This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. 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.

NEW ISSUE -- FULL BOOK-ENTRY

Rating: S&P: "AAA"
(See "MISCELLANEOUS – Rating" herein)

In the opinion of Stradling Yocca Carlson & Rauth LLP, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

$190,000,000*
PALO ALTO UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
(Election of 2018), Series 2025

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

This cover page contains certain information for general 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. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The Palo Alto Unified School District (Santa Clara County, California) General Obligation Bonds (Election of 2018), Series 2025 (the "Bonds"), were authorized at an election of the registered voters of the District held on November 6, 2018, at which election the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $460,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District sites and facilities, and (ii) to pay the costs of issuance of the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Santa Clara County is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation of 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 when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "APPENDIX D – Book-Entry Only System" attached hereto.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2026. The Bonds are issuable as fully registered bonds in denominations of $5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are not subject to optional redemption prior to their state maturity dates. Certain of the Bonds are subject to mandatory sinking fund redemption as further described herein.*

Maturity Schedule*
(See inside cover page)

*Pursuant to the terms of a public sale on _____, 2025, the Bonds were awarded to the Underwriter, at a True Interest Cost of _____%. The Bonds are being offered when, as and if issued and received by the underwriter thereof, subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel. Certain matters will be passed on for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel. The Bonds, in book-entry form, will be available through the facilities of the Depository Trust Company in New York, New York, on or about October 28, 2025.**

The date of this Official Statement is: _____, 2025.

* Preliminary, subject to change.

**$190,000,000*
PALO ALTO UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
(Election of 2018), Series 2025**

Base CUSIP(1): 675158

$_____ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix(1)

$_____ – ____% Term Bonds due August 1, 20__ – Yield: _____; CUSIP Suffix(1):

* Preliminary; subject to change.

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data is provided by CUSIP Global Services (CGS) which is owned by FactSet Research Systems Inc. ("FactSet"). FactSet will manage the CUSIP system on behalf of the American Bankers Association. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of 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 issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy 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.

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

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PURCHASER 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 INSIDE COVER PAGES AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASER.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule (defined herein).

PALO ALTO UNIFIED SCHOOL DISTRICT

Board of Education

Shana Segal, *President*
Shounak Dharap, *Vice President*
Rowena Chiu, *Member*
Alison Kamhi, *Member*
Josh Salcman, *Member*

District Administration

Dr. Don Austin, *Superintendent*
Charen Yu, *Chief Business Officer*

PROFESSIONAL SERVICES

Bond and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
San Francisco, California

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent and Escrow Agent

U.S. Bank Trust Company, National Association
San Francisco, California

TABLE OF CONTENTS

Page

INTRODUCTION **1**

THE DISTRICT 1
PURPOSE OF ISSUE 2
AUTHORITY FOR ISSUANCE 2
SECURITY AND SOURCES OF PAYMENT 2
DESCRIPTION OF THE BONDS 2
TAX MATTERS 3
OFFERING AND DELIVERY OF THE BONDS 3
BONDOWNER'S RISKS 3
CONTINUING DISCLOSURE 3
PROFESSIONALS INVOLVED IN THE OFFERING 4
FORWARD-LOOKING STATEMENTS 4
OTHER INFORMATION 4

THE BONDS **5**

AUTHORITY FOR ISSUANCE 5
SECURITY AND SOURCES OF PAYMENT 5
STATUTORY LIEN 6
GENERAL PROVISIONS 7
ANNUAL DEBT SERVICE 8
REDEMPTION 9
DISCONTINUATION OF BOOK-ENTRY ONLY SYSTEM; PAYMENT TO BENEFICIAL OWNERS 9
DEFEASANCE 10
APPLICATION AND INVESTMENT OF BOND PROCEEDS 11

ESTIMATED SOURCES AND USES OF FUNDS **12**

TAX BASE FOR REPAYMENT OF BONDS **12**

AD VALOREM PROPERTY TAXATION 12
ASSESSED VALUATIONS 14
TAX LEVIES, COLLECTIONS AND DELINQUENCIES 19
ALTERNATIVE METHOD OF TAX APPORTIONMENT - "TEETER PLAN" 20
TAX RATES 21
PRINCIPAL TAXPAYERS 22
STATEMENT OF DIRECT AND OVERLAPPING DEBT 23

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS **25**

ARTICLE XIIIA OF THE STATE CONSTITUTION 25
PROPOSITION 19 26
LEGISLATION IMPLEMENTING ARTICLE XIIIA 26
PROPOSITION 50 AND PROPOSITION 171 26
UNITARY PROPERTY 27
ARTICLE XIIIB OF THE STATE CONSTITUTION 27
ARTICLE XIIIC AND ARTICLE XIIID OF THE STATE CONSTITUTION 28
PROPOSITION 26 29
PROPOSITIONS 98 AND 111 29
PROPOSITION 39 31
PROPOSITION 1A AND PROPOSITION 22 32
JARVIS VS. CONNELL 32
PROPOSITIONS 55 33
PROPOSITION 2 33
2024 STATE SCHOOL FACILITIES BOND 35
FUTURE INITIATIVES 36

TABLE OF CONTENTS (cont'd)

Page

DISTRICT FINANCIAL INFORMATION 36

STATE FUNDING OF EDUCATION 36
OTHER REVENUE SOURCES 40
BUDGET PROCESS 41
COMPARATIVE FINANCIAL STATEMENTS 45
ACCOUNTING PRACTICES 46
STATE BUDGET MEASURES 46

PALO ALTO UNIFIED SCHOOL DISTRICT 50

INTRODUCTION 50
ADMINISTRATION 50
HISTORICAL ENROLLMENT 51
LABOR RELATIONS 52
RETIREMENT PROGRAMS 52
OTHER POST-EMPLOYMENT BENEFITS 63
SUPPLEMENTARY RETIREMENT PLANS 65
RISK MANAGEMENT 65
CYBERSECURITY 66
DISTRICT DEBT STRUCTURE 66

TAX MATTERS 69

LIMITATION ON REMEDIES; BANKRUPTCY 70

GENERAL 70
STATUTORY LIEN 71
SPECIAL REVENUES 71
POSSESSION OF TAX REVENUES; REMEDIES 72
OPINION OF BOND COUNSEL QUALIFIED BY REFERENCE TO BANKRUPTCY, INSOLVENCY AND OTHER LAWS RELATING TO OR AFFECTING CREDITOR'S RIGHTS 72

LEGAL MATTERS 72

LEGALITY FOR INVESTMENT IN CALIFORNIA 72
CONTINUING DISCLOSURE 72
ABSENCE OF MATERIAL LITIGATION 73
INFORMATION REPORTING REQUIREMENTS 73
LEGAL OPINION 73

MISCELLANEOUS 73

RATING 73
FINANCIAL STATEMENTS 74
UNDERWRITING 74
ADDITIONAL INFORMATION 74

APPENDIX A: FORM OF OPINION OF BOND COUNSEL A-1
APPENDIX B: 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE C-1
APPENDIX D: BOOK-ENTRY ONLY SYSTEM D-1
APPENDIX E: ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF PALO ALTO AND COUNTY OF SANTA CLARA E-1
APPENDIX F: SANTA CLARA COUNTY INVESTMENT POOL F-1

$190,000,000*
PALO ALTO UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
(Election of 2018), Series 2025

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Palo Alto Unified School District (Santa Clara County, California) General Obligation Bonds (Election of 2018), Series 2025 (the "Bonds").

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

The District

The Palo Alto Unified School District (the "District") was established in 1893 and is located approximately 35 miles south of San Francisco in the County of Santa Clara (the "County"), in the heart of California's Silicon Valley. The District provides educational services to the City of Palo Alto, the Stanford University campus, and a portion of the town of Los Altos Hills. The District encompasses an area of approximately 45 square miles.

The District currently operates twelve elementary schools (grades K-5, with six offering transitional kindergarten), three middle schools (grades 6-8), three high schools (grades 9-12), an adult education program, a "Young Fives" program (a program for young kindergarten aged children and their parents) and an after school program (ELOP). The District is projected to be a community funded (previously known as "basic aid") district during the 2025-26 school year. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Community Funded Districts" herein for more information about community funded districts. For fiscal year 2025-26, the District has a budgeted average daily attendance ("ADA") of 9,647 and enrollment of 10,107 students. Taxable property within the District has a fiscal year 2025-26 assessed valuation of $59,428,630,357.

The District is governed by a five-member board of education (the "Board"). The members are each elected to a four-year term, and elections are held every two years. The management and policies of the District are administered by the Superintendent, who is appointed by the Board and responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Dr. Don Austin is the District's current Superintendent.

See "TAX BASE FOR REPAYMENT OF BONDS" herein for information regarding the District's assessed valuation, and "DISTRICT FINANCIAL INFORMATION" and "PALO ALTO UNIFIED SCHOOL DISTRICT" herein for information regarding the District generally. The District's audited financial statements for the fiscal year ended June 30, 2024 are attached hereto as APPENDIX B.

Purpose of Issue

The Bonds are being issued to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District sites and facilities, and (ii) pay the costs of issuance of the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds," and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to a resolution adopted by the Board on August 19, 2025 (the "Resolution"). See "THE BONDS – Authority for Issuance" herein.

Security and Sources of Payment

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County (the "County Board") is empowered and obligated to annually levy such *ad valorem* property taxes for the payment of the principal of and interest on the Bonds upon all property within the District subject to taxation thereby, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). See "THE BONDS – Security and Sources of Payment," and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Form, Registration and Denomination. The Bonds will only be issued in fully registered book-entry form (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the inside cover pages hereof, under the book-entry only system maintained by DTC, and only through brokers and dealers who are or act through DTC Participants as described herein. See "APPENDIX D – Book-Entry Only System" attached hereto. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective Nominees (defined herein). In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (as defined herein). See "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein, as well as in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiple thereof.

Redemption.* The Bonds are not subject to optional redemption prior to their stated maturity dates, as further described herein. Certain of the Bonds are subject to mandatory sinking fund redemption as further described herein. See "THE BONDS – Redemption" herein.

* Preliminary; subject to change.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery of the Bonds (the "Date of Delivery"), and be payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing February 1, 2026. Principal on the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover pages hereof. Payments of the principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, acting as the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. See "APPENDIX D – BOOK-ENTRY ONLY SYSTEM" attached hereto.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California ("State") personal income tax. See "TAX MATTERS" with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about October 28, 2025.*

Bondowner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the taxation of property within the District, and certain other considerations, see "TAX BASE FOR REPAYMENT OF BONDS," and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

The District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). These covenants have been made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events is summarized under "LEGAL MATTERS – Continuing Disclosure" herein and in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

* Preliminary, subject to change.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth LLP, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Keygent LLC, El Segundo, California is acting as municipal advisor to the District (the "Municipal Advisor"). Stradling Yocca Carlson & Rauth LLP and Keygent LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend," or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

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 THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Palo Alto Unified School District, 25 Churchill Avenue, Palo Alto, California 94306 Telephone: (650) 329-3980. The District may impose a charge for copying, mailing and handling.

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 herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and

expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution (as defined herein).

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Government Code Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5, commencing with Section 53506 *et seq*., as amended, Article XIIIA and pursuant to the Resolution. The District received authorization at an election held on November 6, 2018 by the requisite 55% or more of the votes cast by eligible voters within the District to issue $460,000,000 principal amount of general obligation bonds (the "2018 Authorization"). The District previously issued the two series of bonds pursuant to the 2018 Authorization. The Bonds represent the third and final issuance of general obligation bonds under the 2018 Authorization. Following the issuance of the Bonds, none* of the 2018 Authorization will remain unissued.

See "PALO ALTO UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for additional information about the District's outstanding general obligation bonds.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal or and interest on the Bonds when due. The levy may include allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish or maintain such a reserve, and the District can make no representation that such a reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future.

Such *ad valorem* property taxes, when collected, will be placed by the County in the respective Debt Service Funds (as defined herein) established by the Resolution, which is required to be segregated and held by the County and which are designated for the payment of the principal of the applicable Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County Board is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Fund and the Building Fund (as defined herein), the Bonds are not a debt of the County.

* Preliminary; subject to change.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same become due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants for subsequent disbursement to the respective Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in property values, outbreaks of disease or disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the "State") and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought, sea level rise, fire, wildfire, climate change, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing February 1, 2026. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2026, in which event it shall bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount, or any integral multiple thereof, and mature on August 1 in the years and amounts set forth on the inside cover pages hereof.

Payment of interest on any Bond will be made on any Bond Payment Date to the person appearing on the bond registration books of the Paying Agent (the "Bond Register") of the Paying Agent as the Owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a "Record Date"), such interest to be paid by wire transfer to such Owner on the Bond Payment Date at his or her bank and account number as it appears on such Bond Register or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The principal, and redemption premiums, if any, payable on the Bonds will be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The principal of, redemption premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

[REMAINDER OF PAGE LEFT BLANK]

Annual Debt Service

The following table summarizes the debt service requirements of the District for the Bonds (assuming no optional redemptions):

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service

[(1)] Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2026.

See also "PALO ALTO UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a schedule of the combined debt service requirements for all of the District's outstanding general obligation bonds.

Redemption

Optional Redemption.[*] The Bonds are not subject to optional redemption prior to their stated maturity dates.

Mandatory Sinking Fund Redemption.[*] The Bonds maturing on August 1, 20__ (the "20__ Term Bonds"), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 20__ Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount

(1) Maturity.

In the event that portions of the 20__ Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which will at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, and exchange of the Bonds.

Payment of interest on any Bond will be made to the person appearing on the Bond Register of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds, will be payable upon maturity or redemption upon surrender at the designated corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America.

[*] Preliminary, subject to change.

Any Bond may be exchanged for Bonds of like tenor, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under the Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date and ending with the close of business on the Bond Payment.

Defeasance

All or any portion of the outstanding maturities of the Bonds of each series may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the applicable Debt Service Fund, if any, is sufficient to pay all such Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the applicable Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or Moody's Investors Service ("Moody's") at least as high as direct and general obligations of the United States of America.

Application and Investment of Bond Proceeds

The proceeds of the Bonds will be used to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District sites and facilities, and (ii) pay the costs of issuance of the Bonds.

Building Fund. The net proceeds from the sale of the Bonds will be paid to the County to the credit of a building fund (the "Building Fund") created by the Resolution and held by the County, and will be applied solely for the purposes for which the Bonds are being issued. Interest earnings in the Building Fund will be retained therein. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued, upon written notice from the District, will be transferred from the Building Fund to the Debt Service Fund (as defined below) and applied to the payment of the principal of and interest on the Bonds.

Debt Service Fund. Any accrued interest or premium received by the District from the sale of the Bonds, as well as *ad valorem* property taxes levied for the payment of the Bonds, when collected, shall be kept separate and apart in the debt service fund created by the Resolution and held by the County (the "Debt Service Fund") and used only for payment of principal of and interest on the Bonds. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Investment of Proceeds. All funds held by the Director of Finance of the County (the "Director of Finance") in the Building Fund and the Debt Service Fund are expected to be invested at the discretion of the Director of Finance pursuant to law and the investment policy of the County. See "APPENDIX F – SANTA CLARA COUNTY INVESTMENT POOL" attached hereto. At the written direction of the District, all or any portion of the Building Fund of the District may also be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State. At the written direction of the

District, and with the approval of the Director of Finance, all or any portion of the Building Fund may also be invested on behalf of the District in investment agreements which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current ratings on the Bonds.

Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Bonds were approved. Moneys in the Debt Service Fund may only be applied to make payments of interest, principal, and premium, if any, on bonds of the District.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds
Principal Amount
[Net] Original Issue [Premium/Discount]
Total Sources

Uses of Funds
Building Fund
Debt Service Fund
Underwriter's Discount
Costs of Issuance[(1)]
Total Uses

[(1)] Includes all costs of issuance to be paid from the proceeds of the Bonds, including but not limited to the legal fees, municipal advisory fees, printing costs, rating agencies fees, and the costs and fees of the Paying Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from* ad valorem *property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both the District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and 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 public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises certain property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes hands or new

construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Director of Finance. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of $10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Director of Finance.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Secured Tax Charges and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

The County has granted certain tax abatements to properties within the District pursuant to the Williamson Act and the Mills Act, which allow for property tax savings to owners of qualifying properties. For fiscal year 2023-24, the District property tax revenues were reduced by $257,635. See also APPENDIX B – "2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 13" attached hereto.

Assessed Valuations

The following table shows a 10-year history of assessed valuations in the District, each as of the date the equalized assessment roll is established in August of each year.

ASSESSED VALUATIONS
Fiscal Years 2016-17 through 2025-26
Palo Alto Unified School District

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2016-17	$33,181,600,207	$2,572,716	$1,807,321,380	$34,991,494,303	--
2017-18	35,779,281,620	2,572,716	1,916,634,978	37,698,489,314	7.74%
2018-19	38,426,282,833	7,004,400	1,899,237,087	40,332,524,320	6.99
2019-20	41,067,296,843	7,004,400	1,948,140,033	43,022,441,276	6.67
2020-21	44,078,139,187	7,004,400	2,193,647,786	46,278,791,373	7.57
2021-22	45,891,556,610	7,004,400	2,362,606,440	48,261,167,450	4.28
2022-23	48,843,630,760	7,004,400	2,099,766,999	50,950,402,159	5.57
2023-24	51,756,563,227	7,004,400	2,337,078,440	54,100,646,067	6.18
2024-25	54,283,865,931	7,004,400	2,453,191,172	56,744,061,503	4.89
2025-26	57,074,308,385	7,004,400	2,347,317,572	59,428,630,357	4.73

Source: California Municipal Statistics, Inc.; Percent change figures provided by the Municipal Advisor.

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, outbreaks of disease, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, sea level rise, fire, wildfire, drought, climate change, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Adverse Impacts of Tariffs. The current presidential administration has sought to alter the international trading landscape through the use of widespread tariffs. If tariffs are implemented, certain impacted countries that have been impacted by the tariffs may respond with reciprocal tariffs on imports of U.S.-made goods. The international escalation of tariffs may cause significant disruptions in local, State and national economies, including immediate material impacts to industries heavily integrated into international trade. No assurances can be made that the escalation of tariffs will not materially adversely impact the local, State or national economies or the assessed valuation of property within the District, including the assessed valuation of the top taxpayers in the District, or the ability of taxpayers within the District to pay property taxes.

Seismic Events. Portions of the District are located within hazard areas identified by the Tsunami Hazard Area Map ("THAP") for the County. THAPs are produced jointly by the California Geological Survey (the "CGS") and the Governor's Office of Emergency Services to assist cities and counties identify potential areas of inundation and other damage related to a tsunami event. The District is also located in the San Francisco Bay Area, a seismically active region of the State, into which extend three major earthquake faults that the comprise the San Andreas fault system (San Andreas Fault, Hayward Fault and Calaveras Fault). As a result, portions of the District are located within earthquake hazard zones produced by the CGS that have identified possible liquefaction and landslide hazards. An earthquake of large magnitude or tsunami could result in extensive damage to property within the District

and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. California has experienced cyclical severe drought conditions over the past several years. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. These drought emergencies were eventually expanded to include all California counties by October of 2021. Among other actions, the Governor also issued Executive Order N0-27-22, which directed the State Water Control Board to issue drought declarations, including a recommendation to have urban water suppliers initiate water shortage contingency plans. Significant snowfall and precipitation in the State commencing in late 2022 and early 2023 generally eliminated most of the State's drought conditions. On March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N0-27-22. According to the U.S. Drought Monitor, as of September 23, 2025, 6.2% of the County was classified in the abnormally dry category. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future. The District can also make no representations regarding the extent to which recent significant snowfall and precipitation, or any future winter storm activity or related rainfall, mudslides or flooding conditions, may impact District facilities or the assessed value of taxable property within the District.

Sea Level Rise. The County's most recent Multi-jurisdiction Hazard Mitigation Plan identified a risk to coastal areas of the County resulting from sea level rise, including the eastern boundaries of the District. Various other State and local agencies (including the City of Palo Alto) have produced reports or assessments in connection with planning for the potential effects of sea level rise, which could include extensive coastal flooding during storms, periodic tidal flooding, and increased erosion. The District is unable to predict whether sea level rise, or associated impacts thereof, will occur, and if any such events occur, whether they will have a material adverse effect on the assessed valuation of property within the District, the financial condition of the District or more generally the region's economy.

Wildfires. In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020, summer of 2021, and January 2025. Portions of the District are located within a very high fire hazard severity zone within a State Responsibility Area ("SRA") or within a Local Responsibility Area ("LRA"), as identified by the California Department of Forestry and Fire Protection (CAL FIRE), including areas adjacent to SRAs and LRAs in the southwestern portions of City of Palo Alto and the Town of Los Altos Hills. Mapping of these areas, referred to as Fire Hazard Severity Zones, is based on data and models of potential fuels over a 30-50 year time horizon and their associated expected fire behavior, and expected burn probabilities to quantify the likelihood and nature of vegetation fire exposure (including firebrands) to buildings. They do not take into account fuel reduction efforts. SRA designations undergo a 5-year review cycle, as well as annual updates for incorporations/annexations, error fixes, and ownership changes. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates. More information regarding Fire Hazard Severity Zones, including the most recent Fire Hazard Severity Zone Maps, can be found at the California Department of Forestry and Fire Protection website at https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones, though such website is not incorporated herein by reference.

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 raising sea levels. See also "—Drought," "—Sea Level Rise,", and "—Wildfires" 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 is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Appeals and Adjustments of Assessed Valuation. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, sea level rise, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the State Constitution" herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by county assessors, will not significantly reduce the assessed valuation of property within the District.

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

Assessed Valuation by Jurisdiction. The following table shows a per-parcel analysis of the distribution of taxable property within the District by jurisdiction for fiscal year 2025-26.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2025-26
Palo Alto Unified School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Los Altos Hills	$4,128,017,362	6.95%	$11,693,200,023	35.30%
City of Palo Alto	53,455,948,337	89.95	54,174,309,058	98.67
Unincorporated Santa Clara County	1,844,664,658	3.10	25,334,435,688	7.28
Total District	$59,428,630,357	100.00%		
Santa Clara County	$59,428,630,357	100.00%	$724,389,302,999	8.20%

Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation by Land Use. The following shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2025-26 assessed valuation of such parcels (excluding utility and unsecured assessed valuations).

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2025-26
Palo Alto Unified School District

Non-Residential:	**2025-26 Assessed Valuation[(1)]**	**% of Total**	**No. of Parcels**	**% of Total**
Agricultural/Rural	$21,251,662	0.04%	30	0.13%
Commercial/Office	10,605,869,445	18.58%	970	4.19%
Industrial	2,174,893,326	3.81	99	0.43
Recreational	88,103,336	0.15	25	0.11
Government/Social/Institutional	72,799,536	0.13	637	2.75
Miscellaneous	24,281,865	0.04	48	0.21
Subtotal Non-Residential	$12,987,199,170	22.75%	1,809	7.82%
Residential:				
Single Family Residence	$37,358,311,137	65.46%	16,867	72.89%
Condominium/Townhouse	3,456,378,163	6.06	3,304	14.28
Mobile Home	596,364	0.00	11	0.05
2-4 Residential Units	711,685,861	1.25	484	2.09
5+ Residential Units/Apartments	2,164,992,648	3.79	378	1.63
Subtotal Residential	$43,691,964,173	76.55%	21,044	90.95%
Vacant Parcels	$395,145,042	0.69%	286	1.24%
Total	$57,074,308,385	100.00%	23,139	100.00%

[(1)] Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2025-26 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2025-26
Palo Alto Unified School District

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	16,867	$37,358,311,137	$2,214,876	$1,653,528

2025-26 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $249,999	2,008	11.905%	11.905%	$293,423,108	0.785%	0.785%
250,000 - 499,999	1,359	8.057	19.962	500,700,682	1.340	2.126
500,000 - 749,999	1,270	7.529	27.492	799,195,928	2.139	4.265
750,000 - 999,999	1,099	6.516	34.007	956,517,269	2.560	6.825
1,000,000 - 1,249,999	1,169	6.931	40.938	1,310,200,346	3.507	10.332
1,250,000 - 1,499,999	958	5.680	46.618	1,308,427,269	3.502	13.835
1,500,000 - 1,749,999	923	5.472	52.090	1,497,315,708	4.008	17.843
1,750,000 - 1,999,999	821	4.867	56.957	1,537,765,369	4.116	21.959
2,000,000 - 2,249,999	706	4.186	61.143	1,500,259,745	4.016	25.975
2,250,000 - 2,499,999	621	3.682	64.825	1,473,923,536	3.945	29.920
2,500,000 - 2,749,999	658	3.901	68.726	1,729,221,067	4.629	34.549
2,750,000 - 2,999,999	681	4.037	72.763	1,959,686,127	5.246	39.795
3,000,000 - 3,249,999	624	3.700	76.463	1,947,620,075	5.213	45.008
3,250,000 - 3,499,999	570	3.379	79.842	1,920,807,325	5.142	50.150
3,500,000 - 3,749,999	544	3.225	83.068	1,968,492,626	5.269	55.419
3,750,000 - 3,999,999	387	2.294	85.362	1,497,119,143	4.007	59.426
4,000,000 - 4,249,999	344	2.039	87.401	1,419,910,411	3.801	63.227
4,250,000 - 4,499,999	291	1.725	89.127	1,271,270,928	3.403	66.630
4,500,000 - 4,749,999	250	1.482	90.609	1,153,790,065	3.088	69.718
4,750,000 - 4,999,999	207	1.227	91.836	1,009,443,263	2.702	72.421
5,000,000 and greater	1,377	8.164	100.000	10,303,221,147	27.579	100.000
	16,867	100.000%		$37,358,311,137	100.000%	

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

Tax Levies, Collections and Delinquencies

The County levies and collects all property taxes for property falling within the County's taxing boundaries. Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year, and if unpaid, become delinquent after December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment plus a minimum $10 cost on the second installment, plus any additional amount determined by the Treasurer. See "— *Ad Valorem* Property Taxation" herein.

Pursuant to Revenue and Taxation Code Section 4985.2, a tax collector may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

The following table shows secured *ad valorem* property taxes within the District, and amounts delinquent as of June 30, for fiscal years 2016-17 through 2024-25.

SECURED TAX CHARGES AND DELINQUENCIES
2016-17 through 2024-25
Palo Alto Unified School District

	Secured Tax Charge[(1)]	Amt. Del. June 30	% Del. June 30
2016-17	$26,357,975.73	$299,300.98	1.14%
2017-18	28,217,085.20	97,034.22	0.34
2018-19	31,374,498.82	223,381.08	0.71
2019-20	39,044,429.64	182,215.53	0.47
2020-21	35,201,821.96	283,740.48	0.81
2021-22	38,478,466.05	292,942.09	0.76
2022-23	44,990,060.29	378,102.22	0.84
2023-24	44,121,179.10	306,852.24	0.70
2024-25	45,492,050.94	258,174.63	0.57

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

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. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result a natural or manmade disaster. However, State law requires the County to levy ad valorem property taxes sufficient to pay the Bonds when due.

Alternative Method of Tax Apportionment - "Teeter Plan"

The County Board has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in the Revenue and Taxation Code Section 4701 *et seq*. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan includes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the County Board 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 joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is

to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secure tax delinquency in that agency exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

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. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of pandemics or natural or manmade disaster. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy ad valorem property taxes sufficient to pay the Bonds when due.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates levied, as a percentage of assessed valuation, by all taxing entities in a typical tax rate area within the District during the period from fiscal year 2021-25 to fiscal year 2025-26.

SUMMARY OF *AD VALOREM* PROPERTY TAX RATES
Fiscal Years 2021-22 through 2025-26
Palo Alto Unified School District

Typical Tax Rates per $100 of Assessed Valuation: TRA 6-001[(1)]

	2021-22	2022-23	2023-24	2024-25	2025-26
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
County Retirement Levy	.03880	.03880	.03880	.03880	.03880
County Hospital Bonds	.00610	.00630	.00550	.00550	.00520
County Housing Bonds	.01266	.01080	.00950	.00430	.00560
City of Palo Alto	.08390	.00816	.00807	.00761	.00745
Palo Alto Unified School District	.00926	.09160	.08540	.08410	.10790
Foothill-De Anza Community College District	.03310	.02910	.02780	.02860	.03110
Midpeninsula Open Space Park District	.00150	.00130	.00120	.00130	.00140
Total All Property Tax Rate	1.18532%	1.18606%	1.17627%	1.17021%	1.19745%
Santa Clara Valley Water District – State Water Project	.00510%	.00440%	.00410%	.00410%	.00390%
Total Land and Improvement Tax Rate	.00510%	.00440%	.00410%	.00410%	.00390%

(1) 2025-26 assessed valuation of TRA 6-001 is $42,470,810,461 which is 71.47% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2025-26 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

PRINCIPAL TAXPAYERS
Fiscal Year 2025-26
Palo Alto Unified School District

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total[1]
1.	Board of Trustees Leland Stanford Jr. University	Various Land Uses	$9,184,486,544[2]	16.09%
2.	Google Inc.	Industrial/Office	323,162,726	0.57
3.	ARE-San Francisco 80 LLC	Industrial	318,251,021	0.56
4.	ARE-San Francisco 69 LLC	Office Building	156,741,216	0.27
5.	Richard T. and Catherine R. Spieker	Apartments	146,656,956	0.26
6.	Spieker Parker LLC	Apartments	138,823,920	0.24
7.	395 Page Mill LLC	Office Building	134,608,947	0.24
8.	Palo Alto Tech Center LLC	Office Building	126,607,130	0.22
9.	KRE El Camino Real Owner LLC	Office Building	112,139,970	0.20
10.	M10 Dev LLC	Hotel	90,083,958	0.16
11.	PA Hotel Holdings LLC	Hotel	84,629,912	0.15
12.	BVK Hamilton Ave. LLC	Office Building	83,276,611	0.15
13.	SI 45 LLC	Office Building	82,871,772	0.15
14.	SVF Sherman Palo Alto Corporation	Office Building	80,000,000	0.14
15.	Park Plaza Palo Alto LLC	Apartments	77,905,419	0.14
16.	Ronald & Ann Williams	Shopping Center	75,337,915	0.13
17.	Portage Avenue Portfolio LLC	Commercial Properties	74,637,257	0.13
18.	Thoits Bros. Inc.	Office Building	70,650,996	0.12
19.	PPC Forest Towers LLC	Apartments	68,092,817	0.12
20.	GPCA Owner LLC	Hotel	66,918,748	0.12
			$11,495,883,835	20.14%

[1] 2025-26 Local Secured Assessed Valuation: $57,074,308,385.
[2] Net taxable value.
Source: California Municipal Statistics, Inc.

Stanford University. The Leland Stanford Junior University ("Stanford") is the largest secured taxpayer in the District, representing approximately 16.09% of the District's total assessed valuation for fiscal year 2025-26. Founded in 1885, Stanford is one of a select group of universities that has achieved eminence in both undergraduate and graduate education and in a broad range of academic disciplines. It is internationally recognized for the quality of its teaching and research, its distinguished faculty and its outstanding student body. The main campus consists of 8,352 acres of land located near Palo Alto, California, which was given to the university under a founding grant on the condition that the lands subject to the grant may not be sold. For the fall 2024 quarter, Stanford enrolled 7,554 undergraduate and 9,333 graduate students. For additional information, see https://facts.stanford.edu/. However, information presented on such website is not incorporated herein by reference.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., dated as of October 1, 2025 for debt issued as of September 30, 2025. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report 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.

[REMAINDER OF PAGE LEFT BLANK]

STATEMENT OF DIRECT AND OVERLAPPING DEBT
Palo Alto Unified School District

2025-26 Assessed Valuation: $59,428,630,357

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 10/1/25
Santa Clara County	8.204%	$96,442,532
Foothill-DeAnza Community College District	23.184	159,779,099
Palo Alto Unified School District	**100.000**	**353,830,375**[1]
El Camino Hospital District	2.826	2,695,374
City of Palo Alto	98.674	42,207,804
Midpeninsula Open Space Park District	13.273	14,965,308
City of Palo Alto Parking 1915 Act Bonds	100.000	9,785,000
Santa Clara Valley Water District Benefit Assessment District	8.204	2,046,078
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$681,751,570
OVERLAPPING GENERAL FUND DEBT:		
Santa Clara County General Fund Obligations	8.204%	$82,025,637
Santa Clara County Pension Obligations	8.204	25,555,484
Santa Clara County Board of Education Certificates of Participation	8.204	990,397
City of Palo Alto General Fund Obligations	98.674	136,712,827
Midpeninsula Regional Open Space Park District General Fund Obligations	13.273	9,015,101
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$254,299,446
Less: Santa Clara County obligations supported by Medical Center and airport operating revenues		177,617
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$254,121,829
GROSS COMBINED TOTAL DEBT		$936,051,016[2]
NET COMBINED TOTAL DEBT		$935,873,399

Ratios to 2025-26 Assessed Valuation:

Direct Debt ($353,830,375)	**0.60%**
Total Direct and Overlapping Tax and Assessment Debt	1.15%
Gross Combined Total Debt	1.58%
Net Combined Total Debt	1.57%

(1) Excludes the Bonds.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax levied for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy property taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy* ad valorem *property taxes for payment of the Bonds. The tax levied for payment of the Bonds was approved by the voters of the District in compliance with Article XIIIA, Article XIIIC, and all applicable laws.*

Article XIIIA of the State Constitution

Article XIIIA limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—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, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment," and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on 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 fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIIIA to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

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 relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

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

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

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amended Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor, (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the

Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is a community funded district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the State Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines:

(a) "change in the cost of living" with respect to school districts to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

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

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the State Constitution

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

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

fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

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

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, is transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded

from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

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

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

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

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

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

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year

1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) approximately 40% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

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

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Jarvis vs. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Propositions 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "—Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, 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 ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the 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 ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA 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 community funded school districts and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable solely from *ad valorem* property 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.

2024 State School Facilities Bond

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (referred to herein as the "2024 State School Facilities Bond") was a ballot measure that was approved by State voters on November 5, 2024. The 2024 State School Facilities Bond authorizes the sale and issuance of $10 billion in State general obligation bonds for the repair, upgrade and construction of facilities at K-12 public schools, community colleges and career technical education programs, including the development of health and safety conditions.

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

Community College Facilities. The 2024 State School Facilities Bond includes $1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment.

The table below shows the expected use of bond funds under the 2024 State School Facilities Bond:

2024 STATE SCHOOL FACILITIES BOND
Use of Bond Funds
(In Millions)

K-12 Public School Facilities	
New construction	$3,300
Modernization	4,000
Career technical education facilities	600
Charter school facilities	600
Subtotal	$8,500
Community College Facilities	$1,500
Total	$10,000

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and Propositions 22, 26, 30, 39, 55, and 98 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. The nature and impact of these measures cannot be anticipated by the District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the State funding of public education and the District's finances 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 and interest on the Bonds is payable from the general fund of the District. The Bonds will be payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been

funded based on a uniform system of funding grants assigned to certain grade spans. See "—Local Control Funding Formula" herein.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the fiscal year 2013-14 State budget, established the current system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. The LCFF was implemented over a period of eight years, during which an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span, as of the first year of the LCFF's implementation, were as follows: (i) $6,845 for grade K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also "—State Budget Measures" herein for information on the adjusted Base Grants provided by State budgetary legislation.

The Base Grants for grades TK-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period.

The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten (TK) to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts that serve TK students will be eligible to receive an add-on equal to $2,813, multiplied by such district's second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants. For fiscal year 2025-26, the District has budgeted ADA of approximately 235.94 TK students. The LCFF also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency ("EL" students) and students from low income families that are eligible for free or reduced priced meals, including foster youth ("LI" students), are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that

students may not be counted as both EL and LI. AB 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2015-16 through 2024-25, and budgeted amounts for fiscal year 2025-26.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Palo Alto Unified School District
Fiscal Years 2015-16 through 2025-26

	Average Daily Attendance[1]					Enrollment[2]	
Fiscal Year	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment[3]
2015-16	3,315	2,930	1,914	3,765	11,923	12,485	16.53%
2016-17	3,188	2,855	1,994	3,769	11,806	12,287	16.96
2017-18	3,176	2,671	2,001	3,891	11,738	12,249	17.39
2018-19	3,082	2,542	1,915	4,019	11,557	11,992	17.93
2019-20	2,795	2,325	1,697	3,882	10,701	11,738	17.36
2020-21	2,795	2,325	1,697	3,882	10,701	10,752	16.86
2021-22	2,516	2,056	1,510	3,649	9,731	10,509	17.24
2022-23	2,613	2,091	1,501	3,534	9,738	10,318	18.04
2023-24	2,688	2,130	1,504	3,442	9,764	10,271	19.16
2024-25	2,695	2,108	1,506	3,378	9,687	10,209	21.29
2025-26[4]	2,768	2,074	1,484	3,323	9,648	10,107	21.29

(1) Except for fiscal year 2025-26, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four week period of instruction beginning with the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. Excludes charter school students.

(2) Except for fiscal year 2025-26, reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and is used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education. CALPADS figures exclude preschool and adult transitional students. Excludes charter school students.

(3) 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 total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students has been based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Since the District is projecting to be a community funded district, the District will report the actual EL/LI enrollment to CALPADS in each year instead of the rolling average discussed above. See "-Community Funded School Districts" herein.

(4) Budgeted.

Source: Palo Alto Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue

limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on was paid incrementally over the implementation period of the LCFF. The District did not qualify for the ERT add-on.

Prior to fiscal year 2022-23, the sum of a school district's adjusted Base, Supplemental and Concentration Grants was multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). The 2022-23 State budget amended the LCFF calculation to allow the sum of a school district's adjusted Base, Supplemental and Concentration Grants to be multiplied by such district's P-2 ADA for the current year, prior year or average of three prior years, whichever is greater. The funding amount generated by this calculation, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Community Funded Districts. Certain school districts, known as "community funded" districts (formerly known as "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive certain other non-LCFF State funding, which is deemed to satisfy the "basic aid" requirement guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District currently qualifies as a community funded district. For fiscal year 2024-25, the District's local property tax receipts exceeded the District's total LCFF allocation by $142,370,966 and the District has budgeted local property tax receipts will exceed the District's total LCFF allocation by $148,588,078 in fiscal year 2025-26.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs covering a three-year period were required to be adopted beginning in fiscal year 2014-15 and updated annually thereafter. The State Board of Education has adopted a template LCAP for school districts.

Support and Intervention. AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts in meeting the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of

receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Other Revenue Sources

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Federal and Local Sources. The federal government provides funding for several of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. 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, eliminate or merge governmental agencies and/or withhold Congressionally appropriated funds. In addition, school districts may receive additional local revenues beyond local property tax collections, such as leases and rentals, interest earnings, interagency services, parcel taxes, developer fees, redevelopment revenues, and other local sources.

Federal and State COVID-19 Relief Funding. The District has been awarded approximately $18.8 million in COVID-19-related relief funding, all of which has been spent. This funding includes (i) approximately $6.2 million in learning loss mitigation funding, (ii) approximately $500,000 from the Elementary and Secondary School Emergency Relief Fund ("ESSER I") funded by the CARES Act, (iii) approximately $1.1 million from ESSER ("ESSER II") funded by the Consolidated Appropriations Act, 2021 and (iv) approximately $2.6 million ESSER ("ESSER III") funded by the American Rescue Plan. The District has also received approximately $3.4 million of funding to reopen schools pursuant to AB 86.

Parcel Taxes. On November 3, 2020, more than two-thirds of the voters of the District approved a qualified special tax (usually referred to as a "parcel tax") of $836 per parcel per year, beginning on July 1, 2021, increasing annually by 2% per year, for six years. The parcel tax will expire on June 30, 2027. An exemption is provided to parcels owned and occupied by taxpayers aged 65 and older, upon proper application. Proceeds from the tax are authorized to be used to preserve excellence in academic programs, reduce class sizes, attract and retain qualified teachers, and health, well-being and equitable opportunities for every student within the District. For fiscal year 2024-25, the parcel tax was $887.18 per parcel and the district received approximately $16,070,441. in parcel tax revenues. For fiscal year 2025-26, the parcel tax is $904.92 per parcel and the District budgeted approximately $16,542,842 million in parcel tax revenues.

Foundation. The Palo Alto Partners in Education is a nonprofit public benefit corporation, providing financial support to the District. Palo Alto Partners in Education was formed solely to assist the District. The support is to supplement the resources available to the District through normal tax revenues and State funds. The foundation funds are unrestricted as to use. Foundation payments to the District for the fiscal years 2020-21 through 2024-25 were approximately $5.97 million, $5 million, $4.925 million, $5.1 million and $5 million, respectively. The District has budgeted approximately $4.9 million for fiscal year 2025-26. There is no guarantee that the foundation will continue to provide this supplemental financial support to the District in the future and expenses are not obligated until revenues are received.

Operating Lease Revenue. The District is leasing seven of its buildings to third-parties under non-cancellable lease agreements through fiscal year 2063. Lease payments to the District for the fiscal years 2020-21 through 2024-25 were approximately $6.45 million, $6.78 million, $6.84 million, $6.82 million and $6.59 million, respectively. The District has budgeted approximately $6.42 million for fiscal year 2025-26.

Budget Process

State Budgeting Requirements. The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will 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, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a local control and accountability plan, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

A school district whose budget has been disapproved must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the Superintendent of Public Instruction, and the president of the State board or the president's designee will appoint a trustee at the direction of the county superintendent to serve the school district until it has adequate fiscal systems

and controls in place. In connection with appointing such a trustee, some or all of the legislative powers of the governing board of such a school district can be suspended until the district achieves fiscal stability.

Within the past five years, the District has not received a negative or qualified certification for an interim financial report.

Budgeting Trends. The table on the following page shows the District's general fund adopted budgets for the years 2021-22 through 2025-26, general fund ending results for the fiscal years 2021-22 through 2023-24, and unaudited actual results for fiscal year 2024-25.

[REMAINDER OF PAGE LEFT BLANK]

GENERAL FUND BUDGETING[1]
Palo Alto Unified School District
Fiscal Years 2021-22 through 2025-26

	Fiscal Year 2021-22		Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26
REVENUES	**Budgeted[2]**	**Audited[2]**	**Budgeted[2]**	**Audited[2]**	**Budgeted[2]**	**Audited[2]**	**Budgeted[2]**	**Unaudited Actuals[3]**	**Budgeted[3]**
LCFF	$222,622,767	$233,716,447	$239,235,240	$249,382,658	$257,087,914	$263,330,984	$271,562,895	$275,204,138	$282,894,551
Federal Sources	--	4,379,959	6,837,877	6,982,279	5,400,794	5,478,782	3,704,440	3,783,680	3,756,604
Other State Sources	2,024,449	26,573,321	18,155,430	28,034,375	19,617,401	25,848,875	21,527,539	23,119,662	21,818,209
Other Local Sources	28,066,253	32,420,666	30,158,275	36,748,890	29,955,360	43,557,763	30,553,830	47,631,280	32,126,476
TOTAL REVENUES	252,713,469	297,090,393	294,386,822	321,148,202	312,061,469	338,216,404	327,348,704	349,738,760	340,595,840
EXPENDITURES									
Certificated Salaries	103,884,248	117,966,266	117,977,494	120,443,383	122,223,645	127,155,178	132,477,014	135,147,050	136,048,243
Classified Salaries	28,367,158	45,441,236	50,021,848	48,504,459	54,938,932	55,580,085	61,153,212	59,196,950	63,098,373
Employee Benefits	49,785,035	73,554,382	84,672,351	82,532,012	86,455,920	88,550,919	101,191,941	96,357,172	106,015,092
Books and Supplies	3,591,495	14,004,477	6,493,158	6,453,061	9,793,184	11,717,596	9,627,261	9,790,935	9,902,151
Services, Other Operating Expenses	15,631,409	29,293,223	31,178,488	31,074,512	33,785,477	33,498,540	31,624,404	36,743,497	35,453,253
Capital Outlay	213,140	717,214	(29,473)	2,358,037	315,952	565,479	1,921,000	2,545,339	1,901,000
Other Outgo	(173,153)	(110,202)	--	--	--	--	(124,594)	(111,488)	(133,188)
TOTAL EXPENDITURES	201,299,332	280,866,596	290,313,866	291,365,464	307,513,110	317,067,797	337,870,238	339,669,454	352,284,924
Excess (Deficiency) of Revenues Over Expenditures	51,414,137	16,223,797	4,072,956	29,782,738	4,548,359	21,148,607	(10,521,534)	10,069,305	(11,689,084)
OTHER FINANCING SOURCES (USES)									
Transfers In	101,000	101,458	98,000	27,347	22,050	39,606	30,000	32,435	64,200
Transfers Out[4]	(2,254,000)	(1,754,000)	(829,520)	(12,952,985)	(6,865,037)	(7,315,929)	(2,250,000)	(13,500,000)	(2,380,000)
Other uses	(48,544,820)	6,579	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	(50,697,820)	(1,645,963)	(731,520)	(12,925,638)	(6,842,987)	(7,276,323)	(2,220,000)	(13,467,565)	(2,315,800)
Net Change In Fund Balance	716,317	14,577,834	3,341,436	16,857,100	(2,294,628)	13,872,284	(12,741,534)	(3,398,260)	(14,004,884)
Beginning Balance, July 1	61,488,287	61,488,287	76,066,121	76,066,121	92,923,221	92,923,221	106,795,507[5]	106,795,507[6]	103,397,247
Fund Balance, June 30	$62,204,604	$76,066,121	$79,407,557	$92,923,221	$90,628,593	$106,795,505	$94,053,971	$103,397,247	$89,392,363

(1) Reflects restricted and unrestricted general fund.
(2) From the District's audited financial statements for fiscal years 2021-22 through 2023-24, respectively. Does not include the special reserve fund for capital outlay projects and the special reserve fund for postemployment benefits.
(3) From the District's Unaudited Actuals for fiscal year 2024-25 approved by the Board on August 19, 2025. Figures may not sum due to rounding.
(4) Primarily reflects transfers out to the deferred maintenance fund and child development fund.
(5) Revised to reflect audited beginning balance.
(6) Reflects an audit adjustment of $(1,080,106) due to outstanding accounts receivables being re-categorized as deferred inflows.

Source: Palo Alto Unified School District.

Comparative Financial Statements

The District's audited financial statements for the year ended June 30, 2024 are included for reference in APPENDIX B hereto. Audited financial statements for the District for the fiscal year ended June 30, 2024, and prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business Officer of the District, 25 Churchill Avenue, Palo Alto, California, 94306 Telephone: (650) 329-3980. The following table reflects the District's revenues, expenditures and fund balances for fiscal years 2019-20 to fiscal year 2023-24.

AUDITED STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
Palo Alto Unified School District
Fiscal Years 2019-20 through 2023-24

	Audited Actuals 2019-20	Audited Actuals 2020-21	Audited Actuals 2021-22	Audited Actuals 2022-23	Audited Actuals 2023-24
REVENUES:					
LCFF sources	$210,056,127	$225,713,434	$233,716,447	$249,382,658	$263,330,984
Federal sources	3,405,659	7,979,372	4,379,959	6,982,279	5,478,782
Other State sources	18,786,232	21,470,767	26,573,321	28,034,375	25,848,875
Other local sources	37,950,657	33,219,447	31,992,285	37,188,976	44,719,986
Total Revenues	270,198,675	288,383,020	296,662,012	321,588,288	339,378,627
EXPENDITURES:					
Instruction	174,470,428	178,336,185	187,295,630	189,230,313	203,792,881
Instruction-related activities:					
Supervision of instruction and administration	8,474,893	7,189,412	8,782,471	8,478,047	9,434,915
Instructional library, media and technology	2,361,453	2,524,765	2,840,102	2,742,604	3,101,757
School site administration	16,135,764	16,179,179	17,486,150	18,082,554	19,014,642
Pupil services:					
Home-to-school transportation	2,714,102	2,827,674	4,276,431	4,803,974	4,073,926
Food services	490,313	231,610	776,872	--	41,738
All other pupil services	15,453,616	15,887,522	17,145,886	18,852,870	23,104,829
General administration:					
Data processing	4,801,367	5,096,729	5,430,999	6,054,521	9,782,178
All other administration	9,743,405	10,920,962	10,011,830	11,448,071	12,597,316
Plant services	22,643,742	22,415,638	24,378,035	26,747,879	28,630,194
Facility acquisition and construction	26,709	--	--	--	--
Ancillary services	1,760,982	1,616,753	2,054,961	2,217,908	2,419,965
Community services	360,978	357,820	382,669	443,883	507,708
Other outgo	10,000	--	--	10,118	--
Capital outlay			4,560	2,252,722	565,748
Debt Service:					
Principal	--	--	--	--	--
Interest and other	389,900	814,237	--	--	--
Total Expenditures	259,837,652	264,398,486	280,866,596	291,365,464	317,067,797
Excess (Deficiency) of Revenue Over Expenditures	10,361,023	23,984,534	15,795,416	30,222,824	22,310,830
Other Financing Sources (Uses):					
Transfer in	64,940	24,873	21,458	27,347	39,606
Refunds from excess issuance costs	--	--	6,579	--	--
Transfer out[(1)]	(1,525,000)	(699,960)	(600,000)	(2,959,040)	(2,015,929)
Net Financing Sources Uses	(1,460,060)	(675,087)	(571,963)	(2,931,693)	(1,976,323)
Net Change in Fund Balance	8,900,963	23,309,447	15,223,453	27,291,131	20,334,507
Fund Balance at Beginning of Year	49,902,690	58,803,654	82,113,101	97,336,554	124,627,685
Fund Balance at End of Year	$58,803,653	$82,113,101	$97,336,554	$124,627,685	$144,962,192

[(1)] Primarily reflects transfers out to the deferred maintenance fund and child development fund.
Source: Palo Alto Unified School District.

Accounting Practices

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

State Budget Measures

The following information concerning the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied in an amount sufficient for the payment thereof.*

2025-26 State Budget. On June 27, 2025, the Governor signed the State budget for fiscal year 2025-26 (the "2025-26 State Budget"). The following is drawn from the DOF summary of the 2025-26 State Budget.

The 2025-26 State Budget reports that, since the release of the Governor's proposed State budget, the imposition of federal policy changes significantly slowed economic growth within the State. Most notably, broad-based tariffs blunted economic growth and drove a downgrade of the economic forecasts built into the May revision to the proposed State budget. Additionally, the State experienced substantial cost and caseload growth in several core State programs, most notably within Medi-Cal, which combined to create a State general fund shortfall of $11.8 billion. The 2025-26 State Budget notes that the budget does not reflect the impact of substantial cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The State continues to monitor the impacts of the federal spending cuts and may need to make adjustments to the 2025-26 State Budget as a result. The 2025-26 State Budget solves the projected $11.8 billion deficit through significant reductions in ongoing programs and a mix of other broad-based measures, including:

- *Reductions* – $2.8 billion in total reductions in fiscal year 2025-26, which grows to $11.9 billion by fiscal year 2028-29 through (i) an enrollment freeze for full-scope Medi-Cal expansion for undocumented adults ages 19 and older , (ii) a reduction in Medi-Cal premiums for adults 19-59 with unsatisfactory immigration status, (iii) altering the Medi-Cal asset test limit, (iv) an elimination of dental benefits for adults age 19 or older with unsatisfactory immigration status, (v) a reduction in prospective payment system payments to federally qualified health centers and rural health clinics , (vi) eliminating specialty drug coverage for weight loss, (vii) a reduction in pharmacy drug rebates and (viii) requiring provider mandates for quality incentive payment program eligibility.

- *Revenues/Borrowing* – $7.8 billion in additional revenues and borrowings through (i) $1.3 billion of support from the managed care tax approved in November of 2024 (Proposition 35) in fiscal year 2025-26 for Medi-Cal rate increases, as well as $263.7 million of such support in fiscal year 2026-27, (ii) a loan of $4.4 billion across the three-year budget window, including $1 billion for fiscal year 2025-26 from the medical providers interim payment fund loan, (iii) a loan of $150 million in fiscal year 2025-26 from the unfair competition law fund loan (iv) a loan of $400 million in fiscal year 2025-

26 from the labor and workforce development fund loan and (v) $1.5 billion in additional special fund and internal borrowing.

- *Fund Shifts* – $1.2 billion in total solutions for fiscal year 2025-26 primarily through shifting the costs for Cal Fire operations from the general fund to the greenhouse gas reduction fund. The 2025-26 State Budget estimates additional savings in shifting the costs to the greenhouse gas reduction fund of $1.3 billion in fiscal year 2026-27 and $500 million in both fiscal years 2027-28 and 2028-29.

For fiscal year 2024-25, the 2025-26 State Budget projects total general fund revenues and transfers of $226.7 billion and authorizes expenditures of $233.6 billion. The State is projected to end fiscal year 2024-25 with total reserves of approximately $35.9 billion, including $18.3 billion in the BSA, $455 million in the PSSSA and $17.1 billion in traditional general fund reserves. The State budget for fiscal year 2024-25 authorized BSA withdrawals of $5.1 billion in fiscal year 2024-25 and $7.1 billion in fiscal year 2025-26. The 2025-26 State Budget maintains the scheduled $7.1 billion withdrawal for fiscal year 2025-26. For fiscal year 2025-26, the 2025-26 State Budget projects total general fund revenues and transfers of $215.7 billion and authorizes expenditures of $228.4 billion. The State is projected to end fiscal year 2025-26 with total reserves of approximately $15.7 billion, including $4.5 billion in the traditional general fund reserve and $11.2 billion in the BSA. The PSSSA and the Safety Net Reserve are projected to have zero balances in fiscal year 2025-26.

The 2025-26 State Budget sets total funding in fiscal year 2025-26 for all TK-12 education programs at $137.6 billion, including $80.5 billion from the State general fund and $57.1 billion from other sources. The minimum funding guarantee in fiscal year 2025-26 is set at $114.6 billion. The 2025-26 State Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2023-24 and 2024-25, setting them at $98.5 billion and $119.9 billion, respectively. The revised general fund estimates resulted in notable adjustments to the minimum funding guarantee with an increase of approximately $3.9 billion from the State budget for fiscal year 2024-25 over the three-year period.

For fiscal year 2024-25, the 2025-26 State Budget appropriates $118 billion, instead of the currently calculated level of $119.9 billion, in order to mitigate the risk of potentially appropriating more resources to the minimum funding guarantee than are available in the final calculation for fiscal year 2024-25. The minimum funding level for fiscal year 2024-25 will not be finalized until that fiscal year is certified, which is a process that will occur throughout 2026. The 2025-26 State Budget projects that Test 1 will be in effect for fiscal year 2025-26. To accommodate enrollment increases related to the continued implementation of Universal Transitional Kindergarten and property tax backfills related to the January 2025 fires in the County of Los Angeles, the 2025-26 State Budget rebenches the Test 1 percentage, from approximately 39.2% to 39.6%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to TK-12 education funding include the following:

- *LCFF* – The 2025-26 State Budget includes an LCFF COLA of 2.3%. When combined with population growth adjustments, these result in an increase of roughly $2.1 billion in discretionary funds for local educational agencies, as compared to the level set in the prior State budget. As a result, the adjusted LCFF Base Grants for fiscal year 2025-26 are as follows: (i) $11,323 for grades TK-3, (ii) $10,411 for grades 4-6, (iii) $10,719 for grades 7 and 8, and (iv) $12,746 for grades 9-12. Additionally, the TK add on rate for fiscal year 2025-26 is $5,545. The 2025-26 State Budget authorizes a mandatory deposit of $455 million into the PSSSA in fiscal year 2024-25, of which the entirety is exhausted in fiscal year 2025-26, including $405.3 million to support LCFF costs.

- *Deferrals* – The 2025-26 State Budget reflects LCFF apportionment deferrals from 2024-25 to 2025-26 of approximately $246.6 million, and from 2025-26 to 2026-27 of approximately $1.9 billion.

- *Universal Transitional Kindergarten (TK)* – The 2025-26 State Budget provides $2.1 billion (inclusive of all prior years' investments) in ongoing Proposition 98 funding to support the full implementation of universal TK so that all children who turn 4 years old by September 1 of the school year can enroll in the 2025-26 school year. The 2025-26 State Budget also provides $1.2 billion ongoing Proposition 98 funding to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom. Additionally, the 2025-26 State Budget shifts $232.9 million of ongoing Proposition 98 funding for universal TK funding that was previously allocated to community college districts as a result of the Proposition 98 statutory split to the TK-12 side of the budget.

- *Before School, After School and Summer School* – $515.5 million in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program, which seeks to implement before, after and summer school instruction and enrichment for students in grades TK-6, by increasing the number of local education agencies that offer universal access to students with an unduplicated count of 75 percent to an unduplicated count of 55 percent. The 2025-26 State Budget includes an additional $10.4 million to increase the minimum grant amounts from $50,000 to $100,000 per local educational agency.

- *Literacy Instruction* – $480 million in one-time Proposition 98 funding for the support of the English Language Arts/English Language Development framework, which includes investments such as literacy coaches, reading specialists, trainings for educators, administering screenings and providing materials. The 2025-26 State Budget also provides $10 million in one-time Proposition 98 funding for the statewide use of English language proficiency screeners to support multilingual learners in TK.

- *Teacher Preparation and Professional Development* – $300 million in one-time Proposition 98 funding to establish the Student Teacher Stipend Program, which will provide $10,000 grants to qualifying teacher candidates, $70 million in one-time Proposition 98 funding for high-quality teacher residency programs and $30 million in one-time Proposition 98 funding to extend the timeline of existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.

- *State Preschool* – The 2025-26 State Budget provides $19.3 million Proposition 98 funding and $10.2 million non-Proposition 98 funding for the California State Preschool Program to augment provider rates, supporting the costs of care. The 2025-26 State Budget also provides authority to the Department of Education to take certain actions related to the California State Preschool program.

- *Learning Recovery Emergency Block Grant* – $378.6 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.

- *Universal School Meals Support Grant* – $145 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, training and procurement of sustainably grown food to support schools in providing more freshly prepared meals, $10 million in one-time Proposition 98 funding to recruit and retain school food service

workers and $5 million in one-time Proposition 98 funding for a study of ultra-processed foods offered in California school meals.

- *Special Olympics* – $30 million in one-time general funds, available over three years, for the Special Olympics of Northern and Southern California.

- *Mathematics Professional Learning Partnership* – $30 million in one-time Proposition 98 funding for the Mathematics Professional Learning Partnership and for the Kern County Superintendent of Schools to support educator training an mathematics coaching in local educational agencies, including expanding upon collaboration with the Rural Math Collective and training mathematics coaches who can be deployed in schools with the highest need of support.

- *Summer Electronic Benefits Transfer (SUN Bucks)* – $21.9 million in additional ongoing Proposition 98 funding to support the SUN Bucks program, which provides nutrition funding to eligible students during the summer months, to provide a match to an equal amount of federal funds to support the program.

- *Children and Youth Behavioral Health Initiative Grants* – $20 million in one-time Proposition 98 funding to support the implementation of the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

- *Secondary School Redesign Pilot Program* – $10 million in one-time Proposition 98 funding for the California Collaborative of Educational Excellence to administer a pilot program to redesign middle and high schools to better serve the needs of all students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.

- *TK Multilingual Learner Supplemental Funding* - $7.5 million in one-time Proposition 98 funding, available through fiscal year 2026-27, to mitigate reductions in potential LCFF apportionment to local educational agencies resulting from the exemption of TK students from the English language proficiency assessment.

For additional information regarding the 2025-26 State Budget, see the DOF website www.dof.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

Future Actions and Events. The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict 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 over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

PALO ALTO UNIFIED SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's operating budget are 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 and interest on the Bonds is payable from the general fund of the District. The Bonds will be payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District was established in 1893 and is located approximately 35 miles south of San Francisco in the County, in the heart of California's Silicon Valley. The District provides educational services to the City of Palo Alto, the Stanford University campus, and a portion of the town of Los Altos Hills. The District encompasses an area of approximately 45 square miles.

The District currently operates twelve elementary schools (grades K-5, with six offering transitional kindergarten), three middle schools (grades 6-8), three high schools (grades 9-12), an adult education program, a "Young Fives" program (a program for young kindergarten aged children and their parents) and an after school program (ELOP). The District is projected to be a community funded (previously known as "basic aid") district during the 2025-26 school year. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Community Funded Districts" herein for more information about community funded districts. For fiscal year 2025-26, the District has a budgeted ADA of 9,647 and enrollment of 10,107 students. Taxable property within the District has a fiscal year 2024-25 assessed valuation of $59,428,630,357.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Palo Alto Unified School District, Attention: Chief Business Officer.

Administration

The District is governed by a five-member Board of Education (the "Board"), with two non-voting student members. The voting members are each elected to a four-year term, and elections are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their term expires, are listed in the below table:

BOARD OF EDUCATION
Palo Alto Unified School District

Name	Office	Term Expires
Shana Segal	President	2026
Shounak Dharap	Vice President	2026
Rowena Chiu	Member	2028
Alison Kamhi	Member	2028
Josh Salcman	Member	2028

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Currently, Dr. Don Austin is the Superintendent of the District and Charen Yu is the Chief Business Officer of the District. Brief biographies of the Superintendent and the Chief Business Officer follow:

Dr. Don Austin, Superintendent. Dr. Don Austin joined the District as Superintendent in July 2018. Prior to joining the District, Dr. Austin served as Superintendent for Palos Verdes Peninsula Unified School District, Assistant Superintendent of Educational Services for Huntington Beach Union High School District, and Principal for Laguna Beach High School and La Sierra High School. Dr. Austin has a Bachelor's degree from Baker University and a Doctorate degree in Educational Leadership from Azusa Pacific University.

Charen Yu, Chief Business Officer. Charen Yu joined the District as Director of Fiscal Services in 2021 and was promoted to Chief Business Officer in July 2024. Ms. Yu brings a wealth of experience in school business and finance, having previously served as Director of Fiscal Services at both San Mateo–Foster City School District and Campbell Union High School District. In 2021, Ms. Yu was honored as Business Administrator of the Year by the Association of California School Administrators – Region 8. Ms. Yu holds a Bachelor's degree in Commerce, Banking, and Finance from Far Eastern University in the Philippines, along with multiple certifications in school business and finance from CASBO and FCMA.

Historical Enrollment

The student-teacher ratio in the District is 20:1 in grades TK; 19:1 in grade K; 22:1 in grade 1; 23:1 in grades 2--3, 24:1 in grades 4-5, 24:1 in grade 6 (English, Math, Science and Social Science), 24:1 in grades 7-10 (Math and English), and 28:1 in grades 6-12. The District has experienced declining enrollment. However, the District is a community funded district and is not currently funded under the LCFF. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Community Funded Districts" herein for more information about community funded districts.

The following table reflects the enrollment history for the District for the last 10 years, and a budgeted amount for fiscal year 2025-26.

HISTORICAL ENROLLMENT
Fiscal Years 2015-16 through 2025-26
Palo Alto Unified School District

Year	Enrollment[(1)]	Annual Change	Annual % Change
2015-16	12,485	--	--
2016-17	12,287	(198)	(1.59)%
2017-18	12,249	(38)	(0.31)
2018-19	11,992	(257)	(2.10)
2019-20	11,738	(254)	(2.12)
2020-21	10,752	(986)	(8.40)
2021-22	10,509	(243)	(2.26)
2022-23	10,318	(191)	(1.82)
2023-24	10,271	(47)	(0.46)
2024-25	10,209	(62)	(0.60)
2025-26[(2)]	10,107	(102)	(1.00)

(1) Except for fiscal year 2025-26, reflects CALPADS enrollment.
(2) Budgeted.
Source: Palo Alto Unified School District

Labor Relations

The District currently employs 774 full-time certificated employees, 95 part-time certificated employees, 331 full-time classified employees, and 496 part-time classified employees. These employees, except management and some part-time employees, are represented by the bargaining units as noted below:

LABOR RELATIONS
Palo Alto Unified School District

Labor Organization	Number of Employees in Organization	Contract Expiration Date
Palo Alto Educators Association	798	June 30, 2025[(1)]
California School Employees Association, Chapter #301	773	June 30, 2027

[(1)] Currently operating under the terms of the expired agreement.
Source: Palo Alto Unified School District.

Retirement Programs

The information set forth below regarding the District's retirement programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Municipal Advisor.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. Previously, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program increased significantly prior to the implementation of AB 1469 (defined below). In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS.

Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members ("PEPRA Members") hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees ("Classic Members") hired before the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2024, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2025, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

Pursuant to AB 1469, K-14 school districts' contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify

adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of $1.117 billion to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State's 2020-21 Budget redirected $2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and 16.92% in fiscal year 2021-22. The employer contribution rate was 19.1% in fiscal year 2022-23, 19.1% in fiscal year 2023-24, 19.1% in fiscal year 2024-25 and will be 19.1% in fiscal year 2025-26.

The District's contributions to STRS were $18,718,224 in fiscal year 2020-21, $19,533,149 in fiscal year 2021-22, $22,811,814 in fiscal year 2022-23, $23,881,684 in fiscal year 2023-24 and $25,625,448 (unaudited) in fiscal year 2024-25. The District has budgeted $26,416,001 for its contribution to STRS for fiscal year 2025-26.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2024-25 and 8.328% for fiscal year 2025-26. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the California Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2024 included 1,600 public agencies and 1,336 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated $904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, $144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, $430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and $330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. The employer contribution rate was 25.37% in fiscal year 2022-23, 26.68% in fiscal year 2023-24, 27.05% in fiscal year 2024-25, and will be 26.81% in fiscal year 2025-26. Classic Members contribute at a rate established by statute, which is 7% in fiscal year 2023-24, 7% in fiscal year 2024-25 and 7% in fiscal year 2025-26, while PEPRA Members contribute at an actuarially determined rate, which was 8% in both fiscal years 2023-24 and 2024-25. For the Schools Pool Actuarial Valuation as of June 30, 2024 (the "2024 PERS Actuarial Valuation"), the total normal cost did not change by more than 1% relative to the basis currently in effect, therefore the PEPRA Member contribution rate will remain 8% in fiscal year 2025-26. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS $8,340,903 in fiscal year 2020-21, $9,671,445 in fiscal year 2021-22, $11,742,344 in fiscal year 2022-23, $13,859,928 in fiscal year 2023-24 and $15,161,474 (unaudited) in fiscal year 2024-25. The District has budgeted $17,442,268 for its contribution to PERS for fiscal year 2025-26.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

[REMAINDER OF PAGE LEFT BLANK]

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [1]
Fiscal Years 2012-13 through 2023-24

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[2]	Unfunded Liability (MVA)[2]	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2012-13	$222,281	$157,176	$74,374	$148,614	$73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719
2021-22	346,089	283,340	85,803	257,537	88,552
2022-23	359,741	299,148	85,571	273,155	86,586
2023-24	380,507	321,910	85,532	291,838	88,669

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2012-13	$61,487	$49,482	$12,005	$56,250	$5,237
2013-14	65,600	56,838	8,761	--[4]	--[4]
2014-15	73,325	56,814	16,511	--[4]	--[4]
2015-16	77,544	55,785	21,759	--[4]	--[4]
2016-17	84,416	60,865	23,551	--[4]	--[4]
2017-18	92,071	64,846	27,225	--[4]	--[4]
2018-19[5]	99,528	68,177	31,351	--[4]	--[4]
2019-20[6]	104,062	71,400	32,662	--[4]	--[4]
2020-21	110,507	86,519	23,988	--[4]	--[4]
2021-22	116,982	79,386	37,596	--[4]	--[4]
2022-23	124,924	84,292	40,632	--[4]	--[4]
2023-24[7]	133,978	93,187	40,791	--[4]	--[4]

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

(3) Reflects actuarial value of assets.

(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

(5) For the fiscal year 2020-21 actuarially determined contribution, the additional $430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.

(6) For the fiscal year 2021-22 actuarially required contribution, the impact of the additional $330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

(7) On April 14, 2025, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2025-26 and released certain actuarial information to be incorporated into the 2024 PERS Actuarial Valuation to be released in the latter half of 2025.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the "2017 Experience Analysis"), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2007, through June 30, 2022) (the "2024 Experience Analysis"), on January 10, 2024, the STRS Board adopted a new set of actuarial assumptions that will be first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2023. The payroll growth assumption was decreased to 3.25% from 3.50% due to the projected need for fewer teachers due to projected declining enrollment in the State over the next 20 years, while the following actuarial assumptions remained unchanged since the CalSTRS Experience Analysis (spanning July 1, 2015 through July 1, 2018) (the "2020 Experience Analysis"): long-term investment return (7.0%), (ii) price inflation (2.75%), and (iii) wage growth (3.50%). Certain demographic assumptions were also updated, including changing the assumed life expectancy of STRS retirees to more closely reflect recent trends. The 2024 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2024 (the "2024 STRS Actuarial Valuation") reports that, based on an actuarial value of assets, the unfunded actuarial obligation increased by approximately $2.1 billion since the 2023 STRS Actuarial Valuation and the funded ratio increased by 0.8% to 76.7% over such time period. This increase in unfunded actuarial obligation was primarily due to salary increases that exceeded those assumed in the valuation, which resulted in a larger-than expected increase in the actuarial obligation. The funded ratio continued to increase primarily due to the required contributions made by employers and the State in fiscal year 2023-24 to eliminate their share of the unfunded actuarial obligation by 2046. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the "Unallocated UAO"). There was a decrease in the surplus (a negative unfunded actuarial obligation) for the Unallocated UAO from $356 million as of June 30, 2023 to $140 million as of June 30, 2024.

According to the 2024 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2043 of 100.7%. This finding assumes adjustments to contribution rates in line with the funding plan and STRS Board policies, the future recognition of the currently deferred asset gains, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

On November 7, 2024, STRS released its 2024 Review of Funding Levels and Risks (the "STRS 2024 Review of Funding Levels and Risks"), which is based on the 2023 STRS Actuarial Valuation. The STRS 2024 Review of Funding Levels and Risks notes that funding projections have improved slightly since the completion of the June 30, 2023 actuarial valuation that was presented to the Board in May 2024 in part due to the 8.4% investment return earned by STRS in fiscal year 2023-24 and an increase of 9,000 active members, which contributed to an 8% increase in the payroll of active members.

The key results and findings noted in the STRS 2024 Review of Funding Levels and Risks were that (i) current contribution rates for the State and employers are still projected to be sufficient to allow both the State and the employers to eliminate their share of the STRS unfunded actuarial obligation by 2046; contribution rate increases are not expected to be needed for fiscal year 2025-26, (ii) The State remains well ahead of schedule to eliminate its share of the STRS unfunded actuarial obligation (currently projected to be eliminated in 2027), (iii) the largest risk facing STRS' ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system's sensitivity to investment experience, (iv) the risk that a negative investment return might impact STRS ability to reach full funding is expected to increase once the State fully eliminates its share of STRS unfunded actuarial obligation because of a trigger that will require the State contribution rate to immediately drop to 2.017% potentially limiting STRS ability to react to changing conditions, because once this occurs, the STRS Board would only be able to raise the State contribution rate by 0.5% each year, taking 12 years to simply return to the State contribution rate in place in the prior fiscal year potentially resulting in a situation where the State can no longer eliminate its share of the unfunded liability by 2046, and (v) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term; uncertain investment markets and a potential decline in the number of teachers could put pressure on STRS ability to meet some of its long-term assumptions and impact its ability to reach full funding.

The STRS 2024 Review of Funding Levels and Risks notes highlighted risks associated with longevity, the size of active membership and investments. The STRS 2024 review of Funding Levels and Risks notes that, overall, STRS experienced greater mortality than projected under previous assumptions, but it remains uncertain whether the pandemic will continue to impact mortality in the long term. In January 2024 the STRS Board adopted new mortality assumptions that were slightly lower than the data indicated, essentially not fully reflecting the impact of the pandemic. In January of 2024, the STRS Board also adopted a change to the rate at which the payroll is assumed to increase, from 3.5% to 3.25%, which reflects STRS assumption that the population of active teachers will decline slowly over time (approximately 5% through 2046). The STRS 2024 Review of Funding Levels and Risks notes that if the active membership declines and the payroll fails to grow as assumed, STRS ability to make progress toward full funding could be at risk. Retirements from active teachers are expected to increase significantly over the next 10 years. Although an increase in retirements does not necessarily impact long term funding, if school districts do not replace teachers who retire in the future, that could result in a reduction in the overall number of teachers and impact STRS ability to reach full funding by 2046. With the anticipated decline in the number of children enrolled in K-12 public schools, the risk that the number of teachers may go down in the future is real and was one of the considerations when the STRS Board lowered the payroll growth assumption. California experienced a significant decline in enrollment in both K-12 public schools and community colleges starting in 2020-21. Total enrollment in K-12 public schools dropped by approximately 310,000, or a 5% reduction, between 2019-20 and 2022-23, while the number of students enrolled at community colleges dropped by 310,000, or a 20% reduction, before increasing by approximately 30,000 in the fall of 2022. In October 2023, the State updated its projection of K-12 enrollments, with the most recent projection anticipating a decline of approximately 11% over the next 10 years and 15% over the next 20 years. If the anticipated reduction in enrolment results in a need for fewer teachers in California, it would impact the number of active teachers who participate in the STRS Defined Benefit Program and ultimately the growth in payroll. One countervailing force that could potentially offset some of the factors listed above would be the reduction of class sizes. The STRS 2024 Review of Funding Levels and Risks notes that investment volatility and the risk that STRS may not be able to meet its assumed investment return over the long-term remains the greatest risk facing STRS today. The combination of a maturing system and the decreasing timeframe of the funding plan only serves to increase this risk. STRS 2024 Review of Funding Levels and Risks notes that (i) when investment returns are below expectations, the unfunded actuarial obligation increases, requiring additional contributions to bridge the gap, however, the funding plan provides the board limited authority to increase contribution rates for both the State and employers; (ii) the State bears the greatest risk when it

comes to investment volatility due to rules set in the funding plan that allocate the largest share of the assets to the state which results in its share of the unfunded actuarial obligation being the most sensitive to investment volatility; (iii) the STRS Board has authority to increase the State's contribution by a maximum of 0.5% of payroll each year with no limit on the maximum rate; however the State contribution rate will be reduced to 2.017% of payroll once the State has eliminated its share of the unfunded liability, and (iv) since the funding plan expires in 2046, after which the STRS Board's authority to adjust contribution rates terminates, the time period over which to fund an existing and new unfunded actuarial obligation is declining each year.

On July 30, 2025, STRS reported a net return on investments of 8.5% for fiscal year 2024-25, ending with the total fund value of $367.7 billion as of June 30, 2025. The 2024-25 return keeps STRS on track long term, as the 5-,10-, 20-, and 30-year returns, including the 9.4% 5-year return, all surpass the actuarial assumption of 7.0%, despite inflation, rising interest rates and geopolitical uncertainty. In its news release reporting the fiscal year 2024-25 investment return, STRS noted that it is ahead of schedule in reaching full funding by 2046.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points (revised to two percentage points in 2017). On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%. On April 15, 2024, the PERS Board removed the automatic mechanism to reduce the discount rate and added a provision to the Funding Risk Mitigation Policy to bring an agenda item to the PERS Board for discussion if a funding risk mitigation event occurs.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in

the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the "2021 Experience Study"), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions were incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and first impacted contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund's investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation took effect July 1, 2022 and impacted contribution rates for employers and PEPRA employees beginning in fiscal year 2022-23.

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the "2024 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%, which can affect liability measures and investment returns in several ways and which can be difficult to quantify. The most direct impact of high inflation is that retirees can receive higher than expected cost-of-living adjustments and active employees can receive higher than expected salary increases, which could increase actuarial losses in the future. The 2024 PERS Funding Levels and Risk report concludes that, as of June 30, 2023, the PERS Retirement System had experienced a couple of years of investment

returns below the expected return of 6.8%, and actuarial losses primarily due to high inflation which resulted in unexpected cost of living adjustments for retires and higher than expected member pay increases, which resulted in increased employer contributions along with further increases forecasted for the near future. Despite the strong investment return for the fiscal year ending June 30, 2024, the 2024 PERS Funding Levels and Risk Report notes that employer contributions are currently at relatively high levels due to large amounts of unfunded accrued liability and uncertainty within the economy suggests possible economic turmoil in the near future. The 2024 PERS Funding Levels and Risk Report concludes that the ability of employers to continue making required contributions to the system is the area of greatest concern.

On April 14, 2025, the PERS Board established the employer contribution rates for fiscal year 2025-26 and released information from the 2024 PERS Actuarial Valuation, ahead of its release date in the latter half of 2025. From June 30, 2023 to June 30, 2024, the funded status of the Schools Pool increased by 2.1% (from 67.5% to 69.6%) and the unfunded accrued liability increased by approximately $0.2 billion. The chief drivers of improvement were incoming contributions and investment return greater than expected, which were partially offset by greater-than-expected salary increases. Based on the June 30, 2024 assets as described in PERS Annual Comprehensive Financial Report, the money weighted investment return for fiscal year 2023-24 was 9.5%, generating an actuarial investment gain of $2.2 billion, which will be amortized over 20 years with a five-year ramp, decreasing the employer contribution rate in fiscal year 2025-26 by 0.23% of pay. Due to the 5-year ramp, this impact will escalate each year until it reaches an estimated reduction of 1.05% of pay in fiscal year 2029-30. Non-investment experience during fiscal year 2023-24, which includes both demographic experience and economic experience other than from investments, produced an actuarial loss of $2.8 billion, which will be amortized over 20 years, increasing the employer contribution rate by 1.12% in fiscal year 2025-26. Combined with a 0.21% decrease of the employer normal cost rate, the net effect of non-investment experience is an increase of 0.91% in the employer rate. The most significant source of non-investment experience was salary increase for active members, which generated an actuarial experience loss. The average salary increase was 9.7% for members actively employed during the entire year ending June 30, 2024. Total payroll in fiscal year 2023-24 increased by 12.6% over the prior year, compared with 2.8% expected. This change, driven by a combination of active headcount growth and salary increases, served to reduce the employer contribution rate for fiscal year 2025-26 by 1.58% of pay as the dollar amount of the unfunded liability contribution is divided by a larger payroll number.

Assuming all actuarial assumptions are realized, including an assumed investment return of 6.80%, and no changes to assumptions, methods or benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from Classic Members to PEPRA Members, the projected contribution rate for fiscal year 2026-27 is 26.9%, 27.8% in fiscal year 2027-28, 27.4% in fiscal year 2028-29, 27.0% in fiscal year 2029-30, and 26.2% in fiscal year 2030-31. The actual investment return for fiscal year 2024-25 was not known at the time these projections were made. The projections above assume the investment return for that year will be 6.8%. If the actual investment return differs from 6.80%, the actual contribution requirements for the projected years will differ from those shown above.

On July 14, 2025, PERS reported a preliminary net return on investment of 11.6% for PERF for the 12-month period ending June 30, 2025, bringing the PERF total assets under management to approximately $556.2 billion. Preliminary total fund annualized returns for the five-year period ending June 30, 2025, stood at 8%; the 10-year period at 7.1%; the 20-year period at 6.7%; and the 30-year period at 7.6%. The ending value of the PERF for fiscal year 2024-25 will be based on additional factors beyond investment returns, including employer and employee contributions, monthly payments to retirees, and various investment fees. PERS will review the portfolio's performance in the subsequent few months to determine the final fiscal year returns for 2024-25. Once finalized, the fiscal year-end

market value of PERS' assets is used to set contribution rates for the State and school districts in the 2026-27 fiscal year.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled 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. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS 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 (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2024, the District reported its proportionate shares of the net pension liabilities for the STRS and PERS programs to be $148,721,939 and $97,418,750, respectively. See also "APPENDIX B – 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

Other Post-Employment Benefits

Plan Description. The District's Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The District contributes toward post-retirement benefits for employees who retire after meeting certain age and service requirements. Certificated and management employees are eligible upon retiring after age 55 with at least 20 years of service. Classified, confidential and supervisory employees are eligible upon retiring after age 55 with at least 10 years of service. Employees hired after May 31, 2009 are not eligible, and the Plan is closed to new entrants. The Plan provides medical, dental, vision and life insurance benefits to eligible employees and their spouses. As of June 30, 2024, membership of the Plan consists of 34 retirees and beneficiaries currently receiving benefits and 358 active Plan members.

Funding Policy. The District currently finances the Benefits on a "pay-as-you-go" basis to cover the cost of insurance premiums for current retirees. For fiscal years 2020-21 through 2024-25, the District contributed $312,478, $342,565, $570,124, $621,464 and $668,051, respectively, to the Plan. For fiscal year 2025-26, the District has budgeted a contribution of $660,000 to the Plan.

The District established an irrevocable trust through the California Employers' Retiree Benefit Trust (the "CERBT Trust") in June 2023, which had a balance of $17.9 million as of August 14, 2025. The District plans to make annual contributions of $5 million to the CERBT trust until the OPEB liabilities are fully funded.

In addition, the District holds $16 million in Fund 20 for OPEB prefunding as of June 30, 2025. However, the moneys in Fund 20 have not been irrevocably pledged towards the District's liability and may be accessed by the District upon Board action.

Accrued Liability. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The most recent actuarial study, dated August 10, 2025 (the "Study"), concluded that, as of a June 30, 2024 valuation date, the Total OPEB Liability (the "TOL") with respect to such Benefits, was $21,116,605, the fiduciary net position (the "FNP") was $11,013,086 and the Net OPEB Liability (the "NOL") was $12,103,518. For more information regarding the District's other post-employment benefit liability, see "APPENDIX B – 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB Statement No. 74 replaces GASB Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post-employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the NOL, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future FNP is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

Supplementary Retirement Plans

During the 2020-21 and 2024-25 fiscal years, the District entered into a Supplementary Retirement Plans (the "SRP") for eligible employees through Public Agency Retirement Services (PARS). The incentives were financed over five years and expire in 2025 and 2030, respectively. The outstanding principal balance remaining as of June 30, 2025 is as follows:

Fiscal Year	Total Payments
2026	$941,123.10
2027	358,368.69
2028	358,368.69
2029	358,368.69
2030	358,368.69
Total	$6,139,090.26

Risk Management

Property and Liability. The District is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, natural disasters, claims of sexual abuse and molestation and employment liability. The District is a member of Northern California Relief ("NCR") for property and liability insurance coverage. NCR provides coverage for liabilities exceeding $50,000 with a limit of $75 Million per occurrence, this is the broadest coverage and highest liability limit for schools in the State of California. Settled claims have not exceeded this commercial coverage in any of the past three years. Over the past year, NCR has broadened coverages by increasing cyber liability coverage and adding active assailant coverage to best protect the District, the Board, employee's and students.

Employee Medical Benefits. The District has purchased health insurance for its employees with rates that are set through an annual calculation process by the health plan providers. The District pays the health plan provider a monthly premium.

Workers' Compensation. The District is a member in the Protected Insurance Program for Schools ("PIPS"). PIPS is a self-insurance program that integrates risk transfer to reinsurers and risk retention by its members. This unique structure provides catastrophic protection to the District in excess of the 99% actuarially determined probability level. PIPS is the largest workers compensation Joint Powers Authority in the United States for schools and colleges. PIPS' membership includes over 400 schools and community college districts in the State of California. The District pays a premium and has no member retained limit.

Claims Liabilities. The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities. The Self-Insurance Fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses.

See also "APPENDIX B – 2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10" attached hereto.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

To date, the District has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity systems that are in place. However, no assurance can be given that the District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Paying Agent or the County or any Dissemination Agent engaged by the District in connection with compliance by the District with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the Bonds, e.g., systems related to the timeliness of payments on the Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Certificate. Additionally, the District carries cybersecurity insurance.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt other than OPEB and pensions for the year ended June 30, 2024 is shown below:

Government Activities	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
General Obligation Bonds	$538,895,140	$8,304,652	$(41,105,000)	$506,094,792
Unamortized premiums	13,150,824	--	(1,025,347)	12,125,477
Compensated Absences	1,059,096	282,372	(193,463)	1,148,005
Claims Liability	660,213	--	(175,772)	484,441
TOTAL	$553,765,273	$8,587,024	$(42,499,582)	$519,852,715

Source: 2023-24 Audited Financials of the District.

[REMAINDER OF PAGE LEFT BLANK]

General Obligation Bonds. The District has outstanding general obligation bonds pursuant to two voter-approved authorizations. The District's general obligation bonds are payable solely from *ad valorem* property taxes levied within the District, which taxes are unlimited as to rate or amount. The District's general fund is not a source of repayment for the District's general obligation bonds. The following table summarizes the prior outstanding general obligation bond issuances by the District (not including the Bonds).

Issuance	Initial Principal Amount	Principal Outstanding[(1)]	Date of Delivery
General Obligation Bonds (Election of 2008, Series 2008)	$119,999,248.80	$53,380,374.90	September 11, 2008
Federally Taxable General Obligation Bonds (Election of 2008, Series 2010) (Qualified School Construction Bonds)	25,000,000.00	12,850,000.00	July 23, 2010
General Obligation Bonds (Election of 2008), Series 2013	70,000,000.00	41,845,000.00	March 20, 2013
General Obligation Bonds (Election of 2008), Series 2014	40,000,000.00	9,845,000.00	June 4, 2014
General Obligation Bonds (Election of 2008), Series 2016	45,000,000.00	17,500,000.00	May 26, 2016
General Obligation Bonds (Election of 2008), Series 2018	40,000,000.00	15,000,000.00	June 7, 2018
General Obligation Bonds (Election of 2018), Series 2019	30,000,000.00	10,600,000.00	July 25, 2019
General Obligation Bonds (Election of 2008), Series 2022	38,000,000.00	20,665,000.00	April 12, 2022
General Obligation Bonds (Election of 2018), Series 2022	240,000,000.00	172,145,000.00	April 12, 2022
Total:	$647,999,248.80	$353,830,374.90	

(1) As of September 15, 2025.

Source: Palo Alto Unified School District.

The table on the following page shows combined debt service schedule with respect to the total outstanding general obligation debt of the District, including the Bonds (and assuming no optional redemptions).

[REMAINDER OF PAGE LEFT BLANK]

PALO ALTO UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds – Aggregate Debt Service

Period Ending (August 1)	Election of 2008, Series 2008	Election of 2008, Series 2010[(1)]	Election of 2008, Series 2013	Election of 2008, Series 2014	Election of 2008, Series 2016	Election of 2008, Series 2018	Election of 2018, Series 2019	Election of 2008, Series 2022	Election of 2018, Series 2022	The Bonds	Aggregate Total Debt Service
2026	$18,890,000.00	$6,578,267.00	$1,364,288.00	$300,125.00	$468,625.00	$998,750.00	$287,125.00	$4,842,100.00	$5,524,362.50		
2027	19,175,000.00	7,436,806.00	1,364,288.00	300,125.00	468,625.00	973,750.00	287,125.00	4,825,350.00	5,524,362.50		
2028	20,500,000.00	-	2,764,288.00	1,575,125.00	468,625.00	953,750.00	287,125.00	9,344,600.00	5,524,362.50		
2029	20,500,000.00	-	2,972,288.00	1,731,875.00	468,625.00	941,250.00	287,125.00	3,926,000.00	5,524,362.50		
2030	21,500,000.00	-	3,022,788.00	1,777,775.00	2,968,625.00	928,750.00	287,125.00	-	5,524,362.50		
2031	22,000,000.00	-	3,270,288.00	1,920,975.00	2,815,500.00	913,750.00	1,137,125.00	-	13,564,362.50		
2032	23,000,000.00	-	3,458,788.00	1,998,475.00	2,561,500.00	898,750.00	1,220,125.00	-	14,527,362.50		
2033	21,825,000.00	-	4,159,788.00	1,972,075.00	2,562,000.00	883,750.00	1,249,938.00	-	15,121,162.50		
2034	-	-	9,760,013.00	-	4,944,500.00	1,368,750.00	1,277,438.00	-	15,739,912.50		
2035	-	-	10,679,988.00	-	3,553,500.00	1,336,250.00	1,352,500.00	-	16,355,762.50		
2036	-	-	11,260,800.00	-	-	1,303,750.00	1,418,000.00	-	17,002,962.50		
2037	-	-	-	-	-	4,270,000.00	1,480,500.00	-	17,679,712.50		
2038	-	-	-	-	-	4,135,000.00	1,540,000.00	-	18,384,212.50		
2039	-	-	-	-	-	-	1,596,500.00	-	19,124,662.50		
2040	-	-	-	-	-	-	-	-	20,828,962.50		
2041	-	-	-	-	-	-	-	-	21,662,112.50		
2042	-	-	-	-	-	-	-	-	22,477,525.00		
Total	$167,390,000.00	$14,015,073.00	$54,077,605.00	$11,576,550.00	$21,280,125.00	$19,906,250.00	$13,707,751.00	$22,938,050.00	$240,090,525.00		

(1) The Election of 2008, Series 2010 were designated as "Qualified School Construction Bonds" pursuant to an irrevocable election by the District to have Section 54F and Section 6431 of the Code, as amended by the Hiring Incentives to Restore Employment Act of 2010, apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to substantially all of the interest payable on such bonds on or about each semi-annual interest payment date (the "Subsidy Payments"). The Subsidy Payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The Subsidy Payments are subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the subsidy payments by 5.7% through September 30, 2030. In addition, the Statutory Pay-As-You-Go Act of 2010 could result in further sequestration ("PAYGO Sequestration") of subsidy payments under rules that provide for an across-the-board sequester of non-exempt mandatory spending programs if lawmakers enact net deficit-increasing legislation. Due to the federal deficit increase resulting from the American Rescue Plan Act of 2021, the Congressional Budget Office estimated that, without action by Congress to waive or postpone such reductions, these interest subsidy payments could be subject to elimination entirely for a period. A provision in the Consolidated Appropriations Act, 2023, which was signed into law on December 29, 2022, temporarily avoided PAYGO Sequestration by shifting certain sequestration totals from the federal fiscal year 2023 and 2024 scorecards to the federal fiscal year 2025 scorecard. The District cannot predict whether or how subsequent sequestration actions may affect the Subsidy Payment currently scheduled for receipt. The County will deposit any cash Subsidy Payments received into the debt service fund for such bonds.

Source: Palo Alto Unified School District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar Bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely

affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, 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 school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

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 automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, 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, as long as the bankruptcy court determines that the alterations are fair and equitable. 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. Moreover, 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.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property 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* property tax revenues 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. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance 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* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

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 investment pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and in "APPENDIX F – SANTA CLARA COUNTY INVESTMENT POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County 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. Further, should those 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 the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the Financial Code, 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 depositors, and under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District has covenanted for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2024-25 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. Within the past five years, the District has not failed to file in a timely manner annual reports or notices of listed events as required by its prior undertaking entered into pursuant to the Rule.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Rating

The Bonds have been assigned a rating of "AAA" with a stable outlook by S&P. The rating reflects only the view of the rating agency, and any explanation of the significance of such rating should be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement), and on independent investigations, studies and assumptions by such rating agencies.

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

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2024, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report of Eide Bailly LLP (the "Auditor") dated December 14, 2024, are attached to this Official Statement as APPENDIX B. In connection with the inclusion herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

Pursuant to the terms of a Notice Inviting Proposals for Purchase of the Bonds (the "Notice Inviting Proposals," the Bonds were awarded to _____, as underwriter therefor (the "Underwriter"), at a True Interest Cost of ___%. The Underwriter will purchase all of the Bonds for a purchase price of $_____ (which is equal to the principal amount of the Bonds of $_____, plus [net] original issue premium of $_____, and less $_____ of underwriting discount).

The Notice Inviting Proposals provides that the Underwriter will purchase all of the Bonds, if any are purchased. The initial offering prices stated on the inside cover pages of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than such initial offering prices.

Additional Information

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 Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only 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, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

PALO ALTO UNIFIED SCHOOL DISTRICT

By _____

Dr. Don Austin
Superintendent

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

_____, 2025

Board of Education
Palo Alto Unified School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $_____ Palo Alto Unified School District (Santa Clara County, California) General Obligation Bonds (Election of 2018), Series 2025 (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Government Code Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (the "Act"), commencing with Section 53506 et seq., a fifty-five percent vote of the qualified electors of the Palo Alto Unified School District (the "District") voting at an election held on November 6, 2018, and a resolution of the Board of Education of the District adopted on August 19, 2025 (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent the redemption price at

maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2023-24 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

[THIS PAGE INTENTIONALLY LEFT BLANK]

Financial Statements
June 30, 2024

Palo Alto Unified School District

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Government Wide Financial Statements

Statement of Net Position 17
Statement of Activities 18

Government Fund Financial Statements

Balance Sheet – Governmental Funds 19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 23

Proprietary Fund Financial Statements

Statement of Net Position – Proprietary Fund 25
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund 26
Statement of Cash Flows – Proprietary Fund 27

Fiduciary Fund Financial Statements

Statement of Net Position – Fiduciary Fund 28
Statement of Changes in Net Position – Fiduciary Fund 29

Notes to Financial Statements 30

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 68
Schedule of Changes in the District's Net OPEB Liability and Related Ratios 69
Schedule of the District's Contributions for OPEB 70
Schedule of the District's Proportionate Share of the Net Pension Liability 71
Schedule of the District's Contributions 72
Note to Required Supplementary Information 73
Note to Required Supplementary Information 74

Supplementary Information

Schedule of Expenditures of Federal Awards 75
Schedule of Average Daily Attendance 76
Schedule of Instructional Time 77
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements 78
Schedule of Financial Trends and Analysis 79
Combining Balance Sheet – Nonmajor Governmental Funds 80
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Nonmajor Governmental Funds 81
Note to Supplementary Information 82

Other Information

Local Education Agency Organization Structure (Unaudited) 84

Independent Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 85

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance 87

Independent Auditor's Report on State Compliance 90

Schedule of Findings and Questioned Costs

Summary of Auditor's Results 94
Financial Statement Findings 95
Federal Awards Findings and Questioned Costs 96
State Compliance Findings and Questioned Costs 97
Summary Schedule of Prior Audit Findings 98

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Governing Board
Palo Alto Unified School District
Palo Alto, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

What inspires you, inspires us. | eidebailly.com

4040 Campbell Ave., Ste. 200 | Menlo Park, CA 94025-1053 | T 650.522.3400 | F 650.645.7393 | EOE

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining schedules of the nonmajor governmental funds, Schedule of average daily attendance, schedule of instructional time, reconciliation of the unaudited actuals to the audited financial statements, and schedule of financial trends and analysis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining schedules of the nonmajor governmental funds, Schedule of average daily attendance, schedule of instructional time, reconciliation of the unaudited actuals to the audited financial statements, and schedule of financial trends and analysis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
December 14, 2024

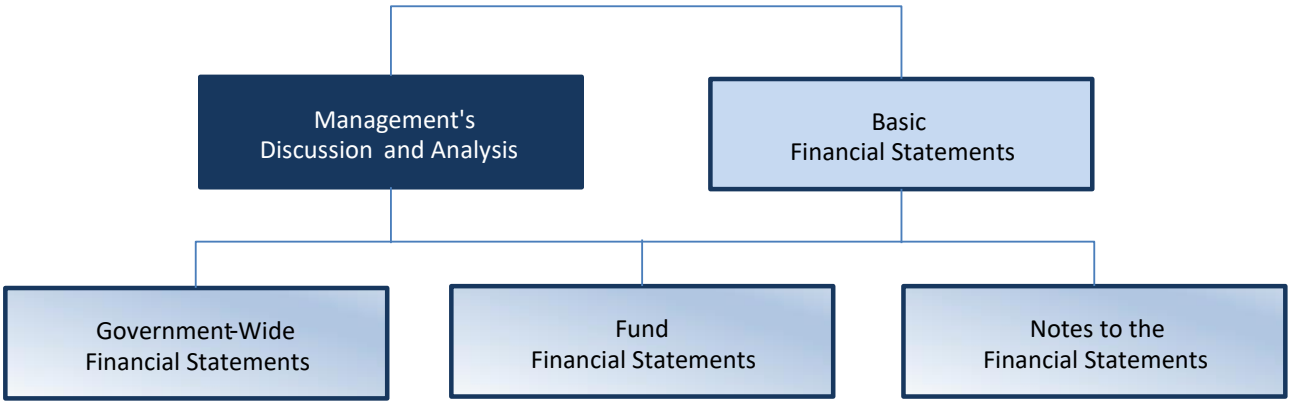
Management's Discussion and Analysis
June 30, 2024

Introduction

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District' s financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2024 were as follows:

- Total net position increased by $53.05 million (55.5%) from June 30, 2023 to June 30, 2024, which was mainly due to reduction in long term liabilities, changes in the CalPERS and CalSTRS net pension liabilities.

The District recorded deferred outflows of resources of $79.67 million, an increase of 6.32%, and deferred inflows of resources of $100.45 million, a decrease of 12.55%, as required by governmental accounting standards for pensions, other postemployment benefits and leases. The significant decrease in the deferred inflows of resources is mainly due to changes from amounts related to pension. Deferred outflows of resources are not assets but increase the Statement of Net Position similarly to an asset and deferred inflows of resources are not liabilities but decrease the Statement of Net Position similarly to liabilities.

- The District had $370.67 million in government-wide expenses which is 87.47% of total government-wide revenues versus 82.15% in the prior year. Program specific revenues in the form of operating grants and contributions and charges for services accounted for $45.86 million, or 11% of the total revenues of $423.75 million.
- General revenue of $377.89 million which includes property taxes, unrestricted federal and state grants and LCFF sources, was 89.18% of total revenues in 2024 versus 86.99% in 2023.
- The fund balances of all governmental funds decreased by $54.08 million, which is an -12.78% decrease from 2023.
- Total governmental fund revenues and expenditures totaled $421.4 million and $475.4 million, respectively for the fiscal year ended 2024.

Using the Annual Report

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statement and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund financial statements also look at the District's most significant funds with all other-nonmajor funds presented in total in one column. The basic financial statements also include notes that explain some of the information on the financial statements and provide more detailed data.

Overview of the Financial Statements

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

- 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.

- Individual parts of the District, which are reported as fund financial statements focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

- Notes to the financial statements, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

Government-Wide Financial Statements – Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2023-2024?". The Statement of Net Position and the Statement of Net Activities answer this question. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins with the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District's uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds were the General Fund, Building Fund, and Bond Interest and Redemption Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting.

Proprietary Funds

When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. We use internal service funds (a component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities – such as the District's Self-Insurance Fund. The internal service fund is reported with governmental activities in the government-wide financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

The District as A Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2024 as compared to June 30, 2023.

Table 1 - Summary of Statement of Net Position

(Amounts in millions)	2024	2023	Change	Percentage Change
Assets				
Current and other assets	$ 484.51	$ 536.00	$ (51.49)	-9.61%
Capital assets	511.66	446.70	64.96	14.54%
Total Assets	**996.18**	**982.70**	**13.48**	**1.37%**
Total Deferred Outflows of Resources	**79.67**	**74.93**	**4.74**	**6.32%**
Liabilities				
Current liabilities	45.10	37.78	7.32	19.36%
Long-term liabilities	781.64	809.37	(27.73)	-3.43%
Total Liabilities	**826.73**	**847.15**	**(20.42)**	**-2.41%**
Total Deferred Inflows of Resources	**100.45**	**114.87**	**(14.42)**	**-12.55%**
Net Position				
Net investment in capital assets	236.93	229.94	6.99	3.04%
Restricted	39.63	43.27	(3.64)	-8.40%
Unrestricted: excluding pension activities	70.48	23.07	47.41	205.51%
Unrestricted: related to pension activities	(198.39)	(200.67)	2.28	1.14%
Total Net Position	**$ 148.66**	**$ 95.61**	**$ 53.05**	**55.48%**

The District's net position was a surplus of $148.66 million for the fiscal year ended June 30, 2024. Of this amount, $128 million deficit will be paid with unrestricted net position. The deficit in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations.

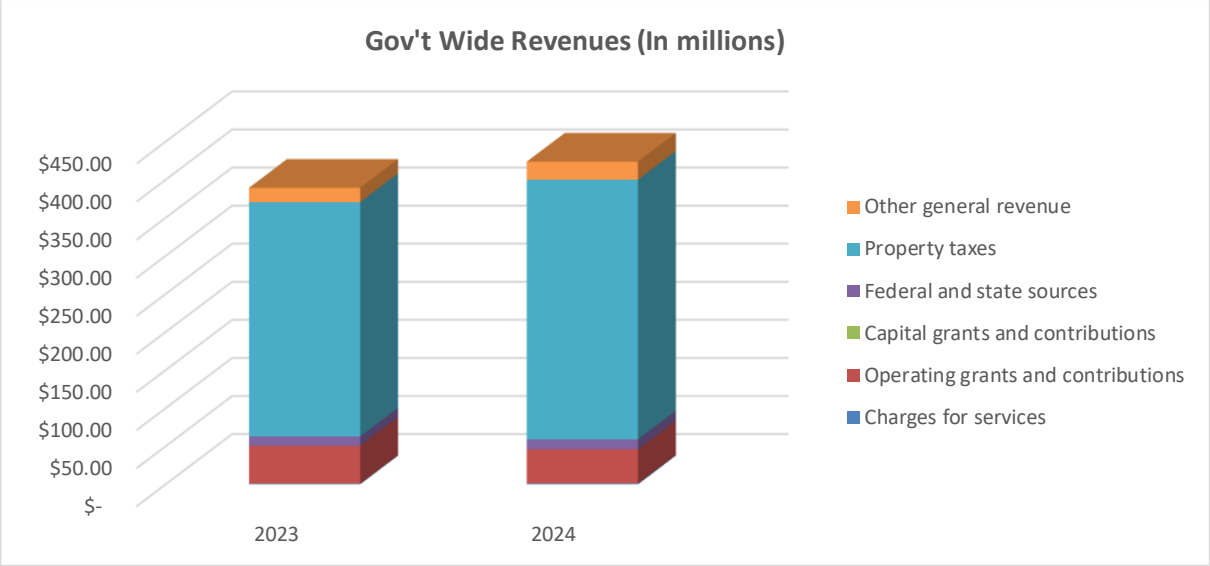
The assets have increased by 1.37% mainly due to the cash received from the state and federal one-time funds, increase in revenue and recognizing resources from leases to increase by $6.2 million.

Table 2 shows the changes in net position for fiscal year 2024 as compared to 2023:

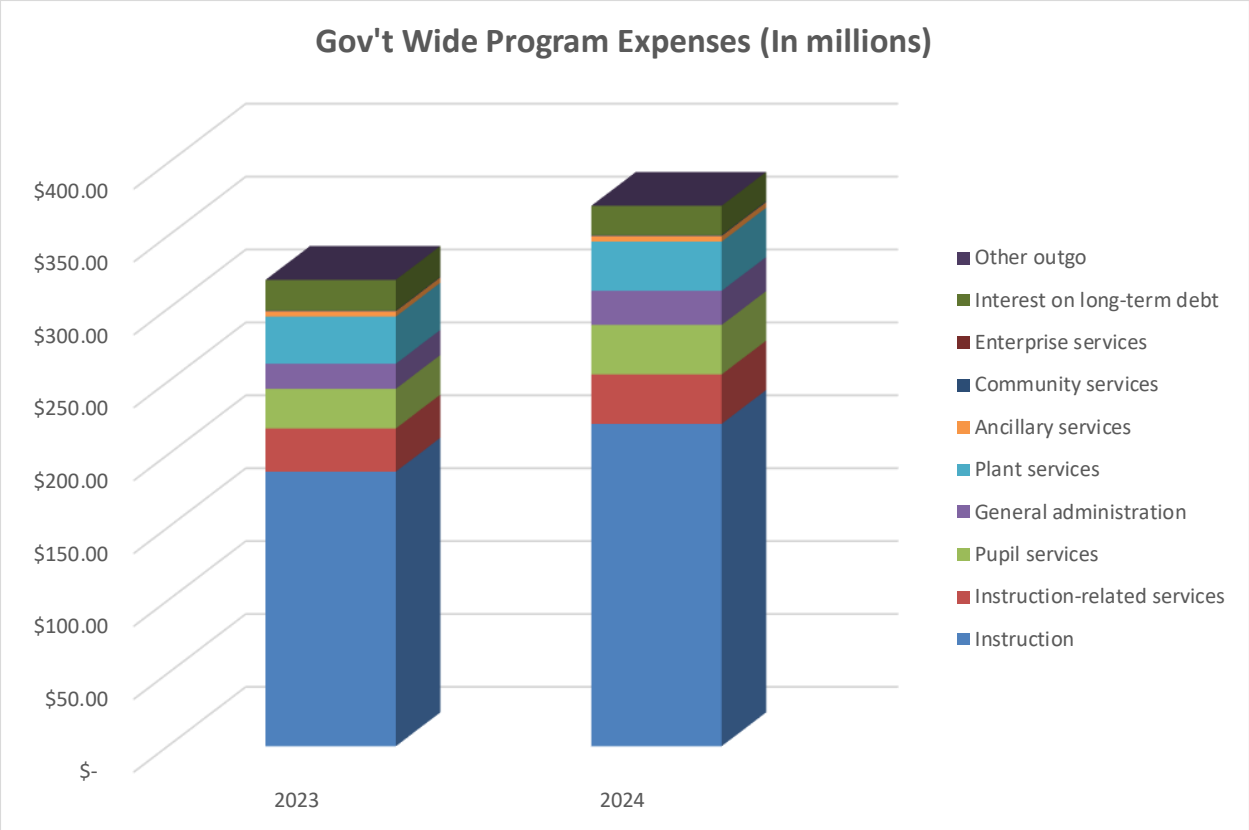
(Amounts in millions)	2024	2023	Change	Percentage Change
Revenues				
Program revenues	$ 45.86	$ 50.66	$ (4.80)	-10.47%
General revenues				
Federal and state sources	13.22	12.23	0.99	7.49%
Property taxes	340.90	307.75	33.15	9.72%
Other general revenue	23.77	18.76	5.01	21.08%
Total Revenues	423.75	389.40	34.35	8.11%
Program Expenses				
Instruction	221.14	188.34	32.80	14.83%
Instruction-related services	33.88	29.65	4.23	12.49%
Pupil services	33.98	27.17	6.81	20.04%
General administration	23.39	17.24	6.15	26.29%
Plant services	33.74	32.29	1.45	4.30%
Ancillary services	3.96	3.67	0.29	7.32%
Community services	0.53	0.43	0.10	18.87%
Interest on long-term debt	20.08	21.10	(1.02)	-5.08%
Total Expenditures	370.70	319.89	50.81	13.71%
Change in Net Position	53.05	69.49	(16.46)	31.03%
Net Position - Beginning	95.61	26.09	69.52	-72.71%
Net Position - Ending	**$ 148.66**	**$ 95.58**	**$ (53.06)**	**-41.68%**

The District's expenses for instructional services was 68.79% of total expenses in the fiscal year ended June 30, 2024 as compared to 68.15% in the fiscal year ended June 30, 2023. The purely administrative activities of the District accounted for 6.31% of total costs in the fiscal year ended June 30, 2024 as compared to 5.39% in the fiscal year ended June 30, 2023. Interest on long-term debt represented 5.42% of total expenses in the fiscal year ended June 30, 2024 as compared to 6.60% in the fiscal year ended June 30, 2023. Total expenses were 87.47% of revenue in the fiscal year ended June 30, 2024 versus 82.15% in the fiscal year ended June 30, 2023. Program revenues were 10.82% of total revenues in the fiscal year ended June 30, 2024 and 13.01% of total revenues in the fiscal year ended June 30, 2023. Programs revenues decreased by $4.8 million from the prior fiscal year.

The following is a summary of government-wide revenues for the fiscal year ended June 30, 2024:



The following is a summary of expenses by function for the fiscal year ended June 30, 2024:



Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

Table 3 - Net Cost of Services

(Amounts in millions)	2024	2023	Change	Percentage Change
Instruction	$ 188.11	$ 159.67	$ 28.44	17.81%
Instruction-related services	30.52	25.68	4.84	18.85%
Pupil services	26.57	20.23	6.34	31.34%
General administration	22.88	16.18	6.70	41.41%
Plant services	33.62	32.12	1.50	4.67%
Ancillary services	2.53	2.20	0.33	15.00%
Community services	0.52	0.42	0.10	23.81%
Interest on long-term debt	20.08	12.72	7.36	57.86%
Total Net Cost	**$ 324.83**	**$ 269.22**	**$ 55.61**	**20.66%**

The following summarizes the District's most significant functions:

- *Instruction* expenditures include activities directly dealing with the teaching of pupils.
- *Instruction-related services* include the activities involved with assisting staff with the content and process of educating students.
- *Pupil services* include guidance and counseling, psychological, health, speech and testing services, transporting students, as well as preparing, delivering, and serving meals to students.
- *General administration* reflects expenditures associated with the administrative and financial supervision of the School District. Typical functions would include the Board of Trustees and Superintendent, Human Resources, Data Processing and Business Services.
- *Plant services* involve keeping the school grounds and equipment in effective working conditions.

The District's Funds

As the District completed this year, governmental funds had a reported combined fund balance of $367.69 million, which is a decrease of $53.39 million from last year.

Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 4 - Summary of Fund Balances

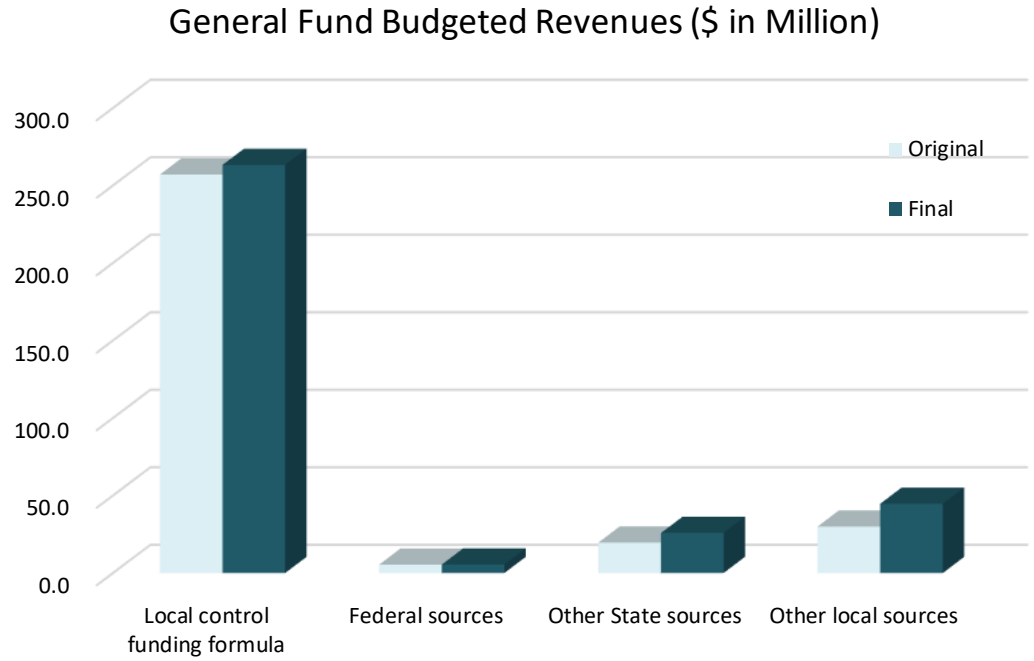
(Amount in millions)	2024	2023	Change	Percentage Change
General Fund	$ 144.96	$ 124.63	$ 20.33	16.31%
Building Fund	152.95	232.16	(79.21)	-34.12%
Bond Interest and Redemption Fund	49.70	51.60	(1.90)	-3.69%
Student Activity Fund	0.50	0.52	(0.02)	-4.08%
Adult Education Fund	1.22	1.14	0.09	7.66%
Child Development Fund	0.17	0.15	0.02	13.43%
Cafeteria Fund	3.37	3.30	0.07	2.02%
Deferred Maintenance Fund	7.45	5.19	2.26	43.51%
Capital Facilities Fund	3.01	4.36	(1.35)	-31.03%
County School Facilities Fund	4.37	0.03	4.33	12905.42%
Total Fund Balance	**$ 367.69**	**$ 423.08**	**$ (55.39)**	**-13.09%**

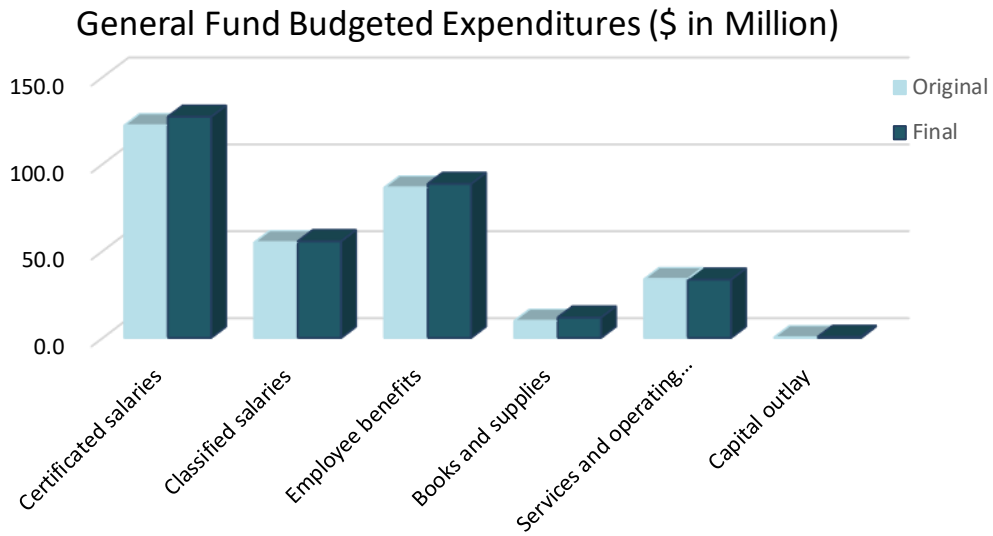
The significant changes in total fund balances is primarily attributed to the following:

- **General Fund**: Increased by $20.33 million (16.31%), mainly due to higher property tax revenues.
- **Building Fund**: Decreased by $79.21 million (34.12%), primarily due to the completion of various projects and the utilization of funds for ongoing projects.
- **Bond Interest and Redemption Fund**: Decreased by $1.90 million (3.69%), reflecting adjustments after the issuance of the 2023 series of General Obligation Bonds.

Financial Analysis of the General Fund and Budgeting Highlights

The District's budget is prepared accordingly to California law and in the modified accrual basis of accounting. During the course of the 2023-24 fiscal year, the District revised its General Fund budget twice, at 1st interim and 2nd interim. The following charts summarize the changes from the District's original and final budgets.





Capital Asset and Long-Term Liabilities

Capital Assets

As of June 30, 2024, the District had $511.66 million in a broad range of capital assets, including land, buildings, furniture, and equipment. The $64.96 million increase in capital assets is due to $47.31 million additions of construction in progress funded from proceed of general obligation bonds. Additionally, the District recognized $19.0 million of depreciation. Additional information regarding the District's capital assets can be found in Note 5 to the basic financial statements.

Table 5 - Summary of Capital Assets Net of Depreciation

(Amounts in millions)	2024	2023	Change	Percentage Change
Land	$ 10.47	$ 10.47	$ -	0.00%
Construction in progress	146.03	98.72	47.31	47.92%
Land improvements	27.60	25.03	2.57	10.28%
Buildings and improvement	324.62	310.07	14.55	4.69%
Furniture and equipment	2.94	2.41	0.53	21.94%
Total Capital Assets	**$ 511.66**	**$ 446.70**	**$ 64.96**	**14.54%**

Long-Term Liabilities

At the end of this year, the District had $518.22 million in general obligation bonds debt outstanding versus $552.05 million last year, a decrease of 6.13%, which mainly due to scheduled debt service payments partly offset by accreted interest.

Table 6 - Summary of Long-term Liabilities

(Amounts in millions)	2024	2023	Change	Percentage Change
General obligation bonds	$ 518.22	$ 552.05	$ (33.83)	-6.13%
Net pension liabilities	246.14	236.25	9.89	4.19%
Net OPEB liability	15.60	20.02	(4.42)	-22.06%
Compensated absences and claims	1.63	1.72	(0.09)	-5.05%
Total Long-term Liabilities	**$ 781.60**	**$ 810.04**	**$ (28.44)**	**-3.51%**

At year-end, the District has a net pension liability of $246.14 million versus $236.25 million last year, an increase of $9.89 million (or 4.19%).

Other long-term liabilities include compensated absences payable, other postemployment benefits (OPEB) liability (not including health benefits). We present more detailed information regarding our long-term liabilities in Note 11 of the financial statements.

Significant Accomplishments of Fiscal Year 2023-2024 Are Noted Below:

The District's budget is prepared according to California law and is based on the modified accrual basis of accounting. During the 2023-2024 fiscal year, the District revised its General Fund budget twice: once in December based on October 31, 2023, data, and a second time in March based on January 31, 2024, data. The District settled with both bargaining unit associations for the fiscal year 2023-2024 and fiscal year 2024-2025. The District reached agreements with the California School Employees Association (CSEA) Chapter 301 and the Palo Alto Educators Association (PAEA) for salary increases, schedule restructuring, and one-time payments. Both classified and certificated staff received a 4% ongoing salary increase retroactive to July 1, 2023. For the 2024-25 school year, classified employees were granted another 4% increase effective July 1, 2024, along with a one-time $2,000 payment for those in paid status as of November 15, 2024, and a restructured salary schedule adding a new Step 6 (F). Similarly, certificated staff under PAEA received an additional 4% increase over the 2023-24 Teachers' Salary Schedule and Appendix H - Special Salaries and Stipends, effective July 1, 2024, along with the implementation of a revised salary schedule.

The overall tax revenues showed a growth of 5.9%.

The District contributed an additional $5.0 million to reduce the outstanding OPEB liability, bringing it down to $15.6 million as of June 30, 2024.

Finally, it important to note that the District maintains a 3% reserve for economic uncertainties and a 7% in the Basic Aid Reserve Fund, for a total of 10%.

Economic Factors and Next Year's Budgets and Rates

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

1. **Community Funded District**: Property tax revenues will increase by 3.4%.

2. The District's activities and budget continue to be guided by the Board approved priority goals:
    a. Serve and Celebrate Others
    b. Mental Health and Wellness
    c. Literacy
    d. Equity and Excellence
    e. Innovation

3. The Palo Alto Partners in Education (PiE) Foundation's annual donation for 2024-25 is estimated to be $5 million. Funds are allocated per pupil and based on current enrollment data.

4. Voters passed the Measure O parcel tax renewal measure at the November 3, 2020, election. The revenue from this parcel tax is estimated at $16.3 million per year. The term is six years and is effective July 1, 2021 (following the current Measure A parcel tax expiration on June 30, 2021) through the end of the 2026-2027 fiscal year.

5. Interest income is projected to be at 3%.

6. Developer fee collections are based on approximate new housing units to be constructed. The fees are used for the construction and reconstruction of school facilities necessary as a result of new development. As of July 9, 2022, the fees are $4.79 per square foot for residential construction and $0.78 per square foot for commercial construction.

7. Federal and State revenue is not expected to increase, except for one-time funding.

8. Changes to other funds are anticipated to be minimal.

The District's primary funding source is property taxes, relying on increases in assessed property values within its boundaries. While property tax revenues have been strong in recent years, the District remains cautious, as an economic downturn could negatively impact school funding.

Pension contributions continue to be a significant factor. Both CalPERS and CalSTRS have adjusted their expected rates of return, resulting in increased employer contribution rates. CalSTRS will maintain a stable rate of 19.10% through 2027-28, while CalPERS rates are projected to rise from 26.68% in 2023-24 to 29.20% by 2027-28.

Additionally, health and welfare costs are projected to rise, further adding to the District's financial obligations.

Given these rising costs and future uncertainties, careful and strategic planning is crucial to ensure that the District can meet student needs and manage inflationary pressures in the coming years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Chief Business Officer, Business Services, at Palo Alto Unified School District, 25 Churchill Avenue, Palo Alto, California, 94306.

	Governmental Activities
Assets	
Deposits and investments	$ 397,590,869
Receivables	13,467,849
Prepaid expense	82,737
Stores inventories	336,302
Lease receivables	73,032,565
Capital assets not depreciated	156,499,476
Capital assets, net of accumulated depreciation	355,165,351
Total assets	996,175,149
Deferred Outflows of Resources	
Related to OPEB	9,113,653
Related to pensions	70,555,239
Total deferred outflows of resources	79,668,892
Liabilities	
Accounts payable	28,807,990
Interest payable	5,084,248
Unearned revenue	11,203,276
Long-term liabilities	
Long-term liabilities other than OPEB and pensions	
Due within one year	41,330,273
Due in more than one year	478,564,050
Net other postemployment benefits liability (OPEB)	15,604,378
Aggregegage net pension liabilities	246,140,689
Total liabilities	826,734,904
Deferred Inflows of Resources	
Related to OPEB	10,596,097
Related to pension	22,804,982
Related to leases	67,051,249
Total deferred inflows of resources	100,452,328
Net Position	
Net investment in capital assets	236,932,069
Restricted for	
Self insurance	7,921,012
Capital projects	7,357,375
Educational programs	21,033,800
Food programs	3,322,074
Unrestricted (deficit)	(127,909,521)
Total net position	$ 148,656,809

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 221,142,644	$ 1,226,489	$ 31,808,080	$ (188,108,075)
Instruction-related activities				
Supervision of instruction	9,735,368	4,818	997,217	(8,733,333)
Instructional library, media, and technology	3,203,275	5,775	135,832	(3,061,668)
School site administration	20,940,511	6,170	2,204,900	(18,729,441)
Pupil services				
Home-to-school transportation	4,215,851	-	-	(4,215,851)
Food services	5,753,998	(221,961)	5,754,493	(221,466)
All other pupil services	24,010,805	16,849	1,857,130	(22,136,826)
Administration				
Data processing	10,140,908	-	393	(10,140,515)
All other administration	13,250,551	-	507,851	(12,742,700)
Plant services	33,737,051	6	119,194	(33,617,851)
Ancillary services	3,962,951	98	1,428,343	(2,534,510)
Community services	525,192	-	6,081	(519,111)
Interest on long-term liabilities	20,078,241	-	-	(20,078,241)
Total governmental activities	$ 370,697,346	$ 1,038,244	$ 44,819,514	(324,839,588)
General Revenues and Subventions				
Property taxes, levied for general purposes				274,913,690
Property taxes, levied for debt service				50,183,086
Taxes levied for other specific purposes				15,802,876
Federal and State aid not restricted to specific purposes				13,223,602
Interest and investment earnings				21,163,012
Miscellaneous				2,603,613
Subtotal, general revenues and subventions				377,889,879
Change in Net Position				53,050,291
Net Position - Beginning				95,606,518
Net Position - Ending				$ 148,656,809

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 150,732,014	$ 168,878,653	$ 49,390,950	$ 20,213,424	$ 389,215,041
Accounts Receivables	10,350,639	2,197,465	304,834	543,678	13,396,616
Due from other funds	63,620	-	-	3,982	67,602
Prepaid expenditures	69,342	-	-	13,395	82,737
Stores inventories	289,536	-	-	46,766	336,302
Lease receivables	73,032,565	-	-	-	73,032,565
Total assets	$ 234,537,716	$ 171,076,118	$ 49,695,784	$ 20,821,245	$ 476,130,863
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 10,304,200	$ 17,884,918	$ -	$ 618,872	$ 28,807,990
Due to other funds	3,982	9,384	-	54,236	67,602
Unearned revenue	11,135,987	-	-	67,289	11,203,276
Total liabilities	21,444,169	17,894,302	-	740,397	40,078,868
Deferred Inflows of Resources					
Unavailable revenues	1,080,106	235,238	-	-	1,315,344
Leases	67,051,249	-	-	-	67,051,249
Total Deferred Inflow of Resources	68,131,355	235,238	-	-	68,366,593
Fund Balances					
Nonspendable	6,347,634	-	-	60,161	6,407,795
Restricted	20,020,624	152,946,578	49,695,784	11,692,625	234,355,611
Committed	23,465,728	-	-	-	23,465,728
Assigned	18,342,881	-	-	8,328,062	26,670,943
Unassigned	76,785,325	-	-	-	76,785,325
Total fund balances	144,962,192	152,946,578	49,695,784	20,080,848	367,685,402
Total liabilities, deferred inflows of resources, and fund balances	$ 234,537,716	$ 171,076,118	$ 49,695,784	$ 20,821,245	$ 476,130,863

Total Fund Balance - Governmental Funds		$ 367,685,402
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 938,764,044	
Accumulated depreciation is	(427,099,217)	
Net capital assets		511,664,827
Revenues earned but not available to pay for current expenditures for governmental funds are reported as unavailable revenue in the governmental fund balance sheet.		1,315,344
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(5,084,248)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		7,921,012
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits (OPEB)	9,113,653	
Net pension liability	70,555,239	
Total deferred outflows of resources		79,668,892
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB)	(10,596,097)	
Net pension liability	(22,804,982)	
Total deferred inflows of resources		(33,401,079)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(246,140,689)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(15,604,378)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds, including premiums	(427,679,336)	

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds, including premiums	(427,679,336)	
Compensated absences (vacations)	(1,148,005)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(90,540,933)	
Total long-term liabilities		(519,368,274)
Total net position - governmental activities		$ 148,656,809

Palo Alto Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local control funding formula (LCFF)	$ 263,330,984	$ -	$ -	$ -	$ 263,330,984
Federal sources	5,478,782	-	128,633	2,174,800	7,782,215
Other State sources	25,848,875	-	73,473	11,086,207	37,008,555
Other local sources	44,719,986	11,484,417	51,639,143	4,073,207	111,916,753
Total revenues	339,378,627	11,484,417	51,841,249	17,334,214	420,038,507
Expenditures					
Current					
Instruction	203,792,881	-	-	2,526,017	206,318,898
Instruction-related activities					
Supervision of instruction	9,434,915	-	-	2,020	9,436,935
Instructional library, media, and technology	3,101,757	-	-	-	3,101,757
School site administration	19,014,642	-	-	1,256,149	20,270,791
Pupil services					
Home-to-school transportation	4,073,926	-	-	-	4,073,926
Food services	41,738	-	-	5,510,471	5,552,209
All other pupil services	23,104,829	-	-	155,210	23,260,039
Administration					
Data processing	9,782,178	-	-	-	9,782,178
All other administration	12,597,316	-	-	111,159	12,708,475
Plant services	28,630,194	-	-	100,787	28,730,981
Ancillary services	2,419,965	-	-	1,397,178	3,817,143
Community services	507,708	-	-	-	507,708
Capital outlay	565,748	90,696,876	-	2,856,760	94,119,384
Debt service					
Principal	-	-	41,105,000	-	41,105,000
Interest and other	-	-	12,636,738	-	12,636,738
Total expenditures	317,067,797	90,696,876	53,741,738	13,915,751	475,422,162
Excess (Deficiency) of Revenues Over Expenditures	22,310,830	(79,212,459)	(1,900,489)	3,418,463	(55,383,655)
Other Financing Sources (Uses)					
Transfers in	39,606	-	-	2,015,929	2,055,535
Transfers out	(2,015,929)	-	-	(39,606)	(2,055,535)
Net Financing Sources (Uses)	(1,976,323)	-	-	1,976,323	-
Net Change in Fund Balances	20,334,507	(79,212,459)	(1,900,489)	5,394,786	(55,383,655)
Fund Balance - Beginning	124,627,685	232,159,037	51,596,273	14,686,062	423,069,057
Fund Balance - Ending	$ 144,962,192	$ 152,946,578	$ 49,695,784	$ 20,080,848	$ 367,685,402

Total Net Change in Fund Balances - Governmental Funds		$ (55,383,655)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.		
This is the amount by which depreciation expense exceeds capital outlay in the period.		
Depreciation	$ (19,002,153)	
Capital outlay	86,256,330	
Net expense adjustment		67,254,177
Revenues that did not meet the criteria for recognition were recorded as unavailable revenues in the governmental funds. In the Government-Wide Financial Statements, these amounts were recorded as revenues. This amount represents the change in unavailable revenue from the prior year.		1,315,344
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was:		(8,304,652)
Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(2,288,741)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(88,909)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		2,282,591

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.	5,622,558
Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	1,025,347
Deferred charge on refunding amortization	(513,989)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	41,105,000
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	351,791
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	673,429
Change in net position of governmental activities	$ 53,050,291

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 8,375,828
Receivables	71,233
Total current assets	8,447,061
Liabilities	
Current liabilities	
Current portion of claims liabilities	71,827
Total current liabilities	71,827
Noncurrent liabilities	
Claims	454,222
Total liabilities	526,049
Net Position	
Restricted for workers' compensation	$ 7,921,012

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	$ 2,029,967
Total operating revenues	2,029,967
Operating Expenses	
Payroll costs	31,686
Supplies and materials	5,386
Claims and excess insurance	1,683,285
Total operating expenses	1,720,357
Operating Income	309,610
Nonoperating Revenues	
Fair market value adjustments	97,179
Interest income	266,640
Total nonoperating revenues	363,819
Change in Net Position	673,429
Total Net Position - Beginning	7,247,583
Total Net Position - Ending	$ 7,921,012

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts from customers	$ 2,029,967
Cash receipts from interfund services provided	304,745
Cash payments to other suppliers of goods or services	(15,392)
Cash payments to employees for services	(31,686)
Cash payments for insurance claims	(1,817,449)
Net Cash Provided from Operating Activities	470,185
Investing Activities	
Interest on investments	363,819
Net Change in Cash and Cash Equivalents	834,004
Cash and Cash Equivalents, Beginning	7,541,824
Cash and Cash Equivalents, Ending	$ 8,375,828
Reconciliation of Operating Income to Net Cash Provided from Operating Activities	
Operating income	$ 309,610
Changes in assets and liabilities	
Receivables	(10,006)
Due from other fund	304,745
Accrued liabilities	(134,164)
Net Cash Provided from Operating Activities	$ 470,185

	Private-Purpose Trust
Assets	
Deposits and investments	$ 684,828
Receivables	6,839
Total assets	$ 691,667
Net Position	
Restricted for scholarships	691,667
Total net position	$ 691,667

Palo Alto Unified School District
Statement of Changes in Net Position – Fiduciary Fund
Year Ended June 30, 2024

	Private-Purpose Trust
Additions	
Contributions	
Private donations	$ 50,215
Total contributions	50,215
Investment earnings	
Interest	20,256
Net decrease in the fair vlaue of investments	(7,316)
Total investment earnings	12,940
Total additions	63,155
Deductions	
Professional/Consulting Services	72,400
Total deductions	72,400
Net decrease in fiduciary net position	(9,245)
Net Position - Beginning	700,912
Net Position - Ending	$ 691,667

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Palo Alto Unified School District was founded on March 20, 1893 under the laws of the State of California. The District operates under a locally elected five-member board form of government and provides educational services to grades K - 12 as mandated by the state and federal agencies. The District operates twelve elementary, three middle and two high schools, an adult education program, a Young Fives program and two children's centers.

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for and report all financial resources not accounted for or reported in another fund.

Two funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20, Special Reserve Fund for Postemployment Benefits, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as extensions of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

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

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

Nonmajor Governmental Funds

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

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

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues for adult education programs and is to be expended for adult education purposes only, except, for State revenues which, as a result of Senate Bill 4 of the 2009-10 Third Extraordinary Session (SBX3 4), may be used for any educational purpose.

- **Child Development Fund** The Child Development Fund is used to account separately for federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

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

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

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

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

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition lA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State Schools Facilities Fund (Proposition 1D) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

- **Internal Service Fund** Internal Service Funds may be used to account for goods or services provided to other funds of the District on a cost reimbursement basis. The District operates a workers' compensation, dental, vision, and property and liability programs that are accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of the parties outside the District and are not available to support the District's own programs. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's private-purpose trust fund accounts for contribution and payments related to scholarships.

Basis of Accounting - Measurement Focus

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

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

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

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

Capital Assets and Depreciation/Amortization

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

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

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

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination.

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

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated within the governmental funds and governmental activities.

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.

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Subscription-Based Information Technology Arrangements

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

Leases

As Lessee: At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

As Lessor: The District is a lessor for two noncancellable building leases. Accordingly, the District recognizes a lease receivable and a deferred inflow of resources.

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

Fund Balances - Governmental Funds

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

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

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

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

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

Unassigned – all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in compliance with GASB 54 to establish fund balance policies in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties equal to no less than 10% of General Fund expenditures and other financing uses.

Net Position

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are primarily interfund insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

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 column of the statement of activities.

Estimates

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

Property Tax

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

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental funds	$ 389,215,041
Proprietary funds	8,375,828
Fiduciary funds	684,828
Total deposits and investments	$ 398,275,697

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

Cash on hand and in banks	$ 2,171,310
Cash in revolving	30,000
Investments	396,074,387
Total deposits and investments	$ 398,275,697

Policies and Practices

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

Investment in County Treasury

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District monitors the interest rate risk inherent in its portfolio by measuring the average maturity of its portfolio. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the County of Santa Clara Investment Pool. The fair value of the deposits with County Treasurer at June 30, 2024 approximates $396 million, and the weighted average maturity of the pool was 548 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 District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2024.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. As of June 30, 2024, $1.6 million of the District's bank balances was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Fair Value Measurements

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

- Level 1 inputs – quoted prices in active markets for identical assets.
- Level 2 inputs – quoted prices in active or inactive for the same or similar assets.
- Level 3 inputs – estimates using the best information available when there is little or no market.

As of June 30, 2024, the District's investments in the Santa Clara County Treasury Investment Pool are uncategorized.

Note 4 - Receivables

On June 30, 2024, accounts receivable consisted of intergovernmental grants, entitlements, interest and other local sources as follows:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds	Proprietary Fund	Fiduciary Funds
Federal Government							
Categorical aid	$ 3,875,306	$ -	$ -	$ 253,385	$ 4,128,691	$ -	$ -
State Government							
LCFF apportionment	517,392	-	-	-	517,392	-	-
Categorical aid	843,460	-	-	88,602	932,062	-	-
Lottery	661,564	-	-	-	661,564	-	-
Local Government							
Interest	1,658,657	1,776,884	304,834	192,406	3,932,781	61,227	6,839
Other local sources	2,794,260	420,581	-	9,285	3,224,126	10,006	-
Total	$ 10,350,639	$ 2,197,465	$ 304,834	$ 543,678	$ 13,396,616	$ 71,233	$ 6,839

All receivables are considered collectible in full.

Note 5 - Capital Assets

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 10,470,525	$ -	$ -	$ 10,470,525
Construction in progress	98,722,532	81,511,673	(34,205,254)	146,028,951
Total capital assets not being depreciated	109,193,057	81,511,673	(34,205,254)	156,499,476
Capital assets being depreciated				
Land improvements	54,652,499	5,093,761	(593,641)	59,152,619
Buildings and improvements	687,203,619	32,706,364	(8,980,016)	710,929,967
Furniture and equipment	11,685,125	1,149,786	(652,930)	12,181,981
Total capital assets being depreciated	753,541,243	38,949,911	(10,226,587)	782,264,567
Total capital assets	862,734,300	120,461,584	(44,431,841)	938,764,043
Accumulated depreciation				
Land improvements	(29,622,861)	(2,329,559)	402,647	(31,549,773)
Buildings and improvements	(377,132,232)	(16,061,374)	6,887,420	(386,306,186)
Furniture and equipment	(9,279,816)	(611,220)	647,779	(9,243,257)
Total accumulated depreciation	(416,034,909)	(19,002,153)	7,937,846	(427,099,216)
Governmental activities capital assets, net	$ 446,699,391	$ 101,459,431	$(36,493,995)	$ 511,664,827

Depreciation expenses were charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	$ 11,971,172
Supervision of Instruction	547,556
Instructional Library Media and Technology	179,972
School Administration	1,176,165
Pupil Transportation	236,380
Food Services	318,343
Other Pupil Services	1,349,609
Ancillary Services	221,481
Community Services	29,459
Other General Administration	737,380
Data Processing Services	567,588
Plant Maintenance and Operations	1,667,048
Total depreciation expenses governmental activities	$ 19,002,153

Note 6 - Lease Receivables

The District is leasing seven of its building to third-parties under noncancellable lease agreements. The lease agreements expire through fiscal year 2063 and the district is currently receiving annual payments of $6.8 million related to the leases. The District recognized $6.3 million in lease revenue and $2.6 million in interest revenue related to the leases. As of June 30, 2024, the District's receivable for lease payments was $73.0 million and was calculated using a discount rate range of 1.72 percent to 3.57 percent. Also, the District has a deferred inflow of resources associated with the leases that will be recognized as revenue over the leases terms. As of June 30, 2024, the balance of deferred inflows of resources from leases was $67.1 million.

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

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

	Due From		
Due To	General Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 3,982	$ 3,982
Building Fund	9,384	-	9,384
Nonmajor funds	54,236	-	54,236
Total	$ 63,620	$ 3,982	$ 67,602

All balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2024, consisted of 1) $2 million from the general fund to the deferred maintenance fund per the District's deferred maintenance plan, 2) The general fund provided contributions to the adult education program to ensure alignment with program funding requirements. and 3) the capital facilities fund reimbursed three percent indirect costs related to developed fees to the general fund.

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

Summary

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
General obligation bonds	$ 538,895,140	$ 8,304,652	$ (41,105,000)	$ 506,094,792	$ 40,799,246
Unamortized premiums	13,150,824	-	(1,025,347)	12,125,477	-
Compensated absences	1,059,096	282,372	(193,463)	1,148,005	459,200
Claims liability	660,213	-	(175,772)	484,441	71,827
Total	$ 553,765,273	$ 8,587,024	$ (42,499,582)	$ 519,852,715	$ 41,330,273

Payments on the general obligation bonds (GOB) are made by the Bond Interest and Redemption Fund with local property tax revenues. The claims liability is to be paid by the Internal Service Fund. The compensated absences will be paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2024
Current Interest Bonds							
2011	2028	4.7-5.8%	$ 25,000,000	$ 21,770,000	$ -	$ (1,625,000)	$ 20,145,000
2013	2037	2.0-3.5%	70,000,000	41,845,000	-	-	41,845,000
2013	2025	0.44-2.89%	52,845,000	1,975,000	-	(975,000)	1,000,000
2014	2034	2.0-3.25%	40,000,000	9,845,000	-	-	9,845,000
2016	2036	2.0-4.0%	45,000,000	17,500,000	-	-	17,500,000
2018	2039	2.5-5.0%	40,000,000	16,500,000	-	(500,000)	16,000,000
2019	2040	3.0-6.0%	30,000,000	10,600,000	-	-	10,600,000
2022	2043	0.05-5.0%	38,000,000	36,515,000	-	(5,890,000)	30,625,000
2022	2043	3.0-5.0%	240,000,000	212,670,000	-	(14,050,000)	198,620,000
		Subtotal		369,220,000	-	(23,040,000)	346,180,000
Capital Appreciation Bonds							
2009	2034	5.0-5.5%	119,999,249	169,675,140	8,304,652	(18,065,000)	159,914,792
		Total		$ 538,895,140	$ 8,304,652	$ (41,105,000)	$ 506,094,792

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2025	$ 8,173,376	$ 10,085,870	$ 18,259,246	$ 75,754	$ 18,335,000
2026	7,820,108	9,784,750	17,604,858	1,005,142	18,610,000
2027	7,474,962	9,483,457	16,958,419	1,931,581	18,890,000
2028	7,138,661	9,181,757	16,320,418	2,854,582	19,175,000
2029	7,173,155	9,352,920	16,526,075	3,973,925	20,500,000
2030-2034	31,593,597	42,652,179	74,245,776	34,579,224	108,825,000
Total	$ 69,373,859	$ 90,540,933	$ 159,914,792	$ 44,420,208	$ 204,335,000

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	$ 22,540,000	$ 11,727,794	$ 34,267,794
2026	23,190,000	10,678,519	33,868,519
2027	10,260,000	9,822,038	20,082,038
2028	11,640,000	9,221,654	20,861,654
2029	12,015,000	8,679,701	20,694,701
2030-2034	65,635,000	37,866,206	103,501,206
2035-2039	121,700,000	21,251,326	142,951,326
2040-2042	79,200,000	5,249,183	84,449,183
Total	$ 346,180,000	$ 114,496,421	$ 460,676,421

Note 9 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total
Nonspendable					
Revolving cash	$ 30,000	$ -	$ -	$ -	$ 30,000
Stores inventories	289,536	-	-	46,766	336,302
Prepaid expenditures	46,782	-	-	13,395	60,177
Leases, as lessor	5,981,316	-	-	-	5,981,316
Total nonspendable	6,347,634	-	-	60,161	6,407,795
Restricted					
Education programs	20,020,624	-	-	1,013,176	21,033,800
Food service	-	-	-	3,322,074	3,322,074
Capital projects	-	152,946,578	-	7,357,375	160,303,953
Debt services	-	-	49,695,784	-	49,695,784
Total restricted	20,020,624	152,946,578	49,695,784	11,692,625	234,355,611
Committed					
Education programs	23,465,728	-	-	-	23,465,728
Total committed	23,465,728	-	-	-	23,465,728
Assigned					
Program carryover	3,106,674	-	-	-	3,106,674
Education programs	-	-	-	7,448,741	7,448,741
OPEB	15,236,207	-	-	-	15,236,207
Facilities	-	-	-	18,092	18,092
Total assigned	18,342,881	-	-	8,328,062	26,670,943
Unassigned					
Reserve for economic uncertainties	22,930,480	-	-	-	22,930,480
Remaining unassigned	53,854,845	-	-	-	53,854,845
Total unassigned	76,785,325	-	-	-	76,785,325
Total	$ 144,962,192	$ 152,946,578	$ 49,695,784	$ 20,080,848	$ 367,685,402

Note 10 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts, theft, damage, destruction of asset's, errors and omissions, and injuries to employees and natural disasters. During the fiscal year ending June 30, 2024, the District contracted with Northern California Relief for property and liability insurance coverage for liabilities exceeding $50,000 with a limit $1,000,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Employee Medical Benefits

The District has purchased health insurance for its employees with rates that are set through an annual calculation process by the health plan providers. The District pays the health plan provider a monthly premium.

Workers' Compensation

The District is a participant in the Schools Alliance for Workers' Compensation Excess Self-Funded insurance purchasing pool (the Insurance Pool). The intent of the Insurance Pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Insurance Pool. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Insurance Pool. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participating school district. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Insurance Pool. Participation in the Insurance Pool is limited to districts that can meet the Insurance Pool's selection criteria.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The Self-Insurance Fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The following represents the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Workers' Compensation
Liability Balance, July 1, 2022	$ 730,315
Claims and changes in estimates	(43,000)
Claims payments	(27,102)
Liability Balance, June 30, 2023	660,213
Claims and changes in estimates	(83,777)
Claims payments	(91,995)
Liability Balance, June 30, 2024	$ 484,441

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 148,721,939	$ 38,114,012	$ 19,312,572	$ 21,150,031
CalPERS	97,418,750	32,441,227	3,492,410	14,265,778
Total	$ 246,140,689	$ 70,555,239	$ 22,804,982	$ 35,415,809

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $23,881,684.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 148,721,939
State's proportionate share of the net pension liability	71,256,863
Total	$ 219,978,802

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.1953% and 0.2038%, resulting in a net decrease in the proportionate share of 0.0085%.

For the year ended June 30, 2024, the District recognized pension expense of $21,150,031. In addition, the District recognized pension expense and revenue of $9,692,902 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 23,881,684	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,047,489	11,355,194
Differences between projected and actual earnings on pension plan investments	636,590	-
Differences between expected and actual experience in the measurement of the total pension liability	11,687,095	7,957,378
Changes of assumptions	861,154	-
Total	$ 38,114,012	$ 19,312,572

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/ (inflows) of resources related to the difference between projected and actual earnings on pension plan investments are amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (4,678,906)
2026	(7,332,667)
2027	12,050,140
2028	598,023
Total	$ 636,590

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (1,544,831)
2026	(1,975,053)
2027	(1,753,517)
2028	(1,719,986)
2029	185,113
Thereafter	1,091,440
Total	$ (5,716,834)

Actuarial Methods and Assumptions

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

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

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

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 249,469,185
Current discount rate (7.10%)	148,721,939
1% increase (8.10%)	65,039,609

California Public Employees' Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were $13,859,928.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $97,418,750. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2691% and 0.2751%, resulting in a net decrease in the proportionate share of 0.0060%.

For the year ended June 30, 2024, the District recognized pension expense of $14,265,778. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,859,928	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	132,455	1,996,202
Differences between projected and actual earnings on pension plan investments	10,405,715	-
Differences between expected and actual experience in the measurement of the total pension liability	3,555,086	1,496,208
Changes of assumptions	4,488,043	-
Total	$ 32,441,227	$ 3,492,410

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows of Resources
2025	$ 1,941,071
2026	1,149,940
2027	6,990,870
2028	323,834
Total	$ 10,405,715

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows of Resources
2025	$ 2,108,081
2026	1,942,316
2027	632,777
Total	$ 4,683,174

Actuarial Methods and Assumptions

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

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

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at 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:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 140,842,331
Current discount rate (6.90%)	97,418,750
1% increase (7.90%)	61,530,148

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the APPLE Retirement Program as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 1.3% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to the pension plan. Total expense related to the plan for the year ended June 30, 2024, was $3,723,370.

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 $9,692,902 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves and of the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

Note 12 - Net Other Postemployment Benefit (OPEB) Liability

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

Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 15,604,378	$ 9,113,653	$ 10,596,097	$ 1,026

The details of the District plan are as follows:

Plan Administration

The District's retiree healthcare plan (the Plan) is provided through California Employers' Retirement Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare program administered by CalPERS. The Plan is a defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. The District participates in the California Employers' Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CalPERS. CalPERS and CERBT issue publicly available financial reports that can be found on the CalPERS website.

Management of the Plan is vested in District management. Management of the trustee assets is vested with CalPERS.

Benefits Provided. The District contributes toward post-retirement benefits for employees who retire after meeting certain age and service requirements. Certificated and management employees are eligible upon retiring after age 55 with at least 20 years of service. Classified, confidential and supervisory employees are eligible upon retiring after age 55 with at least 10 years of service. For eligibility purposes, a "year" means 1784 hours. Employees hired after May 31, 2009 are not eligible. The program is closed to new entrants. Benefits are pro-rated for part-time employees. The medical plans offered are Kaiser and Sutter Health Plus. The District pays 100% of the monthly medical premium for retired employees who choose employee-only coverage. Retirees who choose two-party or family coverage must pay the same dollar amount of the premium as active employees do. The District also pays 100% of the monthly premium for dental, vision and life insurance coverage. All premium amounts change each January 1st.

The District pays benefits for a maximum of 5 years, or until the retiree reaches age 65, whichever comes first. No benefits are paid to surviving spouses or other dependents after the retiree's death. After the benefit period expires, retirees are permitted to continue coverage, but the retiree must pay 100% of all premiums.

Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the *plan*. The District's Governing Board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Plan Membership

As of the measurement date at June 30, 2023, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	46
Active employees	416
Total	462

Contributions

The District makes contributions on an actuarial basis, funding the full Actuarially Determined Contributions (ADC). The contribution requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, TEA, CSEA, and the unrepresented groups are based on availability of funds. For the fiscal year ended June 30, 2024, the District contributed $5,623,584 to the Plan.

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2023 fiscal year	$ 20,019,534	$ -	$ 20,019,534
Service cost	511,598	-	511,598
Interest	1,168,952	-	1,168,952
Employer contributions	-	6,073,995	(6,073,995)
Net investment income	-	21,746	(21,746)
Administrative expense	-	(35)	35
Benefit payments	(1,073,995)	(1,073,995)	-
Net change	606,555	5,021,711	(4,415,156)
Balance at June 30, 2024 fiscal year	$ 20,626,089	$ 5,021,711	$ 15,604,378

There were no changes in benefit terms or changes in assumptions since the previous valuation.

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

For the year ended June 30, 2024, the District recognized OPEB expense of $1,026. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after measurement date	$ 5,623,584	$ -
Differences between expected and actual experience	-	4,408,493
Changes of assumptions	3,490,069	6,170,206
Net difference between projected and actual earnings on OPEB plan investments	-	17,398
Total	$ 9,113,653	$ 10,596,097

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net OPEB liability in the subsequent fiscal year.

GASB 75 requires that the annual change in the net OPEB liability be recognized as OPEB expense, except for certain specific changes which are first recorded as either deferred outflows of resources or deferred inflows of resources and to be recognized over different periods of time. The deferral related to the contributions subsequent to measurement date will be fully recognized in the following fiscal year. Changes in actuarial assumptions, and experience gains and losses, are to be recognized over the average of the expected remaining service lives of all employees. As of June 30, 2023, this average is 8.4 years. Differences between actual and expected investment earnings, if any, are to be recognized over 5 years. The following table shows the amortization schedule of the deferrals in future years:

Year Ended June 30,	Deferred Outflows of Resources
2025	$ (1,184,660)
2026	(1,184,660)
2027	(1,184,660)
2028	(1,184,660)
2029	(1,133,938)
Thereafter	(1,233,450)
Total	$ (7,106,028)

Actuarial Methods and Assumptions

Actuarial Assumptions. The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Inflation	2.75%
Salary increases	3.25%
Discount rate	6.00%
Long-term expected rate of return on investments	6.00%
Healthcare cost trend rates	4.50%

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

Discount Rate. The discount rate used to measure the total OPEB liability was 6.00% a change from 2.45% as of fiscal year June 30, 2023 due to a change in funding policy increasing contributions and establishing the trust. The projection of cash flows used to determine the discount rate assumed that District contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability or asset.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49.00%	5.00%
Fixed Income	23.00%	5.00%
Treasury Securities	5.00%	3.00%
Real Estate Investment Trusts	20.00%	5.00%
Commodities	3.00%	3.00%
Total	100.00%	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00%) or 1 percentage point higher (7.00%) than the current discount rate:

Discount Rate	Net OPEB Liability
1% decrease (5.00%)	$ 17,074,503
Current discount rate (6.00%)	15,604,378
1% increase (7.00%)	14,253,704

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.5%) or 1 percentage point higher (5.5%) than the current healthcare cost trend rates:

Health Care Cost Trend Rates	Net OPEB Liability
1% decrease (3.50%)	$ 13,905,343
Current trend rate (4.5%)	15,604,378
1% increase (5.5%)	17,504,633

Note 13 - Tax Abatement

As of June 30, 2024, the District is subject to tax abatements granted by the County of Santa Clara (County) through two programs—the Williamson Act, and the Mills Act which affect the District's share of the 1% ad valorem tax (property tax). The Williamson Act enables the County to enter into contracts with private landowners for restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value. The Mills Act, enables the County to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their history properties in exchange for receiving property tax relief.

Under agreements entered into by the County, District property tax revenues were reduced by $257,635.

Note 14 - Commitments and Contingencies

Grants

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

Litigation

The District is involved in various litigations arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Construction Commitments

As of June 30, 2024, the District has $58.13 million of commitments with respect to unfinished capital projects.

Required Supplementary Information
June 30, 2024

Palo Alto Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual*
Revenues				
Local control funding formula	$ 257,087,914	$ 263,330,984	$ 263,330,984	$ -
Federal sources	5,400,794	5,478,782	5,478,782	-
Other State sources	19,617,401	25,848,875	25,848,875	-
Other local sources	29,955,360	44,637,869	43,557,763	(1,080,106)
Total revenues	312,061,469	339,296,510	338,216,404	(1,080,106)
Expenditures				
Current				
Certificated salaries	122,223,645	127,155,178	127,155,178	-
Classified salaries	54,938,932	55,580,085	55,580,085	-
Employee benefits	86,455,920	88,550,919	88,550,919	-
Books and supplies	9,793,184	11,717,596	11,717,596	-
Services and operating expenditures	33,785,477	33,498,540	33,498,540	-
Capital outlay	315,952	565,479	565,479	-
Total expenditures	307,513,110	317,067,797	317,067,797	-
Excess (Deficiency) of Revenues Over Expenditures	4,548,359	22,228,713	21,148,607	(1,080,106)
Other Financing Sources (Uses)				
Transfers in	22,050	39,606	39,606	-
Transfers out	(6,865,037)	(7,315,929)	(7,315,929)	-
Net financing sources (uses)	(6,842,987)	(7,276,323)	(7,276,323)	-
Net Change in Fund Balances	(2,294,628)	14,952,390	13,872,284	(1,080,106)
Fund balance, budgetary basis - Beginning	92,923,221	92,923,221	92,923,221	-
Fund balance, budgetary basis - Ending	$ 90,628,593	$ 107,875,611	106,795,505	$ (1,080,106)
Special Reserve Fund for Other than Capital Outlay Projects			22,930,480	
Special Reserve Fund for Postemployment Benefits			15,236,207	
Fund balance, GAAP basis - Ending			$ 144,962,192	

*The $1,080,106 is a timing difference for recognizing a specific grant revenue.

Palo Alto Unified School District

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

Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Changes in the total OPEB liability							
Service cost	$ 511,598	$ 1,317,728	$ 1,162,890	$ 1,091,318	$ 970,158	$ 1,164,509	$ 1,255,915
Interest on total OPEB liability	1,168,951	545,584	642,008	739,091	770,157	806,303	651,254
Change in benefit terms	-	-	-	-	-	(536,174)	-
Differences between expected and actual experience	-	(2,365,099)	-	(2,504,422)	-	(2,396,988)	-
Changes of assumptions	-	(7,357,530)	1,142,546	3,616,466	906,171	(107,462)	(1,240,093)
Benefit payments	(1,073,995)	(1,073,995)	(398,016)	(304,327)	(312,478)	(295,749)	(346,882)
Net changes in total OPEB liability	606,554	(8,933,312)	2,549,428	2,638,126	2,334,008	(1,365,561)	320,194
Total OPEB Liability - Beginning	20,019,535	28,952,847	26,403,419	23,765,293	21,431,285	22,796,846	22,476,652
Total OPEB Liability - Ending (a)	$ 20,626,089	$ 20,019,535	$ 28,952,847	$ 26,403,419	$ 23,765,293	$ 21,431,285	$ 22,796,846
Changs in plan fiduciary net position							
Employer contributions	$ 6,073,995	$ -	$ -	$ -	$ -	$ -	$ -
Net investment income	21,746	-	-	-	-	-	-
Benefit payments	(1,073,995)	-	-	-	-	-	-
Administrative expense	(35)	-	-	-	-	-	-
Net changes in plan fiduciary net position	5,021,711	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ 5,021,711	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability - Ending (a) - (b)	$ 15,604,378	$ 20,019,535	$ 28,952,847	$ 26,403,419	$ 23,765,293	$ 21,431,285	$ 22,796,846
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.35%	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee Payroll	$ 66,660,699	$ 65,633,577	$ 60,026,547	$ 57,276,444	$ 60,895,653	$ 53,878,720	$ 50,769,348
District's Net OPEB Liability as a Percentage of Covered - Employee Payroll	23.41%	30.50%	48.23%	46.10%	39.03%	39.78%	44.90%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

See Notes to Required Supplementary Information

	2024
Actuarially determined contribution	$ 5,623,584
Contribution in relation to the actuarially determined contribution	5,623,584
Contribution deficiency (excess)	$ -
Covered-employee payroll	$ 68,660,520
Contributions as a percentage of covered payroll	8%

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

Palo Alto Unified School District

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

Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS										
Proportion of the net pension liability	0.1953%	0.2038%	0.2038%	0.2090%	0.2083%	0.2061%	0.2024%	0.1940%	19.1180%	0.2001%
Proportionate share of the net pension liability	$148,721,939	$141,600,905	$ 92,758,911	$202,569,684	$188,147,244	$189,404,184	$186,807,580	$156,907,653	$128,709,093	$116,913,315
State's proportionate share of the net pension liability	71,256,863	70,913,180	46,672,686	104,424,696	102,646,883	108,442,753	110,723,741	95,567,184	68,072,922	70,597,307
Total	$219,978,802	$212,514,085	$139,431,597	$306,994,380	$290,794,127	$297,846,937	$297,531,321	$252,474,837	$196,782,015	$187,510,622
Covered payroll	$119,433,581	$115,444,143	$115,902,316	$113,976,854	$115,210,457	$111,416,445	$108,126,208	$100,750,130	$ 83,779,040	$ 89,006,480
Proportionate share of the net pension liability as a percentage of its covered payroll	125%	123%	80%	178%	163%	170%	171%	156%	159%	131%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS										
Proportion of the net pension liability	0.2691%	0.2751%	0.2797%	0.2780%	0.2787%	0.2890%	0.2781%	0.2711%	0.2693%	0.2682%
Proportionate share of the net pension liability	$ 97,418,750	$ 94,645,483	$ 56,866,401	$ 85,312,323	$ 81,210,986	$ 77,047,760	$ 66,389,810	$ 53,549,525	$ 39,691,967	$ 30,451,905
Covered payroll	$ 46,284,367	$ 42,214,950	$ 40,294,217	$ 40,259,875	$ 38,668,263	$ 38,146,262	$ 35,467,771	$ 33,213,551	$ 29,823,192	$ 28,266,649
Proportionate share of the net pension liability as a percentage of its covered payroll	210%	224%	141%	212%	210%	202%	187%	161%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

See Notes to Required Supplementary Information

Palo Alto Unified School District
Schedule of the District's Contributions
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS										
Contractually required contribution	$ 23,881,684	$ 22,811,814	$ 19,533,149	$ 18,718,224	$ 19,490,042	$ 18,439,878	$ 16,077,393	$ 13,602,277	$ 10,810,489	$ 8,218,669
Less contributions in relation to the contractually required contribution	23,881,684	22,811,814	19,533,149	18,718,224	19,490,042	18,439,878	16,077,393	13,602,277	10,810,489	8,218,669
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$125,034,995	$119,433,581	$115,444,143	$115,902,316	$113,976,854	$115,210,457	$111,416,445	$108,126,208	$100,750,130	$ 83,779,040
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%	16.01%	14.43%	12.58%	10.73%	9.81%
CalPERS										
Contractually required contribution	$ 13,859,928	$ 11,742,344	$ 9,671,445	$ 8,340,903	$ 7,939,650	$ 7,025,901	$ 5,924,496	$ 4,925,764	$ 3,934,909	$ 3,412,370
Less contributions in relation to the contractually required contribution	13,859,928	11,742,344	9,671,445	8,340,903	7,939,650	7,025,901	5,924,496	4,925,764	3,934,909	3,412,370
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 51,948,756	$ 46,284,367	$ 42,214,950	$ 40,294,217	$ 40,259,875	$ 38,668,263	$ 38,146,262	$ 35,467,771	$ 33,213,551	$ 29,823,192
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.72%	18.1697%	15.5310%	13.8880%	11.8500%	11.4420%

See Notes to Required Supplementary Information

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

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

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

Schedule of the District’s Contributions for OPEB

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

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

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

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

Schedule of the District's Contributions

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

Supplementary Information
June 30, 2024

Palo Alto Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425W	15566	$ 6,375
Elementary and Secondary School Emergency Relief (ESSER) Fund			
COVID-19, ESSER III - Learning Loss	84.425U	10155	464,991
COVID-19, ESSER III	84.425U	15559	67,080
COVID-19, ESSER III - State Reserve, Learning Loss	84.425U	15621	1,162,756
Subtotal			1,701,202
Passed through Santa Clara County SELPA			
Special Education Cluster (IDEA)			
IDEA Local Assistance, Part B, Sec 611	84.027	13379	2,467,207
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	124,369
IDEA Preschool Grants, Part B, Section 619, Age 3-4-5	84.173	13430	39,667
IDEA Preschool Staff Development, Part B, Sec 619	84.173	13431	342
Total Special Education Cluster			2,631,585
Adult Education - Basic Grants to states			
Adult Basic Education and English as Second Language	84.002	14508	220,684
Rehabilitation Services Vocational Rehabilitation Grants to States	84.048	14891	419,637
Career and Technical Education - Basic Grants to State	84.048	14894	57,079
Title I, Grants to Local Educational Agencies	84.010	14329	279,648
Supporting Effective Instruction State Grants	84.367	14341	154,416
English Language Acquisition State Grants	84.365	15146	85,084
English Language Acquisition State Grants	84.365	14346	125,466
Student Support and Academic Enrichment Program	84.424	15396	24,665
Total U.S. Department of Education			5,699,466
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	655,137
Meal Supplements and Basic School Breakfast	10.556	13568	285,923
Commodity Supplemental Food Program	10.555	13523	65,677
Local Food for Schools	10.555	15708	76,492
Supply Chain Assistance (SCA) Funds	10.555	15655	529,343
Total Child Nutrition Cluster			1,612,572
Total U.S. Department of Agriculture			1,612,572
U.S. Department of Health and Human Services			
Passed through CDE			
Child Care and Development Fund (CCDF) Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	159,856
Child Care and Development Block Grant	93.575	10163	181,688
Total CCDF Cluster			341,544
Total U.S. Department of Health and Human Services			341,544
Total Federal Financial Assistance			$ 7,653,582

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	2,472.40	2,483.37
Fourth through sixth	2,000.97	2,006.64
Seventh and eighth	1,425.44	1,428.44
Ninth through twelfth	3,360.42	3,335.83
Total Regular ADA	9,259.23	9,254.28
Extended Year Special Education		
Seventh and eighth	1.25	1.25
Ninth through twelfth	2.54	2.54
Total Extended Year Special Education	3.79	3.79
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	-	0.64
Fourth through sixth	0.80	3.55
Seventh and eighth	0.65	3.32
Ninth through twelfth	1.07	5.75
Total Special Education, Nonpublic, Nonsectarian Schools	2.52	13.26
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.09	0.09
Fourth through sixth	0.13	0.13
Seventh and eighth	0.10	0.10
Ninth through twelfth	0.27	0.27
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	0.59	0.59
Total ADA	9,266.13	9,271.92
Court-Ordered Voluntary Pupil Transfer Regular ADA		
Transitional kindergarten through third	215.53	215.51
Fourth through sixth	127.89	127.86
Seventh and eighth	76.99	77.02
Ninth through twelfth	77.88	77.34
Total Court-Ordered Voluntary Pupil Transfer ADA	498.29	497.73

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Actual Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	48,025	180	N/A	Complied
Grades 1 - 3					
Grade 1	50,400	51,635	180	N/A	Complied
Grade 2	50,400	51,635	180	N/A	Complied
Grade 3	50,400	51,635	180	N/A	Complied
Grades 4 - 6					
Grade 4	54,000	55,060	180	N/A	Complied
Grade 5	54,000	55,060	180	N/A	Complied
Grade 6	54,000	55,060	180	N/A	Complied
Grades 7 - 8					
Grade 7	54,000	58,300	180	N/A	Complied
Grade 8	54,000	58,300	180	N/A	Complied
Grades 9 - 12					
Grade 9	64,800	71,095	180	N/A	Complied
Grade 10	64,800	71,095	180	N/A	Complied
Grade 11	64,800	71,095	180	N/A	Complied
Grade 12	64,800	71,095	180	N/A	Complied

There were no adjustments to the unaudited actual financial report, which required reconciliation to the audited financial statements at June 30, 2024.

	(Budget) 2025 [1]	2024	2023 [1]	2022 [1]
General Fund				
Revenues	$ 327,798,704	$ 339,378,627	$ 321,588,288	$ 288,383,020
Other sources	280,000	39,606	27,347	24,873
Total Revenues and Other Sources	328,078,704	339,418,233	321,615,635	288,407,893
Expenditures	337,870,238	317,067,797	291,365,464	264,398,486
Other uses and transfers out	2,250,000	2,015,929	2,959,040	699,960
Total Expenditures and Other Uses	340,120,238	319,083,726	294,324,504	265,098,446
Increase/(Decrease) in Fund Balance	(12,041,534)	20,334,507	27,291,131	23,309,447
Ending Fund Balance	$ 132,920,658	$ 144,962,192	$ 124,627,685	$ 97,336,554
Available Reserves [2]	$ 59,475,078	$ 76,785,325	$ 61,592,538	$ 44,220,894
Available Reserves as a Percentage of Total Outgo	17.49%	24.06%	20.93%	16.68%
Long-Term Liabilities	$ 740,309,117	$ 781,639,390	$ 772,624,134	$ 648,886,947
K-12 Average Daily Attendance at P-2	9,649	9,764	9,836	10,701

The General Fund balance has increased by $48.7 million over the past two years. The fiscal year 2024-2025 budget projects a decrease of $12 million (8.25%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by over $132.7 million in the past two years.

Average daily attendance has decreased by over 937 in the past two years. Continuously, a decline of ADA is anticipated during fiscal year 2024-2025.

[1] Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of unassigned fund balance of the General Fund.

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Nonmajor Governmental Funds
Assets								
Deposits and investments	$ 497,593	$ 1,016,011	$ 455,473	$ 3,521,427	$ 7,376,523	$ 3,020,399	$ 4,325,998	$ 20,213,424
Receivables	-	269,254	44,557	86,823	72,218	28,303	42,523	543,678
Due from other funds	-	3,982	-	-	-	-	-	3,982
Prepaid expenditures	-	-	-	13,395	-	-	-	13,395
Stores inventories	-	15,687	-	31,079	-	-	-	46,766
Total assets	$ 497,593	$ 1,304,934	$ 500,030	$ 3,652,724	$ 7,448,741	$ 3,048,702	$ 4,368,521	$ 20,821,245
Liabilities								
Accounts payable	$ -	$ 49,774	$ 282,114	$ 284,834	$ -	$ 2,150	$ -	$ 618,872
Due to other funds	-	13,288	-	1,342	-	39,606	-	54,236
Unearned revenue	-	19,511	47,778	-	-	-	-	67,289
Total liabilities	-	82,573	329,892	286,176	-	41,756	-	740,397
Fund Balances								
Nonspendable	-	15,687	-	44,474	-	-	-	60,161
Restricted	497,593	345,445	170,138	3,322,074	-	3,006,946	4,350,429	11,692,625
Assigned	-	861,229	-	-	7,448,741	-	18,092	8,328,062
Total fund balances	497,593	1,222,361	170,138	3,366,548	7,448,741	3,006,946	4,368,521	20,080,848
Total liabilities and fund balances	$ 497,593	$ 1,304,934	$ 500,030	$ 3,652,724	$ 7,448,741	$ 3,048,702	$ 4,368,521	$ 20,821,245

Palo Alto Unified School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended June 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Nonmajor Governmental Funds
Revenues								
Federal sources	$ -	$ 220,684	$ 341,544	$ 1,612,572	$ -	$ -	$ -	$ 2,174,800
Other State sources	-	1,946,386	740,929	4,048,463	-	-	4,350,429	11,086,207
Other local sources	1,376,016	834,639	159,771	(83,627)	258,382	1,543,524	(15,498)	4,073,207
Total revenues	1,376,016	3,001,709	1,242,244	5,577,408	258,382	1,543,524	4,334,931	17,334,214
Expenditures								
Current								
Instruction	-	1,305,310	1,220,707	-	-	-	-	2,526,017
Instruction-related activities								
School site administration	-	1,256,149	-	-	-	-	-	1,256,149
Pupil services								
Food services	-	-	-	5,510,471	-	-	-	5,510,471
All other pupil services	-	155,210	-	-	-	-	-	155,210
Administration								
All other administration	-	111,159	-	-	-	-	-	111,159
Plant services	-	100,787	-	-	-	-	-	100,787
Ancillary services	1,397,178	-	-	-	-	-	-	1,397,178
Capital outlay	-	-	-	-	-	2,856,760	-	2,856,760
Total expenditures	1,397,178	2,930,635	1,220,707	5,510,471	-	2,856,760	-	13,915,751
Excess (Deficiency) of Revenues Over Expenditures	(21,162)	71,074	21,537	66,937	258,382	(1,313,236)	4,334,931	3,418,463
Other Financing Sources (Uses)								
Transfers in	-	15,929	-	-	2,000,000	-	-	2,015,929
Transfers out	-	-	-	-	-	(39,606)	-	(39,606)
Net Financing Sources (Uses)	-	15,929	-	-	2,000,000	(39,606)	-	1,976,323
Net Change in Fund Balances	(21,162)	87,003	21,537	66,937	2,258,382	(1,352,842)	4,334,931	5,394,786
Fund Balance - Beginning	518,755	1,135,358	148,601	3,299,611	5,190,359	4,359,788	33,590	14,686,062
Fund Balance - Ending	$ 497,593	$ 1,222,361	$ 170,138	$ 3,366,548	$ 7,448,741	$ 3,006,946	$ 4,368,521	$ 20,080,848

See Notes to Supplementary Information

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

Indirect Cost Rate

The District has not elected to use the ten percent de minimus cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

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

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Nonmajor Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances

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

Other Information
June 30, 2024

Palo Alto Unified School District

ORGANIZATION

The Palo Alto Unified School District was established in 1925 under the laws of the State of California and consists of an area comprising approximately 42 square miles. The District operates five high schools, one community day school, one adult school and one independent study school. There were no boundary changes during the year.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Jesse Ladomirak	President	2024
Shana Segal	Vice President	2024
Shounak Dharap	Member	2026
Todd Collins	Member	2024
Jennifer DiBrienza	Member	2024

ADMINISTRATION

NAME	TITLE
Don Austin	Superintendent
Carolyn Chow	Chief Business Officer
Eric Holmes	Director, Facilities and Construction
Trent Bahadursingh	Deputy Superintendent, Chief of Staff
Anne Brown	Assistant Superintendent, Education Services - Elementary
Guillermo Lopez	Assistant Superintendent, Education Services - Secondary
Yolanda Conaway	Assistant Superintendent Equity and Student Affairs
Jeong Choe	Assistant Superintendent, Innovation

Independent Auditor's Reports
June 30, 2024

Palo Alto Unified School District

EideBailly

CPAs & BUSINESS ADVISORS

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

To the Governing Board
Palo Alto Unified School District
Palo Alto, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Palo Alto Unified School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Menlo Park, California
December 14, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Governing Board
Palo Alto Unified School District
Palo Alto, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Menlo Park, California
December 14, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Governing Board
Palo Alto Unified School District
Palo Alto, California

Report on Compliance

Opinion on State Compliance

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

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 2 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Menlo Park, California
December 14, 2024

Financial Statements

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

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Special Education IDEA Cluster	84.027, 84.173
Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

None reported.

None reported.

None reported.

Summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs. summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

2023-001 Emergency School Closure Instructional Days

Condition
Two of the District's schools offered 179 days of instruction for grades TK/K through 5, one day less than the amount required by the Education Code. The derived valuation of ADA is $10,469.72 for a penalty apportionment per ADA of $58.63. ADA is 4,363 resulting in a tentative $255,833 penalty calculation.

The District followed the process for an emergency school closure and, as of the date of our 2023 report, has a pending waiver on file with the California Department of Education.

Current Status
Resolved.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Palo Alto Unified School District (the "District") in connection with the issuance of $_____ of the District's General Obligation Bonds (Election of 2018), Series 2025 (the "Bonds"). The Bonds are being issued pursuant to a resolution of the District adopted on August 19, 2025 (the "Resolution"). The District covenants and agrees as follows:

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

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

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

"Official Statement" means the official statement dated as of _____, 2025 and relating the primary offering and sale of the Bonds.

"Participating Underwriter" shall mean the original underwriters of the bonds or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"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.

"State" shall mean the State of California.

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 (presently ending June 30), commencing with the report for the 2024-25 fiscal year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, 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(c).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed 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 filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing the Annual Report;

(b) Average daily attendance of the District for the last completed fiscal year;

(c) Outstanding District indebtedness;

(d) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.

(e) Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County and;

(f) Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(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 in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this 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.

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.

(b) Pursuant to the provisions of this Section 5(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:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

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 trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

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 Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

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(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. 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 and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(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; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

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(b), 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 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. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. 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.

Dated: _____, 2025

PALO ALTO UNIFIED SCHOOL DISTRICT

By _____
Chief Business Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: PALO ALTO UNIFIED SCHOOL DISTRICT

Name of Bond Issue: General Obligation Bonds (Election of 2018), Series 2025

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

PALO ALTO UNIFIED SCHOOL DISTRICT

By _____[form only; no signature required]_____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or 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 Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of maturity of the Bonds, each in the aggregate principal amount of such bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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. However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of

Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event

that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF PALO ALTO AND THE COUNTY OF SANTA CLARA

The following information regarding the City of Palo Alto (the "City") and the County of Santa Clara (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or the County. This material has been prepared by or excerpted from the sources noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

The City of Palo Alto. Palo Alto became a Charter City in 1909, shortly after it was incorporated in 1894. It has an area of twenty-six square miles, almost half of which is dedicated parks and wildlife preserves. Operating under the Council-Manager form of government, it has seven members, including the Mayor, elected at-large to four year staggered terms. With many stable employers, and largely built-out, recent Council priorities have included an emphasis on affordable housing, as well as addressing sustainability in relation to climate change.

Santa Clara County. One of the nine Counties in the greater metropolitan San Francisco Bay Area, Santa Clara County occupies an area of 1,316 square miles. Established by an act of State of California (the "State") legislation in 1850, it was one of the original 27 Counties in the State. Home to Silicon Valley, the birthplace of the semiconductor and computer industries in the United States, Santa Clara County operates under a Home Rule Charter adopted by its voters. The County Board of Supervisors is comprised of officials elected by each of five districts to four-year staggered terms. The economy of Santa Clara County is based largely on the primary and secondary businesses associated with the computer and electronics industry.

[REMAINDER OF PAGE LEFT BLANK]

Population

The following table shows historical population figures for the City, the County and the State for the last 10 years.

POPULATION ESTIMATES
2016 through 2025
City of Palo Alto,
Santa Clara County and the State of California

Year	City of Palo Alto	Santa Clara County	State of California
2016[(1)]	68,867	1,931,565	39,036,749
2017[(1)]	69,274	1,942,176	39,273,915
2018[(1)]	69,191	1,951,088	39,429,439
2019[(1)]	69,109	1,954,833	39,503,656
2020[(2)]	68,253	1,936,259	39,538,223
2021[(2)]	67,849	1,913,594	39,369,530
2022[(2)]	67,791	1,894,827	39,179,680
2023[(2)]	68,468	1,915,165	39,228,444
2024[(2)]	68,570	1,921,406	39,420,663
2025[(2)]	68,794	1,922,259	39,529,101

(1) As of January 1.
(2) As of May 1.

Source: 2016-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1. 2020-25 (2020 Demographic Research Unit Benchmark): California Department of Finance for May 1.

[REMAINDER OF PAGE LEFT BLANK]

Income

The following table summarizes per capita personal income for the County, the State, and the United States for the past 10 years that statistics are currently available.

PER CAPITA PERSONAL INCOME
2014 through 2023
Santa Clara County, the State of California, and the United States

Year	Santa Clara County	State of California	United States
2014	$77,043	$50,617	$46,289
2015	83,758	53,816	48,062
2016	90,091	55,862	48,974
2017	97,638	58,214	51,006
2018	106,551	60,984	53,311
2019	112,573	64,219	55,567
2020	121,845	70,098	59,123
2021	143,938	76,882	64,460
2022	142,708	76,941	66,244
2023	151,003	81,255	69,810

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: February 20, 2025 – revised statistics for 2010-2019. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables list the principal employers in the City and the County, where data is currently available.

PRINCIPAL EMPLOYERS
as of June 30, 2024
City of Palo Alto

Employer	Industry	Number of Employees
Broadcom Inc./VMWare Inc.	Business Services: Computer Related Services	18,817
Stanford University	Services: Education	18,192
Hewlett-Packard Company	Manufacturing: Computer and Office Equipment	14,673
Veteran's Affairs Palo Alto Health Care System	Services: Health	4,400
Varian Medical Systems	Manufacturing: Medical and Optical Goods	3,490
Tesla Corporate Offices	Transportation Services	2,500
Cooley	Legal Services	2,324
Palantir Technologies Inc.	Business Services: Prepackaged Software	2,026
Wilson Sonsini Goodrich & Rosati	Legal Services	1,701
Rubrik Inc. HQ	Business Services: Computer Related Services	1,581

Source: City of Palo Alto Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2024.

PRINCIPAL EMPLOYERS
as of June 30, 2024
Santa Clara County

Employer	Industry	Number of Employees
Google LLC	Business Services: Computer Related Services	44,244
Tesla Motors Inc.	Manufacturing: Motor Vehicles	30,000
Apple, Inc.	Manufacturing: Computer & Office Equipment	25,000
Meta Platforms Inc. (formerly Facebook Inc.)	Business Services: Computer Related Services	22,515
County of Santa Clara	Public Administration	21,590
Cisco Systems Inc.	Manufacturing: Computer & Office Equipment	18,500
Stanford University	Services: Education	16,963
Stanford Healthcare (formerly Hospital & Clinics)	Services: Health	10,847
University of California Santa Cruz	Services: Education	8,671
City of San Jose	Public Administration	8,134

Source: County of Santa Clara Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

[REMAINDER OF PAGE LEFT BLANK]

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2020 through 2024 for the City, the County, the State, and the United States.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2020 through 2024[1]
City of Palo Alto,
Santa Clara County, the State of California, and the United States

Year	Year and Area	Labor Force	Employment[2]	Unemployment[3]	Unemployment Rate (%)
2020	City of Palo Alto	32,000	30,600	1,400	4.3
	Santa Clara County	1,002,000	929,100	72,900	7.3
	State of California	18,821,200	16,913,100	1,908,100	10.0
	United States	160,742,000	147,795,000	12,947,000	8.1
2021	City of Palo Alto	32,000	31,000	1,100	3.3
	Santa Clara County	987,300	938,600	48,700	4.9
	State of California	19,041,000	18,127,700	913,300	4.8
	United States	161,204,000	152,581,000	8,623,000	5.3
2022	City of Palo Alto	32,900	32,200	800	2.3
	Santa Clara County	1,009,200	981,200	28,100	2.8
	State of California	19,252,900	18,440,900	811,100	4.2
	United States	164,287,000	158,291,000	5,996,000	3.6
2023	City of Palo Alto	33,300	32,200	1,100	3.2
	Santa Clara County	1,021,900	985,800	36,200	3.5
	State of California	19,308,300	18,388,300	920,000	4.8
	United States	167,116,000	161,037,000	6,080,000	3.6
2024	City of Palo Alto	33,300	32,000	1,200	3.7
	Santa Clara County	1,023,200	980,900	42,300	4.1
	State of California	19,644,100	18,600,900	1,043,100	5.3
	United States	168,106,000	161,346,000	6,761,000	4.0

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2024 Benchmark.

Industry

The County is included in the San Jose-Santa Clara-Sunnyvale Metropolitan Statistical Area (the "MSA"). The distribution of employment is presented in the following table for the past five years. These figures may be multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2020 through 2024
Santa Clara County (San Jose-Santa Clara-Sunnyvale MSA)

Category	2020	2021	2022	2023	2024
Total Farm	5,300	5,000	4,800	4,700	4,800
Total Nonfarm	1,076,200	1,097,700	1,151,000	1,154,000	1,152,200
Total Private	982,300	1,004,500	1,055,200	1,056,000	1,052,000
Goods Producing	175,900	177,500	187,100	185,200	178,700
Mining and Logging	200	200	200	200	200
Construction	50,100	51,700	53,800	53,900	53,200
Manufacturing	125,600	125,700	133,200	131,100	125,300
Durable Goods	116,500	115,900	122,600	120,500	114,700
Nondurable Goods	9,100	9,800	10,600	10,600	10,600
Service Providing	900,300	920,200	963,900	968,800	973,500
Private Service Providing	806,400	827,000	868,100	870,800	873,300
Trade, Transportation and Utilities	116,800	117,200	119,200	119,400	117,300
Wholesale Trade	29,200	28,300	28,900	28,900	28,500
Retail Trade	73,000	73,700	73,600	73,700	72,200
Transportation, Warehousing and Utilities	14,600	15,100	16,700	16,900	16,600
Information	105,900	107,100	106,000	97,700	94,000
Financial Activities	38,000	38,400	38,100	37,800	36,600
Professional and Business Services	277,800	284,100	295,700	290,400	286,000
Private Education and Health Services	172,700	178,400	187,000	197,100	208,700
Leisure and Hospitality	73,100	79,000	96,700	101,900	103,400
Other Services	22,100	22,800	25,400	26,500	27,400
Government	93,900	93,300	95,800	98,000	100,100
Total Wage and Salary	1,081,500	1,102,800	1,155,800	1,158,700	1,157,000

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2024 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the City and the County for the last five years are shown in the following tables.

ANNUAL TAXABLE SALES
2020 through 2024
City of Palo Alto
(Dollars in Thousands)

Year	Total Retail and Food Services Permits	Retail and Food Services Taxable Transactions	Total All Outlets Permits	Total All Outlets: Taxable Transactions
2020	1,451	$1,104,545	2,916	$2,096,376
2021	1,363	1,332,076	2,744	2,455,505
2022	1,369	1,407,710	2,781	2,826,599
2023	1,323	1,476,578	2,709	2,988,228
2024	1,344	1,550,588	2,728	2,885,838

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2020 through 2024
Santa Clara County
(Dollars in Thousands)

Year	Total Retail and Food Services Permits	Retail and Food Services Taxable Transactions	Total All Outlets Permits	Total All Outlets: Taxable Transactions
2020	30,969	$27,467,410	55,395	$46,444,650
2021	28,365	31,393,299	51,015	52,994,694
2022	28,214	33,619,772	51,222	57,738,947
2023	27,227	33,369,250	49,698	57,098,298
2024	27,465	33,757,071	50,447	57,212,355

Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2020 through 2024
City of Palo Alto
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	$87,622	$76,008	$94,879	$172,369	$139,377
Non-Residential	30,279	60,812	86,168	286,699	173,287
Total	$117,901	$136,820	$181,047	$459,068	$312,664
Units					
Single Family	68	114	133	105	132
Multiple Family	8	2	2	152	50
Total	76	116	135	257	182

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2020 through 2024
Santa Clara County
(Dollars in Thousands)

	2020	2021	2022	2023	2024
Valuation					
Residential	$1,164,567	$1,444,027	$2,190,675	$1,902,044	$1,501,880
Non-Residential	2,816,510	1,582,629	2,647,314	2,582,386	1,791,839
Total	$3,981,077	$3,026,656	$4,837,989	$4,484,430	$3,293,719
Units					
Single Family	1,329	1,789	1,538	1,321	1,316
Multiple Family	2,245	3,210	6,765	4,972	2,017
Total	3,574	4,999	8,303	6,293	3,333

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

APPENDIX F

SANTA CLARA COUNTY INVESTMENT POOL

The following information concerning the Santa Clara County Investment Pool (the "Investment Pool") has been provided by the Director of Finance (the "Treasurer-Tax Collector") of Santa Clara County (the "County"), and has not been confirmed or verified by the District or the Municipal Advisor. The District and the Municipal Advisor have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, neither the District nor the Municipal Advisor make any representation 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. Additional information regarding the Investment Pool may be obtained from the Director of Finance at https://www.controller.sccgov.org/treasury-division; however, the information presented on such website is not incorporated herein by any reference.

[REMAINDER OF PAGE LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

Quarterly Investment Report

June 30, 2025

Quarterly Investment Review Table of Contents

Quarterly Investment Report

Table of Contents

Summary of Cost Values versus Market Values and Yields	1
Economic Update and Portfolio Strategy	2
Liquidity Adequacy and Review and Monitoring	4
Commingled Pool: Allocation by Security Types	5
Commingled Pool: Allocation by Ratings	6
Commingled Pool: Holdings by Issuer	7
Commingled Pool: Historical Month End Book Values	8
Commingled Pool: Distribution by Maturity	9
Commingled Pool: Yield to Maturity and Weighted Average Maturity	10
Approved Issuers and Broker/Dealers	11
Commingled Pool: Compliance with Investment Policy	12
Commingled Pool: Month Ended April 30, 2025	13
Commingled Pool: Month Ended May 31, 2025	14
Holdings Report: Commingled Pool	15
Holdings Report: Worker's Compensation	29
Holdings Report: Park Charter Fund	30
Holdings Report: San Jose-Evergreen	31
Transaction Activity Report	32

Board of Supervisors: Sylvia Arenas, Betty Duong, Otto Lee, Susan Ellenberg, Margaret Abe-Koga

County Executive: James R. Williams

Santa Clara County Commingled Pool and Segregated Investments

June 30, 2025

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool	$11,434,360,500	$11,447,957,258	$13,596,758	0.12%
Worker's Compensation	$32,263,898	$32,369,877	$105,979	0.33%
Park Charter Fund	$4,744,539	$4,784,651	$40,112	0.85%
San Jose-Evergreen	$0	$0	$0	0.00%
Medical Malpractice Insurance Fund (1)	$10,373,921	$10,427,525	$53,604	0.52%
Total	**$11,481,742,857**	**$11,495,539,311**	**$13,796,453**	**0.12%**

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2025			2024
	Apr 30	May 31	Jun 30	Jun 30
Commingled Investment Pool	3.88%	3.87%	3.87%	3.90%
Worker's Compensation	2.94%	3.46%	3.46%	2.95%
Weighted Yield	**3.88%**	**3.87%**	**3.87%**	**3.90%**

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

Santa Clara County Commingled Pool and Segregated Investments

Economic Update and Portfolio Strategy

June 30, 2025

Recent economic activity indicates the US economy continues to grow at a solid pace while maintaining a low unemployment rate. The economy has been more resilient than expected in the face of sweeping new tariff policies. Many businesses continue to delay investment and hiring while they assess what the impact will be from President Trump's economic policies covering tariffs and a new fiscal budget.

Gross domestic product (GDP), which measures the value of goods and services produced in the US, increased an annualized 3 percent in the second quarter ending June 30, 2025, after the economy posted a negative 0.5 percent rate in the prior period. The second quarter reversal in GDP was caused largely by the front-loading of imports. In anticipation of the Federal administration tariff agenda, companies that rely on imported goods either as an intermediate input or as a finished product for resale rushed to build inventory early. The spike in imports created a massive trade deficit, significantly reducing first quarter growth.

Despite the strength of the underlying economy, signals have emerged that suggest weakening in labor markets. The Bureau of Labor Statistics reported significant reductions in job growth from tabulations reported previously for May and June of 2025 by a combined amount of 248,000. The revision left May and June as having added just 19,000 and 14,000 jobs respectively. In July, US payrolls increased only by 73,000, below expectations. Even with meager job growth, the unemployment rate remained stable and only rose slightly to 4.2 percent in July from 4.1 percent the prior month. When the supply of workers declines, the unemployment rate can hold steady or even fall if job growth slows. Many economists believe the slowdown in demand for labor, mostly related to tariff uncertainty has been offset by the sharp reduction in the supply of immigrant labor. Overall employment layoffs have been at long-term lows, and companies also have been reluctant to hire.

Federal Reserve Bank (Fed) policy makers decided to leave interest rates unchanged at their last meeting on July 30, 2025. The Fed's benchmark federal funds rate will remain in the range of 4.25 percent to 4.50 percent. The Fed has held constant rates for five consecutive meetings.

Although policy makers acknowledge that the pace of economic activity moderated somewhat during the first half of 2025, they cite uncertainty over the impact the Trump administration's tariff policies will have on inflation as the reason for keeping rates unchanged. Some policymakers expect tariffs will result in a one-time adjustment to price levels. Others are concerned that policy influence could result in persistent inflation growth. Currently, most policy makers have expressed that the Fed should hold off on rate cuts until they can fully gauge the impact.

So far, anecdotal evidence indicates that corporations are staying competitive by absorbing import costs and offsetting them with having shipped inventory in advance of tariffs, efficiency improvements, and other cost measures. This may also be part of a longer strategy to gradually adjust prices over time. Economists ultimately expect companies will pass on the tariffs they must pay on imported goods to customers, accelerating inflation.

The Trump administration has either completed or is in the process of finalizing agreements on tariff rates with major US trading partners including Canada, the European Union, Mexico, Japan and China. The arrangements that have been reached include tariffs that range from 15 percent to 20 percent. This is lower than what had been initially threatened by the Trump administration but enough to significantly boost the average tax on goods imported to the US. Most recently the administration introduced penalties on tariff dodgers although the overall policy roll-out appears to be approaching the end.

Inflation has remained mostly stable but has been trending upward. The Fed's preferred measure of underlying inflation increased in June 2025 at one of the fastest paces this year. The core personal consumption expenditures price (PCE) index, which excludes volatile items such as food and energy, rose 0.3 percent from May, and it increased 2.8 percent on an annual basis, as measured from June 2024. The June increase, primarily driven by a rebound in-service cost, underscores the limited progress on taming inflation in the past year and towards reaching the Fed's 2 percent inflation target.

A closer analysis of the June PCE index and consumer spending which was moderate in the second quarter indicates consumers are pulling back on tariff-exposed goods due to higher prices and focusing on necessities. Goods directly exposed to tariffs, include toys, apparel and electronics. The pass-through of tariffs on to the prices consumers pay for other goods and services has been limited to date.

The portfolio strategy continues to focus on:
(1) acquisition of high-quality issuers;
(2) identifying and selecting bonds with attractive valuations;
(3) appropriately sizing the liquidity portion of the portfolio to ensure adequate cash for near-term obligations; and
(4) ensuring that monies targeted for longer-term investments are deployed in vehicles with favorable risk-adjusted yields.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Liquidity Adequacy, Review, and Monitoring

June 30, 2025

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 3.87 and the weighted average life is 415 days.

Liquidity Adequacy

The County Treasurer believes the Commingled Pool contains sufficient cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

Meeder Public Funds, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities follows a hierachy provided by independent pricing services, the Bank of New York Mellon, Bloomberg Analytics, and dealer quotes.

Santa Clara County Commingled Pool

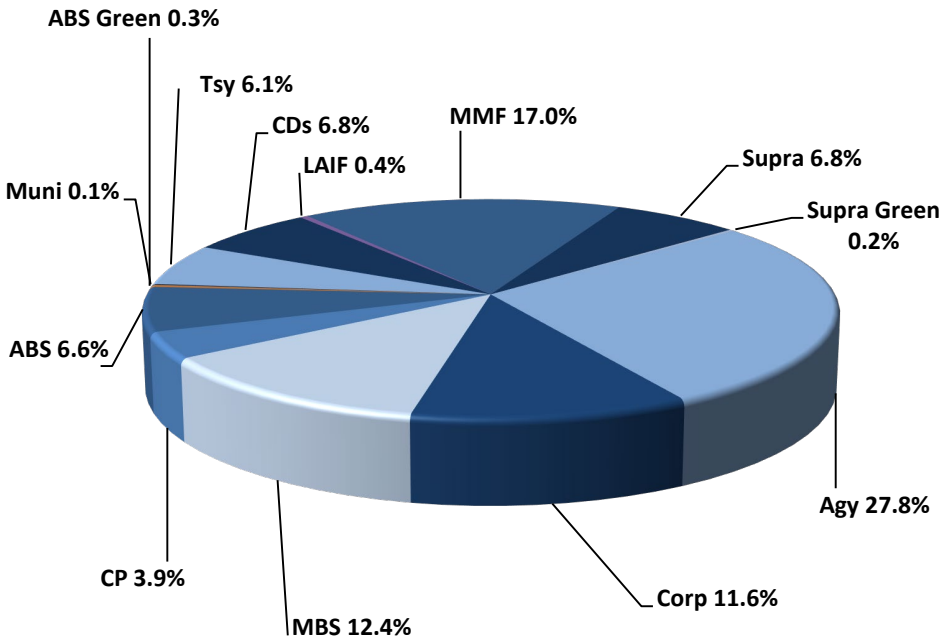
Allocation by Security Types

June 30, 2025

Sector	6/30/2025	3/31/2025	% Chng
Federal Agencies	27.80%	30.23%	-2.44%
Corporate Bonds	11.60%	11.37%	0.23%
Mortgage Backed Securities	12.38%	12.08%	0.30%
Commercial Paper	3.89%	4.82%	-0.93%
ABS	6.58%	7.06%	-0.48%
ABS Green Bonds	0.31%	0.36%	-0.05%
Municipal Securities	0.13%	0.34%	-0.20%
U.S. Treasuries	6.11%	7.82%	-1.71%
Negotiable CDs	6.82%	4.06%	2.76%
LAIF	0.42%	0.43%	-0.01%
Money Market Funds	16.97%	16.77%	0.19%
Supranationals	6.78%	4.44%	2.34%
Supranationals Green Bonds	0.21%	0.22%	-0.01%
Total	100.00%	100.00%	

Sector	6/30/2025	3/31/2025
Federal Agencies	3,178,300,798	3,350,092,261
Corporate Bonds	1,326,764,026	1,259,785,763
Mortgage Backed Securities	1,415,337,776	1,338,394,076
Commercial Paper	445,039,069	534,248,090
ABS	751,845,143	782,039,522
ABS Green Bonds	35,427,944	39,509,099
Municipal Securities	15,400,000	37,495,000
U.S. Treasuries	698,662,818	866,321,285
Negotiable CDs	780,000,000	450,000,000
LAIF	47,801,827	47,280,798
Money Market Funds	1,939,886,739	1,858,502,029
Supranational	775,487,359	492,395,525
Supranationals Green Bonds	24,407,000	24,407,000
Total	11,434,360,500	11,080,470,449

Amounts are based on book value

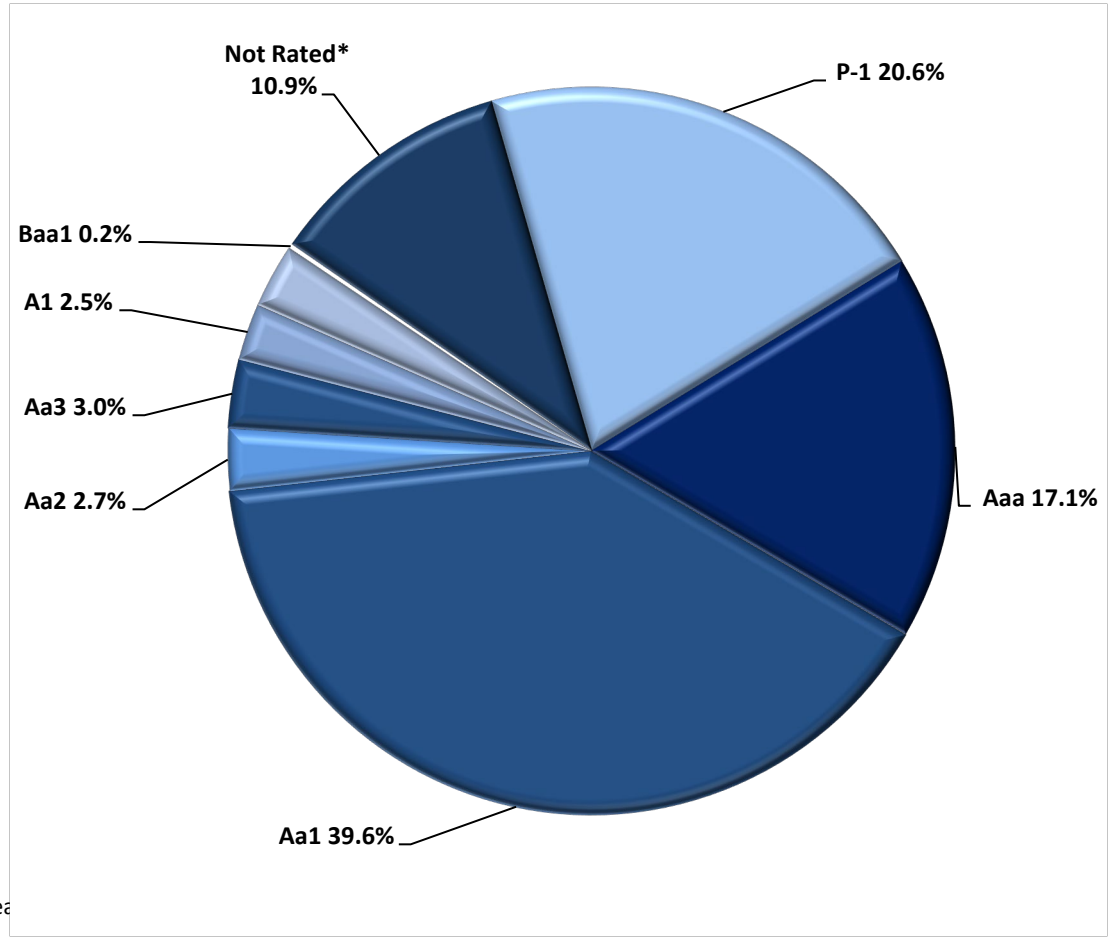


Santa Clara County Commingled Pool

Allocation by Ratings

June 30, 2025

Moody's Rating	Portfolio $	Portfolio %
P-1	2,353,342,356	20.6%
P-2	-	0.0%
Aaa	1,949,666,358	17.1%
Aa1	4,530,587,361	39.6%
Aa2	312,081,802	2.7%
Aa3	345,692,488	3.0%
A1	287,741,554	2.5%
A2	323,005,010	2.8%
A3	64,021,228	0.6%
Baa1	24,028,378	0.2%
Not Rated*	1,244,193,966	10.9%
Total	11,434,360,500	100.0%



*Not Rated by Moody's but at least A-1 & F1 by S&P & Fitch.

**Repurchase Agreements are not rated, but are collateralized by U.S. Trea

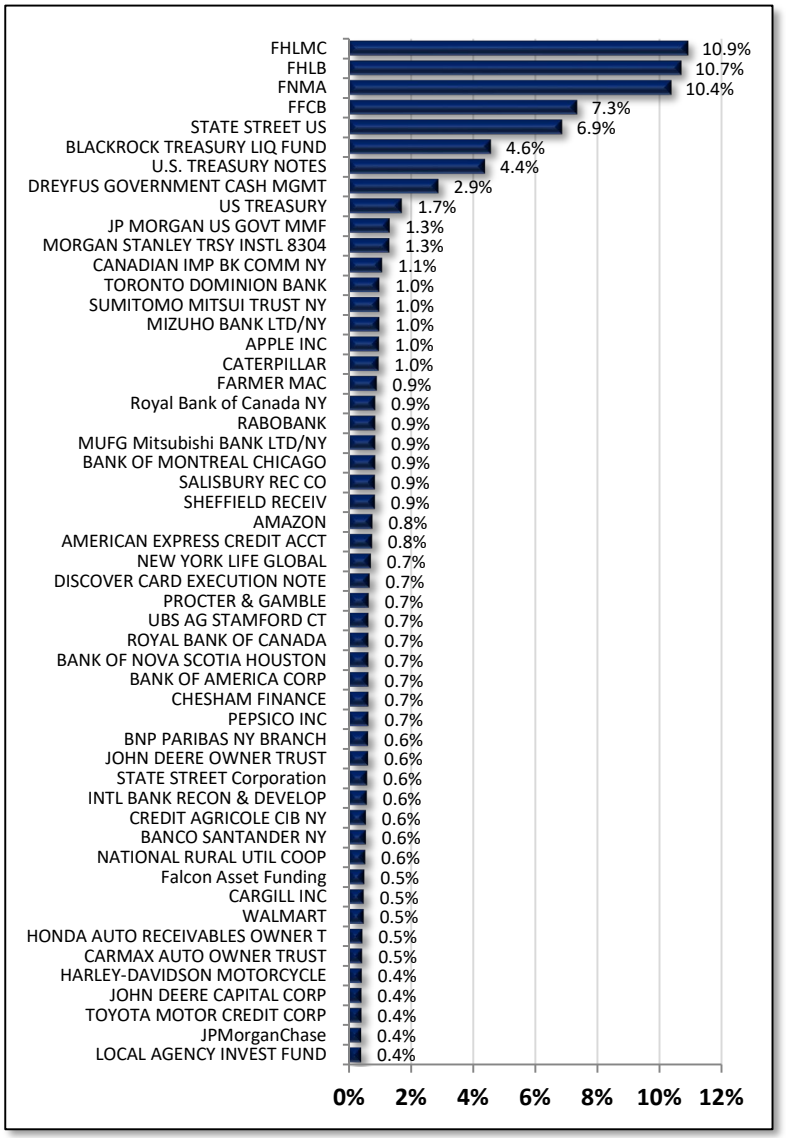
***LAIF is not rated, but is comprised of State Code allowable securities

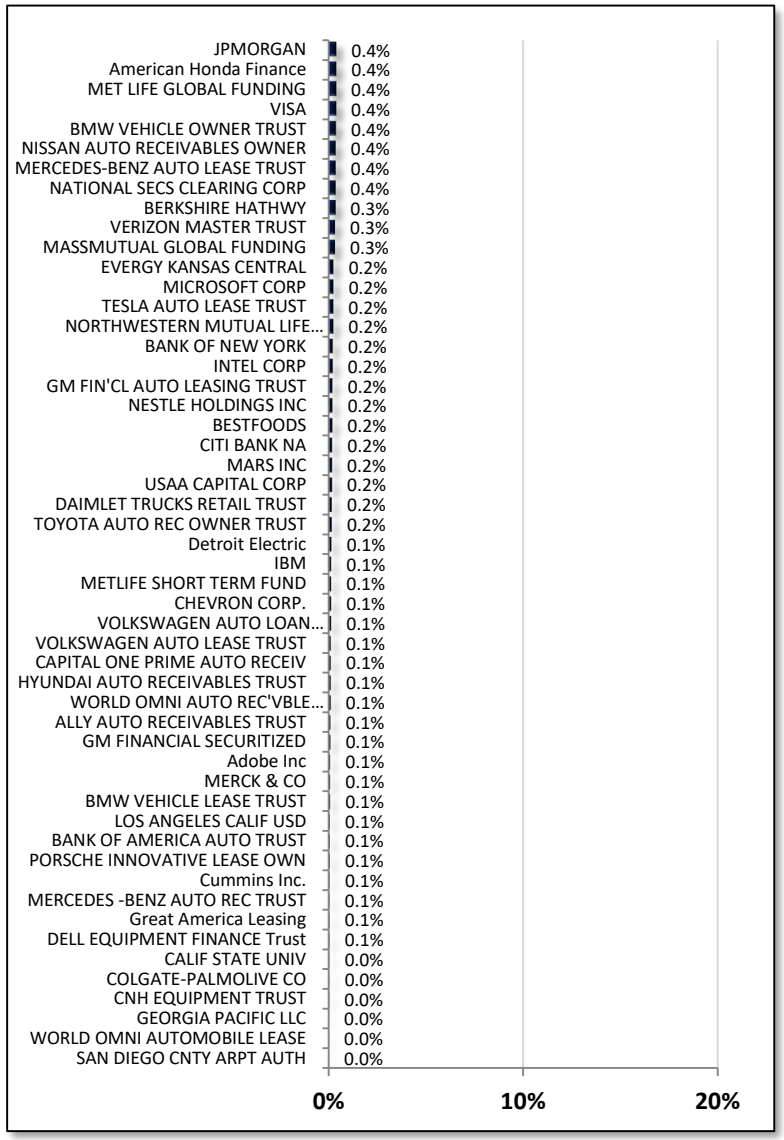
Amounts are based on book values

Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

June 30, 2025





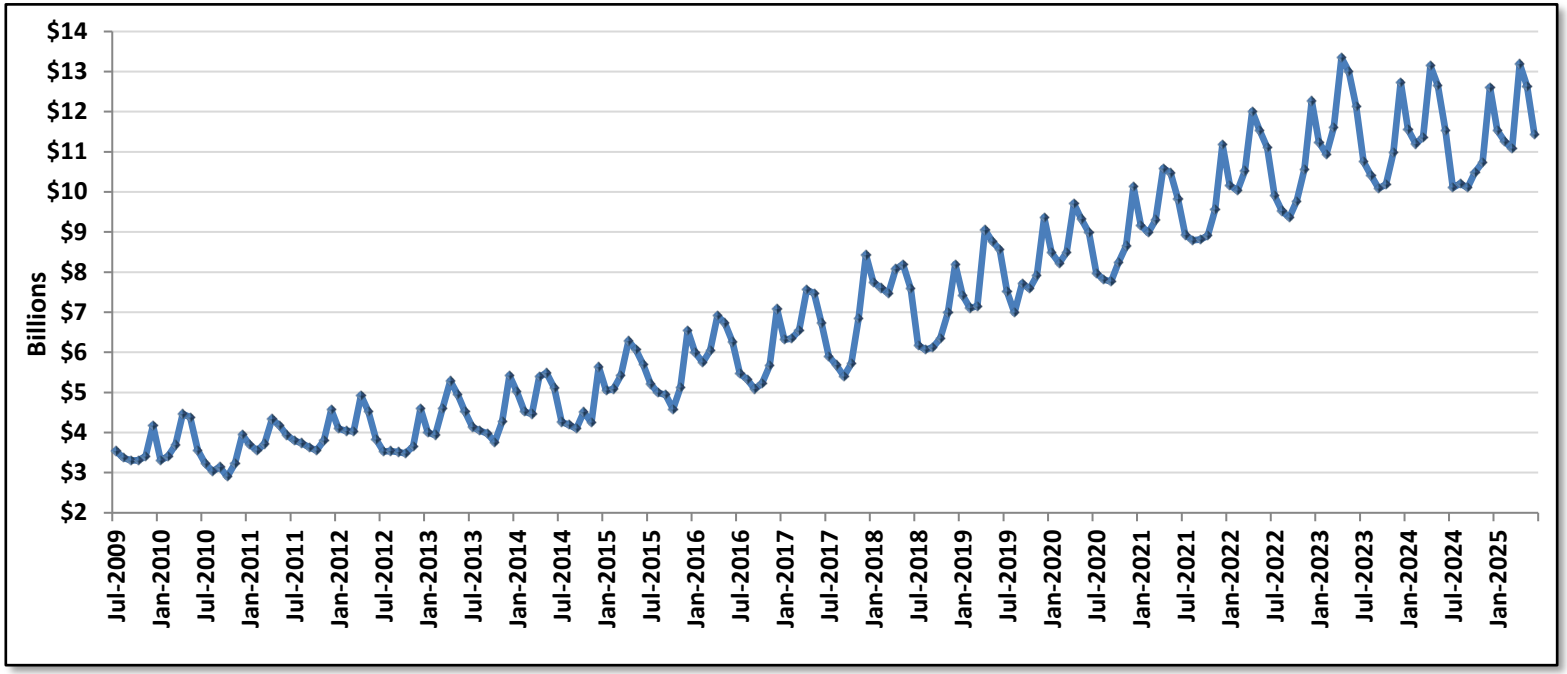
Amounts are based on book values

Source: Data source is supplied by Santa Clara County, while the calculations are performed by Meeder Public Funds.

Santa Clara County Commingled Pool

Historical Month End Book Values

June 30, 2025



Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	$4.13	$4.05	$3.98	$3.76	$4.27	$5.42	$5.02	$4.52	$4.46	$5.39	$5.49	$5.11
FY 2015	$4.27	$4.19	$4.10	$4.05	$4.25	$5.64	$5.05	$5.09	$5.42	$6.28	$6.07	$5.69
FY 2016	$5.21	$4.99	$4.94	$4.59	$5.12	$6.54	$6.00	$5.75	$6.04	$6.91	$6.73	$6.26
FY 2017	$5.47	$5.33	$5.09	$5.22	$5.67	$7.08	$6.32	$6.35	$6.55	$7.56	$7.47	$6.73
FY 2018	$5.90	$5.69	$5.41	$5.72	$6.85	$8.43	$7.75	$7.61	$7.47	$8.08	$8.19	$7.58
FY 2019	$6.18	$6.07	$6.13	$6.35	$6.99	$8.20	$7.42	$7.10	$7.15	$9.05	$8.77	$8.56
FY 2020	$7.51	$6.98	$7.18	$7.58	$7.91	$9.36	$8.49	$8.22	$8.49	$9.70	$9.32	$8.98
FY 2021	$7.98	$7.81	$7.77	$8.23	$8.65	$10.13	$9.17	$8.98	$9.30	$10.59	$10.47	$9.83
FY 2022	$8.92	$8.79	$8.81	$8.91	$9.55	$11.18	$10.17	$10.03	$10.52	$12.01	$11.54	$11.10
FY 2023	$9.90	$9.52	$9.37	$9.77	$10.56	$12.27	$11.23	$10.94	$11.61	$13.35	$13.00	$12.13
FY 2024	$10.75	$10.42	$10.09	$10.18	$10.97	$12.74	$11.56	$11.20	$11.37	$13.14	$12.66	$11.52
FY 2025	$10.11	$10.21	$10.10	$10.49	$10.74	$12.61	$11.53	$11.26	$11.08	$13.20	$12.64	$11.43

Amounts in billions

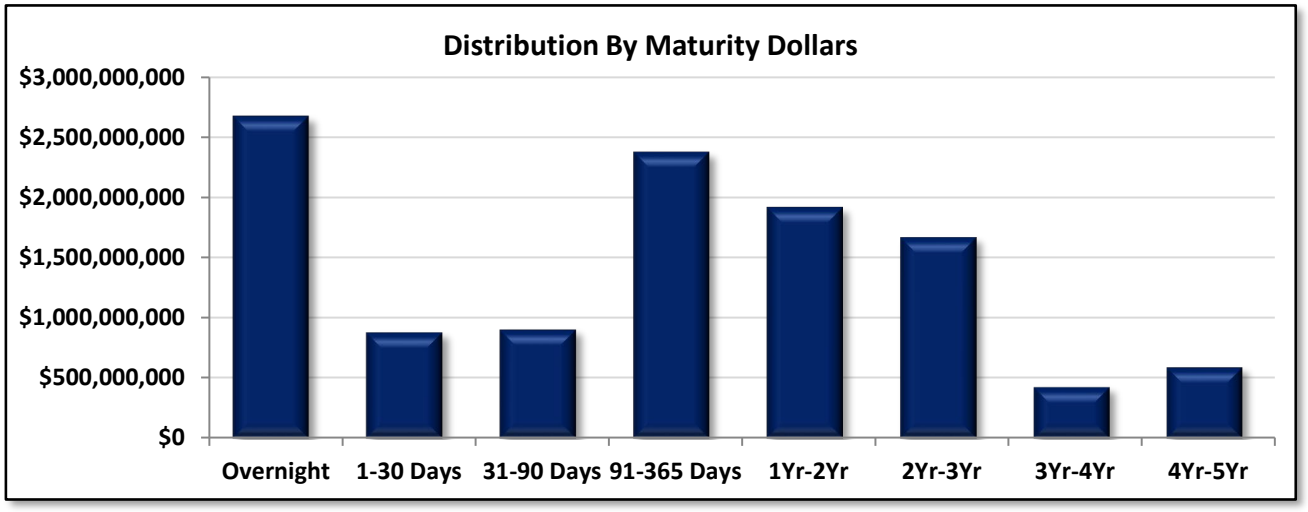
Source: Data source is supplied by Santa Clara County, while the calculations are performed by Meeder Public Funds.

Santa Clara County Commingled Pool

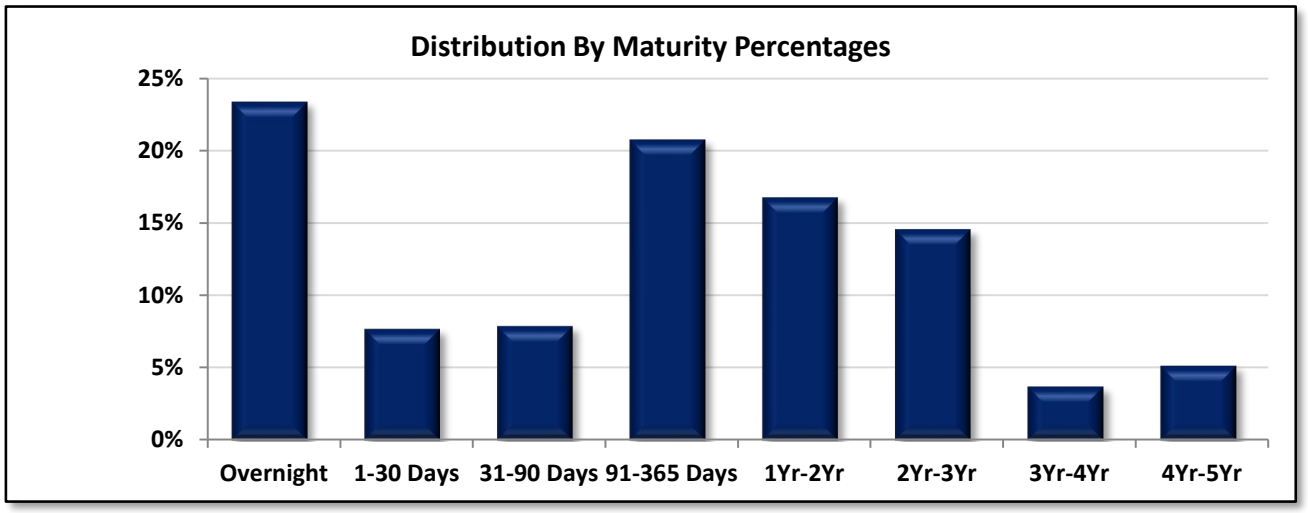
Distribution by Maturity

June 30, 2025

Maturity	Amount*
Overnight	2,673,111,058
1-30 Days	880,017,108
31-90 Days	902,672,573
91-365 Days	2,375,484,925
1Yr-2Yr	1,918,683,332
2Yr-3Yr	1,668,312,881
3Yr-4Yr	425,839,073
4Yr-5Yr	590,239,551
	11,434,360,500



Maturity	Amount*
Overnight	23.38%
1-30 Days	7.70%
31-90 Days	7.89%
91-365 Days	20.77%
1Yr-2Yr	16.78%
2Yr-3Yr	14.59%
3Yr-4Yr	3.72%
4Yr-5Yr	5.16%
	100.00%



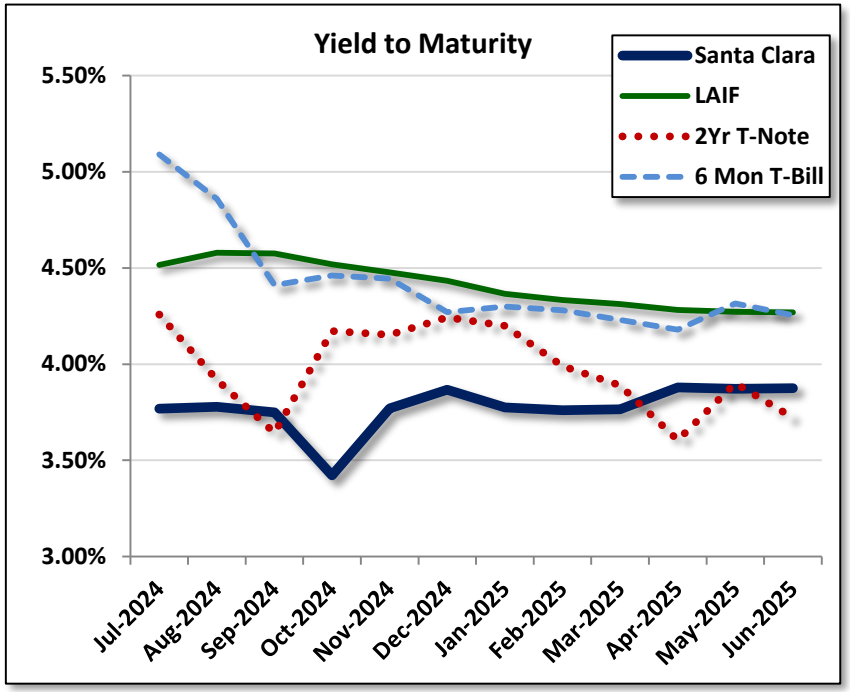
*Amounts are based on book value

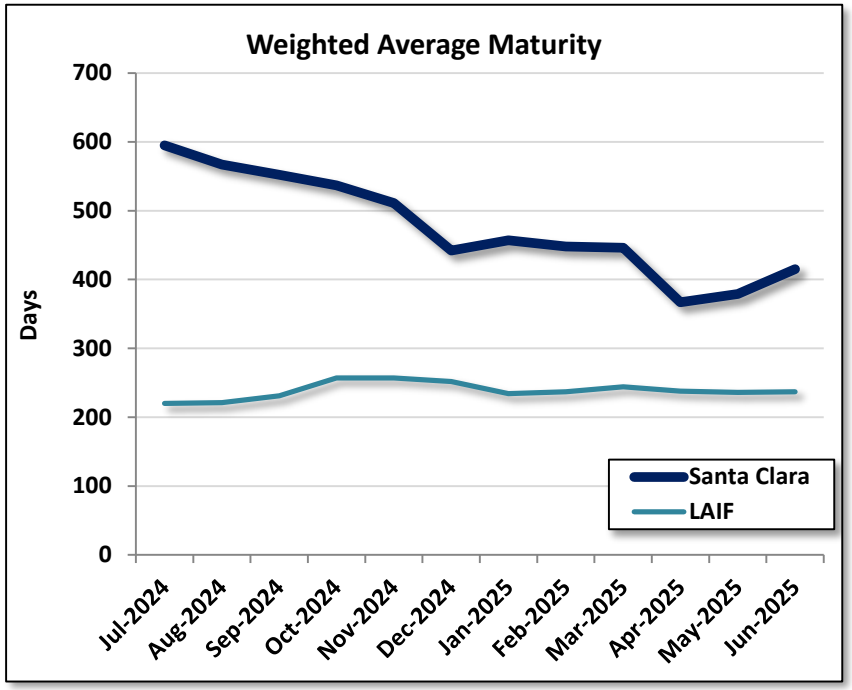
Source: Data source is supplied by Santa Clara County, while the calculations are performed by Meeder Public Funds.

Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

June 30, 2025





Item	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
SCC YTM	3.77%	3.78%	3.75%	3.42%	3.77%	3.87%	3.78%	3.76%	3.77%	3.88%	3.87%	3.88%
LAIF YTM	4.52%	4.58%	4.58%	4.52%	4.48%	4.43%	4.37%	4.33%	4.31%	4.28%	4.27%	4.27%
6 Mon T-Bill	5.09%	4.86%	4.41%	4.46%	4.45%	4.27%	4.30%	4.28%	4.23%	4.18%	4.32%	4.25%
2Yr T-Note	4.26%	3.92%	3.64%	4.17%	4.15%	4.24%	4.20%	3.99%	3.89%	3.61%	3.90%	3.72%
SCC WAM	595	567	552	537	511	442	457	448	446	367	379	415
LAIF WAM	220	221	231	257	257	252	234	237	244	238	236	237
SCC Duration*	0.97	0.94	0.92	0.92	0.88	0.74	0.75	0.75	0.73	0.60	0.61	0.68
LAIF Duration	0.60	0.61	0.63	0.70	0.70	0.69	0.62	0.63	0.65	0.63	0.63	0.63

*Effective Duration is expressed in years. The Duration for LAIF is an estimate.

Note: Yield to Maturity for 2Yr T-Note and 6 Mon T-bill are yields at market levels. LAIF and Santa Clara yields are calculated at purchase cost.

Source: Data source is supplied by Santa Clara County, while the calculations are performed by Meeder Public Funds.

Santa Clara County

Approved Issuers and Broker/Dealers

June 30, 2025

Direct Commercial Paper Issuers

Toyota Motor Credit

Broker/Dealers

Academy Securities, Inc
BofA Securities, LLC
Barclays Capital, Inc
Bank of Montreal, Chicago Branch
BNP Paribas Securities Corp
BNY Mellon Capital Markets, LLC
BMA Captial Markets Corp.
BOK Financial Securities (Bank of Oklahoma)
Brean Capital LLC
Cantor Fitzgerald & Co
Citigroup Global Markets Inc
Daiwa Capital Markets America Inc
Deutsche Bank Securities Inc
InspereX LLC
Jefferies LLC
JP Morgan Securities, Inc
Keybanc Capital Markets, Inc
Loop Capital Markets LLC
Mesirow Financial, Inc.
Mischler Financial Group, Inc.
Mizuho Securities USA, Inc
MUFG Securities Americas Inc.
Nomura Securities International, Inc.
Piper Sandler & Co.
Raymond James, Inc.
RBC Capital Markets, Inc
Santander US Capital Markets LLC
UBS Securities LLC
Siebert Williams Shank & Co LLC

Santa Clara County Commingled Pool
Compliance with Investment Policy
June 30, 2025

Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 36 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIF	No sector limit, no issuer limit, CA State's deposit limit $75 million	Yes
Repurchase Agreements	No sector limit, no Issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least $500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, rated by at least two: A- (S&P/Fitch)/A3 (Moody's), issued by domestic corps/depositories, but no single NRSRO rating can be lower than A- or equivalent	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMF has at least $500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Agency Mortgage-Backed Securities	Sector limit 20%, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	Yes
Asset-Backed Securities	Sector limit 20%, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	Yes
Supranational Debt Obligations	Sector limit 30%, max maturity 5 years, issued or unconditionally gauranteed by the IBR and IADB, rated by at least two: AAA (S&P/Fitch), Aaa (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks , collateral must exceed market value of security by 2%	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, collateral must exceed 2% of market value, loaned securities must be owned for at least 30 days	Yes, None in Portfolio

Santa Clara County Commingled Pool

Allocation by Security Types

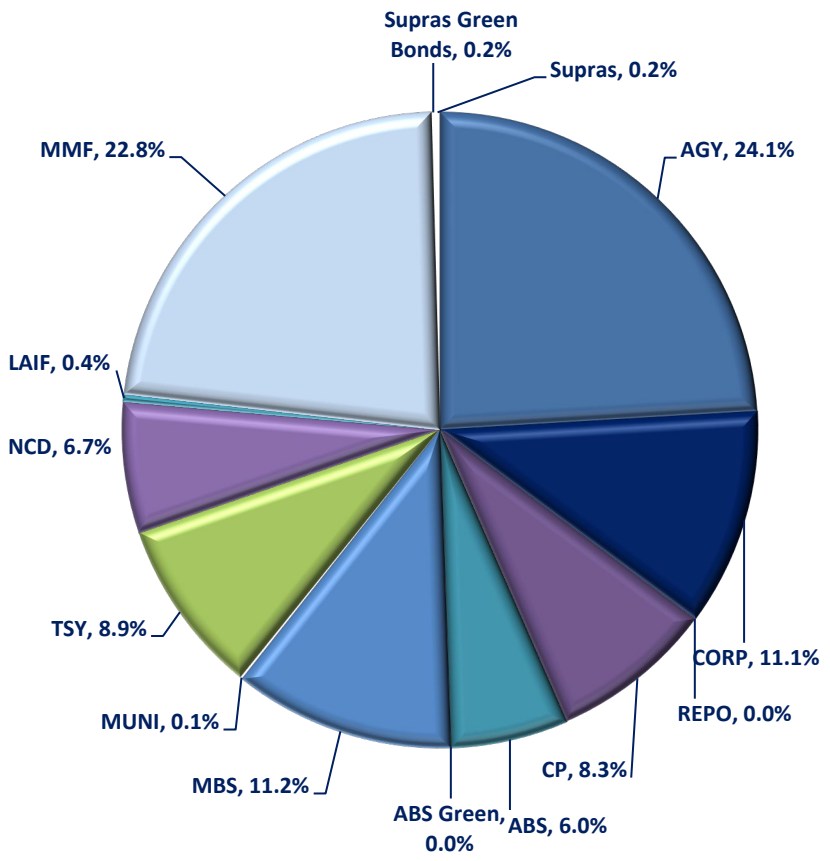
For the Month Ended April 30, 2025

Average Daily Balance	**$ 12,698,372,014.89**
Book Yield	**3.879%**
Weighted Average Maturity	**367 Days**

Investment Type	Par Value (Millions)	Book Value* (Millions)	Mkt Value (Millions)
Federal Agencies	$ 2,881.59	$ 2,858.68	$ 2,856.03
Corporate Bonds	1,323.59	1,306.47	1,317.28
Repurchase Agreements	-	-	-
Commercial Paper	990.00	981.28	986.00
Asset-Backed Securities	706.99	705.77	710.43
Asset-Backed Sec Green Bds	-	-	-
Mortgage Backed Securities	1,351.10	1,340.76	1,334.22
Municipal Securities	12.50	12.50	12.39
U.S. Treasuries	1,075.00	1,063.73	1,061.74
Negotiable CDs	790.00	790.00	790.05
LAIF	47.80	47.80	47.80
Money Market Funds	2,702.62	2,702.62	2,702.62
Supranationals Green Bonds	25.00	24.41	24.76
Supranationals	27.50	27.40	26.91
Total	**$ 11,933.68**	**$ 11,861.42**	**$ 11,870.23**

*Represents Amortized Book Value

Asset Allocation By Market Value



Santa Clara County Commingled Pool

Allocation by Security Types

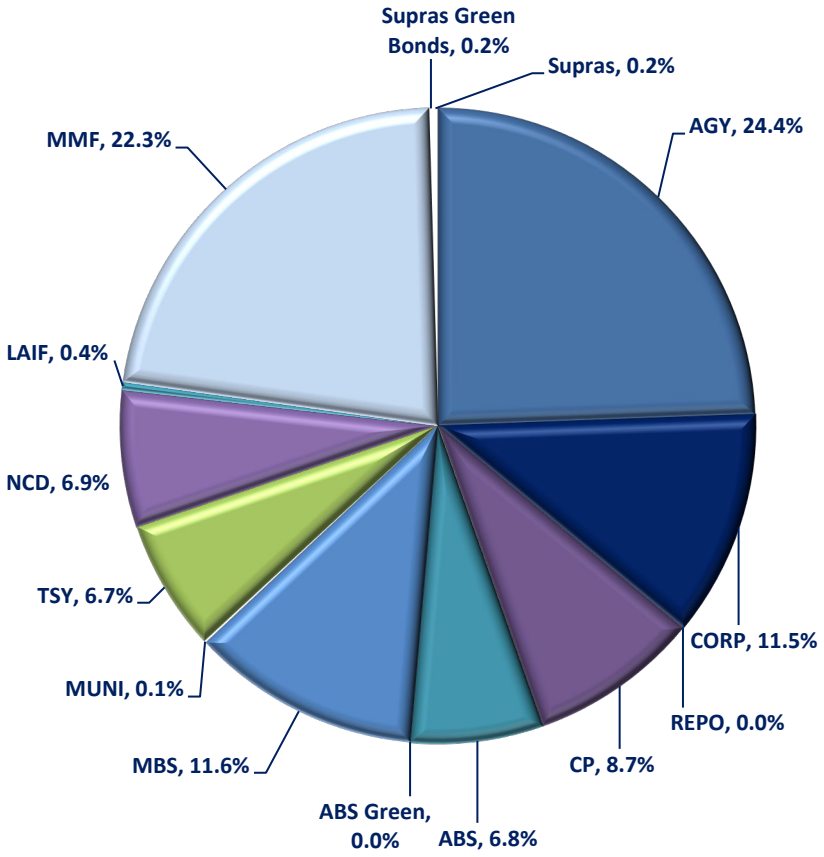
For the Month Ended May 31, 2025

Average Daily Balance	**$ 12,805,091,938.65**
Book Yield	**3.872%**
Weighted Average Maturity	**379 Days**

Investment Type	Par Value (Millions)	Book Value* (Millions)	Mkt Value (Millions)
Federal Agencies	$ 2,802.51	$ 2,779.16	$ 2,775.99
Corporate Bonds	1,320.59	1,303.46	1,311.94
Repurchase Agreements	-	-	-
Commercial Paper	990.00	981.16	985.79
Asset-Backed Securities	766.02	764.82	768.72
Asset-Backed Sec Green Bds	-	-	-
Mortgage Backed Securities	1,343.05	1,332.71	1,322.91
Municipal Securities	15.40	15.40	15.36
U.S. Treasuries	770.00	762.46	758.79
Negotiable CDs	790.00	790.00	789.82
LAIF	47.80	47.80	47.80
Money Market Funds	2,539.03	2,539.03	2,539.03
Supranationals Green Bonds	25.00	24.41	24.84
Supranationals	27.50	27.40	26.97
Total	**$ 11,436.90**	**$ 11,367.81**	**$ 11,367.96**

*Represents Amortized Book Value

Asset Allocation By Market Value



SANTA CLARA COUNTY INVESTMENTS
Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Negotiable CDs											
06051WUS1	45729	BANK OF AMERICA CORP	04/14/2025	75,000,000.00	75,000,000.00	74,971,275.00	4.330	4.330	4.390	01/09/2026	192
05973RDD1	45077	BANCO SANTANDER NY	12/05/2024	65,000,000.00	65,000,000.00	65,001,950.00	4.570	4.570	4.633	07/18/2025	17
06367DND3	45112	BANK OF MONTREAL CHICAGO	12/10/2024	100,000,000.00	100,000,000.00	99,999,100.00	4.470	4.470	4.532	07/31/2025	30
22536JSZ9	46118	CREDIT AGRICOLE CIB NY	06/27/2025	65,000,000.00	65,000,000.00	64,993,240.00	4.280	4.221	4.280	01/26/2026	209
13606DCW0	45057	CANADIAN IMP BK COMM NY	12/04/2024	50,000,000.00	50,000,000.00	50,000,100.00	4.540	4.540	4.603	07/01/2025	0
13606DHR6	45689	CANADIAN IMP BK COMM NY	04/08/2025	75,000,000.00	75,000,000.00	74,967,975.00	4.330	4.330	4.390	10/10/2025	101
60710TL58	45655	MIZUHO BANK LTD/NY	04/04/2025	50,000,000.00	50,000,000.00	49,982,050.00	4.360	4.360	4.420	09/26/2025	87
60710TM81	45719	MIZUHO BANK LTD/NY	04/10/2025	65,000,000.00	65,000,000.00	64,976,210.00	4.380	4.380	4.440	10/24/2025	115
78015J6L6	45075	Royal Bank of Canada NY	12/05/2024	100,000,000.00	100,000,000.00	100,001,600.00	4.500	4.500	4.562	07/25/2025	24
89115DFF8	45022	TORONTO DOMINION BANK	11/26/2024	60,000,000.00	60,000,000.00	60,007,080.00	4.600	4.600	4.663	08/22/2025	52
90275DUM0	45736	UBS AG STAMFORD CT	04/14/2025	75,000,000.00	75,000,000.00	74,972,925.00	4.370	4.370	4.430	11/07/2025	129
		Subtotal and Average		**780,000,000.00**	**780,000,000.00**	**779,873,505.00**		**4.425**	**4.486**		**85**
Mortgage Backed Securities (MBS)											
3133LJAN1	41524	FHLMC SINGLE FAMILY POOL	11/16/2021	7,925,124.47	7,793,607.35	7,296,937.59	1.500	0.932	0.945	11/01/2031	2,314
3133LPUA3	41675	FHLMC SINGLE FAMILY POOL	12/16/2021	12,291,779.37	12,158,792.58	11,350,565.29	1.500	1.127	1.142	01/01/2032	2,375
3137H74L4	45059	FHLMC NOTES	11/25/2024	24,139,462.48	24,169,674.58	24,062,880.87	4.810	4.705	4.770	04/25/2030	1,759
3132XKXC6	45093	FHLMC NOTES	12/10/2024	19,873,437.50	20,000,000.00	19,859,672.00	4.390	4.469	4.531	10/01/2029	1,553
3132XKXC6-A	45140	FHLMC NOTES	12/18/2024	9,870,312.50	10,000,000.00	9,929,836.00	4.390	4.716	4.782	10/01/2029	1,553
3137BP4J5	39654	FHLMC MULTI-FAMILY	07/01/2019	3,008,489.89	2,967,341.22	2,935,717.97	2.446	1.911	1.938	03/25/2026	267
3137BSP64	40526	FHLMC MULTI-FAMILY	07/01/2020	4,841,324.10	4,584,858.58	4,516,355.29	2.340	0.651	0.661	07/25/2026	389
3138LJWY2	40630	FHLMC MULTI-FAMILY	10/02/2020	13,162,217.65	12,002,751.83	11,915,329.79	2.800	0.541	0.549	10/01/2025	92
3137BYLE8	40638	FHLMC MULTI-FAMILY	10/08/2020	7,231,875.00	6,650,000.00	6,598,750.45	2.700	0.875	0.888	10/25/2025	116
3137F72W4	40784	FHLMC MULTI-FAMILY	11/30/2020	523,862.92	523,862.92	522,996.29	5.681	0.394	0.400	09/25/2029	1,547
3132XFFH6	40812	FHLMC MULTI-FAMILY	12/09/2020	45,330,468.75	45,000,000.00	44,438,987.25	0.770	0.609	0.618	10/01/2025	92
3137FF3W5	40983	FHLMC MULTI-FAMILY	03/04/2021	2,124,703.19	2,124,745.69	2,042,448.98	0.602	0.585	0.593	09/25/2027	816
3137BYLE8	41131	FHLMC MULTI-FAMILY	05/13/2021	5,406,445.31	5,000,000.00	4,961,466.50	2.700	0.775	0.786	10/25/2025	116
3137FYZG4	41133	FHLMC MULTI-FAMILY	05/13/2021	6,587,147.57	6,587,318.85	6,446,790.92	0.861	0.838	0.850	06/25/2027	724
3137FPJ55	41164	FHLMC MULTI-FAMILY	06/07/2021	12,365,452.56	11,479,387.35	11,266,706.44	2.606	0.821	0.832	07/25/2027	754
3137FBAB2	41192	FHLMC MULTI-FAMILY	06/17/2021	4,822,138.03	4,449,493.00	4,386,788.52	3.038	0.705	0.715	08/25/2027	785
3137H14A1	41222	FHLMC MULTI-FAMILY	06/30/2021	11,782,452.00	11,782,628.74	11,296,935.82	0.854	0.831	0.842	01/25/2028	938

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3132XFD47	41319	FHLMC MULTI-FAMILY	08/24/2021	15,703,125.00	15,000,000.00	14,533,845.75	2.100	0.624	0.633	11/01/2026	488
3137FQ3Y7	41791	FHLMC MULTI-FAMILY	01/28/2022	15,484,801.22	15,168,397.93	14,569,444.92	2.190	1.684	1.708	07/25/2029	1,485
3137H6LT0	41892	FHLMC MULTI-FAMILY	03/08/2022	13,806,476.76	13,806,863.36	13,599,648.57	1.946	1.861	1.887	03/25/2027	632
3137H73W1	42046	FHLMC MULTI-FAMILY	04/21/2022	5,730,547.76	5,731,493.46	5,625,640.80	2.750	2.598	2.635	04/25/2027	663
3137F1G44	42093	FHLMC MULTI-FAMILY	04/29/2022	35,324,023.44	35,000,000.00	34,443,885.00	3.243	2.629	2.665	04/25/2027	663
3137BXQY1	42099	FHLMC MULTI-FAMILY	05/02/2022	40,300,000.00	40,000,000.00	39,390,996.00	3.224	2.982	3.023	03/25/2027	632
3137F2LJ3	42110	FHLMC MULTI-FAMILY	05/03/2022	34,967,187.50	35,000,000.00	34,376,741.00	3.117	3.069	3.112	06/25/2027	724
3137F1G44	42150	FHLMC MULTI-FAMILY	05/11/2022	19,956,250.00	20,000,000.00	19,682,220.00	3.243	3.220	3.265	04/25/2027	663
3137FMD25	42205	FHLMC MULTI-FAMILY	05/24/2022	19,784,218.55	19,939,999.80	19,724,322.78	2.875	3.023	3.065	04/25/2026	298
3137FBAJ5	42757	FHLMC MULTI-FAMILY	12/08/2022	10,245,250.00	10,700,000.00	10,521,469.43	3.281	4.394	4.455	08/25/2027	785
3137BYLD0	42764	FHLMC MULTI-FAMILY	12/09/2022	19,238,281.25	20,000,000.00	19,621,072.00	3.288	4.198	4.257	02/25/2027	604
3132CW3F9	42931	FHLMC MULTI-FAMILY	02/16/2023	13,823,999.14	14,557,563.89	14,186,620.86	2.000	4.704	4.769	12/01/2027	883
3132XGQ74	42949	FHLMC MULTI-FAMILY	02/24/2023	42,477,180.29	43,889,886.00	43,575,703.76	3.700	4.444	4.506	11/01/2027	853
3137FEZT0	43054	FHLMC MULTI-FAMILY	04/11/2023	18,772,609.76	18,972,712.59	18,826,362.78	3.725	4.045	4.101	12/25/2027	907
3132XFLM8	43080	FHLMC MULTI-FAMILY	04/17/2023	31,149,045.31	31,160,000.00	31,138,090.16	4.300	4.288	4.347	02/01/2028	945
3137FJXQ7	43391	FHLMC MULTI-FAMILY	08/22/2023	14,055,531.60	14,490,537.50	14,443,615.69	3.750	5.261	5.334	08/25/2025	55
3132XGW51	43597	FHLMC MULTI-FAMILY	10/30/2023	13,905,408.52	14,838,000.00	14,769,803.07	4.210	5.718	5.798	07/01/2028	1,096
3137BLVK1	43628	FHLMC MULTI-FAMILY	12/01/2023	24,591,562.50	25,500,000.00	25,423,010.40	3.116	5.228	5.301	07/25/2025	24
3137HB3G7	43636	FHLMC MULTI-FAMILY	12/07/2023	20,939,667.00	21,000,000.00	21,455,651.70	4.860	4.792	4.858	10/25/2028	1,212
3132XFND6	43889	FHLMC MULTI-FAMILY	02/16/2024	40,995,874.77	41,126,000.00	41,682,595.17	5.000	4.879	4.946	08/01/2028	1,127
3137HJ5Z6	45607	FHLMC MULTI-FAMILY	03/31/2025	14,983,871.17	14,986,212.77	14,980,491.03	4.840	4.617	4.681	09/25/2029	1,547
3137HBPH1	45706	FHLMC MULTI-FAMILY	04/14/2025	5,019,127.04	5,019,127.04	5,033,892.81	4.950	4.855	4.923	01/25/2031	2,034
3137HLY48	46077	FHLMC MULTI-FAMILY	06/26/2025	19,999,960.00	20,000,000.00	20,181,452.00	4.404	4.313	4.373	04/25/2030	1,759
3137BS5N9	46078	FHLMC MULTI-FAMILY	06/24/2025	34,473,632.81	35,000,000.00	34,500,357.50	2.720	4.337	4.397	07/25/2026	389
3137BS5N9	46079	FHLMC MULTI-FAMILY	06/25/2025	24,623,046.88	25,000,000.00	24,643,112.50	2.720	4.347	4.408	07/25/2026	389
3138LDYK3	42111	FNMA NOTES	05/03/2022	34,751,339.27	35,437,949.55	34,756,464.31	2.550	3.035	3.077	07/01/2026	365
3138LECC3	42910	FNMA NOTES	02/08/2023	37,820,312.50	40,000,000.00	39,181,773.20	2.420	4.069	4.126	07/01/2026	365
3136B06Q4	44491	FNMA NOTES	07/23/2024	4,875,212.03	4,875,021.61	4,869,916.97	5.770	5.576	5.654	04/25/2030	1,759
3138LEC33	40905	FNMA MULTI-FAMILY	01/22/2021	10,070,799.53	9,286,523.60	9,098,336.94	2.380	0.600	0.609	07/01/2026	365
3136AUG21	41228	FNMA MULTI-FAMILY	07/07/2021	17,924,024.00	16,810,339.05	16,403,665.01	2.417	0.927	0.940	10/25/2026	481
3138LDLP6	41854	FNMA MULTI-FAMILY	02/23/2022	10,443,482.63	10,151,623.46	9,992,494.73	2.750	1.876	1.902	04/01/2026	274
3138LCT54	42039	FNMA MULTI-FAMILY	04/20/2022	35,196,875.00	35,000,000.00	34,661,575.55	3.100	2.909	2.949	01/01/2026	184

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3138LFUJ5	42112	FNMA MULTI-FAMILY	05/03/2022	19,493,750.00	20,000,000.00	19,536,589.00	2.470	3.050	3.093	10/01/2026	457
3136AK2F9	42120	FNMA MULTI-FAMILY	05/04/2022	34,178,789.31	34,104,186.41	33,687,174.06	3.286	3.195	3.240	08/25/2026	420
3138LD5W9	42133	FNMA MULTI-FAMILY	05/06/2022	14,643,750.00	15,000,000.00	14,732,800.20	2.625	3.170	3.214	06/01/2026	335
3138LD5W9	42137	FNMA MULTI-FAMILY	05/09/2022	14,622,656.25	15,000,000.00	14,732,800.20	2.625	3.208	3.253	06/01/2026	335
3138LEC82	42151	FNMA MULTI-FAMILY	05/11/2022	19,509,375.00	20,000,000.00	19,636,864.60	2.570	3.165	3.209	07/01/2026	365
3140HV6S8	42188	FNMA MULTI-FAMILY	05/19/2022	28,959,375.00	30,000,000.00	29,183,887.80	2.190	2.988	3.030	11/01/2026	488
3138LD5W9	42234	FNMA MULTI-FAMILY	06/01/2022	7,880,625.00	8,000,000.00	7,857,493.44	2.625	3.296	3.342	06/01/2026	335
3138L5FA3	42758	FNMA MULTI-FAMILY	12/08/2022	8,442,604.49	8,605,641.05	8,560,193.89	3.765	4.394	4.455	12/01/2025	153
3138LCT54-A	42878	FNMA MULTI-FAMILY	01/25/2023	9,723,437.50	10,000,000.00	9,903,307.30	3.100	4.684	4.749	01/01/2026	184
3140LJKS4	43098	FNMA MULTI-FAMILY	04/20/2023	23,264,450.63	23,279,000.00	23,352,372.15	4.540	4.533	4.596	01/01/2028	914
3140LJJN7	43145	FNMA MULTI-FAMILY	05/02/2023	30,631,160.63	30,732,000.00	30,795,494.77	4.385	4.375	4.436	01/01/2028	914
3140LHFC9	43162	FNMA MULTI-FAMILY	05/09/2023	24,437,500.00	25,000,000.00	24,628,769.75	3.530	4.065	4.122	09/01/2027	792
3140LJS23	43200	FNMA MULTI-FAMILY	05/24/2023	24,855,468.75	25,000,000.00	25,061,383.25	4.170	4.163	4.221	02/01/2028	945
3140LJX68	43268	FNMA MULTI-FAMILY	06/26/2023	23,036,842.50	23,492,000.00	23,482,113.63	4.225	4.641	4.706	06/01/2028	1,066
3140LLCB5	43563	FNMA MULTI-FAMILY	11/01/2023	21,559,042.97	22,527,000.00	22,711,856.11	4.620	5.636	5.714	07/01/2028	1,096
3142FFGN1	44063	FNMA MULTI-FAMILY	04/15/2024	39,065,625.00	40,000,000.00	40,263,068.00	4.600	5.134	5.206	01/01/2029	1,280
3138LMNE9	44670	FNMA MULTI-FAMILY	08/07/2024	16,597,316.58	16,627,193.57	16,514,459.53	4.765	4.735	4.801	03/01/2028	974
313637Q52	44805	FNMA MULTI-FAMILY	10/08/2024	20,727,656.25	21,000,000.00	20,729,022.09	3.750	4.265	4.324	08/01/2028	1,127
3140QMQJ6	41525	FNMA SINGLE FAMILY POOL	11/16/2021	7,506,341.26	7,418,249.55	6,941,016.42	1.500	1.092	1.107	11/01/2031	2,314
3140XDHF6	41526	FNMA SINGLE FAMILY POOL	11/16/2021	13,677,038.43	13,437,679.76	12,581,153.59	1.500	0.899	0.911	09/01/2031	2,253
31418EAD2	41676	FNMA SINGLE FAMILY POOL	12/16/2021	10,783,536.75	10,643,836.40	9,950,769.70	1.500	1.055	1.070	12/01/2031	2,344
30322KAE3	43105	FREDDIE MAC MULTI-FAMILY	04/21/2023	21,475,377.48	23,740,970.92	22,946,890.05	0.880	4.491	4.553	07/25/2026	389
3132XGVS2	43629	FREDDIE MAC MULTI-FAMILY	11/16/2023	26,783,753.44	27,276,000.00	27,714,142.84	5.100	5.664	5.743	06/01/2028	1,066
3132XKSM0	45492	FREDDIE MAC MULTI-FAMILY	03/07/2025	24,262,672.85	24,275,000.00	24,306,762.14	4.500	4.324	4.384	07/01/2029	1,461
3137FMU67	45681	FREDDIE MAC MULTI-FAMILY	04/10/2025	11,455,730.03	11,626,033.26	11,475,713.30	2.862	4.648	4.712	05/25/2026	328
3132XDCK7	46121	FREDDIE MAC MULTI-FAMILY	06/27/2025	24,802,545.47	24,894,929.00	24,749,781.36	4.150	4.210	4.268	05/01/2030	1,765
		Subtotal and Average		**1,415,095,838.24**	**1,426,402,434.22**	**1,409,759,317.53**		**3.544**	**3.593**		**811**
Federal Agency Bonds											
3133EM4X7	41408	FFCB NOTES	09/29/2021	12,664,713.04	12,796,000.00	12,322,605.20	0.800	0.999	1.013	09/10/2026	436
3133ENNB2	41818	FFCB NOTES	02/08/2022	3,966,188.00	4,000,000.00	3,859,145.04	1.625	1.778	1.803	02/03/2027	582
3133ENNY2	41842	FFCB NOTES	02/17/2022	29,932,500.00	30,000,000.00	29,541,142.20	1.750	1.783	1.808	02/17/2026	231

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133ENPX2	41860	FFCB NOTES	02/24/2022	19,948,000.00	20,000,000.00	19,925,122.40	1.800	1.851	1.877	08/22/2025	52
3133ENUD0	42079	FFCB NOTES	04/28/2022	19,880,400.00	20,000,000.00	19,762,384.80	2.640	2.762	2.800	04/08/2026	281
3133ENB33	42402	FFCB NOTES	07/19/2022	19,957,600.00	20,000,000.00	19,670,506.20	3.050	3.053	3.096	07/19/2027	748
3133ENN22	42568	FFCB NOTES	09/22/2022	24,943,250.00	25,000,000.00	24,958,915.00	3.750	3.778	3.830	09/22/2025	83
3133ENV72	42641	FFCB NOTES	10/27/2022	24,926,450.00	25,000,000.00	25,123,296.00	4.500	4.525	4.588	07/27/2026	391
3133EN3S7	42752	FFCB NOTES	12/07/2022	22,449,997.52	22,605,000.00	22,549,740.27	3.750	3.848	3.902	12/07/2027	889
3133EPFT7	43069	FFCB NOTES	04/13/2023	19,897,200.00	20,000,000.00	19,938,839.60	3.750	3.879	3.933	04/13/2026	286
3133EPGW9	43119	FFCB NOTES	04/25/2023	39,958,000.00	40,000,000.00	40,058,344.80	3.875	3.844	3.898	04/25/2028	1,029
3133EPLC7	43211	FFCB NOTES	05/30/2023	24,831,750.00	25,000,000.00	24,989,613.25	4.125	4.330	4.390	02/26/2026	240
3130AN4T4	41376	FHLB NOTES	09/17/2021	10,032,900.00	10,000,000.00	9,711,125.00	0.875	0.793	0.804	06/12/2026	346
3130A8ZQ9	41509	FHLB NOTES	11/09/2021	20,581,400.00	20,000,000.00	19,891,190.40	1.750	0.963	0.977	09/12/2025	73
3137EAEX3	40612	FHLMC NOTES	09/25/2020	9,969,900.00	10,000,000.00	9,908,885.80	0.375	0.430	0.435	09/23/2025	84
3135G05X7	40555	FNMA NOTES	08/27/2020	29,859,600.00	30,000,000.00	29,816,102.70	0.375	0.463	0.469	08/25/2025	55
3135G05X7	40971	FNMA NOTES	02/26/2021	14,788,350.00	15,000,000.00	14,908,051.35	0.375	0.684	0.694	08/25/2025	55
3135G05X7	40998	FNMA NOTES	03/15/2021	14,749,350.00	15,000,000.00	14,908,051.35	0.375	0.747	0.758	08/25/2025	55
3135G06G3	41005	FNMA NOTES	03/19/2021	9,853,300.00	10,000,000.00	9,866,892.30	0.500	0.812	0.823	11/07/2025	129
3135G05X7	41006	FNMA NOTES	03/19/2021	14,735,700.00	15,000,000.00	14,908,051.35	0.375	0.769	0.780	08/25/2025	55
3135G05X7	41537	FNMA NOTES	11/18/2021	24,347,750.00	25,000,000.00	24,846,752.25	0.375	1.068	1.083	08/25/2025	55
3135G05X7	41559	FNMA NOTES	11/26/2021	9,693,300.00	10,000,000.00	9,938,700.90	0.375	1.198	1.214	08/25/2025	55
3135G05X7	42344	FNMA NOTES	06/30/2022	9,157,100.00	10,000,000.00	9,938,700.90	0.375	3.163	3.207	08/25/2025	55
		Subtotal and Average		**431,124,698.56**	**434,401,000.00**	**431,342,159.06**		**2.344**	**2.377**		**311**
Federal Agency Bonds - CALLABLE											
31424WQB1	44802	FARMER MAC	10/15/2024	25,000,000.00	25,000,000.00	25,042,660.00	4.450	4.389	4.450	10/15/2029	1,567
3133ENJC5	41695	FFCB NOTES	12/22/2021	12,000,000.00	12,000,000.00	11,555,199.72	1.290	1.272	1.290	12/22/2026	539
3133ENJC5	41696	FFCB NOTES	12/22/2021	12,000,000.00	12,000,000.00	11,555,199.72	1.290	1.272	1.290	12/22/2026	539
3133ENQD5	41869	FFCB NOTES	03/01/2022	7,000,000.00	7,000,000.00	6,805,432.34	2.170	2.140	2.170	03/01/2027	608
3133ENQD5	41870	FFCB NOTES	03/01/2022	10,000,000.00	10,000,000.00	9,722,046.20	2.170	2.140	2.170	03/01/2027	608
3133ENQD5	41871	FFCB NOTES	03/01/2022	10,000,000.00	10,000,000.00	9,722,046.20	2.170	2.140	2.170	03/01/2027	608
3133ENF96	42484	FFCB NOTES	08/17/2022	20,000,000.00	20,000,000.00	19,963,226.00	3.960	3.905	3.960	08/17/2026	412
3133EPRN7	43345	FFCB NOTES	08/01/2023	14,966,250.00	15,000,000.00	14,995,259.25	5.050	5.031	5.101	07/28/2028	1,123
3133ERQ79	45229	FFCB NOTES	01/06/2025	40,000,000.00	40,000,000.00	39,994,630.00	4.480	4.417	4.479	12/30/2026	547

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3133ER5H0	45457	FFCB NOTES	03/05/2025	22,000,000.00	22,000,000.00	22,004,438.28	4.700	4.635	4.700	03/05/2029	1,343
3130ALDL5	40968	FHLB NOTES	02/25/2021	35,000,000.00	35,000,000.00	34,220,450.25	0.625	0.616	0.625	02/25/2026	239
3130ALMM3	41031	FHLB NOTES	03/30/2021	9,200,000.00	9,200,000.00	8,982,316.04	1.000	0.986	1.000	03/30/2026	272
3130ALCV4	41057	FHLB NOTES	04/13/2021	14,861,100.00	15,000,000.00	14,664,718.35	0.750	0.932	0.945	02/24/2026	238
3130AM4N9	41113	FHLB NOTES	04/29/2021	15,000,000.00	15,000,000.00	14,626,784.85	1.000	0.986	1.000	04/29/2026	302
3130ALEY6	41278	FHLB NOTES	08/04/2021	24,720,108.00	24,730,000.00	24,173,426.13	0.800	0.797	0.808	03/04/2026	246
3130ANWF3	41332	FHLB NOTES	08/30/2021	45,000,000.00	45,000,000.00	43,443,684.00	0.970	0.956	0.970	08/25/2026	420
3130ANVR8	41365	FHLB NOTES	09/14/2021	24,000,000.00	24,000,000.00	23,197,707.84	1.000	0.986	1.000	08/14/2026	409
3130AKZ25	41640	FHLB NOTES	12/08/2021	17,843,598.00	18,300,000.00	17,879,583.49	0.650	1.241	1.259	02/26/2026	240
3130ANMH0	41652	FHLB NOTES	12/13/2021	24,700,000.00	25,000,000.00	24,189,843.50	1.100	1.346	1.365	08/20/2026	415
3130ARFG1	41954	FHLB NOTES	03/30/2022	20,000,000.00	20,000,000.00	19,513,542.80	2.400	2.367	2.400	03/25/2027	632
3130AKYH3	41960	FHLB NOTES	03/31/2022	18,029,924.60	19,655,000.00	18,725,690.77	0.830	2.618	2.655	02/10/2027	589
3130ARJT9	41995	FHLB NOTES	04/12/2022	25,000,000.00	25,000,000.00	24,594,393.75	2.910	2.870	2.910	04/12/2027	650
3130ARN23	42077	FHLB NOTES	04/28/2022	25,000,000.00	25,000,000.00	24,651,587.00	3.200	3.156	3.200	04/28/2027	666
3130ARPR6	42089	FHLB NOTES	04/29/2022	35,000,000.00	35,000,000.00	34,545,946.40	3.100	3.057	3.100	04/29/2027	667
3130ARQ87	42090	FHLB NOTES	04/29/2022	15,000,000.00	15,000,000.00	14,863,844.25	3.000	2.958	3.000	04/29/2026	302
3130ARQ87	42091	FHLB NOTES	04/29/2022	25,000,000.00	25,000,000.00	24,773,073.75	3.000	2.958	3.000	04/29/2026	302
3130ARQ87	42092	FHLB NOTES	04/29/2022	25,000,000.00	25,000,000.00	24,773,073.75	3.000	2.958	3.000	04/29/2026	302
3130ARUR0	42143	FHLB NOTES	05/10/2022	25,000,000.00	25,000,000.00	24,718,619.50	3.200	3.156	3.200	05/10/2027	678
3130ARUR0	42144	FHLB NOTES	05/10/2022	4,195,800.00	4,200,000.00	4,152,728.08	3.200	3.177	3.221	05/10/2027	678
3130ARUZ2	42166	FHLB NOTES	05/13/2022	10,000,000.00	10,000,000.00	9,915,822.00	3.100	3.057	3.100	05/13/2026	316
3130ANMH0	42245	FHLB NOTES	06/03/2022	9,398,821.50	10,215,000.00	9,883,970.05	1.100	3.095	3.138	08/20/2026	415
3130AS6Q7	42256	FHLB NOTES	06/07/2022	30,000,000.00	30,000,000.00	29,688,946.80	3.250	3.205	3.250	06/07/2027	706
3130ANEC0	42774	FHLB NOTES	12/13/2022	31,120,600.00	35,000,000.00	33,961,295.90	1.125	3.933	3.988	07/29/2026	393
3130AVSU7	43138	FHLB NOTES	04/28/2023	25,000,000.00	25,000,000.00	24,947,100.75	4.450	4.389	4.450	04/28/2027	666
3130AVVH2	43155	FHLB NOTES	05/05/2023	25,000,000.00	25,000,000.00	24,897,123.25	4.400	4.339	4.400	05/05/2028	1,039
3130AYFT8	43756	FHLB NOTES	01/12/2024	25,000,000.00	25,000,000.00	25,011,615.50	4.500	4.438	4.500	01/12/2028	925
3130AYFT8	43770	FHLB NOTES	01/12/2024	20,000,000.00	20,000,000.00	20,009,292.40	4.500	4.438	4.500	01/12/2028	925
3130AYFT8	43776	FHLB NOTES	01/12/2024	10,000,000.00	10,000,000.00	10,004,646.20	4.500	4.438	4.500	01/12/2028	925
3130B0RD3	44022	FHLB NOTES	04/04/2024	35,000,000.00	35,000,000.00	35,137,576.25	5.000	4.931	5.000	04/02/2029	1,371
3130B0RD3	44027	FHLB NOTES	04/04/2024	10,000,000.00	10,000,000.00	10,039,307.50	5.000	4.931	5.000	04/02/2029	1,371
3130B3VS9	45001	FHLB NOTES	12/05/2024	20,000,000.00	20,000,000.00	19,967,399.40	4.870	4.803	4.870	12/05/2029	1,618

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3130B3VE0	45090	FHLB NOTES	12/06/2024	23,300,000.00	23,300,000.00	23,220,962.44	4.900	4.832	4.899	12/03/2029	1,616
3130B6N69	46067	FHLB CALLABLE	06/18/2025	29,997,000.00	30,000,000.00	30,021,699.00	4.600	4.540	4.603	06/09/2028	1,074
3134GWWR3	40626	FHLMC NOTES	09/30/2020	24,500,000.00	24,500,000.00	24,265,153.54	0.520	0.512	0.520	09/30/2025	91
3134GW5R3	42038	FHLMC NOTES	04/20/2022	34,163,210.00	37,000,000.00	36,558,746.88	0.650	2.919	2.959	10/27/2025	118
3134GW5R3	42071	FHLMC NOTES	04/27/2022	14,789,760.00	16,000,000.00	15,809,187.84	0.650	2.899	2.940	10/27/2025	118
3134GW6C5	42098	FHLMC NOTES	05/02/2022	18,102,800.00	20,000,000.00	19,183,896.40	0.800	3.036	3.078	10/28/2026	484
3134GXHX5	42109	FHLMC NOTES	05/03/2022	13,497,750.00	15,000,000.00	14,332,012.05	0.850	3.145	3.189	12/23/2026	540
3134GYPF3	43063	FHLMC NOTES	04/12/2023	25,000,000.00	25,000,000.00	25,002,991.00	4.750	4.686	4.751	07/12/2027	741
3134GYPF3	43064	FHLMC NOTES	04/12/2023	15,000,000.00	15,000,000.00	15,001,794.60	4.750	4.686	4.751	07/12/2027	741
3134HAQR7	44876	FHLMC NOTES	10/25/2024	76,827,961.60	77,152,000.00	77,088,074.94	4.650	4.680	4.745	10/09/2029	1,561
3134HA2T9	45281	FHLMC NOTES	01/16/2025	14,997,000.00	15,000,000.00	14,972,599.20	4.550	4.498	4.560	01/15/2027	563
3134HBDH1	45589	FHLMC NOTES	03/25/2025	25,331,932.60	25,337,000.00	25,315,133.92	4.700	4.642	4.706	03/13/2028	986
3134HBHG9	45653	FHLMC CALLABLE	04/09/2025	60,000,000.00	60,000,000.00	59,653,556.40	4.500	4.438	4.500	04/09/2027	647
3134HBHG9	45693	FHLMC CALLABLE	04/09/2025	27,162,000.00	27,162,000.00	27,005,164.98	4.500	4.438	4.500	04/09/2027	647
3134HBPT2	45998	FHLMC CALLABLE	06/04/2025	35,697,073.50	35,706,000.00	35,699,473.30	4.700	4.644	4.708	05/05/2028	1,039
3136G4YU1	40528	FNMA NOTES	07/15/2020	10,000,000.00	10,000,000.00	9,986,061.10	0.730	0.720	0.730	07/15/2025	14
3136G4YU1	40529	FNMA NOTES	07/15/2020	5,518,000.00	5,518,000.00	5,510,308.51	0.730	0.720	0.730	07/15/2025	14
3136G4A45	40534	FNMA NOTES	07/22/2020	20,000,000.00	20,000,000.00	19,957,997.00	0.710	0.700	0.710	07/22/2025	21
3136G4B77	40543	FNMA NOTES	08/04/2020	20,000,000.00	20,000,000.00	19,929,726.00	0.700	0.690	0.700	08/04/2025	34
3136G4H63	40550	FNMA NOTES	08/19/2020	11,500,000.00	11,500,000.00	11,440,721.41	0.550	0.542	0.550	08/19/2025	49
3136G4H63	40551	FNMA NOTES	08/19/2020	10,000,000.00	10,000,000.00	9,948,453.40	0.550	0.542	0.550	08/19/2025	49
3136G4H63	40552	FNMA NOTES	08/19/2020	15,000,000.00	15,000,000.00	14,922,680.10	0.550	0.542	0.550	08/19/2025	49
3136G4X40	40575	FNMA NOTES	09/08/2020	12,636,840.00	12,640,000.00	12,560,759.33	0.600	0.596	0.605	08/26/2025	56
3136G46K4	40685	FNMA NOTES	10/28/2020	35,000,000.00	35,000,000.00	34,897,840.95	0.500	0.493	0.500	07/28/2025	27
3136G46K4	40686	FNMA NOTES	10/28/2020	14,000,000.00	14,000,000.00	13,959,136.38	0.500	0.493	0.500	07/28/2025	27
3136G46K4	40687	FNMA NOTES	10/28/2020	26,000,000.00	26,000,000.00	25,924,110.42	0.500	0.493	0.500	07/28/2025	27
3136G45C3	40749	FNMA NOTES	11/17/2020	9,981,500.00	10,000,000.00	9,878,231.70	0.540	0.570	0.577	10/27/2025	118
3135GA2Z3	40780	FNMA NOTES	11/27/2020	24,981,250.00	25,000,000.00	24,649,460.00	0.560	0.567	0.575	11/17/2025	139
3136G4W41	41809	FNMA NOTES	02/03/2022	29,061,900.00	30,000,000.00	29,830,766.10	0.650	1.534	1.556	08/25/2025	55
3135G06L2	41964	FNMA NOTES	04/01/2022	18,453,200.00	20,000,000.00	19,134,390.80	0.875	2.594	2.630	12/18/2026	535
3135GAZ61	44987	FNMA NOTES	11/18/2024	20,000,000.00	20,000,000.00	20,011,555.60	4.550	4.487	4.550	11/18/2027	870
3136GAFC8	45654	FNMA CALLABLE	04/10/2025	25,000,000.00	25,000,000.00	24,969,950.75	4.450	4.389	4.450	04/10/2028	1,014

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3136GAGT0	45841	FNMA CALLABLE	05/09/2025	35,000,000.00	35,000,000.00	34,884,258.50	4.600	4.536	4.600	05/05/2028	1,039
		Subtotal and Average		**1,631,535,379.80**	**1,649,115,000.00**	**1,631,042,102.75**		**2.995**	**3.037**		**632**
US Treasury Notes											
91282CBH3	41010	U.S. TREASURY NOTES	03/23/2021	29,316,796.88	30,000,000.00	29,339,355.60	0.375	0.842	0.854	01/31/2026	214
91282CAJ0	41011	U.S. TREASURY NOTES	03/23/2021	29,355,468.75	30,000,000.00	29,789,941.50	0.250	0.732	0.743	08/31/2025	61
91282CAB7	41024	U.S. TREASURY NOTES	03/26/2021	34,390,234.38	35,000,000.00	34,882,063.30	0.250	0.647	0.656	07/31/2025	30
91282CAJ0	41067	U.S. TREASURY NOTES	04/14/2021	29,371,875.00	30,000,000.00	29,789,941.50	0.250	0.726	0.736	08/31/2025	61
91282CBH3	41484	U.S. TREASURY NOTES	10/29/2021	24,275,390.63	25,000,000.00	24,449,463.00	0.375	1.058	1.073	01/31/2026	214
9128287B0	41496	U.S. TREASURY NOTES	11/03/2021	25,886,718.75	25,000,000.00	24,478,515.50	1.875	1.076	1.091	06/30/2026	364
91282CAJ0	41517	U.S. TREASURY NOTES	11/12/2021	29,141,015.63	30,000,000.00	29,789,941.50	0.250	1.006	1.020	08/31/2025	61
9128286X3	41550	U.S. TREASURY NOTES	11/23/2021	25,950,195.31	25,000,000.00	24,569,336.00	2.125	1.239	1.257	05/31/2026	334
912828P46	41602	U.S. TREASURY NOTES	11/26/2021	40,620,312.50	40,000,000.00	39,371,484.40	1.625	1.229	1.246	02/15/2026	229
9128286A3	41619	U.S. TREASURY NOTES	12/01/2021	31,894,921.88	30,000,000.00	29,724,023.40	2.625	1.055	1.070	01/31/2026	214
912828P46	41623	U.S. TREASURY NOTES	12/02/2021	25,538,085.94	25,000,000.00	24,607,177.75	1.625	1.084	1.099	02/15/2026	229
912828YD6	41656	U.S. TREASURY NOTES	12/13/2021	40,312,500.00	40,000,000.00	38,835,937.60	1.375	1.187	1.203	08/31/2026	426
91282CAT8	41659	U.S. TREASURY NOTES	12/13/2021	38,646,875.00	40,000,000.00	39,466,406.40	0.250	1.127	1.143	10/31/2025	122
912828YG9	41816	U.S. TREASURY NOTES	02/07/2022	19,892,968.75	20,000,000.00	19,447,656.20	1.625	1.721	1.745	09/30/2026	456
912828Y95	42053	U.S. TREASURY NOTES	04/22/2022	43,087,500.00	45,000,000.00	44,001,562.50	1.875	2.899	2.939	07/31/2026	395
9128287B0	42104	U.S. TREASURY NOTES	05/02/2022	33,578,125.00	35,000,000.00	34,269,921.70	1.875	2.878	2.918	06/30/2026	364
		Subtotal and Average		**501,258,984.40**	**505,000,000.00**	**496,812,727.85**		**1.324**	**1.342**		**235**
Corporate Bonds											
037833DX5	40553	APPLE INC	08/20/2020	29,929,200.00	30,000,000.00	29,845,830.00	0.550	0.589	0.597	08/20/2025	50
037833EB2	40926	APPLE INC	02/08/2021	19,977,800.00	20,000,000.00	19,569,534.40	0.700	0.712	0.722	02/08/2026	222
037833CJ7	41990	APPLE INC	04/11/2022	11,837,485.38	11,694,000.00	11,573,052.93	3.350	3.031	3.073	02/09/2027	588
037833CJ7	41991	APPLE INC	04/12/2022	11,973,714.00	11,850,000.00	11,727,439.48	3.350	3.060	3.103	02/09/2027	588
037833ET3	43166	APPLE INC	05/10/2023	39,922,800.00	40,000,000.00	40,136,114.40	4.000	3.987	4.043	05/10/2028	1,044
00724PAE9	44016	Adobe Inc	04/04/2024	9,995,000.00	10,000,000.00	10,144,119.60	4.850	4.801	4.868	04/04/2027	642
023135CF1	42005	AMAZON	04/13/2022	39,917,600.00	40,000,000.00	39,551,662.00	3.300	3.299	3.345	04/13/2027	651
023135CP9	42735	AMAZON	12/01/2022	49,971,000.00	50,000,000.00	50,660,528.00	4.550	4.500	4.563	12/01/2027	883
06406RBQ9	43125	BANK OF NEW YORK	04/26/2023	15,000,000.00	15,000,000.00	15,073,044.15	4.947	4.879	4.947	04/26/2027	664
06406RCH8	46002	BANK OF NEW YORK	06/10/2025	10,000,000.00	10,000,000.00	10,051,698.50	4.441	4.380	4.441	06/09/2028	1,074

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Corporate Bonds											
084664CZ2	41908	BERKSHIRE HATHWY	03/15/2022	39,992,400.00	40,000,000.00	38,988,016.80	2.300	2.272	2.304	03/15/2027	622
141781CA0	43110	CARGILL INC	04/24/2023	9,980,100.00	10,000,000.00	10,027,759.50	4.500	4.507	4.570	06/24/2026	358
141781CA0	43118	CARGILL INC	04/25/2023	27,868,659.50	27,850,000.00	27,927,310.21	4.500	4.417	4.478	06/24/2026	358
141781CE2	45382	CARGILL INC	02/11/2025	19,986,800.00	20,000,000.00	20,242,981.60	4.625	4.585	4.648	02/11/2028	955
14913R2K2	43128	CATERPILLAR	04/26/2023	27,272,100.00	30,000,000.00	29,336,755.80	0.900	4.265	4.325	03/02/2026	244
14913UAA8	43176	CATERPILLAR	05/15/2023	44,978,850.00	45,000,000.00	45,022,415.85	4.350	4.307	4.366	05/15/2026	318
14913UAF7	43915	CATERPILLAR	02/27/2024	39,990,800.00	40,000,000.00	40,203,353.60	5.050	4.992	5.062	02/27/2026	241
194162AM5	42464	COLGATE-PALMOLIVE CO	08/09/2022	4,995,400.00	5,000,000.00	4,990,392.40	3.100	3.089	3.132	08/15/2025	45
231021AY2	45849	Cummins Inc.	05/09/2025	6,995,100.00	7,000,000.00	7,031,128.44	4.250	4.216	4.275	05/09/2028	1,043
126149AD5	43109	BESTFOODS	04/24/2023	17,074,866.25	15,683,000.00	16,308,021.03	7.250	4.511	4.574	12/15/2026	532
126149AD5	43126	BESTFOODS	04/26/2023	4,905,135.00	4,500,000.00	4,679,340.35	7.250	4.471	4.533	12/15/2026	532
166756AE6	40548	CHEVRON CORP.	08/12/2020	15,000,000.00	15,000,000.00	14,935,237.80	0.687	0.677	0.687	08/12/2025	42
24422EWR6	43134	JOHN DEERE CAPITAL CORP	04/27/2023	19,470,528.44	18,964,000.00	19,261,293.32	4.750	4.064	4.121	01/20/2028	933
24422EYD5	46000	JOHN DEERE CAPITAL CORP	06/05/2025	29,973,300.00	30,000,000.00	30,171,854.40	4.250	4.223	4.281	06/05/2028	1,070
23338VAN6	45645	Detroit Electric	04/03/2025	16,791,840.00	18,000,000.00	16,981,377.30	1.900	4.254	4.313	04/01/2028	1,005
95709TAN0	43074	EVERGY KANSAS CENTRAL	04/14/2023	18,962,000.00	20,000,000.00	19,645,693.40	2.550	4.236	4.295	07/01/2026	365
95709TAN0	43082	EVERGY KANSAS CENTRAL	04/17/2023	9,501,200.00	10,000,000.00	9,822,846.70	2.550	4.171	4.229	07/01/2026	365
37331NAR2	45973	GEORGIA PACIFIC LLC	06/02/2025	2,993,820.00	3,000,000.00	3,014,928.03	4.400	4.409	4.471	06/30/2028	1,095
459200KS9	43111	IBM	04/24/2023	16,027,407.92	16,216,000.00	16,208,838.37	4.000	4.482	4.545	07/27/2025	26
458140CE8	43121	INTEL CORP	04/25/2023	13,872,978.40	13,672,000.00	13,842,775.86	4.875	4.466	4.528	02/10/2028	954
458140CE8	43129	INTEL CORP	04/26/2023	10,155,400.00	10,000,000.00	10,124,909.20	4.875	4.447	4.509	02/10/2028	954
46647PBT2	45103	JPMorganChase	12/09/2024	48,363,000.00	50,000,000.00	49,324,285.50	1.045	4.563	4.627	11/19/2026	506
571676AT2	43099	MARS INC	04/20/2023	19,985,800.00	20,000,000.00	20,190,723.20	4.550	4.503	4.566	04/20/2028	1,024
57629WCQ1	42334	MASSMUTUAL GLOBAL FUNDING	06/28/2022	6,989,325.00	7,500,000.00	7,299,836.93	2.350	3.948	4.003	01/14/2027	562
58933YBH7	43183	MERCK & CO	05/17/2023	9,991,900.00	10,000,000.00	10,043,815.70	4.050	4.012	4.068	05/17/2028	1,051
59217GBY4	41873	MET LIFE GLOBAL FUNDING	03/01/2022	8,829,800.00	8,500,000.00	8,406,191.37	3.450	2.548	2.584	12/18/2026	535
59217GFB0	42345	MET LIFE GLOBAL FUNDING	06/30/2022	14,988,600.00	15,000,000.00	15,086,354.40	4.400	4.356	4.417	06/30/2027	729
59217GFR5	43745	MET LIFE GLOBAL FUNDING	01/08/2024	19,998,200.00	20,000,000.00	20,361,110.60	4.850	4.785	4.852	01/08/2029	1,287
592179KD6	42839	METLIFE SHORT TERM FUND	01/06/2023	15,000,000.00	15,000,000.00	15,038,803.95	5.000	4.931	5.000	01/06/2026	189
594918BY9	42081	MICROSOFT CORP	04/28/2022	5,211,359.52	5,168,000.00	5,114,907.38	3.300	3.057	3.099	02/06/2027	585
594918BR4	42668	MICROSOFT CORP	11/04/2022	23,151,250.00	25,000,000.00	24,573,102.75	2.400	4.498	4.560	08/08/2026	403
641062AR5	42791	NESTLE HOLDINGS INC	12/16/2022	22,423,500.00	25,000,000.00	24,515,270.50	0.625	4.170	4.228	01/15/2026	198

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Corporate Bonds											
637432NP6	43112	NATIONAL RURAL UTIL COOP	04/24/2023	13,093,924.50	13,725,000.00	13,453,236.22	3.400	4.415	4.476	02/07/2028	951
63743HFK3	43558	NATIONAL RURAL UTIL COOP	11/02/2023	19,993,000.00	20,000,000.00	20,335,407.40	5.600	5.610	5.688	11/13/2026	500
63743HFR8	44179	NATIONAL RURAL UTIL COOP	05/10/2024	29,981,400.00	30,000,000.00	30,471,210.90	5.100	5.052	5.122	05/06/2027	674
637639AH8	42736	NATIONAL SECS CLEARING CORP	12/01/2022	15,048,520.50	14,950,000.00	15,297,452.50	5.100	4.879	4.947	11/21/2027	873
637639AN5	45896	NATIONAL SECS CLEARING CORP	05/20/2025	24,977,750.00	25,000,000.00	25,156,614.50	4.350	4.336	4.396	05/20/2030	1,784
66815L2F5	42707	NORTHWESTERN MUTUAL LIFE INSUR	11/21/2022	28,051,738.35	31,807,000.00	30,679,060.80	1.750	4.870	4.938	01/11/2027	559
64952WED1	41174	NEW YORK LIFE GLOBAL	06/09/2021	19,980,600.00	20,000,000.00	19,418,139.00	1.150	1.154	1.170	06/09/2026	343
64952WED1	41825	NEW YORK LIFE GLOBAL	02/09/2022	9,097,990.70	9,445,000.00	9,170,216.14	1.150	2.012	2.040	06/09/2026	343
64953BBW7	45777	NEW YORK LIFE GLOBAL	04/25/2025	24,982,500.00	25,000,000.00	25,188,404.00	4.400	4.364	4.425	04/25/2028	1,029
713448GD4	45375	PEPSICO INC	02/07/2025	24,999,500.00	25,000,000.00	25,171,364.50	4.400	4.340	4.401	02/07/2027	586
742718FV6	41801	PROCTER & GAMBLE	02/01/2022	54,921,900.00	55,000,000.00	53,284,983.40	1.900	1.903	1.929	02/01/2027	580
742718ER6	41999	PROCTER & GAMBLE	04/12/2022	10,610,531.10	10,845,000.00	10,640,674.56	2.450	2.919	2.960	11/03/2026	490
742718FY0	42883	PROCTER & GAMBLE	01/26/2023	9,993,300.00	10,000,000.00	9,989,464.00	4.100	4.067	4.123	01/26/2026	209
21688ABK7	45274	RABOBANK	01/21/2025	25,000,000.00	25,000,000.00	25,525,194.75	4.883	4.816	4.883	01/21/2028	934
857477CP6	44840	STATE STREET Corporation	10/22/2024	30,000,000.00	30,000,000.00	30,152,961.60	4.330	4.270	4.330	10/22/2027	843
857449AC6	45002	STATE STREET Corporation	11/25/2024	30,000,000.00	30,000,000.00	30,217,351.50	4.594	4.531	4.594	11/25/2026	512
857477DA8	45776	STATE STREET Corporation	04/24/2025	10,000,000.00	10,000,000.00	10,062,929.20	4.543	4.480	4.543	04/24/2028	1,028
90327QDA4	45981	USAA CAPITAL CORP	06/02/2025	19,962,200.00	20,000,000.00	20,131,949.00	4.375	4.382	4.443	06/01/2028	1,066
92826CAD4	42288	VISA	06/15/2022	19,480,800.00	20,000,000.00	19,885,131.60	3.150	3.897	3.952	12/14/2025	166
92826CAD4	42792	VISA	12/16/2022	24,213,250.00	25,000,000.00	24,856,414.50	3.150	4.222	4.280	12/14/2025	166
931142ER0	41379	WALMART	09/17/2021	9,981,100.00	10,000,000.00	9,663,918.50	1.050	1.074	1.088	09/17/2026	443
931142EM1	41875	WALMART	03/01/2022	2,396,001.85	2,315,000.00	2,291,999.78	3.050	2.141	2.171	07/08/2026	372
931142EW9	42542	WALMART	09/09/2022	19,986,000.00	20,000,000.00	19,977,618.20	3.900	3.871	3.924	09/09/2025	70
931142EX7	42578	WALMART	09/27/2022	9,768,500.00	10,000,000.00	10,007,219.10	3.950	4.414	4.476	09/09/2027	800
931142FA6	43091	WALMART	04/18/2023	9,995,600.00	10,000,000.00	9,989,608.40	4.000	3.960	4.015	04/15/2026	288
		Subtotal and Average		**1,326,762,126.41**	**1,342,684,000.00**	**1,338,073,179.75**		**3.907**	**3.962**		**615**
ABS - Green Bonds											
43815JAC7	42950	HONDA AUTO RECEIVABLES OWNER T	02/24/2023	7,235,355.09	7,236,699.67	7,254,004.79	5.040	5.032	5.102	04/21/2027	659
88167PAC2	43336	TESLA AUTO LEASE TRUST	07/27/2023	695,558.96	695,605.01	696,279.26	5.890	5.885	5.967	06/22/2026	356
881934AD5	44817	TESLA AUTO LEASE TRUST	10/16/2024	27,497,030.00	27,500,000.00	27,622,828.75	4.780	4.542	4.605	11/20/2026	507
		Subtotal and Average		**35,427,944.05**	**35,432,304.68**	**35,573,112.80**		**4.669**	**4.734**		**535**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Asset Backed Securities (ABS)											
02008JAC0	42182	ALLY AUTO RECEIVABLES TRUST	05/18/2022	3,050,115.87	3,050,706.49	3,046,401.33	3.310	3.296	3.341	11/16/2026	503
02007NAC2	44748	ALLY AUTO RECEIVABLES TRUST	09/27/2024	7,999,172.80	8,000,000.00	7,991,936.80	4.140	4.123	4.180	07/16/2029	1,476
02582JJZ4	43249	AMERICAN EXPRESS CREDIT ACCT	06/14/2023	18,748,336.88	18,750,000.00	18,845,846.25	4.870	4.856	4.923	05/15/2028	1,049
02582JKH2	44096	AMERICAN EXPRESS CREDIT ACCT	04/23/2024	44,990,775.00	45,000,000.00	45,893,799.00	5.230	5.222	5.295	04/16/2029	1,385
02582JKP4	45854	AMERICAN EXPRESS CREDIT ACCT	05/13/2025	23,999,565.60	24,000,000.00	24,143,241.60	4.280	4.259	4.319	04/15/2030	1,749
05594BAD8	45850	BANK OF AMERICA AUTO TRUST	05/12/2025	7,499,482.50	7,500,000.00	7,533,510.00	4.350	4.332	4.392	11/20/2029	1,603
096912AD2	46003	BMW VEHICLE LEASE TRUST	06/10/2025	8,999,802.00	9,000,000.00	9,050,499.90	4.430	4.410	4.472	06/26/2028	1,091
05602RAD3	42183	BMW VEHICLE OWNER TRUST	05/18/2022	1,221,716.85	1,221,780.39	1,219,560.54	3.210	3.189	3.234	08/25/2026	420
096919AD7	44297	BMW VEHICLE OWNER TRUST	06/11/2024	16,997,417.70	17,000,000.00	17,213,069.50	5.180	5.171	5.243	02/26/2029	1,336
096924AD7	45367	BMW VEHICLE OWNER TRUST	02/12/2025	24,997,537.50	25,000,000.00	25,211,390.00	4.560	4.545	4.608	09/25/2029	1,547
14317HAC5	42084	CARMAX AUTO OWNER TRUST	04/28/2022	3,179,386.43	3,179,870.09	3,172,507.10	3.490	3.473	3.522	02/16/2027	595
14290DAC5	44973	CARMAX AUTO OWNER TRUST	11/05/2024	19,996,258.00	20,000,000.00	20,144,516.00	4.600	4.588	4.652	10/15/2029	1,567
14319WAD8	45282	CARMAX AUTO OWNER TRUST	01/22/2025	17,497,042.50	17,500,000.00	17,732,403.50	4.840	4.939	5.008	01/15/2030	1,659
14320AAD3	45793	CARMAX AUTO OWNER TRUST	05/02/2025	11,498,312.95	11,500,000.00	11,603,721.95	4.480	4.465	4.528	03/15/2030	1,718
18978JAB4	44219	CNH EQUIPMENT TRUST	05/20/2024	3,516,796.80	3,517,079.93	3,526,528.57	5.420	5.413	5.489	10/15/2027	836
14044CAC6	41476	CAPITAL ONE PRIME AUTO RECEIV	10/27/2021	167,678.56	167,681.73	167,413.24	0.770	0.761	0.772	09/15/2026	441
14043QAC6	42116	CAPITAL ONE PRIME AUTO RECEIV	05/04/2022	4,145,734.54	4,146,640.59	4,128,268.90	3.170	3.156	3.200	04/15/2027	653
14043KAH8	42944	CAPITAL ONE PRIME AUTO RECEIV	02/23/2023	7,345,716.33	7,347,126.98	7,365,308.92	4.870	4.860	4.928	02/15/2028	959
14044EAB4	43505	CAPITAL ONE PRIME AUTO RECEIV	10/11/2023	1,747,256.73	1,747,411.03	1,748,455.28	5.910	5.907	5.989	10/15/2026	471
254683CW3	43089	DISCOVER CARD EXECUTION NOTE	04/18/2023	48,631,438.48	49,725,000.00	49,709,376.41	3.560	4.574	4.638	07/15/2027	744
254683CZ6	43276	DISCOVER CARD EXECUTION NOTE	06/28/2023	29,995,947.00	30,000,000.00	30,181,500.00	4.930	4.918	4.986	06/15/2028	1,080
24703UAC7	45785	DELL EQUIPMENT FINANCE Trust	05/01/2025	5,999,728.80	6,000,000.00	6,023,556.00	4.680	4.665	4.730	07/22/2027	751
233868AC2	43476	DAIMLET TRUCKS RETAIL TRUST	09/27/2023	18,995,331.90	18,995,622.54	19,111,539.53	5.900	5.892	5.973	03/15/2027	622
362548AD1	44146	GM FIN'CL AUTO LEASING TRUST	05/01/2024	3,836,055.24	3,856,543.13	3,858,661.53	5.050	5.573	5.650	07/20/2026	384
362962AD4	45933	GM FIN'CL AUTO LEASING TRUST	05/29/2025	19,249,680.45	19,250,000.00	19,371,015.12	4.580	4.561	4.625	05/22/2028	1,056
362585AC5	42009	GM FINANCIAL SECURITIZED	04/13/2022	2,319,514.87	2,319,999.75	2,311,934.97	3.100	3.086	3.129	02/16/2027	595
362549AD9	45851	GM FINANCIAL SECURITIZED	05/14/2025	8,498,748.80	8,500,000.00	8,544,659.85	4.280	4.265	4.325	04/16/2030	1,750
39154TCH9	43811	Great America Leasing	01/31/2024	6,715,853.49	6,716,435.81	6,728,720.17	5.320	5.312	5.386	08/17/2026	412
43815BAC4	41855	HONDA AUTO RECEIVABLES OWNER T	02/23/2022	1,406,748.93	1,406,960.54	1,404,104.27	1.880	1.868	1.894	05/15/2026	318
437927AC0	43212	HONDA AUTO RECEIVABLES OWNER T	05/30/2023	15,887,592.56	15,890,166.77	15,935,048.55	4.930	4.920	4.988	11/15/2027	867
438123AB7	43617	HONDA AUTO RECEIVABLES OWNER T	11/08/2023	1,943,208.99	1,943,359.22	1,945,086.48	5.870	5.867	5.949	06/22/2026	356
437918AC9	43894	HONDA AUTO RECEIVABLES OWNER T	02/21/2024	25,998,869.00	26,000,000.00	26,221,397.80	5.210	5.196	5.268	08/15/2028	1,141

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Asset Backed Securities (ABS)											
448979AD6	43065	HYUNDAI AUTO RECEIVABLES TRUST	04/12/2023	5,193,737.61	5,194,244.57	5,195,254.85	4.580	4.565	4.629	04/15/2027	653
44918CAD4	43562	HYUNDAI AUTO RECEIVABLES TRUST	11/13/2023	7,998,948.00	8,000,000.00	8,086,763.20	5.540	5.533	5.610	10/16/2028	1,203
41284YAD8	42040	HARLEY-DAVIDSON MOTORCYCLE	04/20/2022	1,773,374.01	1,773,669.33	1,771,378.64	3.060	3.044	3.086	02/15/2027	594
41285JAD0	42945	HARLEY-DAVIDSON MOTORCYCLE	02/23/2023	7,666,947.04	7,667,719.18	7,683,157.37	5.050	5.038	5.107	12/15/2027	897
412922AC0	44212	HARLEY-DAVIDSON MOTORCYCLE	05/22/2024	20,998,910.10	21,000,000.00	21,221,741.10	5.540	5.358	5.433	03/15/2029	1,353
41284XAD0	45935	HARLEY-DAVIDSON MOTORCYCLE	05/28/2025	19,995,900.00	20,000,000.00	20,230,002.00	4.900	4.660	4.725	04/15/2030	1,749
47787JAC2	41910	JOHN DEERE OWNER TRUST	03/16/2022	1,035,179.83	1,035,408.87	1,032,454.02	2.320	2.309	2.341	09/16/2026	442
477920AC6	43277	JOHN DEERE OWNER TRUST	06/28/2023	11,815,142.18	11,817,113.28	11,879,834.97	5.180	5.171	5.243	03/15/2028	988
47800RAD5	43954	JOHN DEERE OWNER TRUST	03/19/2024	8,199,540.80	8,200,000.00	8,275,148.90	4.960	4.945	5.014	11/15/2028	1,233
47786WAB6	44334	JOHN DEERE OWNER TRUST	06/18/2024	18,925,221.98	18,926,319.71	18,989,524.15	5.420	5.410	5.485	05/17/2027	685
477911AC5	44697	JOHN DEERE OWNER TRUST	09/17/2024	12,159,376.00	12,159,376.00	12,163,341.17	4.760	4.614	4.678	08/16/2027	776
47800DAD6	45493	JOHN DEERE OWNER TRUST	03/11/2025	20,998,679.10	21,000,000.00	21,049,148.40	4.230	4.211	4.270	09/17/2029	1,539
58768RAC4	43201	MERCEDES-BENZ AUTO LEASE TRUST	05/24/2023	12,958,449.53	12,958,900.50	12,960,867.66	4.740	4.723	4.789	01/15/2027	563
58770JAD6	44231	MERCEDES-BENZ AUTO LEASE TRUST	05/23/2024	11,998,596.00	12,000,000.00	12,145,725.60	5.660	5.311	5.385	01/18/2028	931
58769GAC7	44756	MERCEDES-BENZ AUTO LEASE TRUST	09/25/2024	4,505,968.79	4,505,968.79	4,505,217.65	4.770	4.644	4.708	12/15/2026	532
58768YAD7	45910	MERCEDES-BENZ AUTO LEASE TRUST	05/21/2025	11,498,598.15	11,500,000.00	11,629,107.05	4.610	4.596	4.660	04/16/2029	1,385
58770AAC7	42879	MERCEDES -BENZ AUTO REC TRUST	01/25/2023	6,659,446.41	6,660,245.64	6,659,887.32	4.510	4.495	4.558	11/15/2027	867
58769FAB1	43542	MERCEDES -BENZ AUTO REC TRUST	10/25/2023	68,150.40	68,153.46	68,197.54	5.920	5.915	5.998	11/16/2026	503
65479QAC1	41856	NISSAN AUTO RECEIVABLES OWNER	02/23/2022	1,924,899.93	1,925,277.48	1,918,684.37	1.860	1.850	1.876	08/17/2026	412
65480WAD3	43130	NISSAN AUTO RECEIVABLES OWNER	04/26/2023	21,955,481.18	21,959,361.40	22,004,481.30	4.910	4.900	4.968	11/15/2027	867
65481GAB1	45932	NISSAN AUTO RECEIVABLES OWNER	05/27/2025	17,599,019.68	17,600,000.00	17,643,787.04	4.500	4.485	4.548	02/15/2028	959
73328AAD1	44629	PORSCHE INNOVATIVE LEASE OWN	08/21/2024	7,499,175.75	7,500,000.00	7,522,576.50	4.670	4.657	4.721	11/22/2027	874
891940AC2	42890	TOYOTA AUTO REC OWNER TRUST	01/30/2023	13,175,028.88	13,175,035.47	13,180,599.29	4.630	4.610	4.674	09/15/2027	806
89231HAD8	45794	TOYOTA AUTO REC OWNER TRUST	04/30/2025	5,499,684.85	5,500,000.00	5,533,148.50	4.340	4.321	4.381	11/15/2029	1,598
92868RAD0	44988	VOLKSWAGEN AUTO LOAN ENHANCED	11/26/2024	14,998,587.00	15,000,000.00	15,153,051.00	4.630	4.505	4.568	07/20/2029	1,480
92868WAD9	46034	VOLKSWAGEN AUTO LEASE TRUST	06/17/2025	14,248,998.23	14,250,000.00	14,347,442.93	4.500	4.775	4.841	06/20/2028	1,085
92348KCL5	43771	VERIZON MASTER TRUST	01/18/2024	17,499,478.50	17,500,000.00	17,534,767.25	5.000	4.984	5.053	12/20/2028	1,268
92348KDZ3	45606	VERIZON MASTER TRUST	03/31/2025	20,500,000.00	20,500,000.00	20,516,824.35	4.880	4.813	4.880	03/20/2030	1,723
98164TAB8	45853	WORLD OMNI AUTO REC'VBLE TRUST	05/14/2025	12,498,811.25	12,500,000.00	12,511,980.00	4.380	4.368	4.428	08/15/2028	1,141
981946AC0	44066	WORLD OMNI AUTOMOBILE LEASE	04/17/2024	2,918,987.32	2,918,987.32	2,919,976.27	5.829	5.812	5.893	02/16/2027	595
		Subtotal and Average		**751,845,142.65**	**753,028,165.99**	**757,419,049.45**		**4.780**	**4.846**		**1,150**

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
13077DQD7	41265	CALIF STATE UNIV	07/29/2021	5,000,000.00	5,000,000.00	4,941,900.00	0.862	0.850	0.862	11/01/2025	123
544647KX7	45792	LOS ANGELES CALIF USD	05/13/2025	7,905,000.00	7,905,000.00	7,975,512.60	4.382	4.322	4.382	07/01/2027	730
79739GPD2	41668	SAN DIEGO CNTY ARPT AUTH	12/08/2021	2,495,000.00	2,495,000.00	2,495,000.00	1.341	1.322	1.340	07/01/2025	0
		Subtotal and Average		**15,400,000.00**	**15,400,000.00**	**15,412,412.60**		**2.709**	**2.747**		**414**
Commercial Paper, Discount											
09659BWC0	45909	BNP PARIBAS NY BRANCH	05/19/2025	73,951,166.67	75,000,000.00	74,333,175.00	4.340	4.401	4.462	09/12/2025	73
16536HU17	46126	CHESHAM FINANCE	06/30/2025	74,990,958.00	75,000,000.00	74,991,000.00	4.340	4.340	4.400	07/01/2025	0
71344TV82	45931	PEPSICO INC	05/21/2025	49,533,680.56	50,000,000.00	49,767,400.00	4.250	4.290	4.349	08/08/2025	38
79490AU30	45539	SALISBURY REC CO	03/14/2025	49,330,916.67	50,000,000.00	49,981,850.00	4.340	4.398	4.459	07/03/2025	2
79490AVN5	45943	SALISBURY REC CO	05/22/2025	49,437,777.78	50,000,000.00	49,676,800.00	4.400	4.450	4.511	08/22/2025	52
82124LUX8	45538	SHEFFIELD RECEIV	03/14/2025	49,167,930.56	50,000,000.00	49,810,950.00	4.310	4.382	4.443	07/31/2025	30
82124LVV1	45971	SHEFFIELD RECEIV	05/30/2025	49,446,416.67	50,000,000.00	49,634,150.00	4.380	4.429	4.490	08/29/2025	59
89233GUX2	45552	TOYOTA MOTOR CREDIT CORP	03/17/2025	49,180,222.22	50,000,000.00	49,813,150.00	4.340	4.412	4.473	07/31/2025	30
		Subtotal and Average		**445,039,069.13**	**450,000,000.00**	**448,008,475.00**		**4.386**	**4.447**		**35**
Federal Agency Discount Notes											
313313KT4	44774	FFCB DISCOUNT NOTE	09/27/2024	57,883,433.33	60,000,000.00	59,627,233.20	3.860	4.001	4.056	08/22/2025	52
313313LG1	46127	FFCB DISCOUNT NOTE	06/30/2025	49,613,166.67	50,000,000.00	49,615,000.00	278.520	4.311	4.371	09/04/2025	65
313385HP4	46122	FHLB DISCOUNT	06/30/2025	207,976,311.13	208,000,000.00	207,975,907.36	4.100	4.157	4.215	07/01/2025	0
313385HP4	46123	FHLB DISCOUNT	06/30/2025	99,988,611.00	100,000,000.00	99,988,417.00	4.100	4.157	4.215	07/01/2025	0
313385HP4	46125	FHLB DISCOUNT	06/30/2025	99,988,611.12	100,000,000.00	99,988,417.00	4.100	4.157	4.215	07/01/2025	0
313589HP1	46124	FANNIE MAE	06/30/2025	149,982,999.99	150,000,000.00	149,982,625.50	4.080	4.137	4.194	07/01/2025	0
		Subtotal and Average		**665,433,133.24**	**668,000,000.00**	**667,177,600.06**		**4.151**	**4.208**		**9**
Treasury Bills											
912797QC4	45691	US TREASURY	04/09/2025	197,403,833.83	200,000,000.00	199,353,434.00	4.210	4.324	4.384	07/29/2025	28
		Subtotal and Average		**197,403,833.83**	**200,000,000.00**	**199,353,434.00**		**4.325**	**4.385**		**28**
Local Agency Investment Fund											
SYS8506	8506	LOCAL AGENCY INVEST FUND	07/01/2024	47,801,827.35	47,801,827.35	47,801,827.35	4.260	4.201	4.260		1
		Subtotal and Average		**47,801,827.35**	**47,801,827.35**	**47,801,827.35**		**4.202**	**4.260**		**1**

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Money Market											
SYS40461	40461	DREYFUS GOVERNMENT CASH MGMT	04/15/2020	330,291,018.03	330,291,018.03	330,291,018.03	4.210	4.152	4.210		1
SYS37590	37590	JP MORGAN US GOVT MMF	02/27/2017	151,787,702.00	151,787,702.00	151,787,702.00	4.190	4.132	4.190		1
SYS34292	34292	MORGAN STANLEY TRSY INSTL 8304	05/21/2013	150,862,026.99	150,862,026.99	150,862,026.99	4.180	4.122	4.180		1
SYS42588	42588	STATE STREET US	09/30/2022	783,555,222.57	783,555,222.57	783,555,222.57	4.250	4.191	4.250		1
SYS23519	23519	BLACKROCK TREASURY LIQ FUND	02/01/2008	523,390,769.62	523,390,769.62	523,390,769.62	4.210	4.152	4.210		1
		Subtotal and Average		**1,939,886,739.21**	**1,939,886,739.21**	**1,939,886,739.21**		**4.164**	**4.222**		**1**
Other - Floaters - Daily Reset											
06418NGB2	45670	BANK OF NOVA SCOTIA HOUSTON	04/08/2025	75,000,000.00	75,000,000.00	75,000,000.00	4.800	4.768	4.834	04/01/2026	274
17325FBM9	45676	CITI BANK NA	04/08/2025	21,454,142.00	21,400,000.00	21,412,198.00	5.162	5.047	5.117	11/19/2027	871
30608HBC8	45581	Falcon Asset Funding	03/24/2025	60,000,000.00	60,000,000.00	60,000,000.00	4.700	4.640	4.704	10/17/2025	108
02665WEX5	43763	American Honda Finance	01/10/2024	45,000,000.00	45,000,000.00	45,060,804.00	5.160	5.464	5.540	01/09/2026	192
46632FTV7	43828	JPMORGAN	01/29/2024	45,000,000.00	45,000,000.00	44,960,366.70	5.070	5.350	5.424	01/29/2026	212
57629TBS5	44017	MASSMUTUAL GLOBAL FUNDING	04/09/2024	30,000,000.00	30,000,000.00	30,138,600.00	5.190	5.321	5.395	04/09/2027	647
55381BJQ2	45980	MUFG Mitsubishi BANK LTD/NY	05/30/2025	100,000,000.00	100,000,000.00	100,000,000.00	4.730	4.713	4.779	02/20/2026	234
64953BBR8	44767	NEW YORK LIFE GLOBAL	10/03/2024	30,000,000.00	30,000,000.00	29,963,700.00	5.100	5.096	5.167	10/01/2027	822
21688ABG6	44631	RABOBANK	08/28/2024	25,000,000.00	25,000,000.00	25,062,671.25	5.070	5.099	5.170	08/28/2026	423
21684LKL5	45690	RABOBANK	04/09/2025	50,000,000.00	50,000,000.00	50,000,000.00	4.730	4.693	4.758	02/06/2026	220
78015JEU7	45669	ROYAL BANK OF CANADA	04/07/2025	75,000,000.00	75,000,000.00	75,000,000.00	4.700	4.659	4.723	01/07/2026	190
86564PT27	44972	SUMITOMO MITSUI TRUST NY	11/06/2024	55,000,000.00	55,000,000.00	55,000,000.00	4.800	4.755	4.821	11/06/2025	128
86564P5J6	45580	SUMITOMO MITSUI TRUST NY	03/24/2025	60,000,000.00	60,000,000.00	60,000,000.00	4.580	4.471	4.533	07/18/2025	17
89115DZK5	45700	TORONTO DOMINION BANK	04/09/2025	55,000,000.00	55,000,000.00	55,000,000.00	4.850	4.819	4.886	04/09/2026	282
931142FM0	45784	WALMART	04/28/2025	5,000,000.00	5,000,000.00	5,015,550.00	4.880	4.867	4.935	04/28/2027	666
		Subtotal and Average		**731,454,142.00**	**731,400,000.00**	**731,613,889.95**		**4.848**	**4.915**		**265**
Agency - Floaters - Daily Reset											
31424WCU4	43656	FARMER MAC	12/07/2023	45,000,000.00	45,000,000.00	45,086,089.50	4.750	4.980	5.049	12/07/2026	524
31424WNA6	44663	FARMER MAC	08/22/2024	35,000,000.00	35,000,000.00	35,037,068.85	4.600	4.638	4.702	08/21/2026	416
3133EPN76	43675	FFCB NOTES	12/18/2023	45,000,000.00	45,000,000.00	45,135,442.35	4.720	4.937	5.006	12/18/2026	535
3133EP4H5	44049	FFCB NOTES	04/10/2024	80,028,940.80	80,000,000.00	80,017,686.40	4.585	4.532	4.595	03/04/2026	246
3133ERKT7	44457	FFCB NOTES	07/15/2024	35,000,000.00	35,000,000.00	35,000,833.00	4.700	4.724	4.789	07/15/2027	744
3133ERSV4	44685	FFCB NOTES	09/09/2024	30,000,000.00	30,000,000.00	30,003,365.10	4.720	4.729	4.795	09/09/2027	800
3133ERZF1	44893	FFCB NOTES	10/29/2024	35,000,000.00	35,000,000.00	34,995,514.05	4.720	4.707	4.772	10/29/2027	850

Fund COMM - COMMINGLED POOL
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Agency - Floaters - Daily Reset											
3133ERP88	45173	FFCB NOTES	12/23/2024	50,000,000.00	50,000,000.00	49,992,625.00	4.710	4.689	4.754	12/23/2027	905
3133ETES2	45769	FFCB NOTES	04/24/2025	45,000,000.00	45,000,000.00	45,000,477.00	4.700	4.691	4.756	04/24/2028	1,028
3130B1TW7	44378	FHLB NOTES	06/27/2024	50,000,000.00	50,000,000.00	49,953,548.50	4.730	4.782	4.848	06/27/2028	1,092
		Subtotal and Average		**450,028,940.80**	**450,000,000.00**	**450,222,649.75**		**4.729**	**4.795**		**683**
Supranationals - Green Bond											
459058JE4	41545	INTL BANK RECON & DEVELOP	11/22/2021	24,407,000.00	25,000,000.00	24,923,982.00	0.375	1.018	1.032	07/28/2025	27
		Subtotal and Average		**24,407,000.00**	**25,000,000.00**	**24,923,982.00**		**1.019**	**1.033**		**27**
Supranationals											
459058JL8	40688	INTL BANK RECON & DEVELOP	10/28/2020	2,497,175.00	2,500,000.00	2,468,535.92	0.500	0.515	0.522	10/28/2025	119
459058JL8	40689	INTL BANK RECON & DEVELOP	10/28/2020	14,983,050.00	15,000,000.00	14,811,215.55	0.500	0.515	0.522	10/28/2025	119
459058JS3	41153	INTL BANK RECON & DEVELOP	05/28/2021	9,915,300.00	10,000,000.00	9,780,285.70	0.650	0.822	0.834	02/10/2026	224
459058JS3	46120	INTL BANK RECON & DEVELOP	06/30/2025	16,595,704.54	16,974,000.00	16,601,056.95	0.650	4.324	4.384	02/10/2026	224
		Subtotal and Average		**43,991,229.54**	**44,474,000.00**	**43,661,094.12**		**2.024**	**2.052**		**182**
		Total Investments and Average		**11,433,896,029.21**	**11,498,025,471.45**	**11,447,957,258.23**		**3.817**	**3.870**		**415**

Fund WK - WORKERS COMP
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3137F2LJ3	42115	FHLMC MULTI-FAMILY	05/03/2022	998,203.13	1,000,000.00	982,192.60	3.117	3.088	3.131	06/25/2027	724
3137BRQK4	42233	FHLMC MULTI-FAMILY	05/31/2022	1,965,625.00	2,000,000.00	1,960,851.40	2.624	2.994	3.036	08/25/2026	420
3140LAUG8	45066	FNMA MULTI-FAMILY	11/26/2024	782,388.87	815,353.35	799,756.98	0.980	4.537	4.600	01/01/2026	184
		Subtotal and Average		**3,746,217.00**	**3,815,353.35**	**3,742,800.98**		**3.342**	**3.388**		**451**
Federal Agency Bonds - CALLABLE											
3130AKYH3	41962	FHLB NOTES	03/31/2022	1,834,640.00	2,000,000.00	1,905,437.88	0.830	2.618	2.655	02/10/2027	589
		Subtotal and Average		**1,834,640.00**	**2,000,000.00**	**1,905,437.88**		**2.619**	**2.655**		**589**
US Treasury Notes											
91282CAM3	41726	U.S. TREASURY NOTES	12/30/2021	2,902,851.56	3,000,000.00	2,970,087.90	0.250	1.118	1.134	09/30/2025	91
		Subtotal and Average		**2,902,851.56**	**3,000,000.00**	**2,970,087.90**		**1.119**	**1.134**		**91**
Money Market											
SYS34789	34789	BLACKROCK TREASURY LIQ FUND	12/26/2013	21,283,014.16	21,283,014.16	21,283,014.16	4.210	4.152	4.210		1
		Subtotal and Average		**21,283,014.16**	**21,283,014.16**	**21,283,014.16**		**4.152**	**4.210**		**1**
Supranationals											
459058JL8	40695	INTL BANK RECON & DEVELOP	10/28/2020	2,497,175.00	2,500,000.00	2,468,535.92	0.500	0.515	0.522	10/28/2025	119
		Subtotal and Average		**2,497,175.00**	**2,500,000.00**	**2,468,535.92**		**0.516**	**0.523**		**119**
		Total Investments and Average		**32,263,897.72**	**32,598,367.51**	**32,369,876.84**		**3.417**	**3.464**		**104**

Fund PCF - PARK CHARTER FUND
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3130AKYH3	41961	FHLB NOTES	03/31/2022	458,660.00	500,000.00	476,359.47	0.830	2.618	2.655	02/10/2027	589
		Subtotal and Average		**458,660.00**	**500,000.00**	**476,359.47**		**2.619**	**2.655**		**589**
US Treasury Notes											
91282CAM3	41727	U.S. TREASURY NOTES	12/30/2021	967,617.19	1,000,000.00	990,029.30	0.250	1.118	1.134	09/30/2025	91
		Subtotal and Average		**967,617.19**	**1,000,000.00**	**990,029.30**		**1.119**	**1.134**		**91**
Money Market											
SYS33657	33657	BLACKROCK TREASURY LIQ FUND	09/30/2012	3,318,261.47	3,318,261.47	3,318,261.47	4.210	4.152	4.210		1
		Subtotal and Average		**3,318,261.47**	**3,318,261.47**	**3,318,261.47**		**4.152**	**4.210**		**1**
		Total Investments and Average		**4,744,538.66**	**4,818,261.47**	**4,784,650.24**		**3.385**	**3.432**		**76**

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
June 30, 2025

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Money Market - Tax Exempt										
SYS33615	33615	Dreyfus Tax Exempt Inst	09/25/2012	0.00	0.00	0.00		0.000	0.000	1
60934N666	42335	FEDERATED TAX EXEMPT	06/29/2022	0.00	0.00	0.00	1.680	1.656	1.680	1
		Subtotal and Average		**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**
		Total Investments and Average		**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
June 1, 2025 - June 30, 2025
Sorted by Fund - Transaction Date
Selected Funds

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
45987	COMM	16536HT35	Purchase	06/02/2025	06/03/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
45982	COMM	313385GK6	Purchase	06/02/2025	06/03/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
45983	COMM	313385GK6	Purchase	06/02/2025	06/03/2025	MIZUHO	FHLB DISCOUNT	149,982,499.50			**-149,982,499.50**
45984	COMM	313385GK6	Purchase	06/02/2025	06/03/2025	UBS AG SW	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
45973	COMM	37331NAR2	Purchase	06/02/2025	06/30/2028	BANK OF AMERICA	GEORGIA PACIFIC	2,993,820.00			**-2,993,820.00**
45986	COMM	5148X0T39	Purchase	06/02/2025	06/03/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
45985	COMM	63873JT34	Purchase	06/02/2025	06/03/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
45981	COMM	90327QDA4	Purchase	06/02/2025	06/01/2028	BANK OF AMERICA	USAA CAPITAL	19,962,200.00			**-19,962,200.00**
43219	COMM	31422X3H3	Redemption	06/02/2025	06/02/2027	LOOP CAPITAL	FARMER MAC		25,000,000.00		**25,000,000.00**
45716	COMM	93114ET23	Redemption	06/02/2025	06/02/2025	WILLIAMS CAPITAL	WALMART		50,000,000.00		**50,000,000.00**
45974	COMM	313385GJ9	Redemption	06/02/2025	06/02/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		136,000,000.00		**136,000,000.00**
45975	COMM	313385GJ9	Redemption	06/02/2025	06/02/2025	MIZUHO	FHLB DISCOUNT		100,000,000.00		**100,000,000.00**
45976	COMM	313385GJ9	Redemption	06/02/2025	06/02/2025	UBS AG SW	FHLB DISCOUNT		50,000,000.00		**50,000,000.00**
45977	COMM	313589GJ6	Redemption	06/02/2025	06/02/2025	UBS AG SW	FANNIE MAE		200,000,000.00		**200,000,000.00**
45978	COMM	5148X0T21	Redemption	06/02/2025	06/02/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
45979	COMM	16536HT27	Redemption	06/02/2025	06/02/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
41550	COMM	9128286X3	Interest	06/02/2025	05/31/2026	BMO CAPITAL	U.S. TREASURY			265,625.00	**265,625.00**
42735	COMM	023135CP9	Interest	06/02/2025	12/01/2027	JPMorganChase	AMAZON			1,137,500.00	**1,137,500.00**
43219	COMM	31422X3H3	Interest	06/02/2025	06/02/2027	LOOP CAPITAL	FARMER MAC			568,750.00	**568,750.00**
45994	COMM	16536HT43	Purchase	06/03/2025	06/04/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
45990	COMM	313385GL4	Purchase	06/03/2025	06/04/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,555.55			**-249,970,555.55**
45991	COMM	313385GL4	Purchase	06/03/2025	06/04/2025	MIZUHO	FHLB DISCOUNT	149,982,333.00			**-149,982,333.00**
45992	COMM	313385GL4	Purchase	06/03/2025	06/04/2025	UBS AG SW	FHLB DISCOUNT	249,970,555.55			**-249,970,555.55**
45993	COMM	5148X0T47	Purchase	06/03/2025	06/04/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
45995	COMM	63873JT42	Purchase	06/03/2025	06/04/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
45982	COMM	313385GK6	Redemption	06/03/2025	06/03/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
45983	COMM	313385GK6	Redemption	06/03/2025	06/03/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
45984	COMM	313385GK6	Redemption	06/03/2025	06/03/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
45985	COMM	63873JT34	Redemption	06/03/2025	06/03/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
45986	COMM	5148X0T39	Redemption	06/03/2025	06/03/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
45987	COMM	16536HT35	Redemption	06/03/2025	06/03/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
45090	COMM	3130B3VE0	Interest	06/03/2025	12/03/2029	KEYBANC CAPITAL	FHLB NOTES			570,850.00	**570,850.00**
45090	COMM	3130B3VE0	Accr Int	06/03/2025	12/03/2029	KEYBANC CAPITAL	FHLB NOTES		9,514.17	-9,514.17	**0.00**
34292	COMM	SYS34292	Interest	06/03/2025			MORGAN STANLEY			530,113.45	**530,113.45**
34292	COMM	SYS34292	Purchase	06/03/2025			MORGAN STANLEY	530,113.45			**-530,113.45**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
37590	COMM	SYS37590	Interest	06/03/2025		JPMorganChase	JP MORGAN US			714,978.98	**714,978.98**
37590	COMM	SYS37590	Purchase	06/03/2025		JPMorganChase	JP MORGAN US	714,978.98			**-714,978.98**
40461	COMM	SYS40461	Interest	06/03/2025			DREYFUS			1,171,075.93	**1,171,075.93**
40461	COMM	SYS40461	Purchase	06/03/2025			DREYFUS	1,171,075.93			**-1,171,075.93**
42588	COMM	SYS42588	Interest	06/03/2025			STATE STREET US			2,457,463.48	**2,457,463.48**
42588	COMM	SYS42588	Purchase	06/03/2025			STATE STREET US	2,457,463.48			**-2,457,463.48**
46008	COMM	16536HT50	Purchase	06/04/2025	06/05/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46004	COMM	313385GM2	Purchase	06/04/2025	06/05/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
46005	COMM	313385GM2	Purchase	06/04/2025	06/05/2025	MIZUHO	FHLB DISCOUNT	149,982,499.50			**-149,982,499.50**
46006	COMM	313385GM2	Purchase	06/04/2025	06/05/2025	UBS AG SW	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
45998	COMM	3134HBPT2	Purchase	06/04/2025	05/05/2028	NOMURA	FHLMC CALLABLE	35,799,629.07			**-35,799,629.07**
46007	COMM	5148X0T54	Purchase	06/04/2025	06/05/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46009	COMM	63873JT59	Purchase	06/04/2025	06/05/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
45944	COMM	313385GL4	Redemption	06/04/2025	06/04/2025	MIZUHO	FHLB DISCOUNT		100,000,000.00		**100,000,000.00**
45990	COMM	313385GL4	Redemption	06/04/2025	06/04/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
45991	COMM	313385GL4	Redemption	06/04/2025	06/04/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
45992	COMM	313385GL4	Redemption	06/04/2025	06/04/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
45993	COMM	5148X0T47	Redemption	06/04/2025	06/04/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
45994	COMM	16536HT43	Redemption	06/04/2025	06/04/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
45995	COMM	63873JT42	Redemption	06/04/2025	06/04/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
44049	COMM	3133EP4H5	Interest	06/04/2025	03/04/2026	DEUTSCHE BANK	FFCB NOTES			911,688.89	**911,688.89**
46014	COMM	16536HT68	Purchase	06/05/2025	06/06/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46000	COMM	24422EYD5	Purchase	06/05/2025	06/05/2028	BARCLAYS CAPITAL	JOHN DEERE	29,973,300.00			**-29,973,300.00**
46010	COMM	313385GN0	Purchase	06/05/2025	06/06/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,625.00			**-249,970,625.00**
46011	COMM	313385GN0	Purchase	06/05/2025	06/06/2025	MIZUHO	FHLB DISCOUNT	149,982,375.00			**-149,982,375.00**
46012	COMM	313385GN0	Purchase	06/05/2025	06/06/2025	UBS AG SW	FHLB DISCOUNT	249,970,625.00			**-249,970,625.00**
46013	COMM	5148X0T62	Purchase	06/05/2025	06/06/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46015	COMM	63873JT67	Purchase	06/05/2025	06/06/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46004	COMM	313385GM2	Redemption	06/05/2025	06/05/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46005	COMM	313385GM2	Redemption	06/05/2025	06/05/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46006	COMM	313385GM2	Redemption	06/05/2025	06/05/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46007	COMM	5148X0T54	Redemption	06/05/2025	06/05/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46008	COMM	16536HT50	Redemption	06/05/2025	06/05/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46009	COMM	63873JT59	Redemption	06/05/2025	06/05/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
45001	COMM	3130B3VS9	Interest	06/05/2025	12/05/2029	BREAN CAPITAL LLC	FHLB NOTES			487,000.00	**487,000.00**
46019	COMM	16536HT92	Purchase	06/06/2025	06/09/2025	BANK OF AMERICA	CHESHAM FINANCE	74,972,875.00			**-74,972,875.00**
46016	COMM	313385GR1	Purchase	06/06/2025	06/09/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,912,083.35			**-249,912,083.35**
46017	COMM	313385GR1	Purchase	06/06/2025	06/09/2025	MIZUHO	FHLB DISCOUNT	149,947,249.50			**-149,947,249.50**
46018	COMM	313385GR1	Purchase	06/06/2025	06/09/2025	UBS AG SW	FHLB DISCOUNT	249,912,083.35			**-249,912,083.35**
46020	COMM	5148X0T96	Purchase	06/06/2025	06/09/2025	BANK OF AMERICA	LANDES	124,955,000.00			**-124,955,000.00**
46021	COMM	63873JT91	Purchase	06/06/2025	06/09/2025	BANK OF AMERICA	NATIXIS NY	49,982,000.00			**-49,982,000.00**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
43235	COMM	24422EWW5	Redemption	06/06/2025	06/06/2025	JPMorganChase	JOHN DEERE		10,000,000.00		**10,000,000.00**
46010	COMM	313385GN0	Redemption	06/06/2025	06/06/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46011	COMM	313385GN0	Redemption	06/06/2025	06/06/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46012	COMM	313385GN0	Redemption	06/06/2025	06/06/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46013	COMM	5148X0T62	Redemption	06/06/2025	06/06/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46014	COMM	16536HT68	Redemption	06/06/2025	06/06/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46015	COMM	63873JT67	Redemption	06/06/2025	06/06/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
43235	COMM	24422EWW5	Interest	06/06/2025	06/06/2025	JPMorganChase	JOHN DEERE			247,500.00	**247,500.00**
44972	COMM	86564PT27	Interest	06/06/2025	11/06/2025		SUMITOMO MITSUI			220,305.58	**220,305.58**
45690	COMM	21684LKL5	Interest	06/06/2025	02/06/2026	JPMorganChase	RABOBANK			197,125.15	**197,125.15**
46026	COMM	16536HTA9	Purchase	06/09/2025	06/10/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46022	COMM	313385GS9	Purchase	06/09/2025	06/10/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46023	COMM	313385GS9	Purchase	06/09/2025	06/10/2025	MIZUHO	FHLB DISCOUNT	149,982,459.00			**-149,982,459.00**
46024	COMM	313385GS9	Purchase	06/09/2025	06/10/2025	UBS AG SW	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46025	COMM	5148X0TA3	Purchase	06/09/2025	06/10/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46027	COMM	63873JTA8	Purchase	06/09/2025	06/10/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
43239	COMM	3133EPMF9	Redemption	06/09/2025	06/09/2026	LOOP CAPITAL	FFCB NOTES		15,000,000.00		**15,000,000.00**
46016	COMM	313385GR1	Redemption	06/09/2025	06/09/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46017	COMM	313385GR1	Redemption	06/09/2025	06/09/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46018	COMM	313385GR1	Redemption	06/09/2025	06/09/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46019	COMM	16536HT92	Redemption	06/09/2025	06/09/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46020	COMM	5148X0T96	Redemption	06/09/2025	06/09/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46021	COMM	63873JT91	Redemption	06/09/2025	06/09/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
41174	COMM	64952WED1	Interest	06/09/2025	06/09/2026	JPMorganChase	NEW YORK LIFE			115,000.00	**115,000.00**
41825	COMM	64952WED1	Interest	06/09/2025	06/09/2026	JPMorganChase	NEW YORK LIFE			54,308.75	**54,308.75**
42256	COMM	3130AS6Q7	Interest	06/09/2025	06/07/2027	LOOP CAPITAL	FHLB NOTES			487,500.00	**487,500.00**
42752	COMM	3133EN3S7	Interest	06/09/2025	12/07/2027	Daiwa Capital Market	FFCB NOTES			423,843.75	**423,843.75**
43239	COMM	3133EPMF9	Interest	06/09/2025	06/09/2026	LOOP CAPITAL	FFCB NOTES			351,750.00	**351,750.00**
43656	COMM	31424WCU4	Interest	06/09/2025	12/07/2026	MIZUHO	FARMER MAC			531,650.00	**531,650.00**
44685	COMM	3133ERSV4	Interest	06/09/2025	09/09/2027	LOOP CAPITAL	FFCB NOTES			352,025.00	**352,025.00**
46003	COMM	096912AD2	Purchase	06/10/2025	06/26/2028	MUFG Mitsubishi	BMW VEHICLE	8,999,802.00			**-8,999,802.00**
46002	COMM	06406RCH8	Purchase	06/10/2025	06/09/2028	BANK OF NEW	BANK OF NEW	10,000,000.00			**-10,000,000.00**
46032	COMM	16536HTB7	Purchase	06/10/2025	06/11/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46028	COMM	313385GT7	Purchase	06/10/2025	06/11/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46029	COMM	313385GT7	Purchase	06/10/2025	06/11/2025	MIZUHO	FHLB DISCOUNT	149,982,459.00			**-149,982,459.00**
46030	COMM	313385GT7	Purchase	06/10/2025	06/11/2025	UBS AG SW	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46031	COMM	5148X0TB1	Purchase	06/10/2025	06/11/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46033	COMM	63873JTB6	Purchase	06/10/2025	06/11/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46022	COMM	313385GS9	Redemption	06/10/2025	06/10/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46023	COMM	313385GS9	Redemption	06/10/2025	06/10/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46024	COMM	313385GS9	Redemption	06/10/2025	06/10/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
46025	COMM	5148X0TA3	Redemption	06/10/2025	06/10/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46026	COMM	16536HTA9	Redemption	06/10/2025	06/10/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46027	COMM	63873JTA8	Redemption	06/10/2025	06/10/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
41209	COMM	14687TAC1	Interest	06/10/2025	03/10/2026	CITIGROUP GLOBAL	CARVANA AUTO			111.91	**111.91**
41209	COMM	14687TAC1	Redemption	06/10/2025	03/10/2026	CITIGROUP GLOBAL	CARVANA AUTO		28,212.77		**28,212.77**
46039	COMM	16536HTC5	Purchase	06/11/2025	06/12/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46035	COMM	313385GU4	Purchase	06/11/2025	06/12/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46036	COMM	313385GU4	Purchase	06/11/2025	06/12/2025	MIZUHO	FHLB DISCOUNT	149,982,459.00			**-149,982,459.00**
46037	COMM	313385GU4	Purchase	06/11/2025	06/12/2025	UBS AG SW	FHLB DISCOUNT	249,970,763.90			**-249,970,763.90**
46038	COMM	5148X0TC9	Purchase	06/11/2025	06/12/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46040	COMM	63873JTC4	Purchase	06/11/2025	06/12/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46028	COMM	313385GT7	Redemption	06/11/2025	06/11/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46029	COMM	313385GT7	Redemption	06/11/2025	06/11/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46030	COMM	313385GT7	Redemption	06/11/2025	06/11/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46031	COMM	5148X0TB1	Redemption	06/11/2025	06/11/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46032	COMM	16536HTB7	Redemption	06/11/2025	06/11/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46033	COMM	63873JTB6	Redemption	06/11/2025	06/11/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
45519	COMM	48207KCW3	Interest	06/11/2025	09/11/2025	JPMorganChase	Jupiter Securitizati			188,083.35	**188,083.35**
46046	COMM	16536HTD3	Purchase	06/12/2025	06/13/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46041	COMM	313385GV2	Purchase	06/12/2025	06/13/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,972.20			**-249,970,972.20**
46042	COMM	313385GV2	Purchase	06/12/2025	06/13/2025	MIZUHO	FHLB DISCOUNT	149,982,583.50			**-149,982,583.50**
46043	COMM	313385GV2	Purchase	06/12/2025	06/13/2025	UBS AG SW	FHLB DISCOUNT	149,982,583.32			**-149,982,583.32**
46044	COMM	313589GV9	Purchase	06/12/2025	06/13/2025	UBS AG SW	FANNIE MAE	99,988,444.44			**-99,988,444.44**
46045	COMM	5148X0TD7	Purchase	06/12/2025	06/13/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46047	COMM	63873JTD2	Purchase	06/12/2025	06/13/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46035	COMM	313385GU4	Redemption	06/12/2025	06/12/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46036	COMM	313385GU4	Redemption	06/12/2025	06/12/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46037	COMM	313385GU4	Redemption	06/12/2025	06/12/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46038	COMM	5148X0TC9	Redemption	06/12/2025	06/12/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46039	COMM	16536HTC5	Redemption	06/12/2025	06/12/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46040	COMM	63873JTC4	Redemption	06/12/2025	06/12/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
41376	COMM	3130AN4T4	Interest	06/12/2025	06/12/2026	KEYBANC CAPITAL	FHLB NOTES			43,750.00	**43,750.00**
46052	COMM	16536HTG6	Purchase	06/13/2025	06/16/2025	BANK OF AMERICA	CHESHAM FINANCE	74,972,875.00			**-74,972,875.00**
46048	COMM	313385GY6	Purchase	06/13/2025	06/16/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,912,500.00			**-249,912,500.00**
46049	COMM	313385GY6	Purchase	06/13/2025	06/16/2025	MIZUHO	FHLB DISCOUNT	149,947,500.00			**-149,947,500.00**
46050	COMM	313385GY6	Purchase	06/13/2025	06/16/2025	UBS AG SW	FHLB DISCOUNT	249,912,500.00			**-249,912,500.00**
46051	COMM	5148X0TG0	Purchase	06/13/2025	06/16/2025	BANK OF AMERICA	LANDES	124,955,000.00			**-124,955,000.00**
46053	COMM	63873JTG5	Purchase	06/13/2025	06/16/2025	BANK OF AMERICA	NATIXIS NY	49,982,000.00			**-49,982,000.00**
45121	COMM	06054NTD3	Redemption	06/13/2025	06/13/2025	BANK OF AMERICA	BANK OF AMERICA		65,000,000.00		**65,000,000.00**
45519	COMM	48207KCW3	Redemption	06/13/2025	09/11/2025	JPMorganChase	Jupiter Securitizati		50,000,000.00		**50,000,000.00**
45737	COMM	02079NTD3	Redemption	06/13/2025	06/13/2025	JPMorganChase	GOOGLE INC		75,000,000.00		**75,000,000.00**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
45942	COMM	91058TTD8	Redemption	06/13/2025	06/13/2025	WILLIAMS CAPITAL	UnitedHealth Group		50,000,000.00		**50,000,000.00**
46041	COMM	313385GV2	Redemption	06/13/2025	06/13/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46042	COMM	313385GV2	Redemption	06/13/2025	06/13/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46043	COMM	313385GV2	Redemption	06/13/2025	06/13/2025	UBS AG SW	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46044	COMM	313589GV9	Redemption	06/13/2025	06/13/2025	UBS AG SW	FANNIE MAE		100,000,000.00		**100,000,000.00**
46045	COMM	5148X0TD7	Redemption	06/13/2025	06/13/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46046	COMM	16536HTD3	Redemption	06/13/2025	06/13/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46047	COMM	63873JTD2	Redemption	06/13/2025	06/13/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
45519	COMM	48207KCW3	Interest	06/13/2025	09/11/2025	JPMorganChase	Jupiter Securitizati			12,513.90	**12,513.90**
46058	COMM	16536HTH4	Purchase	06/16/2025	06/17/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46054	COMM	313385GZ3	Purchase	06/16/2025	06/17/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,486.10			**-249,970,486.10**
46055	COMM	313385GZ3	Purchase	06/16/2025	06/17/2025	MIZUHO	FHLB DISCOUNT	149,982,291.00			**-149,982,291.00**
46056	COMM	313385GZ3	Purchase	06/16/2025	06/17/2025	UBS AG SW	FHLB DISCOUNT	249,970,486.10			**-249,970,486.10**
46057	COMM	5148X0TH8	Purchase	06/16/2025	06/17/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46059	COMM	63873JTH3	Purchase	06/16/2025	06/17/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
41978	COMM	740189AM7	Redemption	06/16/2025	06/15/2025	JPMorganChase	PRECISION		10,494,000.00		**10,494,000.00**
45717	COMM	93114ETG2	Redemption	06/16/2025	06/16/2025	WILLIAMS CAPITAL	WALMART		50,000,000.00		**50,000,000.00**
46048	COMM	313385GY6	Redemption	06/16/2025	06/16/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46049	COMM	313385GY6	Redemption	06/16/2025	06/16/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46050	COMM	313385GY6	Redemption	06/16/2025	06/16/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46051	COMM	5148X0TG0	Redemption	06/16/2025	06/16/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46052	COMM	16536HTG6	Redemption	06/16/2025	06/16/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46053	COMM	63873JTG5	Redemption	06/16/2025	06/16/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
41978	COMM	740189AM7	Interest	06/16/2025	06/15/2025	JPMorganChase	PRECISION			170,527.50	**170,527.50**
42288	COMM	92826CAD4	Interest	06/16/2025	12/14/2025	JPMorganChase	VISA			315,000.00	**315,000.00**
42792	COMM	92826CAD4	Interest	06/16/2025	12/14/2025	DEUTSCHE BANK	VISA			393,750.00	**393,750.00**
43109	COMM	126149AD5	Interest	06/16/2025	12/15/2026	MERRILL LYNCH	BESTFOODS			568,508.75	**568,508.75**
43126	COMM	126149AD5	Interest	06/16/2025	12/15/2026	MERRILL LYNCH	BESTFOODS			163,125.00	**163,125.00**
41476	COMM	14044CAC6	Interest	06/16/2025	09/15/2026	JPMorganChase	CAPITAL ONE			369.67	**369.67**
41476	COMM	14044CAC6	Redemption	06/16/2025	09/15/2026	JPMorganChase	CAPITAL ONE		408,420.54		**408,420.54**
41776	COMM	345286AC2	Interest	06/16/2025	06/15/2026	CITIGROUP GLOBAL	FORD CREDIT AUTO			330.70	**330.70**
41776	COMM	345286AC2	Redemption	06/16/2025	06/15/2026	CITIGROUP GLOBAL	FORD CREDIT AUTO		307,748.05		**307,748.05**
41797	COMM	89239KAC5	Interest	06/16/2025	06/15/2026	CITIGROUP GLOBAL	TOYOTA AUTO REC			364.16	**364.16**
41797	COMM	89239KAC5	Redemption	06/16/2025	06/15/2026	CITIGROUP GLOBAL	TOYOTA AUTO REC		355,236.27		**355,236.27**
41855	COMM	43815BAC4	Interest	06/16/2025	05/15/2026	JPMorganChase	HONDA AUTO			3,600.28	**3,600.28**
41855	COMM	43815BAC4	Redemption	06/16/2025	05/15/2026	JPMorganChase	HONDA AUTO		891,084.88		**891,084.88**
41856	COMM	65479QAC1	Interest	06/16/2025	08/17/2026	MIZUHO	NISSAN AUTO			3,972.82	**3,972.82**
41856	COMM	65479QAC1	Redemption	06/16/2025	08/17/2026	MIZUHO	NISSAN AUTO		637,837.90		**637,837.90**
41910	COMM	47787JAC2	Interest	06/16/2025	09/16/2026	MERRILL LYNCH	JOHN DEERE			2,450.49	**2,450.49**
41910	COMM	47787JAC2	Redemption	06/16/2025	09/16/2026	MERRILL LYNCH	JOHN DEERE		232,086.28		**232,086.28**
42009	COMM	362585AC5	Interest	06/16/2025	02/16/2027	ROYAL BANK OF	GM FINANCIAL			7,228.61	**7,228.61**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
42009	COMM	362585AC5	Redemption	06/16/2025	02/16/2027	ROYAL BANK OF	GM FINANCIAL		478,168.53		**478,168.53**
42040	COMM	41284YAD8	Interest	06/16/2025	02/15/2027	BARCLAYS CAPITAL	HARLEY-DAVIDSON			6,902.18	**6,902.18**
42040	COMM	41284YAD8	Redemption	06/16/2025	02/15/2027	BARCLAYS CAPITAL	HARLEY-DAVIDSON		933,066.65		**933,066.65**
42084	COMM	14317HAC5	Interest	06/16/2025	02/16/2027	MERRILL LYNCH	CARMAX AUTO			11,183.85	**11,183.85**
42084	COMM	14317HAC5	Redemption	06/16/2025	02/16/2027	MERRILL LYNCH	CARMAX AUTO		665,580.19		**665,580.19**
42116	COMM	14043QAC6	Interest	06/16/2025	04/15/2027	ROYAL BANK OF	CAPITAL ONE			12,572.06	**12,572.06**
42116	COMM	14043QAC6	Redemption	06/16/2025	04/15/2027	ROYAL BANK OF	CAPITAL ONE		612,494.48		**612,494.48**
42182	COMM	02008JAC0	Interest	06/16/2025	11/16/2026	BARCLAYS CAPITAL	ALLY AUTO			11,346.08	**11,346.08**
42182	COMM	02008JAC0	Redemption	06/16/2025	11/16/2026	BARCLAYS CAPITAL	ALLY AUTO		1,062,675.85		**1,062,675.85**
42879	COMM	58770AAC7	Interest	06/16/2025	11/15/2027	MUFG Mitsubishi	MERCEDES -BENZ			27,355.38	**27,355.38**
42879	COMM	58770AAC7	Redemption	06/16/2025	11/15/2027	MUFG Mitsubishi	MERCEDES -BENZ		618,349.38		**618,349.38**
42890	COMM	891940AC2	Interest	06/16/2025	09/15/2027	MERRILL LYNCH	TOYOTA AUTO REC			55,069.20	**55,069.20**
42890	COMM	891940AC2	Redemption	06/16/2025	09/15/2027	MERRILL LYNCH	TOYOTA AUTO REC		1,097,762.21		**1,097,762.21**
42944	COMM	14043KAH8	Interest	06/16/2025	02/15/2028	JPMorganChase	CAPITAL ONE			32,131.40	**32,131.40**
42944	COMM	14043KAH8	Redemption	06/16/2025	02/15/2028	JPMorganChase	CAPITAL ONE		570,260.78		**570,260.78**
42945	COMM	41285JAD0	Interest	06/16/2025	12/15/2027	JPMorganChase	HARLEY-DAVIDSON			35,462.23	**35,462.23**
42945	COMM	41285JAD0	Redemption	06/16/2025	12/15/2027	JPMorganChase	HARLEY-DAVIDSON		758,948.70		**758,948.70**
43065	COMM	448979AD6	Interest	06/16/2025	04/15/2027	MERRILL LYNCH	HYUNDAI AUTO			22,414.93	**22,414.93**
43065	COMM	448979AD6	Redemption	06/16/2025	04/15/2027	MERRILL LYNCH	HYUNDAI AUTO		678,662.24		**678,662.24**
43089	COMM	254683CW3	Interest	06/16/2025	07/15/2027	MUFG Mitsubishi	DISCOVER CARD			147,517.52	**147,517.52**
43089	COMM	254683CW3	Redemption	06/16/2025	07/15/2027	MUFG Mitsubishi	DISCOVER CARD		2,042,846.71		**2,042,846.71**
43130	COMM	65480WAD3	Interest	06/16/2025	11/15/2027	MIZUHO	NISSAN AUTO			97,682.12	**97,682.12**
43130	COMM	65480WAD3	Redemption	06/16/2025	11/15/2027	MIZUHO	NISSAN AUTO		1,914,070.23		**1,914,070.23**
43201	COMM	58768RAC4	Interest	06/16/2025	01/15/2027	JPMorganChase	MERCEDES-BENZ			62,672.93	**62,672.93**
43201	COMM	58768RAC4	Redemption	06/16/2025	01/15/2027	JPMorganChase	MERCEDES-BENZ		2,907,663.17		**2,907,663.17**
43212	COMM	437927AC0	Interest	06/16/2025	11/15/2027	BARCLAYS CAPITAL	HONDA AUTO			70,184.09	**70,184.09**
43212	COMM	437927AC0	Redemption	06/16/2025	11/15/2027	BARCLAYS CAPITAL	HONDA AUTO		1,193,180.44		**1,193,180.44**
43249	COMM	02582JJZ4	Interest	06/16/2025	05/15/2028	ROYAL BANK OF	AMERICAN			76,093.74	**76,093.74**
43249	COMM	02582JJZ4	Redemption	06/16/2025	05/15/2028	ROYAL BANK OF	AMERICAN		559,436.57		**559,436.57**
43276	COMM	254683CZ6	Interest	06/16/2025	06/15/2028	MERRILL LYNCH	DISCOVER CARD			123,249.99	**123,249.99**
43276	COMM	254683CZ6	Redemption	06/16/2025	06/15/2028	MERRILL LYNCH	DISCOVER CARD		871,935.82		**871,935.82**
43277	COMM	477920AC6	Interest	06/16/2025	03/15/2028	MERRILL LYNCH	JOHN DEERE			53,731.71	**53,731.71**
43277	COMM	477920AC6	Redemption	06/16/2025	03/15/2028	MERRILL LYNCH	JOHN DEERE		630,385.59		**630,385.59**
43476	COMM	233868AC2	Interest	06/16/2025	03/15/2027	MERRILL LYNCH	DAIMLET TRUCKS			101,599.70	**101,599.70**
43476	COMM	233868AC2	Redemption	06/16/2025	03/15/2027	MERRILL LYNCH	DAIMLET TRUCKS		1,668,723.01		**1,668,723.01**
43477	COMM	41285YAB1	Interest	06/16/2025	12/15/2026	JPMorganChase	HARLEY-DAVIDSON			2,810.55	**2,810.55**
43477	COMM	41285YAB1	Redemption	06/16/2025	12/15/2026	JPMorganChase	HARLEY-DAVIDSON		569,702.59		**569,702.59**
43505	COMM	14044EAB4	Interest	06/16/2025	10/15/2026	MERRILL LYNCH	CAPITAL ONE			19,689.66	**19,689.66**
43505	COMM	14044EAB4	Redemption	06/16/2025	10/15/2026	MERRILL LYNCH	CAPITAL ONE		2,250,492.89		**2,250,492.89**
43542	COMM	58769FAB1	Interest	06/16/2025	11/16/2026	MERRILL LYNCH	MERCEDES -BENZ			6,259.47	**6,259.47**
43542	COMM	58769FAB1	Redemption	06/16/2025	11/16/2026	MERRILL LYNCH	MERCEDES -BENZ		1,200,659.04		**1,200,659.04**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
43562	COMM	44918CAD4	Interest	06/16/2025	10/16/2028	BNP PARIBAS	HYUNDAI AUTO			36,933.34	**36,933.34**
43562	COMM	44918CAD4	Redemption	06/16/2025	10/16/2028	BNP PARIBAS	HYUNDAI AUTO		198,245.65		**198,245.65**
43811	COMM	39154TCH9	Interest	06/16/2025	08/17/2026	BANK OF AMERICA	Great America Leasin			33,854.95	**33,854.95**
43811	COMM	39154TCH9	Redemption	06/16/2025	08/17/2026	BANK OF AMERICA	Great America Leasin		920,017.91		**920,017.91**
43894	COMM	437918AC9	Interest	06/16/2025	08/15/2028	MUFG Mitsubishi	HONDA AUTO			112,883.34	**112,883.34**
43894	COMM	437918AC9	Redemption	06/16/2025	08/15/2028	MUFG Mitsubishi	HONDA AUTO		681,941.80		**681,941.80**
43954	COMM	47800RAD5	Interest	06/16/2025	11/15/2028	CITIGROUP GLOBAL	JOHN DEERE			33,893.33	**33,893.33**
43954	COMM	47800RAD5	Redemption	06/16/2025	11/15/2028	CITIGROUP GLOBAL	JOHN DEERE		199,505.70		**199,505.70**
44066	COMM	981946AC0	Interest	06/16/2025	02/16/2027	BANK OF AMERICA	WORLD OMNI			14,160.95	**14,160.95**
44066	COMM	981946AC0	Redemption	06/16/2025	02/16/2027	BANK OF AMERICA	WORLD OMNI		426,273.37		**426,273.37**
44096	COMM	02582JKH2	Interest	06/16/2025	04/16/2029	BARCLAYS CAPITAL	AMERICAN			196,124.99	**196,124.99**
44096	COMM	02582JKH2	Redemption	06/16/2025	04/16/2029	BARCLAYS CAPITAL	AMERICAN		949,068.54		**949,068.54**
44212	COMM	412922AC0	Interest	06/16/2025	03/15/2029	BMO CAPITAL	HARLEY-DAVIDSON			93,975.00	**93,975.00**
44212	COMM	412922AC0	Redemption	06/16/2025	03/15/2029	BMO CAPITAL	HARLEY-DAVIDSON		455,937.11		**455,937.11**
44219	COMM	18978JAB4	Interest	06/16/2025	10/15/2027	CITIGROUP GLOBAL	CNH EQUIPMENT			17,443.67	**17,443.67**
44219	COMM	18978JAB4	Redemption	06/16/2025	10/15/2027	CITIGROUP GLOBAL	CNH EQUIPMENT		344,985.80		**344,985.80**
44231	COMM	58770JAD6	Interest	06/16/2025	01/18/2028	MIZUHO	MERCEDES-BENZ			53,200.00	**53,200.00**
44231	COMM	58770JAD6	Redemption	06/16/2025	01/18/2028	MIZUHO	MERCEDES-BENZ		362,459.21		**362,459.21**
44334	COMM	47786WAB6	Interest	06/16/2025	05/17/2027	RBC CAPITAL	JOHN DEERE			93,008.61	**93,008.61**
44334	COMM	47786WAB6	Redemption	06/16/2025	05/17/2027	RBC CAPITAL	JOHN DEERE		1,665,995.23		**1,665,995.23**
44697	COMM	477911AC5	Interest	06/16/2025	08/16/2027	BANK OF AMERICA	JOHN DEERE			57,609.42	**57,609.42**
44697	COMM	477911AC5	Redemption	06/16/2025	08/16/2027	BANK OF AMERICA	JOHN DEERE		1,449,777.02		**1,449,777.02**
44748	COMM	02007NAC2	Interest	06/16/2025	07/16/2029	BANK OF AMERICA	ALLY AUTO			27,600.00	**27,600.00**
44748	COMM	02007NAC2	Redemption	06/16/2025	07/16/2029	BANK OF AMERICA	ALLY AUTO		155,603.62		**155,603.62**
44756	COMM	58769GAC7	Interest	06/16/2025	12/15/2026	MIZUHO	MERCEDES-BENZ			22,116.25	**22,116.25**
44756	COMM	58769GAC7	Redemption	06/16/2025	12/15/2026	MIZUHO	MERCEDES-BENZ		707,636.18		**707,636.18**
44973	COMM	14290DAC5	Interest	06/16/2025	10/15/2029	BANK OF AMERICA	CARMAX AUTO			76,666.66	**76,666.66**
44973	COMM	14290DAC5	Redemption	06/16/2025	10/15/2029	BANK OF AMERICA	CARMAX AUTO		367,380.01		**367,380.01**
45282	COMM	14319WAD8	Interest	06/16/2025	01/15/2030	ROYAL BANK OF	CARMAX AUTO			70,583.33	**70,583.33**
45282	COMM	14319WAD8	Redemption	06/16/2025	01/15/2030	ROYAL BANK OF	CARMAX AUTO		293,530.15		**293,530.15**
45493	COMM	47800DAD6	Interest	06/16/2025	09/17/2029	MUFG Mitsubishi	JOHN DEERE			74,025.00	**74,025.00**
45493	COMM	47800DAD6	Redemption	06/16/2025	09/17/2029	MUFG Mitsubishi	JOHN DEERE		371,386.24		**371,386.24**
45793	COMM	14320AAD3	Interest	06/16/2025	03/15/2030	BARCLAYS CAPITAL	CARMAX AUTO			42,933.33	**42,933.33**
45793	COMM	14320AAD3	Redemption	06/16/2025	03/15/2030	BARCLAYS CAPITAL	CARMAX AUTO		181,706.04		**181,706.04**
45794	COMM	89231HAD8	Interest	06/16/2025	11/15/2029	BARCLAYS CAPITAL	TOYOTA AUTO REC			19,891.67	**19,891.67**
45794	COMM	89231HAD8	Redemption	06/16/2025	11/15/2029	BARCLAYS CAPITAL	TOYOTA AUTO REC		94,213.48		**94,213.48**
45851	COMM	362549AD9	Interest	06/16/2025	04/16/2030	BANK OF AMERICA	GM FINANCIAL			32,337.78	**32,337.78**
45851	COMM	362549AD9	Redemption	06/16/2025	04/16/2030	BANK OF AMERICA	GM FINANCIAL		131,073.56		**131,073.56**
45853	COMM	98164TAB8	Interest	06/16/2025	08/15/2028	BANK OF AMERICA	WORLD OMNI AUTO			47,145.84	**47,145.84**
45853	COMM	98164TAB8	Redemption	06/16/2025	08/15/2028	BANK OF AMERICA	WORLD OMNI AUTO		300,831.75		**300,831.75**
45854	COMM	02582JKP4	Interest	06/16/2025	04/15/2030	RBC CAPITAL	AMERICAN			91,306.66	**91,306.66**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
45854	COMM	02582JKP4	Redemption	06/16/2025	04/15/2030	RBC CAPITAL	AMERICAN		370,137.86		**370,137.86**
45910	COMM	58768YAD7	Interest	06/16/2025	04/16/2029	BANK OF AMERICA	MERCEDES-BENZ			35,343.33	**35,343.33**
45910	COMM	58768YAD7	Redemption	06/16/2025	04/16/2029	BANK OF AMERICA	MERCEDES-BENZ		220,485.93		**220,485.93**
45935	COMM	41284XAD0	Interest	06/16/2025	04/15/2030	BARCLAYS CAPITAL	HARLEY-DAVIDSON			46,700.00	**46,700.00**
45935	COMM	41284XAD0	Redemption	06/16/2025	04/15/2030	BARCLAYS CAPITAL	HARLEY-DAVIDSON		303,699.99		**303,699.99**
46064	COMM	16536HTJ0	Purchase	06/17/2025	06/18/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46060	COMM	313385HA7	Purchase	06/17/2025	06/18/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,486.10			**-249,970,486.10**
46061	COMM	313385HA7	Purchase	06/17/2025	06/18/2025	MIZUHO	FHLB DISCOUNT	149,982,291.00			**-149,982,291.00**
46062	COMM	313385HA7	Purchase	06/17/2025	06/18/2025	UBS AG SW	FHLB DISCOUNT	249,970,486.10			**-249,970,486.10**
46063	COMM	5148X0TJ4	Purchase	06/17/2025	06/18/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46065	COMM	63873JTJ9	Purchase	06/17/2025	06/18/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46034	COMM	92868WAD9	Purchase	06/17/2025	06/20/2028	ROYAL BANK OF	VOLKSWAGEN	14,248,998.23			**-14,248,998.23**
40514	COMM	3135G04Z3	Redemption	06/17/2025	06/17/2025	INCAPITAL LLC	FNMA NOTES		20,000,000.00		**20,000,000.00**
40635	COMM	3135G04Z3	Redemption	06/17/2025	06/17/2025	KEYBANC CAPITAL	FNMA NOTES		15,000,000.00		**15,000,000.00**
41094	COMM	3135G04Z3	Redemption	06/17/2025	06/17/2025	KEYBANC CAPITAL	FNMA NOTES		23,703,000.00		**23,703,000.00**
45715	COMM	03785DTH9	Redemption	06/17/2025	06/17/2025	WILLIAMS CAPITAL	APPLE INC		50,000,000.00		**50,000,000.00**
46054	COMM	313385GZ3	Redemption	06/17/2025	06/17/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46055	COMM	313385GZ3	Redemption	06/17/2025	06/17/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46056	COMM	313385GZ3	Redemption	06/17/2025	06/17/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46057	COMM	5148X0TH8	Redemption	06/17/2025	06/17/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46058	COMM	16536HTH4	Redemption	06/17/2025	06/17/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46059	COMM	63873JTH3	Redemption	06/17/2025	06/17/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
40514	COMM	3135G04Z3	Interest	06/17/2025	06/17/2025	INCAPITAL LLC	FNMA NOTES			50,000.00	**50,000.00**
40635	COMM	3135G04Z3	Interest	06/17/2025	06/17/2025	KEYBANC CAPITAL	FNMA NOTES			37,500.00	**37,500.00**
41094	COMM	3135G04Z3	Interest	06/17/2025	06/17/2025	KEYBANC CAPITAL	FNMA NOTES			59,257.50	**59,257.50**
45581	COMM	30608HBC8	Interest	06/17/2025	10/17/2025	JPMorganChase	Falcon Asset Funding			219,566.64	**219,566.64**
45932	COMM	65481GAB1	Interest	06/17/2025	02/15/2028	MIZUHO	NISSAN AUTO			39,600.00	**39,600.00**
45932	COMM	65481GAB1	Redemption	06/17/2025	02/15/2028	MIZUHO	NISSAN AUTO		504,836.05		**504,836.05**
46074	COMM	16536HTL5	Purchase	06/18/2025	06/20/2025	BANK OF AMERICA	CHESHAM FINANCE	74,981,916.75			**-74,981,916.75**
46070	COMM	313385HC3	Purchase	06/18/2025	06/20/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,941,111.10			**-249,941,111.10**
46071	COMM	313385HC3	Purchase	06/18/2025	06/20/2025	MIZUHO	FHLB DISCOUNT	149,964,666.00			**-149,964,666.00**
46072	COMM	313385HC3	Purchase	06/18/2025	06/20/2025	UBS AG SW	FHLB DISCOUNT	249,941,111.10			**-249,941,111.10**
46067	COMM	3130B6N69	Purchase	06/18/2025	06/09/2028	NOMURA	FHLB CALLABLE	30,031,500.00			**-30,031,500.00**
46073	COMM	5148X0TL9	Purchase	06/18/2025	06/20/2025	BANK OF AMERICA	LANDES	124,970,000.00			**-124,970,000.00**
46075	COMM	63873JTL4	Purchase	06/18/2025	06/20/2025	BANK OF AMERICA	NATIXIS NY	49,988,000.00			**-49,988,000.00**
46060	COMM	313385HA7	Redemption	06/18/2025	06/18/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46061	COMM	313385HA7	Redemption	06/18/2025	06/18/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46062	COMM	313385HA7	Redemption	06/18/2025	06/18/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46063	COMM	5148X0TJ4	Redemption	06/18/2025	06/18/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46064	COMM	16536HTJ0	Redemption	06/18/2025	06/18/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46065	COMM	63873JTJ9	Redemption	06/18/2025	06/18/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
41873	COMM	59217GBY4	Interest	06/18/2025	12/18/2026	BOK FINANCIAL	MET LIFE GLOBAL			146,625.00	**146,625.00**
41964	COMM	3135G06L2	Interest	06/18/2025	12/18/2026	ROYAL BANK OF	FNMA NOTES			87,500.00	**87,500.00**
43675	COMM	3133EPN76	Interest	06/18/2025	12/18/2026	LOOP CAPITAL	FFCB NOTES			527,700.00	**527,700.00**
45580	COMM	86564P5J6	Interest	06/18/2025	07/18/2025	JPMorganChase	SUMITOMO MITSUI			221,100.00	**221,100.00**
46084	COMM	16536HTP6	Purchase	06/20/2025	06/23/2025	BANK OF AMERICA	CHESHAM FINANCE	74,972,875.00			**-74,972,875.00**
46080	COMM	313385HF6	Purchase	06/20/2025	06/23/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,912,500.00			**-249,912,500.00**
46081	COMM	313385HF6	Purchase	06/20/2025	06/23/2025	MIZUHO	FHLB DISCOUNT	149,947,500.00			**-149,947,500.00**
46082	COMM	313385HF6	Purchase	06/20/2025	06/23/2025	UBS AG SW	FHLB DISCOUNT	249,912,500.00			**-249,912,500.00**
46083	COMM	5148X0TP0	Purchase	06/20/2025	06/23/2025	BANK OF AMERICA	LANDES	124,955,000.00			**-124,955,000.00**
46085	COMM	63873JTP5	Purchase	06/20/2025	06/23/2025	BANK OF AMERICA	NATIXIS NY	49,982,000.00			**-49,982,000.00**
42304	COMM	3133ENZG8	Redemption	06/20/2025	06/20/2025	Academy Securities	FFCB NOTES		20,000,000.00		**20,000,000.00**
43651	COMM	06051GJD2	Redemption	06/20/2025	06/19/2026	JPMorganChase	BANK OF AMERICA		19,069,525.22		**19,069,525.22**
43651	COMM	06051GJD2	Cap G/L	06/20/2025	06/19/2026	JPMorganChase	BANK OF AMERICA		1,337,474.78		**1,337,474.78**
45766	COMM	7426M2TL5	Redemption	06/20/2025	06/20/2025	Academy Securities	PRIVATE EXPORT		25,000,000.00		**25,000,000.00**
45767	COMM	02314PTL5	Redemption	06/20/2025	06/20/2025	Academy Securities	AMAZON		50,000,000.00		**50,000,000.00**
45768	COMM	22536JHQ1	Redemption	06/20/2025	06/20/2025	JPMorganChase	CREDIT AGRICOLE		75,000,000.00		**75,000,000.00**
46070	COMM	313385HC3	Redemption	06/20/2025	06/20/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46071	COMM	313385HC3	Redemption	06/20/2025	06/20/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46072	COMM	313385HC3	Redemption	06/20/2025	06/20/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46073	COMM	5148X0TL9	Redemption	06/20/2025	06/20/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46074	COMM	16536HTL5	Redemption	06/20/2025	06/20/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46075	COMM	63873JTL4	Redemption	06/20/2025	06/20/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
42304	COMM	3133ENZG8	Interest	06/20/2025	06/20/2025	Academy Securities	FFCB NOTES			337,500.00	**337,500.00**
43651	COMM	06051GJD2	Interest	06/20/2025	06/19/2026	JPMorganChase	BANK OF AMERICA			134,584.17	**134,584.17**
45768	COMM	22536JHQ1	Interest	06/20/2025	06/20/2025	JPMorganChase	CREDIT AGRICOLE			543,750.00	**543,750.00**
43090	COMM	89239MAC1	Interest	06/20/2025	04/20/2026	BARCLAYS CAPITAL	TOYOTA LEASE			9,581.94	**9,581.94**
43090	COMM	89239MAC1	Redemption	06/20/2025	04/20/2026	BARCLAYS CAPITAL	TOYOTA LEASE		2,332,315.31		**2,332,315.31**
43248	COMM	92867WAB4	Interest	06/20/2025	12/21/2026	MERRILL LYNCH	VOLKSWAGEN			554.36	**554.36**
43248	COMM	92867WAB4	Redemption	06/20/2025	12/21/2026	MERRILL LYNCH	VOLKSWAGEN		120,946.89		**120,946.89**
43336	COMM	88167PAC2	Interest	06/20/2025	06/22/2026	DEUTSCHE BANK	TESLA AUTO LEASE			5,627.66	**5,627.66**
43336	COMM	88167PAC2	Redemption	06/20/2025	06/22/2026	DEUTSCHE BANK	TESLA AUTO LEASE		450,947.05		**450,947.05**
43771	COMM	92348KCL5	Interest	06/20/2025	12/20/2028	BANK OF AMERICA	VERIZON MASTER			72,916.67	**72,916.67**
43771	COMM	92348KCL5	Redemption	06/20/2025	12/20/2028	BANK OF AMERICA	VERIZON MASTER		421,740.10		**421,740.10**
44146	COMM	362548AD1	Interest	06/20/2025	07/20/2026	MUFG Mitsubishi	GM FIN'CL AUTO			29,329.61	**29,329.61**
44146	COMM	362548AD1	Redemption	06/20/2025	07/20/2026	MUFG Mitsubishi	GM FIN'CL AUTO		3,112,862.79		**3,112,862.79**
44629	COMM	73328AAD1	Interest	06/20/2025	11/22/2027	BANK OF AMERICA	PORSCHE			29,187.50	**29,187.50**
44629	COMM	73328AAD1	Redemption	06/20/2025	11/22/2027	BANK OF AMERICA	PORSCHE		240,310.94		**240,310.94**
44817	COMM	881934AD5	Interest	06/20/2025	11/20/2026	CITIGROUP GLOBAL	TESLA AUTO LEASE			110,458.34	**110,458.34**
44817	COMM	881934AD5	Redemption	06/20/2025	11/20/2026	CITIGROUP GLOBAL	TESLA AUTO LEASE		1,511,492.46		**1,511,492.46**
44988	COMM	92868RAD0	Interest	06/20/2025	07/20/2029	CITIGROUP GLOBAL	VOLKSWAGEN			57,875.00	**57,875.00**
44988	COMM	92868RAD0	Redemption	06/20/2025	07/20/2029	CITIGROUP GLOBAL	VOLKSWAGEN		289,834.88		**289,834.88**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
45606	COMM	92348KDZ3	Interest	06/20/2025	03/20/2030	BANK OF AMERICA	VERIZON MASTER			85,683.93	**85,683.93**
45606	COMM	92348KDZ3	Redemption	06/20/2025	03/20/2030	BANK OF AMERICA	VERIZON MASTER		324,237.73		**324,237.73**
45850	COMM	05594BAD8	Interest	06/20/2025	11/20/2029	BANK OF AMERICA	BANK OF AMERICA			27,187.50	**27,187.50**
45850	COMM	05594BAD8	Redemption	06/20/2025	11/20/2029	BANK OF AMERICA	BANK OF AMERICA		128,442.80		**128,442.80**
45933	COMM	362962AD4	Interest	06/20/2025	05/22/2028	DEUTSCHE BANK	GM FIN'CL AUTO			51,429.59	**51,429.59**
45933	COMM	362962AD4	Redemption	06/20/2025	05/22/2028	DEUTSCHE BANK	GM FIN'CL AUTO		488,511.95		**488,511.95**
46090	COMM	16536HTQ4	Purchase	06/23/2025	06/24/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46086	COMM	313385HG4	Purchase	06/23/2025	06/24/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
46087	COMM	313385HG4	Purchase	06/23/2025	06/24/2025	MIZUHO	FHLB DISCOUNT	149,982,499.50			**-149,982,499.50**
46088	COMM	313385HG4	Purchase	06/23/2025	06/24/2025	UBS AG SW	FHLB DISCOUNT	249,970,833.35			**-249,970,833.35**
46089	COMM	5148X0TQ8	Purchase	06/23/2025	06/24/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46091	COMM	63873JTQ3	Purchase	06/23/2025	06/24/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46080	COMM	313385HF6	Redemption	06/23/2025	06/23/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46081	COMM	313385HF6	Redemption	06/23/2025	06/23/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46082	COMM	313385HF6	Redemption	06/23/2025	06/23/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46083	COMM	5148X0TP0	Redemption	06/23/2025	06/23/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46084	COMM	16536HTP6	Redemption	06/23/2025	06/23/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46085	COMM	63873JTP5	Redemption	06/23/2025	06/23/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
41695	COMM	3133ENJC5	Interest	06/23/2025	12/22/2026	ROYAL BANK OF	FFCB NOTES			77,400.00	**77,400.00**
41696	COMM	3133ENJC5	Interest	06/23/2025	12/22/2026	Daiwa Capital Market	FFCB NOTES			77,400.00	**77,400.00**
42109	COMM	3134GXHX5	Interest	06/23/2025	12/23/2026	LOOP CAPITAL	FHLMC NOTES			63,750.00	**63,750.00**
45173	COMM	3133ERP88	Interest	06/23/2025	12/23/2027	LOOP CAPITAL	FFCB NOTES			585,166.67	**585,166.67**
42950	COMM	43815JAC7	Interest	06/23/2025	04/21/2027	CITIGROUP GLOBAL	HONDA AUTO			33,755.29	**33,755.29**
42950	COMM	43815JAC7	Redemption	06/23/2025	04/21/2027	CITIGROUP GLOBAL	HONDA AUTO		800,276.02		**800,276.02**
43617	COMM	438123AB7	Interest	06/23/2025	06/22/2026	JPMorganChase	HONDA AUTO			19,380.61	**19,380.61**
43617	COMM	438123AB7	Redemption	06/23/2025	06/22/2026	JPMorganChase	HONDA AUTO		2,018,605.61		**2,018,605.61**
45785	COMM	24703UAC7	Interest	06/23/2025	07/22/2027	ROYAL BANK OF	DELL EQUIPMENT			23,400.00	**23,400.00**
45785	COMM	24703UAC7	Redemption	06/23/2025	07/22/2027	ROYAL BANK OF	DELL EQUIPMENT		221,636.53		**221,636.53**
46096	COMM	16536HTR2	Purchase	06/24/2025	06/25/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46092	COMM	313385HH2	Purchase	06/24/2025	06/25/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	199,976,777.76			**-199,976,777.76**
46093	COMM	313385HH2	Purchase	06/24/2025	06/25/2025	MIZUHO	FHLB DISCOUNT	149,982,583.50			**-149,982,583.50**
46094	COMM	313385HH2	Purchase	06/24/2025	06/25/2025	UBS AG SW	FHLB DISCOUNT	249,970,972.20			**-249,970,972.20**
46078	COMM	3137BS5N9	Purchase	06/24/2025	07/25/2026	CANTOR	FHLMC	34,534,455.03			**-34,534,455.03**
46095	COMM	5148X0TR6	Purchase	06/24/2025	06/25/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46097	COMM	63873JTR1	Purchase	06/24/2025	06/25/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46086	COMM	313385HG4	Redemption	06/24/2025	06/24/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46087	COMM	313385HG4	Redemption	06/24/2025	06/24/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46088	COMM	313385HG4	Redemption	06/24/2025	06/24/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46089	COMM	5148X0TQ8	Redemption	06/24/2025	06/24/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46090	COMM	16536HTQ4	Redemption	06/24/2025	06/24/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46091	COMM	63873JTQ3	Redemption	06/24/2025	06/24/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
43110	COMM	141781CA0	Interest	06/24/2025	06/24/2026	BARCLAYS CAPITAL	CARGILL INC			225,000.00	**225,000.00**
43118	COMM	141781CA0	Interest	06/24/2025	06/24/2026	MERRILL LYNCH	CARGILL INC			626,625.00	**626,625.00**
46102	COMM	16536HTS0	Purchase	06/25/2025	06/26/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46098	COMM	313385HJ8	Purchase	06/25/2025	06/26/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,971,111.10			**-249,971,111.10**
46099	COMM	313385HJ8	Purchase	06/25/2025	06/26/2025	MIZUHO	FHLB DISCOUNT	149,982,666.00			**-149,982,666.00**
46100	COMM	313385HJ8	Purchase	06/25/2025	06/26/2025	UBS AG SW	FHLB DISCOUNT	249,971,111.10			**-249,971,111.10**
46079	COMM	3137BS5N9	Purchase	06/25/2025	07/25/2026	CANTOR	FHLMC	24,668,380.21			**-24,668,380.21**
46101	COMM	5148X0TS4	Purchase	06/25/2025	06/26/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46103	COMM	63873JTS9	Purchase	06/25/2025	06/26/2025	BANK OF AMERICA	NATIXIS NY	49,994,000.00			**-49,994,000.00**
46092	COMM	313385HH2	Redemption	06/25/2025	06/25/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		200,000,000.00		**200,000,000.00**
46093	COMM	313385HH2	Redemption	06/25/2025	06/25/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46094	COMM	313385HH2	Redemption	06/25/2025	06/25/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46095	COMM	5148X0TR6	Redemption	06/25/2025	06/25/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46096	COMM	16536HTR2	Redemption	06/25/2025	06/25/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46097	COMM	63873JTR1	Redemption	06/25/2025	06/25/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
39654	COMM	3137BP4J5	Interest	06/25/2025	03/25/2026	KEYBANC CAPITAL	FHLMC			6,686.50	**6,686.50**
39654	COMM	3137BP4J5	Redemption	06/25/2025	03/25/2026	KEYBANC CAPITAL	FHLMC		313,032.32		**313,032.32**
40526	COMM	3137BSP64	Interest	06/25/2025	07/25/2026	BOK FINANCIAL	FHLMC			9,442.08	**9,442.08**
40526	COMM	3137BSP64	Redemption	06/25/2025	07/25/2026	BOK FINANCIAL	FHLMC		257,231.60		**257,231.60**
40630	COMM	3138LJWY2	Interest	06/25/2025	10/01/2025	BOK FINANCIAL	FHLMC			29,002.72	**29,002.72**
40630	COMM	3138LJWY2	Redemption	06/25/2025	10/01/2025	BOK FINANCIAL	FHLMC		26,025.16		**26,025.16**
40638	COMM	3137BYLE8	Interest	06/25/2025	10/25/2025	BOK FINANCIAL	FHLMC			14,962.50	**14,962.50**
40638	COMM	3137BYLE8	Redemption	06/25/2025	10/25/2025	BOK FINANCIAL	FHLMC		1,229,579.86		**1,229,579.86**
40784	COMM	3137F72W4	Interest	06/25/2025	09/25/2029	JPMorganChase	FHLMC			2,131.09	**2,131.09**
40784	COMM	3137F72W4	Redemption	06/25/2025	09/25/2029	JPMorganChase	FHLMC		998.68		**998.68**
40812	COMM	3132XFFH6	Interest	06/25/2025	10/01/2025	BOK FINANCIAL	FHLMC			29,837.50	**29,837.50**
40812	COMM	3132XFFH6	Redemption	06/25/2025	10/01/2025	BOK FINANCIAL	FHLMC		9,241,034.33		**9,241,034.33**
40905	COMM	3138LEC33	Interest	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA			19,064.62	**19,064.62**
40905	COMM	3138LEC33	Redemption	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA		15,812.90		**15,812.90**
40983	COMM	3137FF3W5	Interest	06/25/2025	09/25/2027	LOOP CAPITAL	FHLMC			1,100.16	**1,100.16**
40983	COMM	3137FF3W5	Redemption	06/25/2025	09/25/2027	LOOP CAPITAL	FHLMC		68,261.50		**68,261.50**
41131	COMM	3137BYLE8	Interest	06/25/2025	10/25/2025	BOK FINANCIAL	FHLMC			11,250.00	**11,250.00**
41131	COMM	3137BYLE8	Redemption	06/25/2025	10/25/2025	BOK FINANCIAL	FHLMC				**0.00**
41133	COMM	3137FYZG4	Interest	06/25/2025	06/25/2027	JPMorganChase	FHLMC			4,738.92	**4,738.92**
41133	COMM	3137FYZG4	Redemption	06/25/2025	06/25/2027	JPMorganChase	FHLMC		17,442.32		**17,442.32**
41164	COMM	3137FPJ55	Interest	06/25/2025	07/25/2027	INCAPITAL LLC	FHLMC			30,396.56	**30,396.56**
41164	COMM	3137FPJ55	Redemption	06/25/2025	07/25/2027	INCAPITAL LLC	FHLMC		2,517,498.62		**2,517,498.62**
41192	COMM	3137FBAB2	Interest	06/25/2025	08/25/2027	INCAPITAL LLC	FHLMC			11,680.12	**11,680.12**
41192	COMM	3137FBAB2	Redemption	06/25/2025	08/25/2027	INCAPITAL LLC	FHLMC		164,114.50		**164,114.50**
41222	COMM	3137H14A1	Interest	06/25/2025	01/25/2028	JPMorganChase	FHLMC			8,635.81	**8,635.81**
41222	COMM	3137H14A1	Redemption	06/25/2025	01/25/2028	JPMorganChase	FHLMC		352,000.11		**352,000.11**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
41228	COMM	3136AUG21	Interest	06/25/2025	10/25/2026	BOK FINANCIAL	FNMA			35,235.30	**35,235.30**
41228	COMM	3136AUG21	Redemption	06/25/2025	10/25/2026	BOK FINANCIAL	FNMA		115,467.25		**115,467.25**
41319	COMM	3132XFD47	Interest	06/25/2025	11/01/2026	BOK FINANCIAL	FHLMC			27,125.00	**27,125.00**
41319	COMM	3132XFD47	Redemption	06/25/2025	11/01/2026	BOK FINANCIAL	FHLMC		935,831.80		**935,831.80**
41491	COMM	3138LNKZ3	Interest	06/25/2025	06/01/2025	BOK FINANCIAL	FNMA			7,353.81	**7,353.81**
41491	COMM	3138LNKZ3	Redemption	06/25/2025	06/01/2025	BOK FINANCIAL	FNMA		2,482,523.13		**2,482,523.13**
41524	COMM	3133LJAN1	Interest	06/25/2025	11/01/2031	INCAPITAL LLC	FHLMC SINGLE			9,990.46	**9,990.46**
41524	COMM	3133LJAN1	Redemption	06/25/2025	11/01/2031	INCAPITAL LLC	FHLMC SINGLE		198,758.39		**198,758.39**
41525	COMM	3140QMQJ6	Interest	06/25/2025	11/01/2031	INCAPITAL LLC	FNMA SINGLE			9,469.37	**9,469.37**
41525	COMM	3140QMQJ6	Redemption	06/25/2025	11/01/2031	INCAPITAL LLC	FNMA SINGLE		157,245.45		**157,245.45**
41526	COMM	3140XDHF6	Interest	06/25/2025	09/01/2031	INCAPITAL LLC	FNMA SINGLE			17,162.47	**17,162.47**
41526	COMM	3140XDHF6	Redemption	06/25/2025	09/01/2031	INCAPITAL LLC	FNMA SINGLE		292,292.23		**292,292.23**
41675	COMM	3133LPUA3	Interest	06/25/2025	01/01/2032	INCAPITAL LLC	FHLMC SINGLE			15,482.82	**15,482.82**
41675	COMM	3133LPUA3	Redemption	06/25/2025	01/01/2032	INCAPITAL LLC	FHLMC SINGLE		227,462.40		**227,462.40**
41676	COMM	31418EAD2	Interest	06/25/2025	12/01/2031	INCAPITAL LLC	FNMA SINGLE			13,537.31	**13,537.31**
41676	COMM	31418EAD2	Redemption	06/25/2025	12/01/2031	INCAPITAL LLC	FNMA SINGLE		186,014.20		**186,014.20**
41791	COMM	3137FQ3Y7	Interest	06/25/2025	07/25/2029	INCAPITAL LLC	FHLMC			28,160.22	**28,160.22**
41791	COMM	3137FQ3Y7	Redemption	06/25/2025	07/25/2029	INCAPITAL LLC	FHLMC		261,858.80		**261,858.80**
41854	COMM	3138LDLP6	Interest	06/25/2025	04/01/2026	BOK FINANCIAL	FNMA			24,081.66	**24,081.66**
41854	COMM	3138LDLP6	Redemption	06/25/2025	04/01/2026	BOK FINANCIAL	FNMA		17,755.98		**17,755.98**
41892	COMM	3137H6LT0	Interest	06/25/2025	03/25/2027	JPMorganChase	FHLMC			22,514.91	**22,514.91**
41892	COMM	3137H6LT0	Redemption	06/25/2025	03/25/2027	JPMorganChase	FHLMC		76,952.32		**76,952.32**
42039	COMM	3138LCT54	Interest	06/25/2025	01/01/2026	JPMorganChase	FNMA			93,430.56	**93,430.56**
42039	COMM	3138LCT54	Redemption	06/25/2025	01/01/2026	JPMorganChase	FNMA		4,518,578.05		**4,518,578.05**
42046	COMM	3137H73W1	Interest	06/25/2025	04/25/2027	MERRILL LYNCH	FHLMC			14,532.91	**14,532.91**
42046	COMM	3137H73W1	Redemption	06/25/2025	04/25/2027	MERRILL LYNCH	FHLMC		610,137.22		**610,137.22**
42093	COMM	3137F1G44	Interest	06/25/2025	04/25/2027	JPMorganChase	FHLMC			94,587.50	**94,587.50**
42093	COMM	3137F1G44	Redemption	06/25/2025	04/25/2027	JPMorganChase	FHLMC		1,600,940.75		**1,600,940.75**
42099	COMM	3137BXQY1	Interest	06/25/2025	03/25/2027	JPMorganChase	FHLMC			107,466.68	**107,466.68**
42099	COMM	3137BXQY1	Redemption	06/25/2025	03/25/2027	JPMorganChase	FHLMC		1,899,462.47		**1,899,462.47**
42110	COMM	3137F2LJ3	Interest	06/25/2025	06/25/2027	BOK FINANCIAL	FHLMC			90,912.50	**90,912.50**
42110	COMM	3137F2LJ3	Redemption	06/25/2025	06/25/2027	BOK FINANCIAL	FHLMC				**0.00**
42111	COMM	3138LDYK3	Interest	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA NOTES			78,022.17	**78,022.17**
42111	COMM	3138LDYK3	Redemption	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA NOTES		93,969.90		**93,969.90**
42112	COMM	3138LFUJ5	Interest	06/25/2025	10/01/2026	JPMorganChase	FNMA			42,538.89	**42,538.89**
42112	COMM	3138LFUJ5	Redemption	06/25/2025	10/01/2026	JPMorganChase	FNMA		1,222,381.14		**1,222,381.14**
42120	COMM	3136AK2F9	Interest	06/25/2025	08/25/2026	BOK FINANCIAL	FNMA			95,987.88	**95,987.88**
42120	COMM	3136AK2F9	Redemption	06/25/2025	08/25/2026	BOK FINANCIAL	FNMA		59,656.27		**59,656.27**
42133	COMM	3138LD5W9	Interest	06/25/2025	06/01/2026	BOK FINANCIAL	FNMA			32,812.50	**32,812.50**
42133	COMM	3138LD5W9	Redemption	06/25/2025	06/01/2026	BOK FINANCIAL	FNMA		1,181,328.47		**1,181,328.47**
42137	COMM	3138LD5W9	Interest	06/25/2025	06/01/2026	BOK FINANCIAL	FNMA			32,812.50	**32,812.50**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
42137	COMM	3138LD5W9	Redemption	06/25/2025	06/01/2026	BOK FINANCIAL	FNMA				**0.00**
42150	COMM	3137F1G44	Interest	06/25/2025	04/25/2027	BOK FINANCIAL	FHLMC			54,050.00	**54,050.00**
42150	COMM	3137F1G44	Redemption	06/25/2025	04/25/2027	BOK FINANCIAL	FHLMC				**0.00**
42151	COMM	3138LEC82	Interest	06/25/2025	07/01/2026	JPMorganChase	FNMA			44,261.11	**44,261.11**
42151	COMM	3138LEC82	Redemption	06/25/2025	07/01/2026	JPMorganChase	FNMA		1,467,500.76		**1,467,500.76**
42183	COMM	05602RAD3	Interest	06/25/2025	08/25/2026	ROYAL BANK OF	BMW VEHICLE			4,595.11	**4,595.11**
42183	COMM	05602RAD3	Redemption	06/25/2025	08/25/2026	ROYAL BANK OF	BMW VEHICLE		496,017.09		**496,017.09**
42188	COMM	3140HV6S8	Interest	06/25/2025	11/01/2026	JPMorganChase	FNMA			56,575.00	**56,575.00**
42188	COMM	3140HV6S8	Redemption	06/25/2025	11/01/2026	JPMorganChase	FNMA		1,724,832.61		**1,724,832.61**
42205	COMM	3137FMD25	Interest	06/25/2025	04/25/2026	JPMorganChase	FHLMC			47,772.91	**47,772.91**
42205	COMM	3137FMD25	Redemption	06/25/2025	04/25/2026	JPMorganChase	FHLMC		1,720,455.09		**1,720,455.09**
42234	COMM	3138LD5W9	Interest	06/25/2025	06/01/2026	JPMorganChase	FNMA			17,500.00	**17,500.00**
42234	COMM	3138LD5W9	Redemption	06/25/2025	06/01/2026	JPMorganChase	FNMA				**0.00**
42757	COMM	3137FBAJ5	Interest	06/25/2025	08/25/2027	BOK FINANCIAL	FHLMC			29,255.59	**29,255.59**
42757	COMM	3137FBAJ5	Redemption	06/25/2025	08/25/2027	BOK FINANCIAL	FHLMC		403,452.28		**403,452.28**
42758	COMM	3138L5FA3	Interest	06/25/2025	12/01/2025	BOK FINANCIAL	FNMA			27,951.52	**27,951.52**
42758	COMM	3138L5FA3	Redemption	06/25/2025	12/01/2025	BOK FINANCIAL	FNMA		15,826.81		**15,826.81**
42764	COMM	3137BYLD0	Interest	06/25/2025	02/25/2027	BOK FINANCIAL	FHLMC			54,800.00	**54,800.00**
42764	COMM	3137BYLD0	Redemption	06/25/2025	02/25/2027	BOK FINANCIAL	FHLMC		944,146.13		**944,146.13**
42878	COMM	3138LCT54-A	Interest	06/25/2025	01/01/2026	BOK FINANCIAL	FNMA			26,694.44	**26,694.44**
42878	COMM	3138LCT54-A	Redemption	06/25/2025	01/01/2026	BOK FINANCIAL	FNMA		1,248,295.80		**1,248,295.80**
42910	COMM	3138LECC3	Interest	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA NOTES			83,355.56	**83,355.56**
42910	COMM	3138LECC3	Redemption	06/25/2025	07/01/2026	BOK FINANCIAL	FNMA NOTES		2,847,015.68		**2,847,015.68**
42931	COMM	3132CW3F9	Interest	06/25/2025	12/01/2027	MERRILL LYNCH	FHLMC			25,448.51	**25,448.51**
42931	COMM	3132CW3F9	Redemption	06/25/2025	12/01/2027	MERRILL LYNCH	FHLMC		711,543.96		**711,543.96**
42949	COMM	3132XGQ74	Interest	06/25/2025	11/01/2027	BOK FINANCIAL	FHLMC			140,020.52	**140,020.52**
42949	COMM	3132XGQ74	Redemption	06/25/2025	11/01/2027	BOK FINANCIAL	FHLMC		57,270.15		**57,270.15**
43054	COMM	3137FEZT0	Interest	06/25/2025	12/25/2027	BOK FINANCIAL	FHLMC			60,602.41	**60,602.41**
43054	COMM	3137FEZT0	Redemption	06/25/2025	12/25/2027	BOK FINANCIAL	FHLMC		550,217.07		**550,217.07**
43080	COMM	3132XFLM8	Interest	06/25/2025	02/01/2028	BOK FINANCIAL	FHLMC			115,378.55	**115,378.55**
43080	COMM	3132XFLM8	Redemption	06/25/2025	02/01/2028	BOK FINANCIAL	FHLMC		1,025,241.19		**1,025,241.19**
43098	COMM	3140LJKS4	Interest	06/25/2025	01/01/2028	BOK FINANCIAL	FNMA			91,007.96	**91,007.96**
43098	COMM	3140LJKS4	Redemption	06/25/2025	01/01/2028	BOK FINANCIAL	FNMA		797,412.11		**797,412.11**
43105	COMM	30322KAE3	Interest	06/25/2025	07/25/2026	KEYBANC CAPITAL	FREDDIE MAC			17,442.54	**17,442.54**
43105	COMM	30322KAE3	Redemption	06/25/2025	07/25/2026	KEYBANC CAPITAL	FREDDIE MAC		44,326.92		**44,326.92**
43145	COMM	3140LJJN7	Interest	06/25/2025	01/01/2028	BOK FINANCIAL	FNMA			116,043.18	**116,043.18**
43145	COMM	3140LJJN7	Redemption	06/25/2025	01/01/2028	BOK FINANCIAL	FNMA		1,051,742.57		**1,051,742.57**
43162	COMM	3140LHFC9	Interest	06/25/2025	09/01/2027	BOK FINANCIAL	FNMA			75,993.06	**75,993.06**
43162	COMM	3140LHFC9	Redemption	06/25/2025	09/01/2027	BOK FINANCIAL	FNMA		959,969.52		**959,969.52**
43200	COMM	3140LJS23	Interest	06/25/2025	02/01/2028	BOK FINANCIAL	FNMA			89,770.83	**89,770.83**
43200	COMM	3140LJS23	Redemption	06/25/2025	02/01/2028	BOK FINANCIAL	FNMA		823,571.88		**823,571.88**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
43243	COMM	3137FHQ22	Interest	06/25/2025	07/25/2025	BOK FINANCIAL	FHLMC			14,158.64	**14,158.64**
43243	COMM	3137FHQ22	Redemption	06/25/2025	07/25/2025	BOK FINANCIAL	FHLMC		5,041,691.87		**5,041,691.87**
43268	COMM	3140LJX68	Interest	06/25/2025	06/01/2028	BOK FINANCIAL	FNMA			85,468.46	**85,468.46**
43268	COMM	3140LJX68	Redemption	06/25/2025	06/01/2028	BOK FINANCIAL	FNMA		679,805.44		**679,805.44**
43391	COMM	3137FJXQ7	Interest	06/25/2025	08/25/2025	KEYBANC CAPITAL	FHLMC			65,736.90	**65,736.90**
43391	COMM	3137FJXQ7	Redemption	06/25/2025	08/25/2025	KEYBANC CAPITAL	FHLMC		6,545,269.75		**6,545,269.75**
43563	COMM	3140LLCB5	Interest	06/25/2025	07/01/2028	BOK FINANCIAL	FNMA			89,619.91	**89,619.91**
43563	COMM	3140LLCB5	Redemption	06/25/2025	07/01/2028	BOK FINANCIAL	FNMA		610,313.78		**610,313.78**
43597	COMM	3132XGW51	Interest	06/25/2025	07/01/2028	BOK FINANCIAL	FHLMC			53,791.87	**53,791.87**
43597	COMM	3132XGW51	Redemption	06/25/2025	07/01/2028	BOK FINANCIAL	FHLMC		388,781.41		**388,781.41**
43628	COMM	3137BLVK1	Interest	06/25/2025	07/25/2025	JPMorganChase	FHLMC			66,215.01	**66,215.01**
43628	COMM	3137BLVK1	Redemption	06/25/2025	07/25/2025	JPMorganChase	FHLMC		8,260,364.70		**8,260,364.70**
43629	COMM	3132XGVS2	Interest	06/25/2025	06/01/2028	BOK FINANCIAL	FREDDIE MAC			119,787.10	**119,787.10**
43629	COMM	3132XGVS2	Redemption	06/25/2025	06/01/2028	BOK FINANCIAL	FREDDIE MAC		763,201.08		**763,201.08**
43636	COMM	3137HB3G7	Interest	06/25/2025	10/25/2028	BANK OF AMERICA	FHLMC			85,050.00	**85,050.00**
43636	COMM	3137HB3G7	Redemption	06/25/2025	10/25/2028	BANK OF AMERICA	FHLMC		520,850.37		**520,850.37**
43889	COMM	3132XFND6	Interest	06/25/2025	08/01/2028	BOK FINANCIAL	FHLMC			177,070.27	**177,070.27**
43889	COMM	3132XFND6	Redemption	06/25/2025	08/01/2028	BOK FINANCIAL	FHLMC		1,092,368.86		**1,092,368.86**
44063	COMM	3142FFGN1	Interest	06/25/2025	01/01/2029	BOK FINANCIAL	FNMA			158,444.44	**158,444.44**
44063	COMM	3142FFGN1	Redemption	06/25/2025	01/01/2029	BOK FINANCIAL	FNMA		913,742.48		**913,742.48**
44297	COMM	096919AD7	Interest	06/25/2025	02/26/2029	JPMorganChase	BMW VEHICLE			73,383.32	**73,383.32**
44297	COMM	096919AD7	Redemption	06/25/2025	02/26/2029	JPMorganChase	BMW VEHICLE		368,528.11		**368,528.11**
44491	COMM	3136B06Q4	Interest	06/25/2025	04/25/2030	BOK FINANCIAL	FNMA NOTES			19,988.62	**19,988.62**
44491	COMM	3136B06Q4	Redemption	06/25/2025	04/25/2030	BOK FINANCIAL	FNMA NOTES		5,214.02		**5,214.02**
44670	COMM	3138LMNE9	Interest	06/25/2025	03/01/2028	BOK FINANCIAL	FNMA			68,326.59	**68,326.59**
44670	COMM	3138LMNE9	Redemption	06/25/2025	03/01/2028	BOK FINANCIAL	FNMA		24,853.66		**24,853.66**
44805	COMM	313637Q52	Interest	06/25/2025	08/01/2028	BOK FINANCIAL	FNMA			67,812.50	**67,812.50**
44805	COMM	313637Q52	Redemption	06/25/2025	08/01/2028	BOK FINANCIAL	FNMA		604,606.20		**604,606.20**
45059	COMM	3137H74L4	Interest	06/25/2025	04/25/2030	BOK FINANCIAL	FHLMC NOTES			100,111.27	**100,111.27**
45059	COMM	3137H74L4	Redemption	06/25/2025	04/25/2030	BOK FINANCIAL	FHLMC NOTES		15,525.08		**15,525.08**
45093	COMM	3132XKXC6	Interest	06/25/2025	10/01/2029	BOK FINANCIAL	FHLMC NOTES			75,605.55	**75,605.55**
45093	COMM	3132XKXC6	Redemption	06/25/2025	10/01/2029	BOK FINANCIAL	FHLMC NOTES		360,117.22		**360,117.22**
45140	COMM	3132XKXC6-A	Interest	06/25/2025	10/01/2029	BOK FINANCIAL	FHLMC NOTES			37,802.78	**37,802.78**
45140	COMM	3132XKXC6-A	Redemption	06/25/2025	10/01/2029	BOK FINANCIAL	FHLMC NOTES		178,855.29		**178,855.29**
45367	COMM	096924AD7	Interest	06/25/2025	09/25/2029	ROYAL BANK OF	BMW VEHICLE			95,000.00	**95,000.00**
45367	COMM	096924AD7	Redemption	06/25/2025	09/25/2029	ROYAL BANK OF	BMW VEHICLE		452,134.46		**452,134.46**
45492	COMM	3132XKSM0	Interest	06/25/2025	07/01/2029	BOK FINANCIAL	FREDDIE MAC			94,065.62	**94,065.62**
45492	COMM	3132XKSM0	Redemption	06/25/2025	07/01/2029	BOK FINANCIAL	FREDDIE MAC		478,117.47		**478,117.47**
45607	COMM	3137HJ5Z6	Interest	06/25/2025	09/25/2029	BREAN CAPITAL LLC	FHLMC			62,478.30	**62,478.30**
45607	COMM	3137HJ5Z6	Redemption	06/25/2025	09/25/2029	BREAN CAPITAL LLC	FHLMC		2,476.95		**2,476.95**
45681	COMM	3137FMU67	Interest	06/25/2025	05/25/2026	SANTANDER	FREDDIE MAC			27,765.57	**27,765.57**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
45681	COMM	3137FMU67	Redemption	06/25/2025	05/25/2026	SANTANDER	FREDDIE MAC		15,717.16		**15,717.16**
45706	COMM	3137HBPH1	Interest	06/25/2025	01/25/2031	BOK FINANCIAL	FHLMC			21,408.35	**21,408.35**
45706	COMM	3137HBPH1	Redemption	06/25/2025	01/25/2031	BOK FINANCIAL	FHLMC		2,671.38		**2,671.38**
46109	COMM	16536HTT8	Purchase	06/26/2025	06/27/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.33			**-74,990,958.33**
46104	COMM	313385HK5	Purchase	06/26/2025	06/27/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	178,979,415.00			**-178,979,415.00**
46105	COMM	313385HK5	Purchase	06/26/2025	06/27/2025	MIZUHO	FHLB DISCOUNT	99,988,500.00			**-99,988,500.00**
46106	COMM	313385HK5	Purchase	06/26/2025	06/27/2025	UBS AG SW	FHLB DISCOUNT	49,994,250.00			**-49,994,250.00**
46077	COMM	3137HLY48	Purchase	06/26/2025	04/25/2030	JPMorganChase	FHLMC	20,061,126.67			**-20,061,126.67**
46107	COMM	313589HK2	Purchase	06/26/2025	06/27/2025	UBS AG SW	FANNIE MAE	199,977,222.24			**-199,977,222.24**
46108	COMM	5148X0TT2	Purchase	06/26/2025	06/27/2025	BANK OF AMERICA	LANDES	124,985,000.00			**-124,985,000.00**
46110	COMM	63873JTT7	Purchase	06/26/2025	06/27/2025	BANK OF AMERICA	NATIXIS NY	49,993,958.33			**-49,993,958.33**
46098	COMM	313385HJ8	Redemption	06/26/2025	06/26/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46099	COMM	313385HJ8	Redemption	06/26/2025	06/26/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46100	COMM	313385HJ8	Redemption	06/26/2025	06/26/2025	UBS AG SW	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46101	COMM	5148X0TS4	Redemption	06/26/2025	06/26/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46102	COMM	16536HTS0	Redemption	06/26/2025	06/26/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46103	COMM	63873JTS9	Redemption	06/26/2025	06/26/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
46118	COMM	22536JSZ9	Purchase	06/27/2025	01/26/2026	ROYAL BANK OF	CREDIT AGRICOLE	65,000,000.00			**-65,000,000.00**
46116	COMM	16536HTW1	Purchase	06/27/2025	06/30/2025	BANK OF AMERICA	CHESHAM FINANCE	74,972,875.00			**-74,972,875.00**
46111	COMM	313385HN9	Purchase	06/27/2025	06/30/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	249,913,750.00			**-249,913,750.00**
46112	COMM	313385HN9	Purchase	06/27/2025	06/30/2025	MIZUHO	FHLB DISCOUNT	149,948,250.00			**-149,948,250.00**
46113	COMM	313385HN9	Purchase	06/27/2025	06/30/2025	UBS AG SW	FHLB DISCOUNT	149,948,250.00			**-149,948,250.00**
46114	COMM	313589HN6	Purchase	06/27/2025	06/30/2025	UBS AG SW	FANNIE MAE	99,965,916.66			**-99,965,916.66**
46121	COMM	3132XDCK7	Purchase	06/27/2025	05/01/2030	CANTOR	FREDDIE MAC	24,877,161.10			**-24,877,161.10**
46115	COMM	5148X0TW5	Purchase	06/27/2025	06/30/2025	BANK OF AMERICA	LANDES	124,955,000.00			**-124,955,000.00**
46117	COMM	63873JTW0	Purchase	06/27/2025	06/30/2025	BANK OF AMERICA	NATIXIS NY	49,982,000.00			**-49,982,000.00**
46104	COMM	313385HK5	Redemption	06/27/2025	06/27/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		179,000,000.00		**179,000,000.00**
46105	COMM	313385HK5	Redemption	06/27/2025	06/27/2025	MIZUHO	FHLB DISCOUNT		100,000,000.00		**100,000,000.00**
46106	COMM	313385HK5	Redemption	06/27/2025	06/27/2025	UBS AG SW	FHLB DISCOUNT		50,000,000.00		**50,000,000.00**
46107	COMM	313589HK2	Redemption	06/27/2025	06/27/2025	UBS AG SW	FANNIE MAE		200,000,000.00		**200,000,000.00**
46108	COMM	5148X0TT2	Redemption	06/27/2025	06/27/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46109	COMM	16536HTT8	Redemption	06/27/2025	06/27/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46110	COMM	63873JTT7	Redemption	06/27/2025	06/27/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
44378	COMM	3130B1TW7	Interest	06/27/2025	06/27/2028	LOOP CAPITAL	FHLB NOTES			587,722.20	**587,722.20**
46126	COMM	16536HU17	Purchase	06/30/2025	07/01/2025	BANK OF AMERICA	CHESHAM FINANCE	74,990,958.00			**-74,990,958.00**
46127	COMM	313313LG1	Purchase	06/30/2025	09/04/2025	MIZUHO	FFCB DISCOUNT	49,613,166.67			**-49,613,166.67**
46122	COMM	313385HP4	Purchase	06/30/2025	07/01/2025	BARCLAYS CAPITAL	FHLB DISCOUNT	207,976,311.13			**-207,976,311.13**
46123	COMM	313385HP4	Purchase	06/30/2025	07/01/2025	MIZUHO	FHLB DISCOUNT	99,988,611.00			**-99,988,611.00**
46125	COMM	313385HP4	Purchase	06/30/2025	07/01/2025	UBS AG SW	FHLB DISCOUNT	99,988,611.12			**-99,988,611.12**
46124	COMM	313589HP1	Purchase	06/30/2025	07/01/2025	UBS AG SW	FANNIE MAE	149,982,999.99			**-149,982,999.99**
46120	COMM	459058JS3	Purchase	06/30/2025	02/10/2026	BARCLAYS CAPITAL	INTL BANK RECON &	16,637,691.62			**-16,637,691.62**

Investment #	Fund	CUSIP	TransactionType	TransactionDate	MaturityDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40522	COMM	3136G4XZ1	Redemption	06/30/2025	06/30/2025	ROYAL BANK OF	FNMA NOTES		15,000,000.00		**15,000,000.00**
40523	COMM	3136G4XZ1	Redemption	06/30/2025	06/30/2025	ROYAL BANK OF	FNMA NOTES		5,000,000.00		**5,000,000.00**
41016	COMM	912828ZW3	Redemption	06/30/2025	06/30/2025	MERRILL LYNCH	U.S. TREASURY		25,000,000.00		**25,000,000.00**
41062	COMM	912828ZW3	Redemption	06/30/2025	06/30/2025	MERRILL LYNCH	U.S. TREASURY		40,000,000.00		**40,000,000.00**
46111	COMM	313385HN9	Redemption	06/30/2025	06/30/2025	BARCLAYS CAPITAL	FHLB DISCOUNT		250,000,000.00		**250,000,000.00**
46112	COMM	313385HN9	Redemption	06/30/2025	06/30/2025	MIZUHO	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46113	COMM	313385HN9	Redemption	06/30/2025	06/30/2025	UBS AG SW	FHLB DISCOUNT		150,000,000.00		**150,000,000.00**
46114	COMM	313589HN6	Redemption	06/30/2025	06/30/2025	UBS AG SW	FANNIE MAE		100,000,000.00		**100,000,000.00**
46115	COMM	5148X0TW5	Redemption	06/30/2025	06/30/2025	BANK OF AMERICA	LANDES		125,000,000.00		**125,000,000.00**
46116	COMM	16536HTW1	Redemption	06/30/2025	06/30/2025	BANK OF AMERICA	CHESHAM FINANCE		75,000,000.00		**75,000,000.00**
46117	COMM	63873JTW0	Redemption	06/30/2025	06/30/2025	BANK OF AMERICA	NATIXIS NY		50,000,000.00		**50,000,000.00**
40522	COMM	3136G4XZ1	Interest	06/30/2025	06/30/2025	ROYAL BANK OF	FNMA NOTES			55,500.00	**55,500.00**
40523	COMM	3136G4XZ1	Interest	06/30/2025	06/30/2025	ROYAL BANK OF	FNMA NOTES			18,500.00	**18,500.00**
41016	COMM	912828ZW3	Interest	06/30/2025	06/30/2025	MERRILL LYNCH	U.S. TREASURY			31,250.00	**31,250.00**
41062	COMM	912828ZW3	Interest	06/30/2025	06/30/2025	MERRILL LYNCH	U.S. TREASURY			50,000.00	**50,000.00**
41496	COMM	9128287B0	Interest	06/30/2025	06/30/2026	MIZUHO	U.S. TREASURY			234,375.00	**234,375.00**
42104	COMM	9128287B0	Interest	06/30/2025	06/30/2026	MERRILL LYNCH	U.S. TREASURY			328,125.00	**328,125.00**
42345	COMM	59217GFB0	Interest	06/30/2025	06/30/2027	MERRILL LYNCH	MET LIFE GLOBAL			330,000.00	**330,000.00**
45229	COMM	3133ERQ79	Interest	06/30/2025	12/30/2026	BARCLAYS CAPITAL	FFCB NOTES			896,000.00	**896,000.00**
45229	COMM	3133ERQ79	Accr Int	06/30/2025	12/30/2026	BARCLAYS CAPITAL	FFCB NOTES		29,866.67	-29,866.67	**0.00**
		Totals for COMMINGLED POOL						**17,951,257,863.**	**18,624,463,654.**	**26,993,647.55**	**700,199,438.59**
42115	WK	3137F2LJ3	Interest	06/25/2025	06/25/2027	BOK FINANCIAL	FHLMC			2,597.50	**2,597.50**
42115	WK	3137F2LJ3	Redemption	06/25/2025	06/25/2027	BOK FINANCIAL	FHLMC		42,103.08		**42,103.08**
42233	WK	3137BRQK4	Interest	06/25/2025	08/25/2026	BOK FINANCIAL	FHLMC			4,373.33	**4,373.33**
42233	WK	3137BRQK4	Redemption	06/25/2025	08/25/2026	BOK FINANCIAL	FHLMC		130,336.97		**130,336.97**
45066	WK	3140LAUG8	Interest	06/25/2025	01/01/2026	BOK FINANCIAL	FNMA			689.47	**689.47**
45066	WK	3140LAUG8	Redemption	06/25/2025	01/01/2026	BOK FINANCIAL	FNMA		1,666.46		**1,666.46**
		Totals for WORKERS COMP							**174,106.51**	**7,660.30**	**181,766.81**
		Grand Total						**17,951,257,863.**	**18,624,637,760.**	**27,001,307.85**	**700,381,205.40**