.84 45,857.50	0.32% 3,262.48	Aaa/AAA AAA	2.97 2.82
45950KDH0	INTERNATIONAL FINANCE CORP 4.25 07/02/2029	50,000,000.00	06/25/2024 4.36%	49,753,000.00 49,851,610.62	100.16 4.19%	50,079,050.00 1,056,597.22	0.30% 227,439.38	Aaa/AAA NA	3.01 2.73
45818WFU5	INTER-AMERICAN DEVELOPMENT BANK 4.343 07/02/2029	50,000,000.00	07/09/2024 4.34%	50,000,000.00 50,000,000.00	99.27 4.61%	49,636,450.00 1,079,718.06	0.30% (363,550.00)	Aaa/AAA NA	3.01 2.72
4581X0EQ7	INTER-AMERICAN DEVELOPMENT BANK 3.99713 08/01/2029	105,599,000.00	-- 4.68%	105,594,632.78 105,595,875.01	100.35 3.87%	105,971,447.67 714,030.28	0.64% 375,572.66	Aaa/AAA NA	3.09 0.00
45950KDL1	INTERNATIONAL FINANCE CORP 3.98623 08/28/2029	50,000,000.00	03/04/2025 4.66%	50,061,622.50 50,043,440.66	100.26 3.89%	50,128,250.00 187,833.94	0.30% 84,809.34	Aaa/AAA NA	3.16 0.00
45905U2K9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 2.778 09/13/2029	10,000,000.00	11/01/2024 4.27%	9,349,400.00 9,570,912.06	94.66 4.59%	9,466,230.00 83,340.00	0.06% (104,682.06)	Aaa/AAA NA	3.21 2.99
459058KL6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.625 09/21/2029	10,000,000.00	10/04/2024 3.83%	9,907,000.00 9,939,472.93	98.27 4.20%	9,827,280.00 100,694.44	0.06% (112,192.93)	Aaa/AAA NA	3.23 2.98
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	65,000,000.00	-- 4.14%	64,266,600.00 64,493,068.37	99.00 4.20%	64,352,145.00 524,550.00	0.39% (140,923.37)	Aaa/AAA NA	3.30 3.03
45950VUG9	INTERNATIONAL FINANCE CORP 4.665 01/23/2030	50,000,000.00	01/14/2025 4.66%	50,000,000.00 50,000,000.00	100.06 4.65%	50,031,850.00 1,023,708.33	0.30% 31,850.00	Aaa/AAA NA	3.57 3.18
45950VUK0	INTERNATIONAL FINANCE CORP 4.55 01/28/2030	50,000,000.00	02/11/2025 4.55%	50,000,000.00 50,000,000.00	100.36 4.44%	50,179,100.00 966,875.00	0.30% 179,100.00	Aaa/AAA NA	3.58 1.48

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45906M5Z0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.42 01/31/2030	50,000,000.00	01/28/2025 4.42%	50,000,000.00 50,000,000.00	99.22 4.66%	49,611,000.00 926,972.22	0.30% (389,000.00)	Aaa/AAA NA	3.59 3.21
4581X0ES3	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/15/2030	50,000,000.00	02/12/2025 4.58%	49,814,000.00 49,864,810.75	100.95 4.21%	50,475,150.00 850,000.00	0.30% 610,339.25	Aaa/AAA NA	3.63 3.26
4581X0ET1	INTER-AMERICAN DEVELOPMENT BANK 4.02578 03/13/2030	100,000,000.00	-- 4.77%	99,935,000.00 99,951,159.62	100.31 3.92%	100,311,200.00 178,640.44	0.60% 360,040.38	Aaa/AAA NA	3.70 0.00
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	50,000,000.00	-- 4.22%	49,782,000.00 49,837,872.95	99.70 4.21%	49,849,400.00 578,645.83	0.30% 11,527.05	Aaa/AAA NA	3.72 3.38
459058LY7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 10/28/2030	50,000,000.00	10/21/2025 3.61%	49,757,000.00 49,789,737.13	97.20 4.21%	48,600,800.00 306,250.00	0.29% (1,188,937.13)	Aaa/AAA NA	4.33 3.94
Total Supranational		**2,062,080,000.00**	**4.39%**	**2,041,740,743.19 2,051,587,590.96**	**99.35 4.31%**	**2,048,063,023.72 22,908,435.90**	**12.31% (3,524,567.24)**		**2.53 1.75**
US TREASURY									
91282CHM6	UNITED STATES TREASURY 4.5 07/15/2026	50,000,000.00	-- 4.77%	49,712,890.63 49,995,142.33	100.03 3.68%	50,014,350.00 1,037,983.43	0.30% 19,207.67	Aa1/AA+ AA+	0.04 0.04
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	100,000,000.00	-- 1.05%	98,006,835.88 99,965,447.02	99.75 3.67%	99,747,200.00 260,704.42	0.60% (218,247.02)	Aa1/AA+ AA+	0.08 0.08
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	25,000,000.00	04/12/2024 4.82%	24,754,882.81 24,987,053.67	100.05 3.89%	25,013,125.00 410,911.60	0.15% 26,071.33	Aa1/AA+ AA+	0.13 0.12
9128282A7	UNITED STATES TREASURY 1.5 08/15/2026	25,000,000.00	06/16/2022 3.45%	23,105,468.75 24,943,948.78	99.70 3.88%	24,925,750.00 140,883.98	0.15% (18,198.78)	Aa1/AA+ AA+	0.13 0.12
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	25,000,000.00	09/24/2021 0.90%	24,819,335.94 24,993,884.29	99.50 3.77%	24,875,375.00 62,669.84	0.15% (118,509.29)	Aa1/AA+ AA+	0.17 0.16
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	25,000,000.00	04/10/2024 4.84%	24,877,929.69 24,989,540.76	100.17 3.74%	25,042,750.00 339,334.24	0.15% 53,209.24	Aa1/AA+ AA+	0.21 0.20
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	50,000,000.00	10/13/2021 1.05%	49,564,453.13 49,978,138.57	99.28 3.81%	49,638,000.00 109,972.68	0.30% (340,138.57)	Aa1/AA+ AA+	0.25 0.25
91282CJC6	UNITED STATES TREASURY 4.625 10/15/2026	25,000,000.00	04/10/2024 4.83%	24,880,859.38 24,986,228.02	100.23 3.78%	25,057,800.00 243,254.78	0.15% 71,571.98	Aa1/AA+ AA+	0.29 0.29

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	50,000,000.00	04/09/2025 4.01%	49,988,281.25 49,996,402.62	100.01 3.98%	50,003,800.00 922,651.93	0.30% 7,397.38	Aa1/AA+ AA+	0.54 0.52
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	50,000,000.00	01/23/2025 4.27%	48,169,921.88 49,372,347.58	98.89 4.01%	49,445,300.00 314,207.65	0.30% 72,952.42	Aa1/AA+ AA+	0.75 0.73
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	25,000,000.00	01/24/2025 4.26%	24,190,429.69 24,703,026.87	98.93 4.07%	24,732,825.00 115,828.80	0.15% 29,798.13	Aa1/AA+ AA+	0.83 0.81
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	220,000,000.00	-- 3.87%	216,042,968.73 218,667,014.46	99.16 4.12%	218,153,980.00 19,429.35	1.31% (513,034.46)	Aa1/AA+ AA+	1.00 0.97
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	100,000,000.00	-- 3.82%	99,148,437.50 99,518,419.50	98.97 4.18%	98,968,800.00 1,459,944.75	0.60% (549,619.50)	Aa1/AA+ AA+	1.59 1.50
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	25,000,000.00	03/03/2025 3.98%	25,012,695.31 25,007,068.45	99.73 4.16%	24,933,600.00 334,239.13	0.15% (73,468.45)	Aa1/AA+ AA+	1.67 1.57
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	245,000,000.00	-- 4.04%	244,452,539.07 244,684,721.68	99.69 4.16%	244,243,930.00 26,630.43	1.47% (440,791.68)	Aa1/AA+ AA+	2.00 1.90
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	250,000,000.00	-- 4.01%	250,014,648.45 250,088,077.29	99.93 4.16%	249,824,250.00 4,301,622.93	1.50% (263,827.29)	Aa1/AA+ AA+	2.08 1.94
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	150,000,000.00	-- 3.89%	150,603,515.63 150,408,671.53	99.57 4.18%	149,355,450.00 2,502,762.43	0.90% (1,053,221.53)	Aa1/AA+ AA+	2.59 2.39
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	40,000,000.00	04/25/2025 3.85%	40,571,875.00 40,396,038.70	100.21 4.17%	40,082,800.00 568,206.52	0.24% (313,238.70)	Aa1/AA+ AA+	2.67 2.46
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	130,000,000.00	-- 4.02%	131,296,875.01 130,926,070.41	100.23 4.17%	130,294,580.00 15,013.59	0.78% (631,490.41)	Aa1/AA+ AA+	3.00 2.79
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	50,000,000.00	04/02/2025 3.89%	48,763,671.88 49,126,594.01	97.43 4.17%	48,716,800.00 4,415.76	0.29% (409,794.01)	Aa1/AA+ AA+	3.00 2.82
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	297,000,000.00	-- 4.02%	296,067,265.64 296,399,708.37	99.52 4.17%	295,584,498.00 4,955,469.61	1.78% (815,210.37)	Aa1/AA+ AA+	3.08 2.82
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	25,000,000.00	01/10/2025 4.51%	24,080,078.13 24,371,694.45	98.40 4.17%	24,599,600.00 302,904.21	0.15% 227,905.55	Aa1/AA+ AA+	3.17 2.92
91282CFL0	UNITED STATES TREASURY 3.875 09/30/2029	50,000,000.00	02/12/2025 4.50%	48,710,937.50 49,094,605.21	99.09 4.17%	49,546,900.00 487,021.86	0.30% 452,294.79	Aa1/AA+ AA+	3.25 2.99
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	25,000,000.00	11/12/2024 4.33%	24,631,835.94 24,752,661.98	99.45 4.18%	24,862,300.00 168,478.26	0.15% 109,638.02	Aa1/AA+ AA+	3.34 3.07
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	25,000,000.00	01/03/2025 4.38%	24,722,656.25 24,808,283.38	99.84 4.18%	24,959,950.00 173,743.21	0.15% 151,666.62	Aa1/AA+ AA+	3.34 3.06
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	25,000,000.00	05/21/2025 4.08%	25,041,015.63 25,030,947.71	99.84 4.17%	24,960,950.00 87,346.31	0.15% (69,997.71)	Aa1/AA+ AA+	3.42 3.14

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	150,000,000.00	-- 4.11%	151,681,640.63 151,254,967.42	100.22 4.18%	150,328,200.00 2,659,185.08	0.90% (926,767.42)	Aa1/AA+ AA+	3.59 3.24
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	50,000,000.00	04/09/2025 4.00%	49,996,093.75 49,997,056.88	99.36 4.18%	49,681,650.00 502,732.24	0.30% (315,406.88)	Aa1/AA+ AA+	3.75 3.41
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	50,000,000.00	05/01/2025 3.81%	49,291,015.63 49,456,212.10	97.58 4.19%	48,789,050.00 294,836.96	0.29% (667,162.10)	Aa1/AA+ AA+	3.83 3.52
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	75,000,000.00	-- 3.85%	75,082,031.26 75,062,860.85	98.92 4.18%	74,188,500.00 489,639.95	0.45% (874,360.85)	Aa1/AA+ AA+	3.83 3.50
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	85,000,000.00	-- 4.04%	84,830,468.76 84,866,611.11	99.32 4.19%	84,425,570.00 287,978.14	0.51% (441,041.11)	Aa1/AA+ AA+	3.92 3.58
91282CHJ3	UNITED STATES TREASURY 3.75 06/30/2030	100,000,000.00	12/05/2025 3.68%	100,273,437.50 100,239,915.11	98.38 4.20%	98,375,000.00 10,190.22	0.59% (1,864,915.11)	Aa1/AA+ AA+	4.00 3.67
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	100,000,000.00	-- 3.98%	99,511,718.76 99,606,628.87	98.84 4.19%	98,843,800.00 10,529.89	0.59% (762,828.87)	Aa1/AA+ AA+	4.00 3.66
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	200,000,000.00	-- 3.76%	200,983,398.45 200,867,639.48	98.82 4.19%	197,640,600.00 3,232,734.81	1.19% (3,227,039.48)	Aa1/AA+ AA+	4.08 3.68
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	53,000,000.00	01/15/2026 3.73%	53,592,109.38 53,532,469.89	99.27 4.19%	52,614,902.00 884,309.39	0.32% (917,567.89)	Aa1/AA+ AA+	4.08 3.67
91282CHW4	UNITED STATES TREASURY 4.125 08/31/2030	50,000,000.00	09/26/2025 3.78%	50,763,671.88 50,645,727.00	99.72 4.20%	49,861,350.00 689,368.21	0.30% (784,377.00)	Aa1/AA+ AA+	4.17 3.74
91282CHZ7	UNITED STATES TREASURY 4.625 09/30/2030	50,000,000.00	10/29/2025 3.70%	52,058,593.75 51,778,918.43	101.63 4.20%	50,816,400.00 581,284.15	0.31% (962,518.43)	Aa1/AA+ AA+	4.25 3.79
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	25,000,000.00	10/08/2025 3.71%	24,905,273.44 24,919,133.32	97.80 4.20%	24,449,225.00 227,800.55	0.15% (469,908.32)	Aa1/AA+ AA+	4.25 3.86
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	30,000,000.00	11/05/2025 3.75%	29,830,078.13 29,852,286.48	97.74 4.20%	29,322,660.00 183,220.11	0.18% (529,626.48)	Aa1/AA+ AA+	4.34 3.94
91282CJM4	UNITED STATES TREASURY 4.375 11/30/2030	50,000,000.00	-- 3.69%	51,549,804.69 51,372,781.42	100.68 4.20%	50,337,900.00 185,280.05	0.30% (1,034,881.42)	Aa1/AA+ AA+	4.42 3.97
91282CJQ5	UNITED STATES TREASURY 3.75 12/31/2030	100,000,000.00	01/02/2026 3.72%	100,121,093.75 100,109,143.71	98.14 4.21%	98,136,700.00 10,190.22	0.59% (1,972,443.71)	Aa1/AA+ AA+	4.50 4.09
Total US Treasury		**3,275,000,000.00**	**3.82%**	**3,265,702,734.46 3,275,754,089.71**	**99.41 4.13%**	**3,255,396,170.00 29,614,911.67**	**19.57% (20,357,919.71)**		**2.66 2.44**
Total Portfolio		**16,707,560,387.07**	**3.93%**	**16,593,878,889.73 16,664,730,039.96**	**92.91 4.02%**	**16,631,996,416.12 125,267,229.18**	**100.00% (32,733,623.84)**		**1.27 1.04**

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Market Value + Accrued						16,757,263,645.30			

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/01/2026	06054PNV4	25,000,000.00	BofA Securities, Inc. 01/29/2027	97.358	4.04%	(24,339,541.67)	0.00	(24,339,541.67)	0.00
Purchase	06/01/2026	06054PNV4	50,000,000.00	BofA Securities, Inc. 01/29/2027	97.358	4.04%	(48,679,083.33)	0.00	(48,679,083.33)	0.00
Purchase	06/01/2026	90USB$000	0.30	US Bank	1.000	3.27%	(0.30)	0.00	(0.30)	0.00
Purchase	06/02/2026	06366HNV5	50,000,000.00	Bank of Montreal - Chicago Branch 01/29/2027	97.389	4.00%	(48,694,583.33)	0.00	(48,694,583.33)	0.00
Purchase	06/02/2026	90JPMC$03	7,923,599.08	JP Morgan Chase Bank Deposit	1.000	2.65%	(7,923,599.08)	0.00	(7,923,599.08)	0.00
Purchase	06/03/2026	90JPMC$03	377,310.34	JP Morgan Chase Bank Deposit	1.000	2.65%	(377,310.34)	0.00	(377,310.34)	0.00
Purchase	06/04/2026	90JPMC$03	9,149,982.24	JP Morgan Chase Bank Deposit	1.000	2.65%	(9,149,982.24)	0.00	(9,149,982.24)	0.00
Purchase	06/05/2026	21687BF89	6,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/08/2026	99.970	3.63%	(5,998,185.00)	0.00	(5,998,185.00)	0.00
Purchase	06/08/2026	86959TWG7	50,000,000.00	Svenska Handelsbanken AB (publ) 4.005 01/21/2027	100.000	4.01%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	06/08/2026	90JPMC$03	12,808,928.21	JP Morgan Chase Bank Deposit	1.000	2.65%	(12,808,928.21)	0.00	(12,808,928.21)	0.00
Purchase	06/09/2026	21687BFA4	37,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/10/2026	99.990	3.62%	(36,996,279.44)	0.00	(36,996,279.44)	0.00
Purchase	06/10/2026	21687BFB2	30,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/11/2026	99.990	3.62%	(29,996,983.33)	0.00	(29,996,983.33)	0.00
Purchase	06/10/2026	90JPMC$03	4,192,723.56	JP Morgan Chase Bank Deposit	1.000	2.65%	(4,192,723.56)	0.00	(4,192,723.56)	0.00
Purchase	06/11/2026	31607A703	2,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.55%	(2,000,000.00)	0.00	(2,000,000.00)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Purchase	06/12/2026	3137FGR31	10,175,000.00	FHMS K-078 A2 3.854 06/25/2028	98.949	4.33%	(10,068,083.01)	(11,982.19)	(10,080,065.20)	0.00
Purchase	06/12/2026	21687BFF3	22,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/15/2026	99.970	3.63%	(21,993,345.00)	0.00	(21,993,345.00)	0.00
Purchase	06/12/2026	90JPMC$03	3,989,930.31	JP Morgan Chase Bank Deposit	1.000	2.65%	(3,989,930.31)	0.00	(3,989,930.31)	0.00
Purchase	06/15/2026	86959TWM4	50,000,000.00	Svenska Handelsbanken AB (publ) 3.98 01/29/2027	100.000	3.98%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	06/15/2026	21687BFG1	66,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/16/2026	99.990	3.63%	(65,993,345.00)	0.00	(65,993,345.00)	0.00
Purchase	06/15/2026	90JPMC$03	36,271,377.42	JP Morgan Chase Bank Deposit	1.000	2.65%	(36,271,377.42)	0.00	(36,271,377.42)	0.00
Purchase	06/16/2026	06366HNM5	50,000,000.00	Bank of Montreal - Chicago Branch 01/21/2027	97.603	4.04%	(48,801,583.33)	0.00	(48,801,583.33)	0.00
Purchase	06/16/2026	09659CFH6	91,000,000.00	BNP Paribas New York Branch 06/17/2026	99.990	3.61%	(90,990,874.72)	0.00	(90,990,874.72)	0.00
Purchase	06/16/2026	90JPMC$03	6,812,766.29	JP Morgan Chase Bank Deposit	1.000	2.65%	(6,812,766.29)	0.00	(6,812,766.29)	0.00
Purchase	06/17/2026	09659CFJ2	89,000,000.00	BNP Paribas New York Branch 06/18/2026	99.990	3.61%	(88,991,075.28)	0.00	(88,991,075.28)	0.00
Purchase	06/17/2026	61747C707	41,000,000.00	MORG STAN I LQ:GV I	1.000	3.55%	(41,000,000.00)	0.00	(41,000,000.00)	0.00
Purchase	06/18/2026	46590ENV6	25,000,000.00	J.P. Morgan Securities LLC 01/29/2027	97.531	4.05%	(24,382,812.50)	0.00	(24,382,812.50)	0.00
Purchase	06/18/2026	21687BFN6	60,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/22/2026	99.960	3.62%	(59,975,866.67)	0.00	(59,975,866.67)	0.00
Purchase	06/18/2026	90JPMC$03	26,601,668.42	JP Morgan Chase Bank Deposit	1.000	2.65%	(26,601,668.42)	0.00	(26,601,668.42)	0.00
Purchase	06/22/2026	46590ENV6	50,000,000.00	J.P. Morgan Securities LLC 01/29/2027	97.489	4.20%	(48,744,597.23)	0.00	(48,744,597.23)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Purchase	06/22/2026	21687BFP1	41,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/23/2026	99.990	3.62%	(40,995,877.22)	0.00	(40,995,877.22)	0.00
Purchase	06/23/2026	46590ENV6	50,000,000.00	J.P. Morgan Securities LLC 01/29/2027	97.501	4.19%	(48,750,277.78)	0.00	(48,750,277.78)	0.00
Purchase	06/23/2026	21687BFQ9	47,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/24/2026	99.990	3.62%	(46,995,273.89)	0.00	(46,995,273.89)	0.00
Purchase	06/23/2026	31607A703	2,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.56%	(2,000,000.00)	0.00	(2,000,000.00)	0.00
Purchase	06/24/2026	21684MAZ3	100,000,000.00	Coöperatieve Rabobank U.A., New York Branch 4.17 01/21/2027	100.000	4.17%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	06/24/2026	65558WYB8	50,000,000.00	Nordea ABP - New York Branch 4.15 02/01/2027	100.000	4.15%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	06/24/2026	65558WYB8	50,000,000.00	Nordea ABP - New York Branch 4.15 02/01/2027	100.000	4.15%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	06/24/2026	21687BFR7	107,000,000.00	Coöperatieve Rabobank U.A., New York Branch 06/25/2026	99.990	3.62%	(106,989,240.56)	0.00	(106,989,240.56)	0.00
Purchase	06/24/2026	90JPMC$03	34,971,169.73	JP Morgan Chase Bank Deposit	1.000	2.65%	(34,971,169.73)	0.00	(34,971,169.73)	0.00
Purchase	06/25/2026	65558WYF9	100,000,000.00	Nordea ABP - New York Branch 4.12 02/18/2027	100.000	4.12%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	06/25/2026	31607A703	5,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.57%	(5,000,000.00)	0.00	(5,000,000.00)	0.00
Purchase	06/26/2026	78015DP95	20,000,000.00	Royal Bank of Canada New York Branch 02/09/2027	97.467	4.10%	(19,493,333.33)	0.00	(19,493,333.33)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Purchase	06/26/2026	78015DP46	30,000,000.00	Royal Bank of Canada New York Branch 02/04/2027	97.522	4.10%	(29,256,666.67)	0.00	(29,256,666.67)	0.00
Purchase	06/26/2026	78015DP20	50,000,000.00	Royal Bank of Canada New York Branch 02/02/2027	97.544	4.10%	(48,772,222.22)	0.00	(48,772,222.22)	0.00
Purchase	06/26/2026	78015DNM8	50,000,000.00	ROYAL BANK OF CANADA 01/21/2027	97.684	4.08%	(48,841,791.67)	0.00	(48,841,791.67)	0.00
Purchase	06/26/2026	31607A703	93,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.57%	(93,000,000.00)	0.00	(93,000,000.00)	0.00
Purchase	06/29/2026	21684MBF6	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 4.23 04/30/2027	100.000	4.23%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	06/29/2026	90JPMC$03	16,220,508.71	JP Morgan Chase Bank Deposit	1.000	2.65%	(16,220,508.71)	0.00	(16,220,508.71)	0.00
Purchase	06/30/2026	3137H14B9	355,000.00	FHMS K-743 A2 1.77 05/25/2028	95.453	4.31%	(338,858.59)	(506.17)	(339,364.76)	0.00
Purchase	06/30/2026	3137H14B9	50,000,000.00	FHMS K-743 A2 1.77 05/25/2028	95.453	4.31%	(47,726,562.50)	(71,291.67)	(47,797,854.17)	0.00
Purchase	06/30/2026	90CALFT$0	316,255.72	CalFIT	1.000	3.78%	(316,255.72)	0.00	(316,255.72)	0.00
Purchase	06/30/2026	90CAMP$00	646,292.89	CAMP	1.000	3.77%	(646,292.89)	0.00	(646,292.89)	0.00
Purchase	06/30/2026	90USB$000	445,383,112.91	US Bank	1.000	3.27%	(445,383,112.91)	0.00	(445,383,112.91)	0.00
Purchase	06/30/2026	90JPMC$03	29,821,458.38	JP Morgan Chase Bank Deposit	1.000	2.65%	(29,821,458.38)	0.00	(29,821,458.38)	0.00
Purchase	06/30/2026	90JPMC$03	1,025.24	JP Morgan Chase Bank Deposit	1.000	2.65%	(1,025.24)	0.00	(1,025.24)	0.00
Total Purchase			**2,335,018,109.75**				**(2,321,294,453.02)**	**(83,780.03)**	**(2,321,378,233.05)**	**0.00**
TOTAL ACQUISITIONS			**2,335,018,109.75**				**(2,321,294,453.02)**	**(83,780.03)**	**(2,321,378,233.05)**	**0.00**

DISPOSITIONS

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Maturity	06/01/2026	78015DF13	(100,000,000.00)	Royal Bank of Canada New York Branch 06/01/2026	100.000	3.98%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	06/01/2026	06051WWM2	(50,000,000.00)	Bank of America, National Association 3.94 06/01/2026	100.000	3.94%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/01/2026	06418NKS0	(50,000,000.00)	Bank of Nova Scotia, Houston Branch 3.89 06/01/2026	100.000	3.89%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/01/2026	20772KNX3	(5,600,000.00)	CONNECTICUT ST 1.123 06/01/2026	100.000	1.12%	5,600,000.00	0.00	5,600,000.00	0.00
Maturity	06/02/2026	06366HF28	(50,000,000.00)	Bank of Montreal - Chicago Branch 06/02/2026	100.000	3.90%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/05/2026	05593DJV6	(25,000,000.00)	BNP Paribas New York Branch 4.18 06/05/2026	100.000	4.18%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	06/05/2026	06366HF51	(53,000,000.00)	Bank of Montreal - Chicago Branch 06/05/2026	100.000	3.89%	53,000,000.00	0.00	53,000,000.00	0.00
Maturity	06/05/2026	65558WRD2	(100,000,000.00)	Nordea ABP - New York Branch 3.78 06/05/2026	100.000	3.78%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	06/08/2026	06366HF85	(70,000,000.00)	Bank of Montreal - Chicago Branch 06/08/2026	100.000	3.90%	70,000,000.00	0.00	70,000,000.00	0.00
Maturity	06/08/2026	21687BF89	(6,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/08/2026	100.000	3.63%	6,000,000.00	0.00	6,000,000.00	0.00
Maturity	06/09/2026	78015JUY1	(50,000,000.00)	Royal Bank of Canada New York Branch 3.85 06/09/2026	100.000	3.85%	50,000,000.00	0.00	50,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Maturity	06/10/2026	21684X5V4	(50,000,000.00)	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH 3.86 06/10/2026	100.000	3.86%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/10/2026	21687BFA4	(37,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/10/2026	100.000	3.62%	37,000,000.00	0.00	37,000,000.00	0.00
Maturity	06/11/2026	21687BFB2	(30,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/11/2026	100.000	3.62%	30,000,000.00	0.00	30,000,000.00	0.00
Maturity	06/12/2026	65558WRF7	(50,000,000.00)	Nordea ABP - New York Branch 3.78 06/12/2026	100.000	3.78%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/15/2026	91282CHH7	(50,000,000.00)	UNITED STATES TREASURY 4.125 06/15/2026	100.000	4.72%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/15/2026	21687BFF3	(22,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/15/2026	100.000	3.63%	22,000,000.00	0.00	22,000,000.00	0.00
Maturity	06/15/2026	20772KQJ1	(5,000,000.00)	CONNECTICUT ST 3.531 06/15/2026	100.000	3.53%	5,000,000.00	0.00	5,000,000.00	0.00
Maturity	06/16/2026	313385YD2	(50,000,000.00)	FEDERAL HOME LOAN BANKS 06/16/2026	100.000	3.88%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/16/2026	21687BFG1	(66,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/16/2026	100.000	3.63%	66,000,000.00	0.00	66,000,000.00	0.00
Maturity	06/17/2026	09659CFH6	(91,000,000.00)	BNP Paribas New York Branch 06/17/2026	100.000	3.61%	91,000,000.00	0.00	91,000,000.00	0.00
Maturity	06/18/2026	21684X5T9	(60,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.86 06/18/2026	100.000	3.86%	60,000,000.00	0.00	60,000,000.00	0.00
Maturity	06/18/2026	09659CFJ2	(89,000,000.00)	BNP Paribas New York Branch 06/18/2026	100.000	3.61%	89,000,000.00	0.00	89,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Maturity	06/22/2026	21684X5S1	(50,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.86 06/22/2026	100.000	3.86%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/22/2026	21687BFN6	(60,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/22/2026	100.000	3.62%	60,000,000.00	0.00	60,000,000.00	0.00
Maturity	06/23/2026	65558WRE0	(50,000,000.00)	Nordea ABP - New York Branch 3.78 06/23/2026	100.000	3.78%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/23/2026	21687BFP1	(41,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/23/2026	100.000	3.62%	41,000,000.00	0.00	41,000,000.00	0.00
Maturity	06/24/2026	21687BFQ9	(47,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/24/2026	100.000	3.62%	47,000,000.00	0.00	47,000,000.00	0.00
Maturity	06/24/2026	3130AMSA1	(25,000,000.00)	FEDERAL HOME LOAN BANKS 0.915 06/24/2026	100.000	0.91%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	06/25/2026	21687BFR7	(107,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 06/25/2026	100.000	3.62%	107,000,000.00	0.00	107,000,000.00	0.00
Maturity	06/26/2026	78015DFS4	(50,000,000.00)	Royal Bank of Canada New York Branch 06/26/2026	100.000	3.85%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/26/2026	3130AMU75	(50,000,000.00)	FEDERAL HOME LOAN BANKS 1.0 06/26/2026	100.000	1.00%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/30/2026	22536XAK0	(81,000,000.00)	Credit Agricole Corporate And Investment Bank, New 3.75 06/30/2026	100.000	3.75%	81,000,000.00	0.00	81,000,000.00	0.00
Maturity	06/30/2026	91282CKY6	(225,000,000.00)	UNITED STATES TREASURY 4.625 06/30/2026	100.000	3.71%	225,000,000.00	0.00	225,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Maturity	06/30/2026	65558WSQ2	(50,000,000.00)	Nordea ABP - New York Branch 3.71 06/30/2026	100.000	3.71%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	06/30/2026	9128287B0	(200,000,000.00)	UNITED STATES TREASURY 1.875 06/30/2026	100.000	3.67%	200,000,000.00	0.00	200,000,000.00	0.00
Maturity	06/30/2026	313385YT7	(100,000,000.00)	FEDERAL HOME LOAN BANKS 06/30/2026	100.000	3.63%	100,000,000.00	0.00	100,000,000.00	0.00
Maturity	06/30/2026	3130AMYJ5	(25,000,000.00)	FEDERAL HOME LOAN BANKS 1.0 06/30/2026	100.000	1.00%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	06/30/2026	91282CCJ8	(25,000,000.00)	UNITED STATES TREASURY 0.875 06/30/2026	100.000	0.94%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	06/30/2026	45906M2P5	(25,000,000.00)	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.875 06/30/2026	100.000	0.87%	25,000,000.00	0.00	25,000,000.00	0.00
Total Maturity			**(2,370,600,000.00)**				**2,370,600,000.00**	**0.00**	**2,370,600,000.00**	**0.00**
Sale	06/01/2026	31607A703	(11,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.56%	11,000,000.00	0.00	11,000,000.00	0.00
Sale	06/01/2026	90JPMC$03	(51,353,537.87)	JP Morgan Chase Bank Deposit	1.000	2.65%	51,353,537.87	0.00	51,353,537.87	0.00
Sale	06/02/2026	31607A703	(16,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.56%	16,000,000.00	0.00	16,000,000.00	0.00
Sale	06/04/2026	31607A703	(40,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.56%	40,000,000.00	0.00	40,000,000.00	0.00
Sale	06/05/2026	90JPMC$03	(17,869,303.05)	JP Morgan Chase Bank Deposit	1.000	2.65%	17,869,303.05	0.00	17,869,303.05	0.00
Sale	06/08/2026	61747C707	(12,000,000.00)	MORG STAN I LQ:GV I	1.000	3.55%	12,000,000.00	0.00	12,000,000.00	0.00
Sale	06/09/2026	90JPMC$03	(6,562,477.05)	JP Morgan Chase Bank Deposit	1.000	2.65%	6,562,477.05	0.00	6,562,477.05	0.00
Sale	06/11/2026	61747C707	(54,000,000.00)	MORG STAN I LQ:GV I	1.000	3.53%	54,000,000.00	0.00	54,000,000.00	0.00
Sale	06/11/2026	90JPMC$03	(7,838,046.95)	JP Morgan Chase Bank Deposit	1.000	2.65%	7,838,046.95	0.00	7,838,046.95	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Sale	06/16/2026	31607A703	(32,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.58%	32,000,000.00	0.00	32,000,000.00	0.00
Sale	06/17/2026	90JPMC$03	(51,451,035.76)	JP Morgan Chase Bank Deposit	1.000	2.65%	51,451,035.76	0.00	51,451,035.76	0.00
Sale	06/22/2026	90JPMC$03	(8,821,108.23)	JP Morgan Chase Bank Deposit	1.000	2.65%	8,821,108.23	0.00	8,821,108.23	0.00
Sale	06/23/2026	90JPMC$03	(11,153,256.08)	JP Morgan Chase Bank Deposit	1.000	2.65%	11,153,256.08	0.00	11,153,256.08	0.00
Sale	06/25/2026	61747C707	(3,000,000.00)	MORG STAN I LQ:GV I	1.000	3.55%	3,000,000.00	0.00	3,000,000.00	0.00
Sale	06/25/2026	90JPMC$03	(993,750.76)	JP Morgan Chase Bank Deposit	1.000	2.65%	993,750.76	0.00	993,750.76	0.00
Sale	06/26/2026	90JPMC$03	(22,210,020.32)	JP Morgan Chase Bank Deposit	1.000	2.65%	22,210,020.32	0.00	22,210,020.32	0.00
Sale	06/29/2026	31607A703	(38,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.57%	38,000,000.00	0.00	38,000,000.00	0.00
Sale	06/30/2026	31607A703	(50,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.58%	50,000,000.00	0.00	50,000,000.00	0.00
Total Sale			**(434,252,536.07)**				**434,252,536.07**	**0.00**	**434,252,536.07**	**0.00**
TOTAL DISPOSITIONS			**(2,804,852,536.07)**				**2,804,852,536.07**	**0.00**	**2,804,852,536.07**	**0.00**
OTHER TRANSACTIONS										
Call Redemption	06/26/2026	45906M4E8	(35,000,000.00)	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.5 06/26/2028	100.000	4.54%	35,000,000.00	0.00	35,000,000.00	23,777.88
Call Redemption	06/29/2026	3130B5WP9	(50,000,000.00)	FEDERAL HOME LOAN BANKS 4.44 06/29/2029	100.000	4.44%	50,000,000.00	0.00	50,000,000.00	0.00
Total Call Redemption			**(85,000,000.00)**				**85,000,000.00**	**0.00**	**85,000,000.00**	**23,777.88**
Cash Transfer	06/01/2026	CCYUSD	(302,861,912.42)	Cash		0.00%	(302,861,912.42)	0.00	(302,861,912.42)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Cash Transfer	06/02/2026	CCYUSD	(9,381,817.59)	Cash		0.00%	(9,381,817.59)	0.00	(9,381,817.59)	0.00
Cash Transfer	06/03/2026	CCYUSD	30,370.34	Cash		0.00%	30,370.34	0.00	30,370.34	0.00
Cash Transfer	06/04/2026	CCYUSD	(30,850,017.76)	Cash		0.00%	(30,850,017.76)	0.00	(30,850,017.76)	0.00
Cash Transfer	06/05/2026	CCYUSD	(192,518,923.60)	Cash		0.00%	(192,518,923.60)	0.00	(192,518,923.60)	0.00
Cash Transfer	06/08/2026	CCYUSD	(25,766,071.79)	Cash		0.00%	(25,766,071.79)	0.00	(25,766,071.79)	0.00
Cash Transfer	06/09/2026	CCYUSD	(20,544,739.26)	Cash		0.00%	(20,544,739.26)	0.00	(20,544,739.26)	0.00
Cash Transfer	06/10/2026	CCYUSD	(53,791,376.46)	Cash		0.00%	(53,791,376.46)	0.00	(53,791,376.46)	0.00
Cash Transfer	06/11/2026	CCYUSD	(89,838,046.95)	Cash		0.00%	(89,838,046.95)	0.00	(89,838,046.95)	0.00
Cash Transfer	06/12/2026	CCYUSD	(14,876,409.49)	Cash		0.00%	(14,876,409.49)	0.00	(14,876,409.49)	0.00
Cash Transfer	06/15/2026	CCYUSD	57,810,731.45	Cash		0.00%	57,810,731.45	0.00	57,810,731.45	0.00
Cash Transfer	06/16/2026	CCYUSD	(5,645,479.04)	Cash		0.00%	(5,645,479.04)	0.00	(5,645,479.04)	0.00
Cash Transfer	06/17/2026	CCYUSD	(12,459,960.48)	Cash		0.00%	(12,459,960.48)	0.00	(12,459,960.48)	0.00
Cash Transfer	06/18/2026	CCYUSD	(42,927,694.77)	Cash		0.00%	(42,927,694.77)	0.00	(42,927,694.77)	0.00
Cash Transfer	06/22/2026	CCYUSD	(31,853,347.83)	Cash		0.00%	(31,853,347.83)	0.00	(31,853,347.83)	0.00
Cash Transfer	06/23/2026	CCYUSD	(5,947,704.41)	Cash		0.00%	(5,947,704.41)	0.00	(5,947,704.41)	0.00
Cash Transfer	06/24/2026	CCYUSD	269,846,035.29	Cash		0.00%	269,846,035.29	0.00	269,846,035.29	0.00
Cash Transfer	06/25/2026	CCYUSD	(7,003,894.14)	Cash		0.00%	(7,003,894.14)	0.00	(7,003,894.14)	0.00
Cash Transfer	06/26/2026	CCYUSD	81,116,493.57	Cash		0.00%	81,116,493.57	0.00	81,116,493.57	0.00
Cash Transfer	06/29/2026	CCYUSD	(23,652,241.29)	Cash		0.00%	(23,652,241.29)	0.00	(23,652,241.29)	0.00
Cash Transfer	06/30/2026	CCYUSD	(291,017,166.91)	Cash		0.00%	(291,017,166.91)	0.00	(291,017,166.91)	0.00
Total Cash Transfer			**(752,133,173.54)**				**(752,133,173.54)**	**0.00**	**(752,133,173.54)**	**0.00**
Coupon	06/01/2026	57582TEA6	0.00	MASSACHUSETTS COMMONWEALTH 4.35 06/01/2030		4.32%	108,750.00	0.00	108,750.00	0.00
Coupon	06/01/2026	57582TDZ2	0.00	MASSACHUSETTS COMMONWEALTH 4.25 06/01/2029		4.22%	212,500.00	0.00	212,500.00	0.00
Coupon	06/01/2026	57582TDY5	0.00	MASSACHUSETTS COMMONWEALTH 4.15 06/01/2028		4.13%	207,500.00	0.00	207,500.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund

As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Coupon	06/01/2026	06051WWM2	0.00	Bank of America, National Association 3.94 06/01/2026		3.94%	1,329,750.00	0.00	1,329,750.00	0.00
Coupon	06/01/2026	06418NKS0	0.00	Bank of Nova Scotia, Houston Branch 3.89 06/01/2026		3.89%	983,305.55	0.00	983,305.55	0.00
Coupon	06/01/2026	20772KNX3	0.00	CONNECTICUT ST 1.123 06/01/2026		1.12%	31,444.00	0.00	31,444.00	0.00
Coupon	06/03/2026	3133ETKB2	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.4 06/03/2030		4.40%	346,940.00	0.00	346,940.00	0.00
Coupon	06/05/2026	05593DJV6	0.00	BNP Paribas New York Branch 4.18 06/05/2026		4.18%	841,805.55	0.00	841,805.55	0.00
Coupon	06/05/2026	65558WRD2	0.00	Nordea ABP - New York Branch 3.78 06/05/2026		3.78%	1,806,000.00	0.00	1,806,000.00	0.00
Coupon	06/07/2026	45818WFR2	0.00	INTER-AMERICAN DEVELOPMENT BANK 4.6 06/07/2029		4.44%	575,000.00	0.00	575,000.00	0.00
Coupon	06/09/2026	78015JUY1	0.00	Royal Bank of Canada New York Branch 3.85 06/09/2026		3.85%	978,541.65	0.00	978,541.65	0.00
Coupon	06/10/2026	21684X5V4	0.00	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH 3.86 06/10/2026		3.86%	981,083.35	0.00	981,083.35	0.00
Coupon	06/12/2026	65558WRF7	0.00	Nordea ABP - New York Branch 3.78 06/12/2026		3.78%	939,750.00	0.00	939,750.00	0.00
Coupon	06/14/2026	3133ENHA1	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.5 12/14/2026		1.50%	187,500.00	0.00	187,500.00	0.00
Coupon	06/15/2026	47786WAD2	0.00	JDOT 2024-B A3 5.2 03/15/2029		5.81%	91,473.53	0.00	91,473.53	0.00

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Coupon	06/15/2026	44933XAD9	0.00	HART 2023-B A3 5.48 04/17/2028		5.77%	9,170.81	0.00	9,170.81	0.00
Coupon	06/15/2026	44918CAD4	0.00	HART 2023-C A3 5.54 10/16/2028		5.61%	16,316.75	0.00	16,316.75	0.00
Coupon	06/15/2026	90291VAC4	0.00	USAOT 2023-A A3 5.58 05/15/2028		5.58%	22,756.32	0.00	22,756.32	0.00
Coupon	06/15/2026	477920AC6	0.00	JDOT 2023-B A3 5.18 03/15/2028		5.51%	13,508.19	0.00	13,508.19	0.00
Coupon	06/15/2026	44934QAD3	0.00	HART 2024-B A3 4.84 03/15/2029		5.45%	67,928.93	0.00	67,928.93	0.00
Coupon	06/15/2026	89239HAD0	0.00	TAOT 2022-D A3 5.3 09/15/2027		5.36%	29,440.42	0.00	29,440.42	0.00
Coupon	06/15/2026	345295AD1	0.00	FORDO 2022-D A3 5.27 05/17/2027		5.33%	838.17	0.00	838.17	0.00
Coupon	06/15/2026	89237NAD9	0.00	TAOT 2024-B A3 5.33 01/16/2029		5.33%	108,767.38	0.00	108,767.38	0.00
Coupon	06/15/2026	02582JKH2	0.00	AMXCA 2024-1 A 5.23 04/16/2029		5.30%	196,124.99	0.00	196,124.99	0.00
Coupon	06/15/2026	437918AC9	0.00	HAROT 2024-1 A3 5.21 08/15/2028		5.27%	76,461.61	0.00	76,461.61	0.00
Coupon	06/15/2026	47800BAC2	0.00	JDOT 2022-C A3 5.09 06/15/2027		5.15%	2,796.92	0.00	2,796.92	0.00
Coupon	06/15/2026	47800RAD5	0.00	JDOT 2024 A3 4.96 11/15/2028		5.12%	21,098.79	0.00	21,098.79	0.00
Coupon	06/15/2026	448973AD9	0.00	HART 2024-A A3 4.99 02/15/2029		5.05%	30,380.79	0.00	30,380.79	0.00
Coupon	06/15/2026	89238DAD0	0.00	TAOT 2024-A A3 4.83 10/16/2028		4.89%	55,522.01	0.00	55,522.01	0.00
Coupon	06/15/2026	4581X0ET1	0.00	INTER-AMERICAN DEVELOPMENT BANK 4.02578 03/13/2030		4.77%	1,052,000.00	0.00	1,052,000.00	0.00
Coupon	06/15/2026	91282CHH7	0.00	UNITED STATES TREASURY 4.125 06/15/2026		4.72%	1,031,250.00	0.00	1,031,250.00	0.00

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Coupon	06/15/2026	02589BAE0	0.00	AMXCA 2024-3 A 4.65 07/15/2027		4.70%	71,687.50	0.00	71,687.50	0.00
Coupon	06/15/2026	161571HV9	0.00	CHAIT 241 A 4.6 01/16/2029		4.61%	164,833.32	0.00	164,833.32	0.00
Coupon	06/15/2026	65480JAC4	0.00	NAROT 2022-B A3 4.46 05/17/2027		4.51%	2,493.75	0.00	2,493.75	0.00
Coupon	06/15/2026	448976AD2	0.00	HART 2024-C A3 4.41 05/15/2029		4.46%	58,800.00	0.00	58,800.00	0.00
Coupon	06/15/2026	477911AD3	0.00	JDOT 2024-C A3 4.06 06/15/2029		4.10%	108,266.66	0.00	108,266.66	0.00
Coupon	06/15/2026	47787DAB7	0.00	JDOT 2026 A2A 3.85 12/15/2028		3.88%	16,041.67	0.00	16,041.67	0.00
Coupon	06/15/2026	20772KQK8	0.00	CONNECTICUT ST 3.631 06/15/2027		3.63%	90,775.00	0.00	90,775.00	0.00
Coupon	06/15/2026	20772KQJ1	0.00	CONNECTICUT ST 3.531 06/15/2026		3.53%	88,275.00	0.00	88,275.00	0.00
Coupon	06/15/2026	437927AC0	0.00	HAROT 2023-2 A3 4.93 11/15/2027		3.45%	13,452.79	0.00	13,452.79	0.00
Coupon	06/16/2026	379930AD2	0.00	GMCAR 2023-4 A3 5.78 08/16/2028		5.86%	26,966.28	0.00	26,966.28	0.00
Coupon	06/16/2026	38013KAD2	0.00	GMCAR 2024-3 A3 5.13 04/16/2029		5.13%	64,295.38	0.00	64,295.38	0.00
Coupon	06/16/2026	379931AD0	0.00	GMCAR 2024-2 A3 5.1 03/16/2029		5.10%	41,139.14	0.00	41,139.14	0.00
Coupon	06/16/2026	36268GAD7	0.00	GMCAR 2024-1 A3 4.85 12/18/2028		4.91%	13,275.73	0.00	13,275.73	0.00
Coupon	06/16/2026	362583AD8	0.00	GMCAR 2023-2 A3 4.47 02/16/2028		4.51%	9,879.63	0.00	9,879.63	0.00
Coupon	06/16/2026	3130ASER6	0.00	FEDERAL HOME LOAN BANKS 3.64 06/16/2027		3.64%	728,000.00	0.00	728,000.00	0.00
Coupon	06/18/2026	43815QAC1	0.00	HAROT 2023-3 A3 5.41 02/18/2028		5.48%	24,920.06	0.00	24,920.06	0.00

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Coupon	06/18/2026	437930AC4	0.00	HAROT 2024-2 A3 5.27 11/20/2028		5.27%	118,277.16	0.00	118,277.16	0.00
Coupon	06/18/2026	4581X0DG0	0.00	INTER-AMERICAN DEVELOPMENT BANK 2.25 06/18/2029		4.28%	634,950.00	0.00	634,950.00	0.00
Coupon	06/18/2026	21684X5T9	0.00	Coöperatieve Rabobank U.A., New York Branch 3.86 06/18/2026		3.86%	1,235,200.02	0.00	1,235,200.02	0.00
Coupon	06/21/2026	438123AC5	0.00	HAROT 2023-4 A3 5.67 06/21/2028		5.74%	11,851.17	0.00	11,851.17	0.00
Coupon	06/21/2026	43813YAC6	0.00	HAROT 2024-3 A3 4.57 03/21/2029		4.66%	76,279.46	0.00	76,279.46	0.00
Coupon	06/22/2026	21684X5S1	0.00	Coöperatieve Rabobank U.A., New York Branch 3.86 06/22/2026		3.86%	1,050,777.80	0.00	1,050,777.80	0.00
Coupon	06/23/2026	3133ERN31	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.34 12/23/2027		4.42%	542,500.00	0.00	542,500.00	0.00
Coupon	06/23/2026	65558WRE0	0.00	Nordea ABP - New York Branch 3.78 06/23/2026		3.78%	997,500.00	0.00	997,500.00	0.00
Coupon	06/24/2026	3130AMSA1	0.00	FEDERAL HOME LOAN BANKS 0.915 06/24/2026		0.91%	114,375.00	0.00	114,375.00	0.00
Coupon	06/25/2026	096919AD7	0.00	BMWOT 2024-A A3 5.18 02/26/2029		5.18%	51,707.76	0.00	51,707.76	0.00
Coupon	06/26/2026	45906M4E8	0.00	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.5 06/26/2028		4.54%	787,500.00	0.00	787,500.00	0.00
Coupon	06/26/2026	3130AMU75	0.00	FEDERAL HOME LOAN BANKS 1.0 06/26/2026		1.00%	250,000.00	0.00	250,000.00	0.00

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Coupon	06/28/2026	3130ASES4	0.00	FEDERAL HOME LOAN BANKS 3.39 06/28/2027		3.39%	762,750.00	0.00	762,750.00	0.00
Coupon	06/29/2026	3130B5WP9	0.00	FEDERAL HOME LOAN BANKS 4.44 06/29/2029		4.44%	1,110,000.00	0.00	1,110,000.00	0.00
Coupon	06/30/2026	31422X4T6	0.00	FEDERAL AGRICULTURAL MORTGAGE CORP 4.34 06/30/2028		4.34%	542,500.00	0.00	542,500.00	0.00
Coupon	06/30/2026	45950VUH7	0.00	INTERNATIONAL FINANCE CORP 4.3 06/30/2028		4.32%	1,075,000.00	0.00	1,075,000.00	0.00
Coupon	06/30/2026	459058LS0	0.00	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.89732 06/30/2028		4.24%	498,000.00	0.00	498,000.00	0.00
Coupon	06/30/2026	45818WFB7	0.00	INTER-AMERICAN DEVELOPMENT BANK 4.16 06/30/2028		4.16%	1,040,000.00	0.00	1,040,000.00	0.00
Coupon	06/30/2026	91282CHK0	0.00	UNITED STATES TREASURY 4.0 06/30/2028		4.04%	4,900,000.00	0.00	4,900,000.00	0.00
Coupon	06/30/2026	91282CKX8	0.00	UNITED STATES TREASURY 4.25 06/30/2029		4.02%	2,762,500.00	0.00	2,762,500.00	0.00
Coupon	06/30/2026	91282CNK3	0.00	UNITED STATES TREASURY 3.875 06/30/2030		3.98%	1,937,500.00	0.00	1,937,500.00	0.00
Coupon	06/30/2026	45818WEH5	0.00	INTER-AMERICAN DEVELOPMENT BANK 3.96 06/30/2027		3.96%	990,000.00	0.00	990,000.00	0.00
Coupon	06/30/2026	91282CEV9	0.00	UNITED STATES TREASURY 3.25 06/30/2029		3.89%	812,500.00	0.00	812,500.00	0.00

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Coupon	06/30/2026	91282CEW7	0.00	UNITED STATES TREASURY 3.25 06/30/2027		3.87%	3,575,000.00	0.00	3,575,000.00	0.00
Coupon	06/30/2026	45950VRW8	0.00	INTERNATIONAL FINANCE CORP 3.81 06/30/2027		3.81%	476,250.00	0.00	476,250.00	0.00
Coupon	06/30/2026	22536XAK0	0.00	Credit Agricole Corporate And Investment Bank, New 3.75 06/30/2026		3.75%	1,248,750.03	0.00	1,248,750.03	0.00
Coupon	06/30/2026	91282CJQ5	0.00	UNITED STATES TREASURY 3.75 12/31/2030		3.72%	1,875,000.00	0.00	1,875,000.00	0.00
Coupon	06/30/2026	91282CKY6	0.00	UNITED STATES TREASURY 4.625 06/30/2026		3.71%	5,203,125.00	0.00	5,203,125.00	0.00
Coupon	06/30/2026	65558WSQ2	0.00	Nordea ABP - New York Branch 3.71 06/30/2026		3.71%	742,000.00	0.00	742,000.00	0.00
Coupon	06/30/2026	91282CHJ3	0.00	UNITED STATES TREASURY 3.75 06/30/2030		3.68%	1,875,000.00	0.00	1,875,000.00	0.00
Coupon	06/30/2026	3133EPES0	0.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.65 06/30/2027		3.68%	912,500.00	0.00	912,500.00	0.00
Coupon	06/30/2026	9128287B0	0.00	UNITED STATES TREASURY 1.875 06/30/2026		3.67%	1,875,000.00	0.00	1,875,000.00	0.00
Coupon	06/30/2026	3130AMYJ5	0.00	FEDERAL HOME LOAN BANKS 1.0 06/30/2026		1.00%	125,000.00	0.00	125,000.00	0.00
Coupon	06/30/2026	91282CCJ8	0.00	UNITED STATES TREASURY 0.875 06/30/2026		0.94%	109,375.00	0.00	109,375.00	0.00

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Coupon	06/30/2026	45906M2P5	0.00	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.875 06/30/2026		0.87%	109,500.00	0.00	109,500.00	0.00
Total Coupon			**0.00**				**54,306,976.02**	**0.00**	**54,306,976.02**	**0.00**
Dividend	06/01/2026	90USB$000	0.00	US Bank		3.27%	0.30	0.00	0.30	0.00
Dividend	06/30/2026	61747C707	0.00	MORG STAN I LQ:GV I		3.56%	200,667.91	0.00	200,667.91	0.00
Dividend	06/30/2026	90JPMC$03	0.00	JP Morgan Chase Bank Deposit		2.65%	1,025.24	0.00	1,025.24	0.00
Dividend	06/30/2026	90CAMP$00	0.00	CAMP		3.77%	646,292.89	0.00	646,292.89	0.00
Dividend	06/30/2026	31607A703	0.00	FIDELITY IMM:GOVT INSTL		3.58%	370,997.16	0.00	370,997.16	0.00
Dividend	06/30/2026	09248U700	0.00	BLKRK LQ:FEDFUND INSTL		3.53%	102,792.03	0.00	102,792.03	0.00
Dividend	06/30/2026	90CALFT$0	0.00	CalFIT		3.78%	316,255.72	0.00	316,255.72	0.00
Total Dividend			**0.00**				**1,638,031.25**	**0.00**	**1,638,031.25**	**0.00**
Principal Paydown	06/15/2026	47786WAD2	936,134.23	JDOT 2024-B A3 5.2 03/15/2029		5.81%	936,134.23	--	936,134.23	0.00
Principal Paydown	06/15/2026	44933XAD9	291,729.26	HART 2023-B A3 5.48 04/17/2028		5.77%	291,729.26	--	291,729.26	(0.00)
Principal Paydown	06/15/2026	44918CAD4	352,159.63	HART 2023-C A3 5.54 10/16/2028		5.61%	352,159.63	--	352,159.63	0.01
Principal Paydown	06/15/2026	90291VAC4	883,165.37	USAOT 2023-A A3 5.58 05/15/2028		5.58%	883,165.37	--	883,165.37	0.01
Principal Paydown	06/15/2026	477920AC6	272,414.82	JDOT 2023-B A3 5.18 03/15/2028		5.51%	272,414.82	--	272,414.82	0.00
Principal Paydown	06/15/2026	44934QAD3	1,169,997.22	HART 2024-B A3 4.84 03/15/2029		5.45%	1,169,997.22	--	1,169,997.22	(0.00)
Principal Paydown	06/15/2026	89239HAD0	1,620,081.96	TAOT 2022-D A3 5.3 09/15/2027		5.36%	1,620,081.96	--	1,620,081.96	(0.02)
Principal Paydown	06/15/2026	345295AD1	190,854.66	FORDO 2022-D A3 5.27 05/17/2027		5.33%	190,854.66	--	190,854.66	0.00

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Principal Paydown	06/15/2026	89237NAD9	1,716,627.64	TAOT 2024-B A3 5.33 01/16/2029		5.33%	1,716,627.64	--	1,716,627.64	(0.00)
Principal Paydown	06/15/2026	437918AC9	1,549,627.46	HAROT 2024-1 A3 5.21 08/15/2028		5.27%	1,549,627.46	--	1,549,627.46	0.01
Principal Paydown	06/15/2026	47800BAC2	659,393.24	JDOT 2022-C A3 5.09 06/15/2027		5.15%	659,393.24	--	659,393.24	0.01
Principal Paydown	06/15/2026	47800RAD5	267,112.74	JDOT 2024 A3 4.96 11/15/2028		5.12%	267,112.74	--	267,112.74	(0.00)
Principal Paydown	06/15/2026	448973AD9	577,630.10	HART 2024-A A3 4.99 02/15/2029		5.05%	577,630.10	--	577,630.10	0.00
Principal Paydown	06/15/2026	89238DAD0	1,087,496.66	TAOT 2024-A A3 4.83 10/16/2028		4.89%	1,087,496.66	--	1,087,496.66	0.01
Principal Paydown	06/15/2026	65480JAC4	618,489.73	NAROT 2022-B A3 4.46 05/17/2027		4.51%	618,489.73	--	618,489.73	0.01
Principal Paydown	06/15/2026	477911AD3	1,084,964.99	JDOT 2024-C A3 4.06 06/15/2029		4.10%	1,084,964.99	--	1,084,964.99	(0.00)
Principal Paydown	06/15/2026	437927AC0	548,149.96	HAROT 2023-2 A3 4.93 11/15/2027		3.45%	548,149.96	--	548,149.96	(0.00)
Principal Paydown	06/16/2026	379930AD2	578,073.93	GMCAR 2023-4 A3 5.78 08/16/2028		5.86%	578,073.93	--	578,073.93	(0.00)
Principal Paydown	06/16/2026	38013KAD2	1,173,367.02	GMCAR 2024-3 A3 5.13 04/16/2029		5.13%	1,173,367.02	--	1,173,367.02	(0.01)
Principal Paydown	06/16/2026	379931AD0	804,522.28	GMCAR 2024-2 A3 5.1 03/16/2029		5.10%	804,522.28	--	804,522.28	(0.00)
Principal Paydown	06/16/2026	36268GAD7	299,645.17	GMCAR 2024-1 A3 4.85 12/18/2028		4.91%	299,645.17	--	299,645.17	0.01
Principal Paydown	06/16/2026	362583AD8	511,538.82	GMCAR 2023-2 A3 4.47 02/16/2028		4.51%	511,538.82	--	511,538.82	(0.00)
Principal Paydown	06/18/2026	43815QAC1	768,186.04	HAROT 2023-3 A3 5.41 02/18/2028		5.48%	768,186.04	--	768,186.04	0.01
Principal Paydown	06/18/2026	437930AC4	2,106,509.08	HAROT 2024-2 A3 5.27 11/20/2028		5.27%	2,106,509.08	--	2,106,509.08	(0.01)
Principal Paydown	06/21/2026	438123AC5	241,407.63	HAROT 2023-4 A3 5.67 06/21/2028		5.74%	241,407.63	--	241,407.63	0.00

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As of June 30, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Principal Paydown	06/21/2026	43813YAC6	1,392,397.99	HAROT 2024-3 A3 4.57 03/21/2029		4.66%	1,392,397.99	--	1,392,397.99	(0.01)
Principal Paydown	06/25/2026	096919AD7	958,435.62	BMWOT 2024-A A3 5.18 02/26/2029		5.18%	958,435.62	--	958,435.62	0.00
Total Principal Paydown			**22,660,113.25**				**22,660,113.25**	**--**	**22,660,113.25**	**0.01**
TOTAL OTHER TRANSACTIONS			**(814,473,060.29)**				**(588,528,053.02)**	**0.00**	**(588,528,053.02)**	**23,777.89**

CONTACT US

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this APPENDIX F has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each series and maturity of the Securities, each in the aggregate principal amount of such series and maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede &

Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices will be sent to DTC. If less than all of the Securities within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or the paying agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent, or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or the paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the issuer or the paying agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fibre.
Printed by: ImageMaster, LLC
www.imagemaster.com